1st September, 2020

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Fax: 022-26598237/38

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
PJ Towers, Dalal Street,
Fort, Mumbai - 400 001
Fax: 022-22723121/1278

Company Code: PVR / 532689

Sub: Compliance under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed notice of 25th Annual General Meeting of PVR Limited scheduled to be held on Tuesday, 29th September, 2020 at 3:00 P.M. through Video Conferencing/ Other Audio Visual Means along with Annual Report of the Company for the financial year 2019-20.

This is for your information and records.

Thanking you.

Yours truly
For PVR Limited

PANKAJ DHAWAN
Digitally signed by PANKAJ DHAWAN
Date: 2020.09.01 15:21:50 +05'30'

Pankaj Dhawan
Company Secretary cum Compliance Officer

PVR LIMITED

(CIN: L74899DL1995PLC067827)
Registered office: 61, Basant Lok, Vasant Vihar, New Delhi – 110057
Corporate Office: Block A, 4th Floor, Building No. 9A, DLF Cyber City, Phase-III, Gurugram-122002, Haryana
Email: cosec@pvrcinemas.com, Website: www.pvrcinemas.com
Phone: 0124 4708100; Fax: 0124 4708101

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of PVR LIMITED will be held through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM") Facility, on Tuesday, the September 29, 2020 at 03:00 P.M. to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 - To consider and adopt: (a) the audited standalone financial statements of the Company for the Financial Year ended March 31, 2020, the report of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2020 and the report of auditors thereon.

Item No. 2 - To appoint a Director in place of Mr. Ajay Bijli (DIN 00531142) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 3 – To consider and appoint Ms. Pallavi Shardul Shroff (DIN 00013580) as an Independent Director on the Board of the Company and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013 ("**Act**") read with Regulations 17 and 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations**") and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), read with Schedule IV of the Act, Articles of Association of the Company, Ms. Pallavi Shardul Shroff (DIN 00013580) who was appointed as an Additional Director with the designation of Independent Director of the Company by the Board of Directors of the Company, on the recommendations of the Nomination and Remuneration Committee of the Company, with effect from October 22, 2019, and whose term of office expires at the ensuing 25th Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of five consecutive years, effective October 22, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197, 198 and all other applicable provisions, if any, of the Act and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of SEBI (LODR) Regulations, Ms. Pallavi Shardul Shroff be paid such fees and remuneration as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 4 – To consider and appoint Mr. Anish Kumar Saraf (DIN 00322784) as a Director on the Board of the Company and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 150, 152 and 161 of the Companies Act, 2013 ("**Act**") read with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), read with Schedule IV of the Act, Articles of Association of the Company, Mr. Anish Kumar Saraf (DIN 00322784) who was appointed as an Additional Director by the Board of Directors of the Company, on the recommendations of the Nomination and Remuneration Committee of the Company, with effect from June 8, 2020, and whose term of office expires at the ensuing 25th Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 5– To consider and approve payment of remuneration for Financial Year 2019-20 to Mr. Sanjai Vohra, a Non-Executive Independent Director of the Company and if thought fit, to pass , the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Section 197 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder read with Regulation 17(6)(ca) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the Members of the Company be and is hereby accorded for payment of ₹ 24,00,000/- (Rupees Twenty Four Lakh) towards remuneration for the Financial Year 2019-20 to Mr. Sanjai Vohra, a Non-Executive Independent Director of the Company.

RESOLVED FURTHER THAT Mr. Ajay Bijli – Chairman cum Managing Director, Mr. Sanjeev Kumar – Joint Managing Director and Mr. Pankaj Dhawan – Company Secretary of the Company be and are hereby severally authorised to execute all the documents and to do all such acts and deeds as may be necessary to give effect to this resolution."

Item No. 6– To consider and approve continuation of payment of managerial remuneration to Mr. Ajay Bijli, Managing Director and Chairman of the Company and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") (including any amendment, modification or re-enactment thereof), the rules, regulations, directions, and notifications issued/ framed thereunder and Schedule V thereto, read with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification or re-enactment thereof), the Articles of Association of the Company, and all applicable guidelines and circulars issued by the Central Government from time to time and basis the recommendation of the Nomination and Remuneration Committee at its meeting held on June 5, 2020, and approval by the Board of Directors of the Company at its meeting held on June 8, 2020, consent of the members be and is hereby accorded to continue to pay managerial remuneration (comprising fixed component plus commission) to Mr. Ajay Bijli, Chairman and Managing Director of the Company, on such terms and conditions as were originally approved by the shareholders vide resolution dated July 3, 2018, for each of the financial years from 2019-20 and onwards until the expiry of the tenure of his appointment on March 31, 2023, notwithstanding that (i) the annual remuneration payable to Mr. Ajay Bijli exceeds ₹ 5 crore or 2.5% of the net profits of the Company, whichever is higher; or (ii) the aggregate annual remuneration of all the promoter executive directors of the Company exceeds 5% of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any committee thereof be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

Item No. 7– To consider and approve continuation of payment of managerial remuneration to Mr. Sanjeev Kumar, Joint Managing Director of the Company and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") (including any amendment, modification or re-enactment thereof), the rules, regulations, directions, and notifications issued/ framed thereunder and Schedule V thereto, read with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification or re-enactment thereof), the Articles of Association of the Company, and all applicable guidelines and circulars issued by the Central Government from time to time and basis the recommendation of the Nomination and Remuneration Committee at its meeting held on June 5, 2020, and approval by the Board of Directors of the Company at its meeting held on June 8, 2020, consent of the members be and is hereby accorded to continue to pay managerial remuneration (comprising fixed component plus commission) to Mr. Sanjeev Kumar, Joint Managing Director of the Company, on such terms and conditions, as were originally approved by the shareholders vide resolution dated July 3, 2018, for each of the financial years from 2019-20 and onwards until the expiry of the tenure of his appointment on March 31, 2023, notwithstanding that (i) the annual remuneration payable to Mr. Sanjeev Kumar exceeds ₹ 5 crore or 2.5% of the net profits of the Company, whichever is higher; or (ii) the aggregate annual remuneration of all the promoter executive directors of the Company exceeds 5% of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any committee thereof be and is hereby authorised to do all acts, deeds and things as may be required to effectuate the above resolution."

Item No. 8 – To consider and approve computation of net profits of the Company under Section 198 of the Companies Act, 2013 after disregarding the adjustments made pursuant to Indian Accounting Standard (IndAS) 116 – 'Leases' for determining the remuneration and limits thereof payable to Mr. Ajay Bijli, Chairman and Managing Director of the Company and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") (including any amendment, modification or re-enactment thereof), the rules, regulations, directions, and notifications issued/ framed thereunder and Schedule V thereto, read with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification or re-enactment thereof), the Articles of Association of the Company, and all applicable guidelines and circulars issued by the Central Government from time to time and basis the recommendation of the Nomination and Remuneration Committee at its meeting held on June 5, 2020, and approval by the Board of Directors of the Company at its meeting held on June 8, 2020, consent of the members be and is hereby accorded to pay managerial remuneration (comprising fixed component plus commission) to Mr. Ajay Bijli, Chairman and Managing Director of the Company, on such terms and conditions as were originally approved by the shareholders vide resolution dated July 3, 2018, for each of the financial years from 2019-20 and onwards until the expiry of the tenure of his appointment on March 31, 2023, by taking into account the net profits of the Company computed under Section 198 of the Act after disregarding the adjustments made pursuant to Indian Accounting Standard (IndAS) 116 – 'Leases', for determining the remuneration and limits thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any committee thereof be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

Item No. 9 – To consider and approve computation of net profits of the Company under Section 198 of the Companies Act, 2013 after disregarding the adjustments made pursuant to Indian Accounting Standard (IndAS) 116 – 'Leases' for determining the remuneration and limits thereof payable to Mr.

Sanjeev Kumar, Joint Managing Director of the Company and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") (including any amendment, modification or re-enactment thereof), the rules, regulations, directions, and notifications issued/ framed thereunder and Schedule V thereto, read with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment, modification or re-enactment thereof), the Articles of Association of the Company, and all applicable guidelines and circulars issued by the Central Government from time to time and basis the recommendation of the Nomination and Remuneration Committee at its meeting held on June 5, 2020, and approval by the Board of Directors of the Company at its meeting held on June 8, 2020, consent of the members be and is hereby accorded to pay managerial remuneration (comprising fixed component plus commission) to Mr. Sanjeev Kumar, Joint Managing Director of the Company, on such terms and conditions as were originally approved by the shareholders vide resolution dated July 3, 2018, for each of the financial years from 2019-20 and onwards until the expiry of the tenure of his appointment on March 31, 2023, by taking into account the net profits of the Company computed under Section 198 of the Act after disregarding the adjustments made pursuant to Indian Accounting Standard (IndAS) 116 – 'Leases', for determining the remuneration and limits thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any committee thereof be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

By order of the Board
For **PVR Limited**

Place: Gurugram
Date: August 24, 2020

Pankaj Dhawan
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is enclosed herewith and forms part of this Notice.

2. In view of the prevailing situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movement apart from social distancing, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening of the Annual General Meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Annual General Meeting of the Company is being held through VC / OAVM. The deemed venue for the Annual General Meeting shall be the Registered Office of the Company. In compliance with applicable provisions of the Act read with aforesaid MCA circulars, the 25^{th} Annual General Meeting of the Company is being conducted through Video Conferencing (VC) herein after called as "e-AGM".

3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. Since this Annual General Meeting will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the Annual General Meeting along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the websites of the Company, the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited and that of the Registrar and Transfer Agent, KFin Technologies Private Limited ("KFinTech") at https://evoting.kfintech.com.

6. For the purpose of e-mail of this notice, members of the Company holding shares either in physical form or in de-materialised form as on August 28, 2020, have been considered. Members who have acquired shares after August 28, 2020 and before September 22, 2020 may approach the Company/KFinTech for issuance of the User ID and Password exercising their right to vote by electronic means. A member, who is not holding shares as on the cut-off date i.e. August 28, 2020 should treat this Notice for information purpose only.

7. Queries, if any, regarding accounts may please be sent to the Company Secretary at least 10 days before the date of Annual General Meeting so as to enable the Company to suitably reply.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ("the Act"), the Register of Contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be open for inspection during the e-AGM.

   All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of e-AGM.

   Members seeking to inspect such documents can send an email to the Company.

9. Certificate(s) from Statutory Auditors of the Company certifying that PVR Employee Stock Option Plan(s) are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution(s) of the Members of the Company, will be available for inspection by the Members at the Annual General Meeting.

10. Members holding shares in de-mat/physical form are requested to notify any change in address, bank mandates, if any, and their E-mail ID for dispatch of Annual Reports and all other information, correspondences to the Company's Registrar and Share Transfer Agent- KFinTech, by e-mail at einward.ris@kfintech.com or at their address at Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad - 500032.

11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Depositories/Company for sending soft copies of Annual Report, notice and all other documents issued by Company from time to time.

12. As per the provisions of the Companies Act, 2013, facility for making nomination is available to the members in respect of the shares held by them.

13. Members are requested to note that dividend remaining unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred under Section 124 of the Companies Act, 2013 to the Investor Education and Protection Fund ("**IEPF**"), established under Section 125 of the Companies Act, 2013. Further pursuant to the provisions of Section 124 of the Companies Act, 2013 and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

    It is in the Members interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the investor's account on time.

14. Members who have not yet encashed the dividend warrant(s) from the Financial Year ended March 31, 2013 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agent. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim

shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company up to the Financial Year ended on March 31, 2013 pertaining to final dividend have been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website. Members are requested to contact KFinTech, to claim the unclaimed / unpaid dividends.

15. The relevant details as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on the General Meetings, of the persons seeking appointment/ re-appointment are also attached with this notice. The Company has received relevant disclosures/ consents from the Directors seeking appointment/ re-appointment.

16. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has directed all the listed companies to update Bank Account details and Permanent Account Number (PAN) of the Members holding shares in physical form. Therefore, members, who have not yet updated their details, are requested to send the following documents to KFinTech:

    i. Self-attested copy of PAN card including that of joint Members; and

    ii. An original cancelled cheque of 1st Member (Name of 1st Member should be printed on cheque leaf). If name of 1st Member is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker along with cancelled cheque (Photocopy of cheque will not be accepted/ entertained). Members are also requested to update Email ID for our records and send their consent for receipt of communications by electronic means in accordance with various Circulars issued by the Ministry of Corporate Affairs from time to time.

17. SEBI vide its notifications dated June 8, 2018 and November 30, 2018, mandated that securities of listed companies can be transferred only in dematerialised form effective from April 1, 2019. Accordingly, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialisation, Members holding shares of the Company in physical form are requested to get their shares dematerialised.

18. Shareholders who have not registered their e-mail address and in consequence the Annual Report and Notice of AGM could not be serviced, may temporarily get their email address and mobile number provided with KFinTech, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

19. PROCEDURE FOR JOINING THE e-AGM THROUGH VC / OAVM:

    - The Company will provide VC / OAVM facility to its Members for participating at the e-AGM. For the purpose, the Company has appointed, M/s KFin Technologies Private Limited, Registrar and Transfer Agent, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.

a) Members will be able to attend the e-AGM or view the live webcast at https:// emeetings.kfintech.com by using their e-voting login credentials.

   Members are requested to follow the procedure given below:

   i. Launch internet browser by typing the URL: https://emeetings.kfintech.com.

   ii. Enter the login credentials (i.e., User ID and password for e-voting).

   iii. After logging in, click on "Video Conference" option.

   iv. Then click on camera icon appearing against e-AGM event of PVR Limited, to attend the Meeting.

   v. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.

b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

c) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

d) Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

e) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

f) **AGM Questions prior to e-AGM:** Members who would like to ask questions may log into emeetings.kfintech.com/ and click on "Post your Questions" in the window provided by mentioning the name, demat A/c no./folio number, email id, mobile number. Please note that questions asked by members who hold shares as on cut-off date will only be answered. This option shall commerce at 09:00 a.m. on September 24, 2020 and will available till 05:00 p.m. on September 26, 2020.

g) Members who would like to express their views or ask questions during the e-AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from 09:00 a.m. on September 24, 2020 till 05:00 p.m. on September 26, 2020. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the e-AGM.

h) Up to 1000 Members will be allowed to attend the e-AGM through VC / OAVM on first come first served basis (FIFO). No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

i) Facility to join the meeting shall be opened 15 minutes before the scheduled time of the e-AGM, shall be kept open throughout the proceedings of the e-AGM and shall not be closed till the expiry of 15 minutes after such scheduled time.

j) Members, who need assistance before or during the e-AGM, can contact KFinTech on emeetings@kfintech.com or call on toll free numbers 1800-425-8998 / 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the e-AGM.

- Members attending the e-AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

- Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the e-AGM.

20. PROCEDURE FOR REMOTE E-VOTING:

- Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at Annual General Meeting by electronic means ("**e-voting**"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("**remote e-voting**").

  Further, the facility for voting through electronic voting system will also be made available at the Meeting ("**Poll**") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Poll.

  The Company has engaged the services of KFinTech as the agency to provide e-voting facility.

  The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. Accordingly, the Members can opt for only one mode of voting i.e. remote or polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through ballot will not be considered. The e-voting is open between 9.00 A.M. to 5.00 P.M. from September 26, 2020 to September 28, 2020 (both days inclusive). Members of the Company holding the shares in physical form or in dematerialised form, as on the cut-off date i.e. September 22, 2020 may cast their vote electronically. The Company has appointed Mr. Arun Kumar Gupta, a Practicing Company Secretary based in New Delhi as Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

  The manner of voting remotely by members holding shares in dematerialised mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below:

  i. Open your web browser during the voting period and navigate to https://evoting.kfintech.com.

  ii. Enter the login credentials (i.e., user-id & password) mentioned on the Ballot Form. Your folio DP/Client ID will be your User-ID.

User – ID	For Members holding shares in demat form:- For NSDL :- 8 Character DP ID followed by 8 digits client ID For CDSL :- 16 digits beneficiary ID For Members holding shares in physical form:- Event no. 5532 followed by folio number registered with the Company
Password	Your Unique password is sent via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

  iii. Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
  Members can cast their vote online from 26/09/2020 to 28/09/2020. The e-voting will be dis-enabled at 05:00 p.m. (IST) on September 28, 2020.

  iv. After entering these details appropriately, click on "LOGIN".
  Members holding shares in demat/physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through KFin Technologies Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to

share your password with any other person and take utmost care to keep your password confidential.

You need to login again with the new credentials.

On successful login, system will prompt to select the 'Event' i.e., '**Company Name**'.

If you are holding shares in demat form and had logged on to "https://evoting.kfintech.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.

On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the member do not want to cast, select 'ABSTAIN'.

After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

Corporate/Institutional Members (corporate/Fls/Flls/ Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to aruncs.gupta@gmail.com with copy to evoting@kfintech.com The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no. 5532 "

21. Instructions for Voting during e-AGM:

The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

(i) The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Members shall click on the same to take them to the "instapoll" page.

(ii) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

(iii) Only those Members, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

22. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company and on the website of KFinTech. The result will simultaneously be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Ms. Pallavi Shardul Shroff was appointed by the Board of Directors of the Company ("**Board**"), on recommendation of the Nomination and Remuneration Committee of the Company, as an Additional Director with the designation of an Independent Director on the Board effective from October 22, 2019. Ms. Pallavi holds office up to the date of ensuing 25th Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act 2013 ("the Act") from a shareholder proposing the name of Ms. Pallavi Shardul Shroff for her appointment as an Independent Director on the Board of the Company for term of five years.

In terms of Section 149 of the Act read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules 2014, an Independent Director can hold office for a period of up to five consecutive years and shall not be liable to retire by rotation.

The Company has received from Ms. Pallavi Shardul Shroff (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub section (2) of the Section 164 of the Act; and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of the Section 149 of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations**").

Ms. Pallavi S. Shroff is the Managing Partner of Shardul Amarchand Mangaldas with over 38 years of extensive experience. Her broad and varied representation of public and private corporations and other entities before various national courts, tribunals and legal institutions has earned her national and international acclaim. Ms. Shroff is the Head of the Dispute Resolution practice at the Firm, with an extensive knowledge in matters of litigation and arbitration. She also mentors the Competition Law practice at the Firm and is a member of the Competition Law Review Committee, constituted by the Government of India to ensure that the legislation is in tune with the changing business environment.

Ms. Shroff has been closely involved with some of the largest and most challenging litigation and arbitration matters in India with regard to energy, infrastructure, natural resources, mergers & acquisitions, legislative and policy related matters. She appears regularly in the Supreme Court and High Courts of India, and in arbitrations, mediations and international legal disputes. She is an Alternate Member (India) at the ICC (International Chamber of Commerce) Court of Arbitration.

In addition, Ms. Shroff also regularly advises international and national clients on various aspects of the Competition Act, 2002. She was a key member of the high-powered SVS Raghavan Committee, which contributed to formulating the legal framework for the new Competition law and a draft of the new Competition Act.

Further, Ms. Shroff has been conferred the 'Lifetime Achievement Award' at the Chambers India Awards 2019. She has also been recognised as one of the Most Powerful Women in Indian Business by Business Today (2013-19) and Fortune India for 2018 & 2019. Business World recognised her as the one of 'The Most Influential Women in India' for her exceptional contribution in the field of law.

In the opinion of the Board and the Nomination and Remuneration Committee of the Company, Ms. Pallavi Shardul Shroff fulfils the conditions of appointment as an Independent Director as specified in the Act and Rules made thereunder and the SEBI (LODR) Regulations and is independent of the management. Considering the vast experience and knowledge of Ms. Pallavi Shardul Shroff it will be in the interest of the Company to appoint her as an Independent Director.

In terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, the approval of Members is sought by way of an ordinary resolution for the appointment of Ms. Pallavi Shardul Shroff as an Independent Director for a term of five consecutive years.

A copy of the draft letter for the appointment of Ms. Pallavi Shardul Shroff as Independent Director setting out the terms and conditions is available for inspection as per the details given in the Notes forming part of this Notice.

The Board recommends the ordinary resolution as set out at Item No.3 for your approval.

Ms. Pallavi Shardul Shroff is interested in this resolution to the extent of her appointment as an Independent Director of the Company. No other Director of the Company, Key Managerial Personnel or their relatives is in any way concerned or interested in the proposed resolution.

ITEM No. 4

Mr. Anish Kumar Saraf was appointed by the Board of Directors of the Company ("**Board**"), on recommendation of the Nomination and Remuneration Committee of the Company, as an Additional Director on the Board effective from June 8, 2020 and holds office up to the date of ensuing 25th Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act 2013 ("the Act") from a shareholder proposing the name of Mr. Anish Kumar Saraf for his appointment as a Director on the Board of the Company, liable to retire by rotation.

The Company has received from Mr. Anish Kumar Saraf (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (2) of the Section 164 of the Act.

Anish Saraf is based in Mumbai, joined Warburg Pincus in 2006 and has since been working with the Firm's Indian affiliate. He is involved in the Firm's investment advisory activities in India and evaluates opportunities in Real Estate, Industrial and Consumer sectors in India. He is managing director of Warburg Pincus India Private Limited. Prior to joining Warburg Pincus, Mr. Saraf started his own mild steel manufacturing business. He is a Director of Kalyan Jewelers India Limited, PRL Developers Private Limited, BIBA Apparels Private Limited, Hamstede Living Private Limited and R. Retail Ventures Private Limited. Mr. Saraf holds a Chartered Accountancy degree from the Institute of Chartered Accountants of India and an M.B.A. from the Indian Institute of Management, Ahmedabad.

The Board recommends the ordinary resolution as set out at Item No.4 for your approval.

Mr. Anish Kumar Saraf is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company, Key Managerial Personnel or their relatives is in any way concerned or interested in the proposed resolution.

ITEM NO. 5

The Board of Directors of the Company ("**Board**") had re-appointed Mr. Sanjai Vohra as an Independent Director for a term of five consecutive years, which was approved by the Members of the Company at the 24th Annual General Meeting, held on July 25, 2019.

As per Regulation 17(6)(ca) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI (LODR) Regulations**"), with effect from April 1, 2019, the approval of Members by way of special resolution is required to be obtained every year, in case the amount of remuneration payable to a single non - executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.

The Board has approved payment of Remuneration of ₹ 24,00,000/- (Rupees Twenty Four Lakh) to Mr. Sanjai Vohra, a Non-Executive Independent Director, for the Financial Year 2019-20, out of the total remuneration of ₹ 44.50 Lakh payable/ paid to all the Non-Executive Directors of the Company, out of @1% of net profits of the Company for the Financial Year 2019-20 computed under Section 198 of the Companies Act, 2013.

Mr. Sanjai Vohra is the Chairman of the Audit Committee and Nomination & Remuneration Committee. Mr. Vohra is also a member of CSR Committee, Risk Management Committee as well as Finance Committee of the Company. Being the Chairman of the Audit Committee, the duties and responsibilities of Mr. Vohra have increased manifold. Since the amount of remuneration of ₹ 24 Lakh payable to Mr. Sanjai Vohra for the Financial Year 2019-20 will exceed fifty per cent of the aggregate remuneration payable to all the Non-Executive Directors of the Company put together therefore it is imperative to seek members approval by way of special resolution.

The approval of the Members is being taken to ensure compliance with Regulation 17(6) (ca) of the SEBI (LODR) Regulations.

Accordingly, the approval of the Members of the Company is sought by way of special resolution in terms of Regulation 17(6) (ca) for payment made of the aforesaid remuneration to Mr. Sanjai Vohra in his capacity as the Non-Executive Independent Director of the Company.

The Board recommends the special resolution as set out at Item No. 5 for your approval.

Mr. Sanjai Vohra is concerned or interested in the resolution to the extent of his annual remuneration. No other Director of the Company, Key Managerial Personnel or their relatives, is in any way concerned or interested in the proposed resolution.

ITEM NO(s). 6 and 7

The members of the Company had on July 3, 2018 approved the re-appointments and the payment of managerial remuneration to (i) Mr. Ajay Bijli, Chairman and Managing Director of the Company, comprising annual fixed salary of ₹ 5,49,99,600 plus variable remuneration by way of commission @ 3.90% of net profits of the Company payable annually (with an increment @ 8% per annum of the fixed remuneration) from financial year 2018-19 up to expiry of his term in financial year 2022-23; and (ii) Mr. Sanjeev Kumar, Joint Managing Director of the Company, comprising annual fixed salary of ₹ 3,79,99,200 plus variable remuneration by way of commission @ 2.10 % of net profits of the Company payable annually (with an increment @ 8% per annum of fixed remuneration) from financial year 2018-19 up to expiry of his term in financial year 2022-23.

Subsequently, in terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("**SEBI LODR**") as amended by SEBI (LODR) (Amendment) Regulations 2018, effective from April 1, 2019, the fees or compensation payable to executive directors who are promoters or members of the promoter group, is subject to the approval of the members by special resolution in a general meeting, if (i) the annual remuneration payable to a promoter executive director exceeds ₹ 5 crore or 2.5 % of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such promoter executive directors exceeds 5% of the net profits of the listed entity. Such approval is valid till the expiry of the respective terms of the directors.

At present, Mr. Ajay Bijli and Mr. Sanjeev Kumar are the two promoter executive directors on the Board, and the aggregate annual remuneration payable to Mr. Ajay Bijli and Mr. Sanjeev Kumar for the financial year 2019-20 exceeds 5% of the net profits of the Company, and the aggregate annual remuneration payable to Mr. Ajay Bijli and Mr. Sanjeev Kumar each year for their remaining tenure i.e. up till March 31, 2023 may exceed 5% of the net profits of the Company, and therefore, pursuant to the aforementioned amendment of the SEBI LODR which came into effect after the approval of the shareholders for remuneration payable to Mr. Ajay Bijli and Mr. Sanjeev Kumar was obtained on July 3, 2018, a special resolution of the shareholders is required to continue to pay the originally agreed remuneration to Mr. Ajay Bijli and Mr. Sanjeev Kumar.

Hence, pursuant to the change in law due to the amendment to SEBI LODR and basis the recommendation made by the Nomination and Remuneration Committee in its meeting held on June 5, 2020 and approval of the Board in its meeting held on June 8, 2020, approval of the shareholders of the Company by way of a special resolution is required to pay managerial remuneration (i.e. fixed component plus commission) to Mr. Ajay Bijli and Mr. Sanjeev Kumar for each of the financial years from 2019-20 and onwards until the expiry of their respective tenure on March 31, 2023, on the following terms and conditions as were originally approved by the shareholders vide resolution dated July 3, 2018:

I. Mr. Ajay Bijli - Chairman and Managing Director

A. Remuneration:

Fixed Remuneration

Basic Salary	₹ 30,76,000/- per month
House Rent Allowance or Expenses of Leased Furnished/ Unfurnished Accommodation	₹ 15,07,300/- per month
Total	₹ 45,83,300 per month
There shall be an increment of 8% per annum of fixed remuneration from financial year 2019-20 to financial year 2022-23.	

Variable Remuneration

Commission: Equivalent to 3.90% of the net profits of the Company payable annually.

Provided that the overall remuneration (comprising of fixed remuneration and commission) shall not exceed 5% of the net profits of the Company computed under Section 198 of the Act.

B. Perquisites in addition to the above

(i) Company's contribution towards provident fund and superannuation fund as per the rules of the Company;

(ii) Gratuity- As per the rules of the Company; and

(iii) Two cars- provision of chauffer driven cars for the business of the Company.

C Minimum Remuneration

Where in any financial year during the currency of the tenure of Mr. Ajay Bijli as Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company will continue to pay the aforesaid fixed remuneration of ₹ 45, 83,300 per month (plus an annual hike @ 8% of fixed remuneration) as minimum remuneration, subject to compliance with Section 197 read with Schedule V and all other applicable provisions, if any, of the Act, as amended from time to time.

II. Mr. Sanjeev Kumar- Joint Managing Director

A. Remuneration:

Fixed Remuneration

Basic Salary	₹ 21,25,000/- per month
House Rent Allowance or Expenses of Leased Furnished/ Unfurnished Accommodation	₹ 10,41,600/- per month
Total	₹ 31,66,600/- per month
There shall be an increment of 8% per annum of Fixed Remuneration from financial year 2019-20 to financial year 2022-23.	

Variable Remuneration

Commission: Equivalent to 2.10% of the net profits of the Company payable annually.

Provided that the overall remuneration (comprising of fixed remuneration and commission) shall not exceed 5% of the net profits of the Company computed under Section 198 of the Act.

B. Perquisites in addition to the above

(i) Company's contribution towards provident fund and superannuation fund as per the rules of the Company;

(ii) Gratuity- As per the rules of the Company; and

(iii) One car - provision of chauffer driven car for the business of the Company

C. Minimum Remuneration

Where in any financial year during the currency of the tenure of Mr. Sanjeev Kumar as Joint Managing

Director, the Company has no profits or its profits are inadequate, the Company will continue to pay the aforesaid fixed remuneration of ₹ 31, 66,600 per month (plus an annual hike @ 8% of fixed remuneration) as minimum remuneration, subject to compliance with Section 197 read with Schedule V and all other applicable provisions, if any, of the Act, as amended from time to time.

None of the Directors (except Mr. Ajay Bijli and Mr. Sanjeev Kumar), any other Key Managerial Person(s) of the Company or their relatives are, in any way, concerned or interested in the passing of these resolutions.

The Board recommends the special resolutions as set out at Item Nos. 6 and 7 for your approval.

ITEM NO(s). 8 and 9

The Ministry of Corporate Affairs ("MCA") notified 'Indian Accounting Standard ("Ind AS") 116 – Leases', on March 30, 2019, which is applicable to all annual reporting periods beginning on or after April 1, 2019. Pursuant to this notification, effective from April 1, 2019, the Company has adopted Ind AS 116 for preparation of its financial statements.

Under Ind AS 116, a lessee is required to recognise 'right of use' assets representing its right to use of the underlying leased assets and a lease liability representing its obligation to make lease payments, in its balance sheet. Since the nature of Company's operation requires the Company to sign long term leases (typically 15-20 years) for setting up and operating multiplexes in the country and bulk of the Company's screen additions have been made in last 5 years, the Company being in an initial phase in majority of the lease arrangements, is required to carry an additional charge in the profit & loss account (P&L Account) on account of interest charge on lease liability and amortisation of right of use assets over the lease term which is significantly higher than actual lease rent paid by the Company under the respective lease arrangements.

This additional charge made to the P&L Account of the Company is a notional adjustment pursuant to Ind AS 116 to adequately represent the lease transactions in the financial statements of the Company and it is not an actual expense incurred by the Company in the respective financial year. Such additional charge made to the P&L Account depresses the reported profit before tax (PBT) of the Company and does not reflect the true profitability of the business in a given financial year, which is significantly higher.

For the purposes of determining the managerial remuneration under Section 197 of the Act and the SEBI (Listing Obligations and Disclosure Requirements), 2015, the net profits are determined based on the methodology provided in Section 198 of the Act.

The amount of net profits of the Company (after excluding the notional impact of Ind AS 116) for the financial year 2019-20 computed under Section 198 of the Act is ₹ 273.11 crore as opposed to ₹136.78 crore (after taking into account the impact of Ind AS 116 on the net profits).

The actual revenue and PBT of the Company (after excluding notional impact of Ind AS 116) have grown by 61% and 58%, respectively, in the last 3 years and for the financial year 2019-20 the actual commission due and payable to Mr. Ajay Bijli should be ₹ 7.72 crore in case there is no impact of Ind AS 116 on the net profits as against ₹ 90 lakh in case the impact of Ind AS 116 on net profits is taken into account.

Similarly, the actual commission due and payable to Mr. Sanjeev Kumar should be ₹ 5.74 crore in case there is no impact of Ind AS 116 as against ₹ 2.74 crore in case the impact of Ind AS 116 on net profits is taken into account.

Accordingly, in case the impact of Ind AS 116 is taken into account, the amounts of commission payable to Mr. Ajay Bijli and Mr. Sanjeev Kumar for the financial year 2019-20 will be 87% and 49%, respectively, lesser than the average annual commission paid to them in financial years 2016-17, 2017-18 and 2018-19.

For reference, below is the growth trend of the Company along with the commission paid/payable to Mr. Ajay Bijli and Mr. Sanjeev Kumar for the financial years 2016-17, 2017-18, 2018-19 and 2019-20 (with and without factoring in the impact of Ind AS 116, as applicable with effect from April 1, 2019).

(₹ In Lakh)

Particulars	FY19-20 (With Ind AS 116 adjustment)	FY19-20 (Without Ind AS 116 adjustment)	FY18-19	FY17-18	FY16-17
Revenue	3,32,722	3,32,722	2,77,684	2,27,565	2,06,219
Profit before tax	9,544	23,177	27,240	18,998	14,714
Director's commission:					
Mr. Ajay Bijli	90	772	1,076	523	420
Mr. Sanjeev Kumar	274	574	683	523	420

The Nomination and Remuneration Committee in its meeting held on June 5, 2020 and the Board in its meeting held on June 8, 2020 are of the view that the additional charge made to the P&L Account of the Company pursuant to Ind AS 116 is a notional adjustment, to adequately represent the lease transactions in the financial statements of the Company and is not an actual expense incurred by the Company. The Nomination and Remuneration Committee and the Board also noted that this additional charge made to the P&L Account depresses the reported PBT of the Company and does not reflect the true profitability of the business in a given financial year, which is significantly higher and decided that the impact of Ind AS 116 should be disregarded for the purposes of payment of managerial remuneration under Section 197 of the Act and SEBI LODR. It was recommended that, subject to shareholder approval, the Company continues to pay the managerial remuneration for the entire tenure of appointment of Mr. Ajay Bijli and Mr. Sanjeev Kumar, on the same terms as the shareholder resolution dated July 3, 2018, but by disregarding the impact of Ind AS 116 on calculation of net profits under Section 198 of the Act.

The remuneration package of Mr. Ajay Bijli and Mr. Sanjeev Kumar was approved by the shareholders on July 3, 2018 and it was arrived at after thorough analysis and benchmarking exercise and was structured to reward them by way of a "variable compensation" payable on the net profits of the Company in the form of commission as the Company grows from strength to strength and based on the revenue and real profitability of the business with the intention to link their remuneration to actual profits and performance of the business of the Company. The Board and shareholders had approved managerial remuneration payable to Mr. Ajay Bijli and Mr. Sanjeev Kumar based on the revenue and real profitability of the business with the intention to link their remuneration to actual profits of the business. It was not anticipated that any notional accounting adjustments required to be made due to adoption of any new accounting standards will affect the managerial remuneration payable to them.

Mr. Ajay Bijli has been involved with the Company since its inception in 1997 and under his dynamic leadership, there has been paradigm shift in the overall performance of the Company. He is the pioneer of the concept of multiplex cinemas in India and has transformed the Company from a single multiplex to a market leader in the cinema exhibition business operating 176 properties with 845 screens in 71 cities in India. A strategic and innovative thinker, Mr. Ajay Bijli was named as the "Young Global Leader" for the year 2007 by the World Economic Forum. In the year 2014, Mr. Ajay Bijli was awarded the 'Most Admired Multiplex Professional of the year', in CMO Asia's Multiplex Excellence Awards and the EY Award for fastest transformation of the Company (Media and Entertainment Company Category).

Mr. Sanjeev Kumar has been involved with the Company since its inception in 1997. As the Joint Managing Director, he manages the cinema acquisition and distribution business for the brand. Sanjeev oversees the programming activities of the Company, constant endeavors with Hollywood studios, film distribution, content selection, development & growth strategy, new business opportunities including digital & franchise opportunities, operations and marketing. His experience of over 20 years in the cinema exhibition stretches the full spectrum of the Company's business, propelling PVR to greater heights and redefining the movie watching experience in India, serving approx. 100 million patrons annually.

The overall credit for the success and achievements of the Company for the past several years goes to Mr. Ajay Bijli and Mr. Sanjeev Kumar, as under their guidance and dynamic leadership, the Company has witnessed phenomenal growth both organically and inorganically. Therefore, it is imperative to continue availing their valuable services and leadership particularly in the current COVID-19 pandemic impacted environment to ensure smooth operations and growth of the Company.

The remuneration payable to Mr. Ajay Bijli and Mr. Sanjeev Kumar is commensurate with the substantial increase in the responsibilities they have been entrusted with in relation to managing the affairs of the Company over the past few years.

In light of the aforementioned facts, approval of the members is sought by way of a special resolution to pay such amounts of managerial remuneration (i.e. fixed component plus commission) to Mr. Ajay Bijli and Mr. Sanjeev Kumar, as per the terms and conditions originally approved by the shareholders on July 3, 2018, for the financial year 2019-2020 and onwards until the expiry of their tenure, as determined basis computation of net profits under Section 198 of the Act by disregarding the impact of Ind AS 116 for determination of the remuneration and limits thereof.

The amount of managerial remuneration, computed by disregarding the impact of Ind AS 116, payable to Mr. Ajay Bijli for the financial year 2019-20 is in excess by ₹ 6,81,64,761 upon comparison with the managerial remuneration payable to him by taking into account the impact of Ind AS 116. The amount of managerial remuneration, computed by disregarding the impact of Ind AS 116, payable to Mr. Sanjeev Kumar for the financial year 2019-20 is in excess by ₹ 3,00,01,298 upon comparison with managerial remuneration payable to him by taking into account the impact of Ind AS 116.

None of the Directors (except Mr. Ajay Bijli and Mr. Sanjeev Kumar), any other Key Managerial Person(s) of the Company or their relatives are, in any way, concerned or interested in the passing of these resolutions.

The Board recommends the special resolutions as set out at Item Nos. 8 and 9 for your approval.

By order of the Board
For **PVR Limited**

Place: Gurugram
Date: August 24, 2020

Pankaj Dhawan
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India)

Particulars	Mr. Ajay Bijli	Ms. Pallavi Shardul Shroff	Mr. Anish Kumar Saraf
Director Identification Number (DIN)	00531142	00013580	00322784
Date of Birth (Age)	February 9, 1967 (53 years)	April 22, 1956 (64 years)	October 30, 1977 (42 years)
Date of Appointment	Since inception	October 22, 2019	June 8, 2020
Qualification	B.Com from Hindu College, Delhi University, Completed the Owners President Program at Harward Business School.	1. B.A., Economics Hons. (1976) Lady Shri Ram College, Delhi University 2. M.M.S. (1978) Jamnalal Bajaj Institute of Management Studies, Bombay University 3. LLB (1981) Govt. Law College, Bombay University	Chartered Accountancy from the Institute of Chartered Accountants of India and M.B.A. from the Indian Institute of Management, Ahmedabad
Expertise in specific functional areas	Has 24 years of experience in film exhibition industry. He has pioneered the multiplex concept in India. He is a member of Young Presidents Organisations and is widely recognised as a credible voice for the Indian Film Exhibition Industry.	She is the Managing Partner of Shardul Amarchand Mangaldas & Co. with over 37 Years of extensive experience.	He is involved in the investment advisory activities in India and evaluates opportunities in Real Estate, Industrial and Consumer sectors in India. Prior to joining Warburg Pincus, Mr. Saraf started his own mild steel manufacturing business.
Terms and conditions of appointment	Five years with effect from April 1, 2018 as Chairman cum Managing Director and liable to retire by rotation as Executive Director	Appointed for a period of 5 years, effective October 22, 2019	Liable to retire by rotation
Details of remuneration and remuneration last drawn	As per the details given in the Report on Corporate Governance, forming part of the Annual Report for the Financial Year 2019-20	Ms. Pallavi Shardul Shroff has not drawn any remuneration during the Financial Year 2019-20.	Not Applicable
Directorship held in other companies (excluding foreign companies)	1. PVR Pictures Limited, 2. Priya Exhibitors Private Limited, and 3. Kriros Private Limited.	1. InterGlobe Aviation Limited; 2. Apollo Tyres Limited; 3. Trident Limited; 4. One 97 Communications Limited; 5. Asian Paints Limited; 6. First Commercial Services India Private Limited; 7. Amarchand Towers Property Holdings Private Limited; 8. Baghbaan Properties Private Limited; 9. PSNSS Properties Private Limited; 10. Juniper Hotels Private Limited; 11. Aavanti Realty Private Limited; 12. First Full Services Private Limited; 13. First Universal Virtual International Arbitration Centre Private Limited; 14. UVAC Centre (India) Private Limited; and 15. Amarchand Mangaldas Properties Private Limited	1. Warburg Pincus India Private Limited; 2. Kalyan Jewellers India Limited; 3. PRL Developers Private Limited; 4. Hamstede Living Private Limited; 5. R Retail Ventures Private Limited; and 6. Biba Apparels Private Limited

Particulars	Mr. Ajay Bijli	Ms. Pallavi Shardul Shroff	Mr. Anish Kumar Saraf
Committees membership/ chairmanships held in other companies (excluding foreign companies)	NIL	1. Member of Audit Committee of Juniper Hotels Pvt. Ltd; 2. Member of Audit Committee and Nomination & remuneration Committee of Trident Limited; 3. Member of Risk Management Committee of Asian Paints Ltd.; 4. Member of Audit Committee and Nomination & remuneration Committee of Apollo Tyres Ltd.; and 5. Member of Audit Committee of One97 Communications Ltd.	1. Member of Audit Committee and Nomination & remuneration Committee of Kalyan Jewellers India Limited; 2. Member of Corporate Social Responsibility Committee of PRL Developers Private Limited; and 3. Member of Corporate Social Responsibility Committee of Warburg Pincus India Pvt. Ltd.
Number of shares/Convertible Instrument, either in individual capacity or on a beneficial basis, held in the Company, as on the date of appointment	5,987,205 as on the date of this Notice	NIL	NIL
Membership/ Chairmanships of Committees of the Board	As per the details given in the Report on Corporate Governance, forming part of the Annual Report for the Financial Year 2019-20	NIL	NIL
Relationship with any Director(s), Manager(s) and other Key Managerial Personnel of the Company	None	None	None
Number of Board meetings attended during the Financial Year 2019-20	6 of 6	None	Not Applicable

A FACELIFT FOR US, A MAKEOVER FOR ENTERTAINMENT.

PVR

ANNUAL REPORT 2019-20

Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should the known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

CONTENTS

FIRST INDIAN MULTIPLEX PLAYER TO

- **OPEN 87 SCREENS IN A YEAR**
- **CROSS 800 SCREENS BENCHMARK**

HIGHLIGHTS FOR FY 2019-20

OPERATIONAL

10.2 Crore	34.9%	₹204	₹99	87
Admits	Occupancy	Average Ticket Price (ATP)	Spend Per Head (SPH)	Screens opened

FINANCIAL

₹3,452 Crore	₹614 Crore	18%	₹26.72
Revenue	EBITDA*	EBITDA Margin*	EPS*

* EBITDA, EBITDA Margin and EPS are computed without considering the impact of Ind AS 116 'Leases'.

A FACELIFT FOR US, A MAKEOVER FOR ENTERTAINMENT.

FY 2019-20 was an eventful year for PVR Limited, as we operationalised 87 screens and crossed the 800 screens benchmark. We continue leading the cinematic exhibition market in India, with strong focus on value creation, meticulous planning and seamless execution of our growth strategies. Another exciting milestone for PVR was achieving admissions of 10 Crore+ patrons and PVR Privilege memberships surpassing the proverbial 1 Crore+ mark. These events inspire us to strive more towards providing world-class movie experiences to our audiences with a long-term focus.

The ongoing COVID-19 crisis has caused an unfortunate shutdown of movie theatres across the Globe. As India is experiencing gradual and graded exit from the lockdown, we are confident that once we navigate to the other side of the unprecedented health and economic crisis, there would be a huge pent-up demand for theatrical viewing of movies, as it offers a more immersive experience to the movie lovers. We also believe that the theatrical release is the best way for audiences to recognise the creative ingenuity of filmmakers from India or any other part of the world.

We always look at the big picture beyond short-term challenges, as our patrons continue to repose their faith in our brand.

Corporate Profile

MOVIES FOR ALL

PVR Limited (PVR) is India's largest and most premium film exhibition Company. We pioneered the multiplex revolution in India by establishing the first multiplex cinema in 1997 at New Delhi and continue to lead the market with relentless focus on innovation and operational excellence to democratise big-screen movie experience.

We currently operate a cinema network of 845 screens with over 1.8 Lakh seats, across 176 properties in 71 cities in India and Sri Lanka, delighting over 10 Crore patrons annually

LEADING THE INDIAN FILM EXHIBITION MARKET

#1 IN TERMS OF

No. of Screens I
Admissions I Operating Revenues

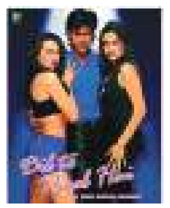
HIGHEST IN INDIAN MULTIPLEX MARKET IN TERMS OF

Occupancy % I Spend Per Head (SPH) I
Average Ticket Price (ATP) I Revenue per screen I
EBITDA per screen I
Screens opened in a Financial Year

MILESTONES

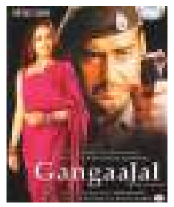
1997

Opened first cinema in Delhi



2003

Received first private equity investment

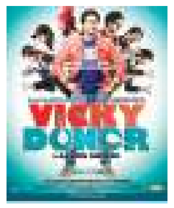


2006

Listed on the stock exchanges

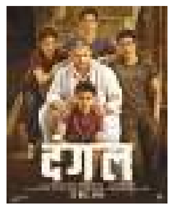
2012

Acquired Cinemax Cinemas



2016

- Acquired DT Cinemas
- Crossed over 500 screens

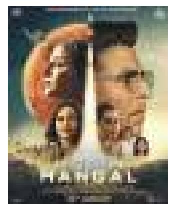


2018

- Acquired SPI Cinemas
- Crossed over 700 screens

2019

- Crossed over 800 screens
- Raised ₹ 500 Crore through qualified institutional placement
- Expanded footprints in Sri Lanka



2020

Raised ₹ 300 Crore through Right issue (Subscribed more than 2 times)

Brand Portfolio

DELIGHTING DISCERNING AUDIENCES

Our customer centricity and focus on innovative formats for enhancing customer delight is reflected in our strong brand loyalty and augmented brand recall and recognition. We are determined to offer truly memorable movie experiences for our patrons.

PVR ICON

THE ICON OF CINEMA

PVR ICON is a cinema experience for the connoisseurs-a perfect blend of beauty, magnificence and comfort. It is where soothing design creates an exquisite architecture of dreams and opulence tangles with innovation. It's where the truly discerning are indulged with grandeur and welcomed with resplendent luxury.

PVR SUPERPLEX

A DREAM DESTINATION FOR MOVIE LOVERS

Superplex as a concept pre-empts all possible needs of cinema goers with a 12 or more screen cinema offering cherry-picked cinema formats from across the world under one roof. Superplex is specially designed to overawe customers with the sheer space, technology, aesthetics and functionality. It is PVR's earnest desire to become the talk of the town with this novel concept. The project is not only destined to attract massive footfalls from cinema lovers for but even from non cinema-goers.

PVR utsav

UTSAV is a celebration of the finest cinema experience for smaller towns. A brand especially designed to match their rising aspirations and literally taking the entire country to the movie.

PVR 4DX

ABSOLUTE CINEMA EXPERIENCE

4DX changes the cinematic paradigm from just 'watching' to 'experiencing'. The revolutionary realistic effects stimulates all five senses with high-tech motion seats and special effects including wind, fog, lightning, bubbles, water, rain and scents, in both 2D and 3D formats. These effects work in perfect synchronicity with the action on screen - creating the most un-missable and exhilarating cinematic experience yet. Movies are no longer confined to the screen, 4DX draws you into the movie as if you're living inside its world.

PVR PLAYHOUSE

PVR'S UNIQUE KIDS AUDITORIUM

PVR Playhouse is a dream world created by the kids, for the kids. An auditorium designed to bring excitement for kids with colourful interiors, characters on walls, in-audi slide, playful seating and a special kids menu that make this the ultimate move going destination for kids. Playhouse also serves as a perfect venue for birthday parties and other kids' hangout.

PVR Director's Cut

The Luxury arm of PVR, blends the best in high-end hospitality and entertainment. Spread across ultra-plush auditoriums featuring 3D-enabled projection technology, world class surround sound, fully reclaimable armchairs complete with pillow and blankets, personal attendant call system and an exciting in-seat food and beverage menu. It comes with a live kitchen serving gourmet food. Also, it is complemented by Simply Sushi- A Japanese speciality serving and eclectic range of Sushi and Japadogs.

PVR IMAX®

THE WORLD'S MOST IMMERSIVE MOVIE EXPERIENCE

Movies are watched. But seeing a movie in an IMAX® theatre is so much more. It is what we call - The IMAX Experience®. Every element in the IMAX theatre is planned, designed and positioned with exacting standards to create the most intense experience. This science is our theatre geometry, and it ensures movie magic every time the lights go down.

IMAX is an entertainment experience so real you feel it in your bones, so magical it takes you places you have never been; so all-encompassing you're not just peeking through the window, but part of the action. IMAX draws you into something as close to reality as you have ever experienced.

IMAX WITH LASER

The IMAX with Laser experience is set apart by its next-generation 4K laser projection system which features a new optical engine and a suite of proprietary IMAX technologies that deliver increased resolution, sharper and brighter images, deeper contrast as well as the most distinct, exotic colours ever available on-screen.

PVR Onyx

LED SCREEN CINEMA

A next generation of cinema technology, offering a projector-less movie going experience by bringing the visual power of LED picture quality to the big screen. The sensation of watching a movie on the backlit cinema LED screen – with its High Dynamic Range (HDR) picture quality and infinite contrast ratio, is unlike anything experienced before. That offers the audience a detail-rich and vivid cinema experience.

PVR LUXE

A CINEMATIC GAME CHANGER IN LUXURY CINEMA

PVR LUXE indulges your senses by pushing the boundaries of a superlative cinema experience to its very zenith, with a selection of gourmet food, well-appointed interiors and premium amenities that sets a new benchmark for luxury cinema.

PVR P[XL]

PREMIUM LARGE SCREEN CINEMA FOR AN ENIGMATIC EXPERIENCE

Experience a world of heightened realism at P[XL]. These auditoriums are equipped with extra - large screens, state of the art Dual 4K or RGB laser projection systems and advanced Dolby Atmos sound to bring alive every little detail of the movie. Each element in a P[XL] auditorium is designed to create an impact - mind-blowing images, powerful sound and the most realistic and in-your-face 3D to make your movie going experience truly extra-large.

PVR D-BOX

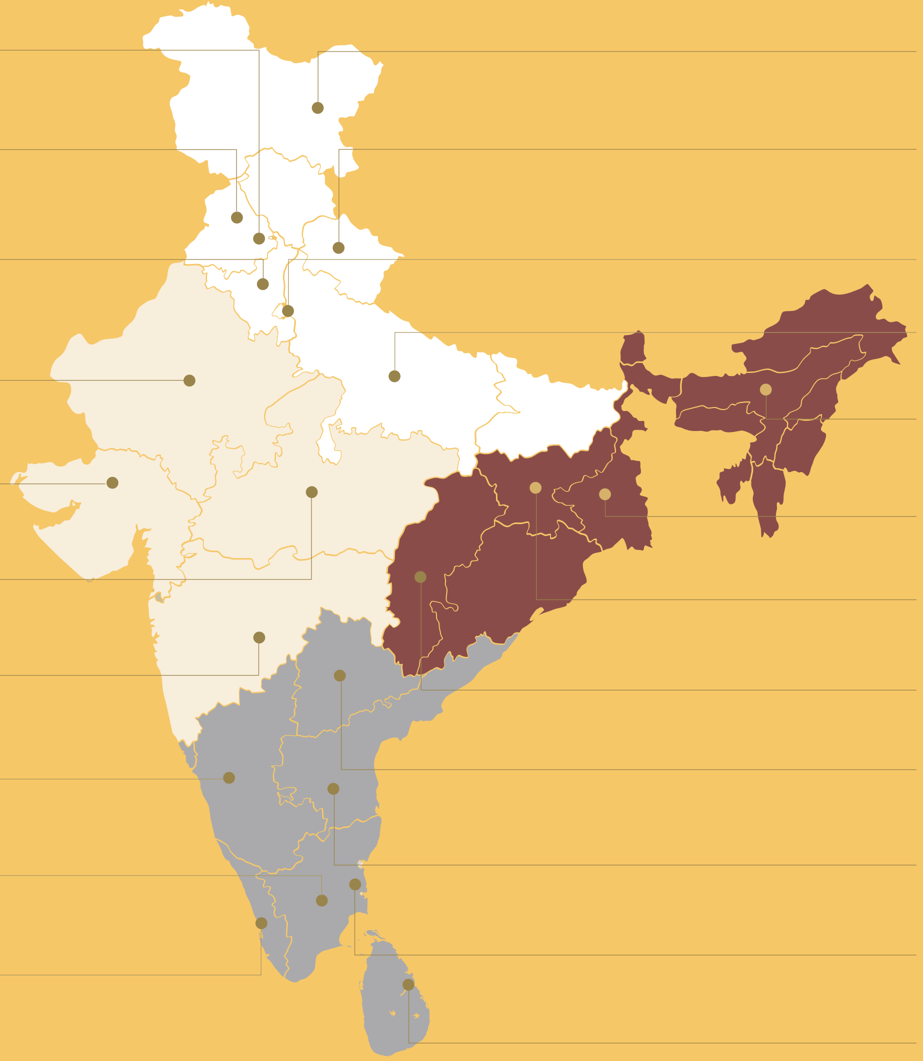
D-Box redefines and creates hyper-realistic, immersive entertainment experiences by moving the body and sparking the imagination through motion. Its technology applies an algorithm or a code to sounds and motion in a film which translates into the haptic feedback offered by D-Box motion seats. The D-Box seats will move in sync with the film and respond to every 'thud', 'boom' and allegedly, even less blaring sounds.

PVR SAPPHIRE

A New cinema format by PVR, that serves as a bridge to Luxury for a smarter movie watching experience. It fits between premium mainstream & the Luxury format, with comfort and exclusivity at its core. The Sapphire experience is designed around offering more comfort with new seating and extra leg room between seats, to add to that a bouquet of special food offering and a dedicated staff for a more personalised service is offered.

Geographic Presence

ENLARGING THE BIG PICTURE NATIONALLY



	Cinemas	Screens
Chandigarh	3	15
Punjab	10	53
Haryana	9	32
Rajasthan	3	10
Gujarat	14	65
Madhya Pradesh	4	18
Maharashtra	40	165
Karnataka	15	103
Tamil Nadu	13	83
Kerala	3	15
Jammu & Kashmir	1	2
Uttarakhand	1	5
Delhi	17	68
Uttar Pradesh	16	79
Assam	2	7
West Bengal	4	16
Jharkhand	2	7
Chhattisgarh	4	17
Telangana	11	62
Andhra Pradesh	2	9
Puducherry	1	5
Colombo	1	9

Cinemas | Screens

North | West | South | East

Note: Map not to scale

OVERALL

845
Screens

South	West	North	East
286	258	254	47
34%	30%	30%	6%

PREMIUM SCREEN FORMATS

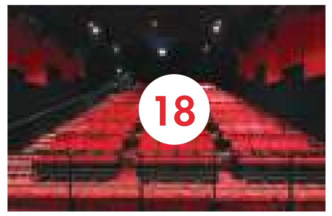
94
Premium Screens

11%
of total screen portfolio

Gold Class/Luxe

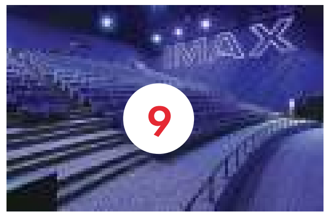
DC

4DX

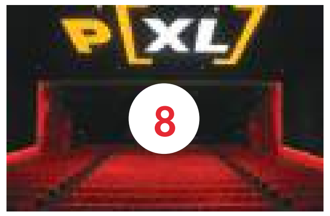


Playhouse

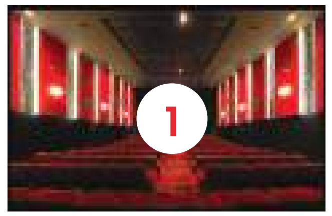
IMAX



P[XL]



Onyx



Sapphire

No. of screens
% of total screens

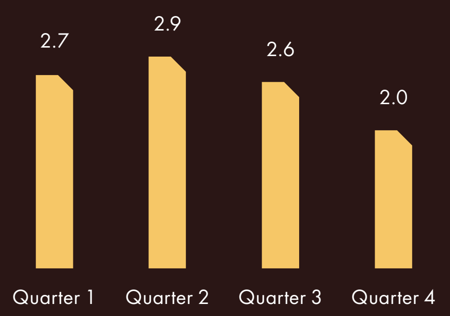
Highlights of the Year

BREAKING NEWS OF THE YEAR

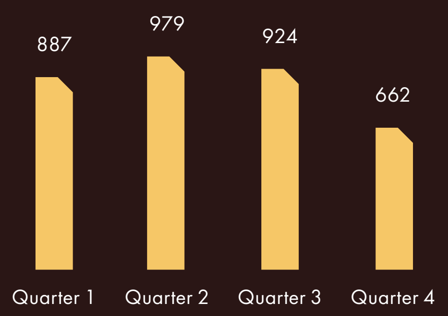
- 87 SCREENS OPENED - HIGHEST SCREEN OPENINGS IN A FINANCIAL YEAR BY ANY INDIAN MULTIPLEX OPERATOR
- TOTAL SCREEN COUNT CROSSED 800
- TOTAL ADMITS CROSSED 10 CRORE
- TOTAL LOYALTY MEMBERS CROSSED 1 CRORE
- RAISED EQUITY OF ₹ 500 CRORE THROUGH QIP
- PVR TICKETING INVENTORY AVAILABLE ON 'AMAZON'
- EXPANDED OPERATIONS BEYOND INDIAN BORDERS TO SRI LANKA
- SPI CINEMAS TOTALLY INTEGRATED WITH PVR
- IMPLEMENTED IND AS 116 'LEASES' w.e.f APRIL 01, 2019
- APPOINTED MS. PALLAVI SHARDUL SHROFF AS ADDITIONAL INDEPENDENT DIRECTOR TO COMPANY'S BOARD
- REBRANDED PVR
- INTRODUCED THE 'EVERY SEAT HAS A STORY' CAMPAIGN TO ENGAGE MORE WITH AUDIENCES
- PVR'S ANNUAL REPORT FOR FY 2018-19 HAS RANKED 17TH GLOBALLY (2ND IN INDIA) BY LEAGUE OF AMERICAN COMMUNICATIONS PROFESSIONALS (LACP)
- COVID-19 STRIKES - LEADING TO CLOSURE OF CINEMAS ACROSS THE GLOBE

Quarterly Performance FY 2019-20

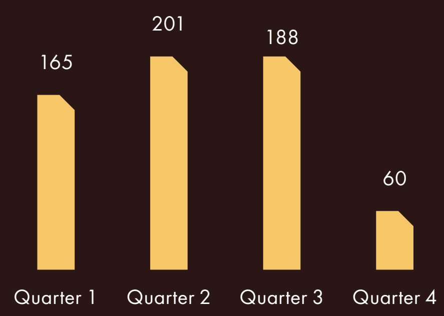
ADMITS (NOS. IN CRORE)



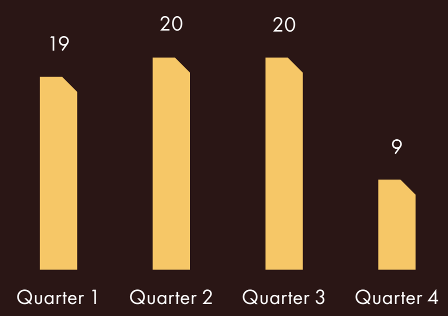
REVENUE (₹ IN CRORE)



EBITDA* (₹ IN CRORE)



EBITDA MARGIN* (%)



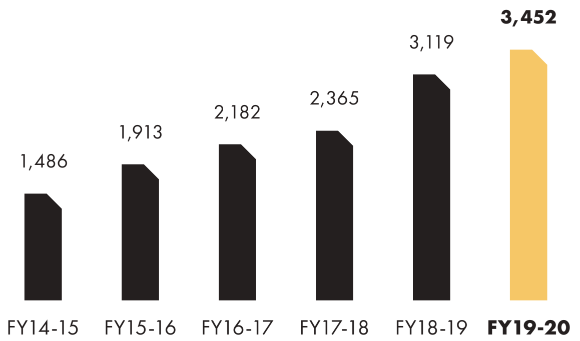
* EBITDA and EBITDA Margin are computed without considering the impact of Ind AS 116 'Leases'.

Key Performance Indicators

EXECUTING STRATEGIES WITH LONG-TERM FOCUS

REVENUE

(₹ IN CRORE)



Y-O-Y GROWTH 11%

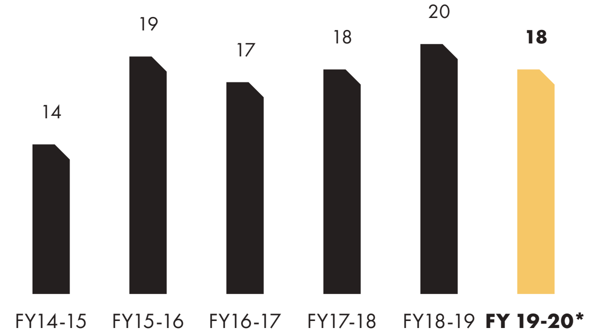
5 YEAR CAGR 18%

Generated double digit revenue growth on both Y-O-Y and CAGR (5-year) basis, with FY19-20 revenue at ₹ 3,452 Crore

EBITDA MARGIN*

(%)

EBITDA Margin declined by 2% on Y-O-Y basis



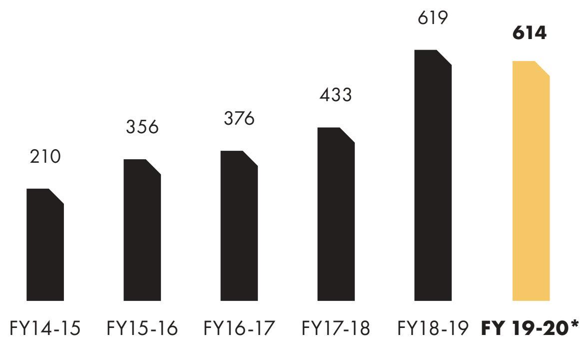
Y-O-Y DECLINE 2%

* EBITDA Margin is computed without considering the impact of Ind AS 116 'Leases'.

EBITDA*

(₹ IN CRORE)

Reported 5-year CAGR of 24% with FY19-20 EBITDA at ₹ 614 Crore.



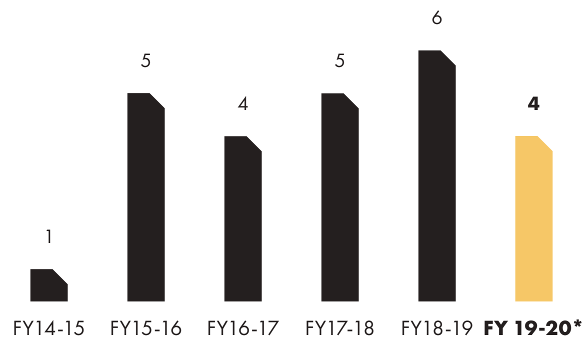
Y-O-Y DECLINE 1%

5 YEAR CAGR 24%

* EBITDA is computed without considering the impact of Ind AS 116 'Leases'.

PAT MARGIN*

(%)



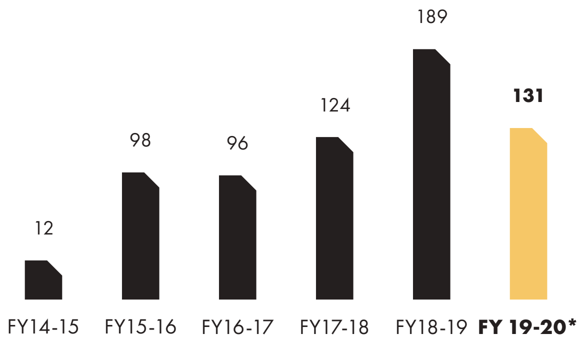
Y-O-Y DECLINE 2%

PAT Margin declined by 2% on Y-O-Y basis

* PAT Margin is computed without considering the impact of Ind AS 116 'Leases'.

PAT*

₹ (IN CRORE)



Y-O-Y DECLINE 31%

5 YEAR CAGR 61%

Our Profit After Tax (PAT) generated a 5-year CAGR of 61% and stood at ₹ 131 Crore during FY 19-20.

* PAT is computed without considering the impact of Ind AS 116 'Leases'.

PROFIT AND LOSS ACCOUNT SUMMARY

₹ (IN CRORE)

Particulars	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	
						Without considering impact of Ind AS 116 'Leases'	Reported
Revenue	1,486	1,913	2,182	2,365	3,119	3,452	3,452
EBITDA	210	356	376	433	619	614	1,114
EBITDA Margin (%)	14%	19%	17%	18%	20%	18%	32%
PAT	12	98	96	124	189	131	27
PAT Margin (%)	1%	5%	4%	5%	6%	4%	1%

CMD's and JMD's Statement

A YEAR OF MANY FIRSTS

FY 2019-20, was marked with a lot more exciting milestones than we have had before, in any single financial year. During the year, we forayed into international market, with the launch of our first property in Sri Lanka. The year also saw us becoming the first Indian entertainment exhibitor to cross the 800 screens milestone.

87

Screens added during FY 2019-20 to our portfolio

₹3,452 Crore

Total income for FY 2019-20, up 11% vs. last year

Dear Shareholders,

As we begin this letter, we hope everyone is healthy, strong and safe during these unprecedented times. The environment that we are operating in today is one that no one could have predicted at the beginning of the year. And on behalf of PVR, our hearts go out to all those affected by the COVID-19 pandemic. Our thoughts are especially with those who are sick, who are constrained in such times with less than ideal living situations and with all those heroes, who are at the frontline of this fight against the Coronavirus.

PVR had an excellent FY 2019-20, attaining record screen additions, the highest in the Industry by any multiplex player ever and crossing the 10 Crore patron mark during the year. We could not have accomplished this feat without the trust and support from our loyal patrons and the devotion of our employees and partners, who have strived hard to ensure our guests have an unforgettable experience.

FY 2019-20, was marked with a lot more exciting milestones than we have had before, in any single financial year. During the year, we forayed into international market with the launch of our first property in Sri Lanka. The year also saw us becoming the first Indian entertainment exhibitor to cross the 800 screens milestone. Soon thereafter, we introduced India's first D-BOX motion seat technology at PVR ICON, Mumbai and at PVR Select City Walk, Delhi. PVR's relentless efforts to redefine customer experience resulted in our premium formats to now constitute greater than 10% of our portfolio.

Our top priority remains providing best-in-class experience to our patrons. In line with this stated goal, we continued introducing latest technologies and formats for our discerning audiences. During the year, we introduced Imax Laser with 12 channel sound system that produce vibrant and sharper image and enthral the audience with experience of a new kind of powerful, immersive sound that they can feel. We also added PVR Sapphire, a new premium category, to our cinema offerings that will have best-in-segment theatrical technologies along with F&B menu like Bento & Bowl, a dedicated box-office and personalised hospitality service on request. Continuing with the tradition of delighting patrons with offerings that are unique to the industry, we introduced the concept of PVR Home, a private screening room concept that brings together movies and their makers at the same platform.

The current crisis has underscored the need and importance of having customer-focussed digital competencies and as you know, this has been a key focus area for us since the last few years. We are pleased to share that 'PVR Privilege', our loyalty programme has crossed one crore members this year, a 3x jump from last year, and is now one of the leading loyalty programmes in the country. This also means, we now have the capability to know our customers better, generate deeper insights into their preferences, customise our engagements with them, and pivot our customer experience according to their evolving tastes. PVR Privilege delivers a great omni-channel loyalty experience to our patrons across platforms viz. Desktop, App, Offline, and even through partner platforms.

Encouraged by the success of our customer-centric initiatives, we continue with our rapid expansion plans across regions and tiers, making us the leader in the Indian multiplex segment, with the highest number of screen additions. We added 87 screens this year to our portfolio and closed the year with 845 screens across 71 cities in in India and Sri Lanka. Our screen addition reflects our conviction in the potential and strength of the business model of the Company.

During the year, we generated ₹3,452 Crore of Revenue, up 11% vs that of last year. Our EBITDA margins (excluding IND AS-116) stood at 18% vs 20% last year. We are reporting these strong results even with the impact of the COVID-19 pandemic, which decimated our revenues for at least half of March to zero. Even though the next financial year is going to be severely impacted on account of COVID-19, our performance for FY 2019-20 gives us great optimism on how we view long-term health and growth of PVR, after we emerge from this crisis.

We are also more pleased with our performance this year, since this elevates the strength, spread and reach of our business as we prepare for the unprecedented challenges for FY 2020-21.

As we mentioned before, FY 2020-21 has started with the impact from COVID-19. The exceptional steps adopted by governments across the globe to contain the spread of the COVID-19 virus have upset many aspects of our social lives, including how we watch cinema. Our top priority during such times was to protect the health and safety of our patrons, our employees and their families. Therefore, keeping that in mind, we started shutting down our cinemas even before a nationwide lockdown was announced by the government.

While we have responded to the immediate crisis through preserving cash, raising capital with a rights issue of ₹ 300 Crore, liquidity management and stringent cost-cutting measures, the impact from COVID-19 is going to last for a longer time. It is very difficult to predict on how the situation with respect to COVID-19, will evolve over the next few months and how soon customers will feel confident enough to step out of their homes and start visiting shopping malls, restaurants and cinemas. We have embraced the highest safety standards in the industry across all our theatres in order to deliver a safe and contactless cinema viewing experience.

Even as you read, several states have taken their first steps toward returning to some degree of normalcy. We are working with state governments, apprising them of the safety measures that we are taking and sharing with them our plans to reopen.

Lastly, we would like to say that we have been recession resistant in the past, and have endured many crises. With all the love we have received from our cinema-going audience, our data driven capabilities, best-in-class experience, focus on innovation and keen attention to delighting our customers, we will emerge stronger from this recession as well.

Stay healthy, strong and safe!

Thank you

Ajay Bijli
Chairman and Managing Director

Sanjeev Kumar
Joint Managing Director

CEO's Message

BRINGING SMILES... ENTERTAINING INDIA

It was the first time in our more-than-two-decade history that we witnessed over 10 Crore patrons entering our premises in a year.

LARGEST MULTIPLEX IN CAPITAL CITY

12-screen Superplex opened in Delhi

DELIVERY OF F&B OFFERINGS

Through Swiggy and Zomato

Dear Shareholders,

These are extraordinary times.

Our hearts go out to everyone affected by COVID-19. We are immensely grateful to the first responders and medical professionals, who continue to risk their lives every day to keep us safe. They are the true heroes of this crisis, and their valiant actions are an inspiration to us all.

As always, our first responsibility during these uncertain times is the health and safety of our employees and their families. We are in constant touch with all our employees and continue to reassure them that every one of us will overcome this together as one strong family. In addition to its everlasting impact on human life, COVID-19 has created a tidal wave of disruption which has affected nearly every business, in every country around the world.

What a year 2019-20 turned out to be!

Till the beginning of March 2020, it was truly a blockbuster year as, on one side, we crossed the barrier of serving over 10 Crore patrons within our circuit, however in the last 20 days of the year, we were the most affected by the COVID-19 pandemic. Our industry has been hit severely, and was the very first industry to close down in order to safeguard its patrons and employees. Having said that, our belief in our proposition has been rock solid and the pandemic has not dampened our spirits. Although we wait for the situation to improve, we are most certain that once we re-open we would continue to enjoy the same love and affection from our millions of consumers.

The current situation brings with it a sense of déjà vu as well, as earlier, we were written off by many, be it at the time of introduction of cable TV, the rise of video-on-demand and DVDs, the T-20 cricket phenomenon or even the advent of OTT. Over the years, cinema as an entertainment category and the brand PVR, both have, stayed relevant. We have stood strong and emerged as a winner in each of the occasions. PVR has always led the change and managed to transcend movie viewing to a holistic out-of-home entertainment experience. When asked in what business we are in, our reply has always been that we are in the business of 'bringing smiles'. We have always benchmarked ourselves among the very best in the Out of Home entertainment industry and will continue to create new standards.

Let me start by highlighting a few feats of the year that has been FY 2019-20.

Having changed the face of entertainment for the last two decades, we have now changed the face of our brand. We decided to evolve our brand identity, the 'PVR Cinemas' logo. The 'V' will be the visual symbol of our brand as it has always been the most pronounced feature of our logo identity. We felt that we could remove the word 'cinemas' from the logo as the brand is synonymous with the category. We have also unboxed the logo for vibrancy and also to give it a more fluidic expression of dynamism, youthfulness and a modern avatar.

At the cinema level, it was the first time in our more-than-two-decade history that we witnessed over 10 Crore patrons entering our premises in a year. This was fuelled by our ever-expanding presence in the country. Till the time COVID-19 hit India, we had opened 14 properties with 87 screens and we were on track to achieve our target of opening 100 screens in the financial year. Our aim to provide entertainment to every single consumer in India entered into new markets such as Gorakhpur, Amritsar, Sri Ganganagar and Zirakpur.

2019 was the year when we took our first step towards an International expansion with the opening of the 9-screen and 1,176 seater multiplex in Colombo, PVR Lanka. With the influence of an International architect and design team, PVR Lanka is designed with contemporary flair, blended with local influences and integrated with modern technological solutions for a superior cinematic experience. The property has two of our premium formats, PVR LUXE and PVR Playhouse.

We also launched the largest multiplex in Delhi, PVR Vegas in Dwarka, a 12 screen SUPERPLEX, with multiple formats of IMAX, 4DX, Playhouse and LUXE, with a total of 1,833 seats.

Like every year, FY 2019-20 was a year of setting new standards in the industry

We crossed ₹1,000 Crore of annual gross F&B sales. We enriched our F&B portfolio by focusing on three key areas: offering our patrons gourmet selection not traditionally found in cinemas, providing innovative and convenient ways of ordering and enhancing service for our consumers and augmenting that with highest possible service standards.

The gourmet menu inspired by Indian flavours and grains to offer a holistic and a memorable meal was specially curated by our celebrity MasterChef Sarah Todd. In addition to our mainstream operations, we started the pilot to offer our own F&B menu as a part of 'Online Home Delivery', with all the leading delivery players in the segment.

Media Sales was in line to touch ₹ 400 Crore plus revenues till the pre-COVID-19 period. The combination of prevailing clients and the influx of new clients from various industries propelled us to leave behind the industry growth rates and set new yardsticks for ourselves. The year saw most of the leading brands in India showcase their presence at our cinemas through various creative ideas and solutions, further establishing the fact that high footfalls are not only restricted to few blockbusters, but they are a year-round perennial occurrence.

Our loyalty programme, PVR Privilege, the first-ever in the multiplex industry, had a stellar year with an accrual over 1 Crore members, a growth of 3X. It was awarded the 'Best Loyalty programme in the service sector' at the Customer Fest show India. Post re-opening, our focus would be to promote the right reward to the right customer, at the right time, with new features in the programme, new product launches and partner integration, and outright exclusive deals for our members.

To celebrate our audience for over two decades, we decided to launch a brand film across traditional, digital and social media, a first for a movie exhibitor in India, 'Every Seat has a story'. The film with an affable tagline celebrates the stories of the patrons, sharing a million emotions from inside the cinema theatres. We wanted to reiterate our focus on the consumer and their experiences and it is they who drive us, guide and encourage us, to do better and push the envelope, and explore new things.

In line with being the pioneers of providing world-class entertainment, we introduced a new premium format PVR SAPPHIRE this year, and re-christened our PVR GOLD CLASS to PVR LUXE while enhancing the existing product and service.

PVR SAPPHIRE can be best described as an experience that serves as a bridge to luxury. The in-audi experience consists of only prime chairs and recliners, with the most advanced theatrical technologies along with modern age F&B menu offerings like Bento & Bowl; a dedicated box-office and personalised hospitality services, on request. The 4 screens of the format was launched in a six-screen multiplex in PVR Pacific Dwarka, New Delhi.

PVR GOLD CLASS, now to be known as PVR LUXE, will be the epitome of luxury, the best-in-class offering with a futuristic design concept, also with the offering of a curated menu of par excellence Japanese, Italian, Chinese and others, to heighten the cinema viewing experience. PVR LUXE was first introduced in PVR Phoenix Mall at Lower Parel in Mumbai. Post renovation, our PVR Phoenix property has become the talking point in the social and financial circuit in the city.

PVR entered an esteemed list of only a handful of global multiplex players, with the introduction of IMAX with LASER, at two of our sites and a plan to double the count in the coming years. The IMAX with LASER experience is set apart by its next-generation 4K laser projection system, which features a new optical engine and a suite of proprietary IMAX technologies that deliver increased resolution, sharper and brighter images, deeper contrast as well as the most distinct, exotic colors ever available on-screen.

We entered into a partnership with D-BOX to set up 5 screens with the D-BOX motion based seat technology. The seats move in sync with the film, and this shall help us foray into converting Bollywood movies into the extra dimension of motion sensor based experience.

We became one of the first multiplexes in the world to convert to 'ALL LASER RGB' projectors (true Laser projectors) for our screens. This is a yet another addition in our attempt to provide the best out-of-home entertainment.

Our investments in digital and omni-channel technologies have led us to build deeper customer engagements and differentiate ourselves from our peers. Being widely accessible through a broad range of digital channels is key to this strategy. Our customers can now book our tickets from our website, app, our partner channels, and also through new age services like Alexa and Google Home and get a personalised and seamless PVR pre-visit experience across channels. PVR has been a keen precursor in introducing several industry-first initiatives and has taken yet another step in becoming truly digital by partnering with Google Home. Android users can now seamlessly explore upcoming movies, show timings, location and ticket pricing via Google's Artificial Intelligence-powered voice assistant and speaker and by installing the Google Home app on Android devices. We have also made this experience available to Apple watch users who can now access cinema related information on the go.

In our effort to constantly add new features, we have added ticket cancellation option for our patrons booking tickets on the PVR App and website. This will help the patrons to go ahead and book their tickets, and cancel them, in case of any change in plan later, without forgoing the entire amount.

In a coming together of the world of OTT and cinema exhibition, we have tied up with MUBI, a UK based curated movie streaming service breaking into India's booming entertainment market. With this first-of-its-kind strategic exclusive tie-up, Mubi GO App subscribers are entitled to a free movie ticket every week at any PVR cinema of their choice, in their respective city.

Now, as we prepare ourselves to open our doors again to our patrons, we are geared up with the 'best in practice' International guidelines/protocols for safety and hygiene. Our focus will be to ensure safety without compromising the experience. This includes modified processes such contactless ticket booking at the Box Office and contactless ordering F&B at the concessionaire, ULV germfree treatment of the entire cinema complex including the Audis, and availability of PPE Kits for patrons, redesigning the F&B menu to provide an epicurean experience with minimum contact, and much more. The staff has been trained in welcoming the guests with the new SOPs once we re-open.

I know that 'bringing smiles' to everyone has never been so important than now, and we shall continue to work towards that.

Please take care of yourselves and your loved ones. I am confident that we are going to get through this, together.

Thank you

Gautam Dutta
Chief Executive Officer

CFO's Message

RESILIENCE AMIDST CHALLENGING TIMES

Your Company performed exceeding well, delivering 2% growth in admits, 6% growth in income from sale of movie tickets, and 12% and 6% in F&B and advertising revenues, respectively.

17 BOLLYWOOD MOVIES

Entered the ₹ 100 Crore Club

₹800 Crore*

Successfully raised as Equity during past 1 year

* Including ₹ 300 Cr. raised via rights issue in Aug'20

Dear Shareholders,

Amid many concerns heading into 2020, the event that no one expected, was the outbreak of COVID-19. Globally, as countries attempted to protect their people by imposing an unprecedented lockdown, the virus continued to spread, making social distancing the norm. The immediate fallout of such stringent actions are for the sectors such as Travel and Tourism, Multiplexes and Entertainment, which thrive on the idea of social interactions. At this point, our cinemas are shut and it is not clear what the future holds. States are taking small steps to open up, but it is not certain as to when normalcy will be fully restored.

Before I apprise you of your Company's preparedness and plans as we enter FY 2020-21, let's take a look at how we performed in in the year gone by, because the results of FY 2019-20 will serve to confront the challenges for the next fiscal.

The Indian film industry has grown exponentially in the last few years. The filmed entertainment segment posted its best-ever domestic theatrical revenues in 2019. A record 17 Bollywood movies entered the ₹ 100 Crore Club, and there was enormous content to exhibit every week. Multiplex players continued to consolidate their screen share within the industry and structural buoyancy in the box office collections sustained.

Your Company performed exceedingly well, delivering 2% growth in admits, 6% growth in income from sale of movie tickets, 12% and 6% in F&B and advertising revenues, respectively. Our total income reached close to ₹ 35 Billion milestone this year, led by our diverse initiatives and equity, the brand enjoys amongst its patrons. Our ancillary revenues grew faster than our box office revenues proving to be key drivers fuelling revenue growth for the future. Our performance this year is also striking, as the entire March month was impacted by COVID-19 disruptions, delayed releases and cinema lockdowns. In such a scenario, it was a relief noting that your Company remained the preferred exhibitor amongst its patrons, continuing to gain industry share too.

EXHIBITION BUSINESS OPERATING AND FINANCIAL NUMBERS SUMMARY (PROFORMA NUMBERS)

Particulars	YTD Feb' 20	FTM Mar' 20	FY 2019-20	Growth/De-growth from last year YTD Feb	Growth/De-growth from last year Total
Admits (Nos. in Lakh)	987	30	1,017	↑ 10%	↑ 2%
ATP (₹)	205	185	204	↓ -1%	↓ -1%
SPH (₹)	100	93	99	↑ 10%	↑ 9%
Revenue Analysis (₹ in Lakh)					
Revenue	323,918	9,633	333,551	↑ 17%	↑ 9%
EBITDA	64,430	-3,802	60,628	↑ 19%	= 0%
EBITDA Margin (%)	20%	-39%	18%	= 0%	↓ -2%

Also notable during the year was completion of integration of SPI. We had been working diligently to expand and integrate SPI, as we looked to structure the business for lasting and profitable growth. I am also encouraged by the pace at which we have completed this integration, and the synergies that we have brought in and those that will accrue in the future. With this, PVR becomes the leading multiplex player in the South, gaining significant presence in states like Tamil Nadu, Telangana, Andhra Pradesh, Karnataka, and Kerala. We remain extremely optimistic about our overall prospects in the Southern markets in FY 2020-21and beyond.

Investors continued to repose their confidence in our strategy and supported us throughout the year. Even in a weak macro environment, we were able to successfully complete a QIP of ₹ 500 Crore with several top global funds participating in the issue. The fundraising exercise was launched after successful integration of SPI cinemas into PVR to utilise the Net Proceeds towards repayment/ prepayment of a part of our outstanding indebtedness, funding expenditure towards expanding our screen network, and for general corporate purposes and exigencies. Constrained by the outbreak of COVID-19 and shutdown of all our cinemas, we decided to raise further capital of ₹ 300 Crore through the 'rights issue' to strengthen liquidity on our Balance Sheet and to act as a confidence capital to our stakeholders. We received tremendous response to the issue, which was oversubscribed to 224% of the shares offered.

Uncertainty is a given in any future prognosis, however, the current situation is more uncertain than normal. Based on how we view the current situation evolving, I will try to give colour on our future preparations and plans.

Since the onset of this crisis, our top priority has been the health and well-being of our colleagues, our vendors and partners as well as our patrons. With this in mind, we took proactive steps, in line with government guidelines, including suspending operations at our 176 cinemas and offices, and are implementing stringent safety and social distancing measures before reopening.

Throughout this crisis, we have focused on business continuity and undertaken measures to mitigate the risk. Our strategy has been two pronged. First, we have brought down our fixed costs drastically during this period of lockdown, and second, we have raised debt to preserve liquidity on the balance sheet.

Our major fixed costs are rent, CAM and employee expenses. In relation to rent and CAM, we have invoked the force majeure clause under our contractual arrangements and have suspended rental payments, while we continue to be in discussions with mall developers. In order to manage our liquidity during the period the cinemas are shut, the management has voluntary taken a cut of 50% in their compensation, while the rest of our employees have forsaken ~20%-50% of their salaries. Owing to these actions, we have been successful in bringing a significant reduction in our monthly fixed costs.

The Gross Debt in the Company as at end of FY 2019-20, was at ₹ 1,295 Crore, at similar levels to FY 2018-19. During the year, we used proceeds from QIP to bring down our debt and that helped us in maintaining our debt levels even as we opened 87 screens during the year and geared upto face the COVID-19 outbreak in March. Our Gross Debt to EBITDA ratio is still at a comfortable 2:1x, thus allowing us the capability to raise our leverage further, if the need arises. As we enter FY 2020-21, we might find some of these covenants getting stretched owing to extended shut downs. Pre-empting the impact, we have already approached the banks for a waiver from covenant testing for FY 2020-21, and are currently in discussion with them.

Owing to the cost controls we have taken, our fixed costs for the future will be lower than we have had before. Even after reopening, we do not expect these to return to their previous levels soon. We are already in discussions with our developers renegotiating our rental arrangements. Our other costs too will undergo reductions until some normalcy is restored.

We have also temporarily deferred a substantial portion of our planned capital expenditures that we were undertaking, prior to the shutdown. All major capital expenditures will now be re-assessed once the shutdown is over.

Taking a cue from history, I would like to mention that the cinema industry has withstood influenza pandemics, SARS, and many more, besides enduring the World Wars, terrorist attacks, and what not. I believe we will not only survive through this crisis, but will be in an even stronger position when we get to the other side.

Lastly, I want to thank our colleagues for their resilience and dedication throughout this challenging period. I hope you and your loved ones are all healthy and well. Stay safe!

Thank you.

Nitin Sood
Chief Financial Officer

Operating Environment

WINDS OF CHANGE

Our operating environment continues to evolve as movie consumption curve with a differentiated experience is growing across India, especially in the emerging cities and towns. We have identified five major opportunities, which will enable us to continue to lead our industry.

Emerging cities hold promise

Better infrastructure availability in the Tier II and Tier III markets have fared well for the businesses to expand to these markets. This has also given rise to prosperity and talent development in these markets, creating new markets for us. Better lifestyles and rising disposable incomes amplify the aspirational levels of people in these small towns. These factors act as great opportunities for us to expand in the Tier II and Tier III markets.

Rising Urban Youth with Disposable Income

India is a predominantly young country with over 60% of the population below the age of 35. This segment of the population is a discerning entertainment consumer. Young people are now more integrated with global brands and quality of entertainment than previous generations. With more investments in the premiumisation of entertainment and exhibition platforms, opportunities for prominent integrated brands with a national footprint, are expected to grow rapidly.

WHAT'S IN FOR PVR

By 2030, India's middle-class will consist of nearly 80% of households, from the current 50% (for 2019), and will drive over 75% of consumer spending. This augurs well for leading entertainment destinations such as PVR, as people tend to spend more on entertainment avenues with rising disposable incomes.

Content is the King

Since the preceding few years, there has been a divergence from the star-spangled and big-ticket budget movies to those with differentiated content. Even small budget movies like Uri, Dream Girl, Kabir Singh performed exceptionally well at the box office. This trend has led to lower dependence on the opening week collection. Movies continued to perform well at the box office even after moderate opening weeks at the box office. With even small budget films partaking in the ₹ 100 Crore Club, the market is evolving towards acceptance of quality content. More producers are inspired to experiment new, refreshing storylines, leading to diversification in our offerings. Another big growth driver is the diversity of content with availability of movies in regional languages. Again, movie reviews are tracked closely by audiences, leading to higher footfalls, once the verdict on the movie is out. These trends fare well for multiplex operators like us.

Rise of the ₹ 200 Crore (and ₹ 300 Crore) Club

India's love for the movies grew more as 2019 witnessed 9 movies in all cross ₹ 200 Crore mark. In fact, there were 4 movies entering the ₹ 300 Crore Club as well, including the Hollywood franchise Avengers: Endgame, which generated record revenues of ₹ 433 Crore. Rising box office collections fare well for leading players like us, to thrive in the market.

OTT as the growth propellor

The rise in OTT platforms in recent times have provided avenues for producers to monetise content effectively, amid lockdowns. The OTTs have in fact led to an increasing appetite of consumers for entertainment.

As per a report titled 'The Relationship Between Movie Theatre Attendance and Streaming Behavior' by EY, this consumer behaviour has been confirmed by a detailed survey. Those who attended movies in theatres more frequently also tended to consume streaming content more frequently, while those who did not attend a movie in a theatre in the last 12 months were more likely to report less streaming activity than those who did attend at least one movie in the same period. Respondents that were aware of movies' in-theatre releases were more likely to stream a movie, when they knew it was released in theatres.

Convenience of choosing one's own movies is also an important factor for rising popularity. However, OTT platforms can only play a supplementary role in filmed entertainment, as 60-70% of revenues from any movie emanates from theatrical exhibition, and only the balance from OTT and other avenues. Thus, theatrical exhibition provides better returns for content producers, as well. Movie theatres also act as anchor tenants to drive footfalls for malls. The multiplex culture is making fast inroads into smaller towns, ousting single screens. These OTT platforms thus do not pose a threat, as cinemas in the past, have survived the onslaught of TVs, VCRs, CDs, and remained resilient till date.

Business Model

OUR VALUE CREATION MODEL

At PVR, we believe that creating a sustainable value for all our stakeholders is the key to successful business operations. Our robust business model ensures value creation through a long-term lens.

What we depend on

Resources

Financial Capital
Equity
(including Reserves and Surplus)
₹ 1,481 Crore
Non-current liabilities
₹ 4,658 Crore

Tangible Assets
Screens: **845**
Across **176** properties in **71** cities in **India** and **Sri Lanka**. Our assets enable us to generate business and keep our customers engaged.

Intangible Assets
We operate our business through a range of brands offering differentiated value to our discerning patrons.
Brands: **20+**

Relationships
Passionate people
Our Employees have aligned their ideologies with our objective of providing exceptional customer service.

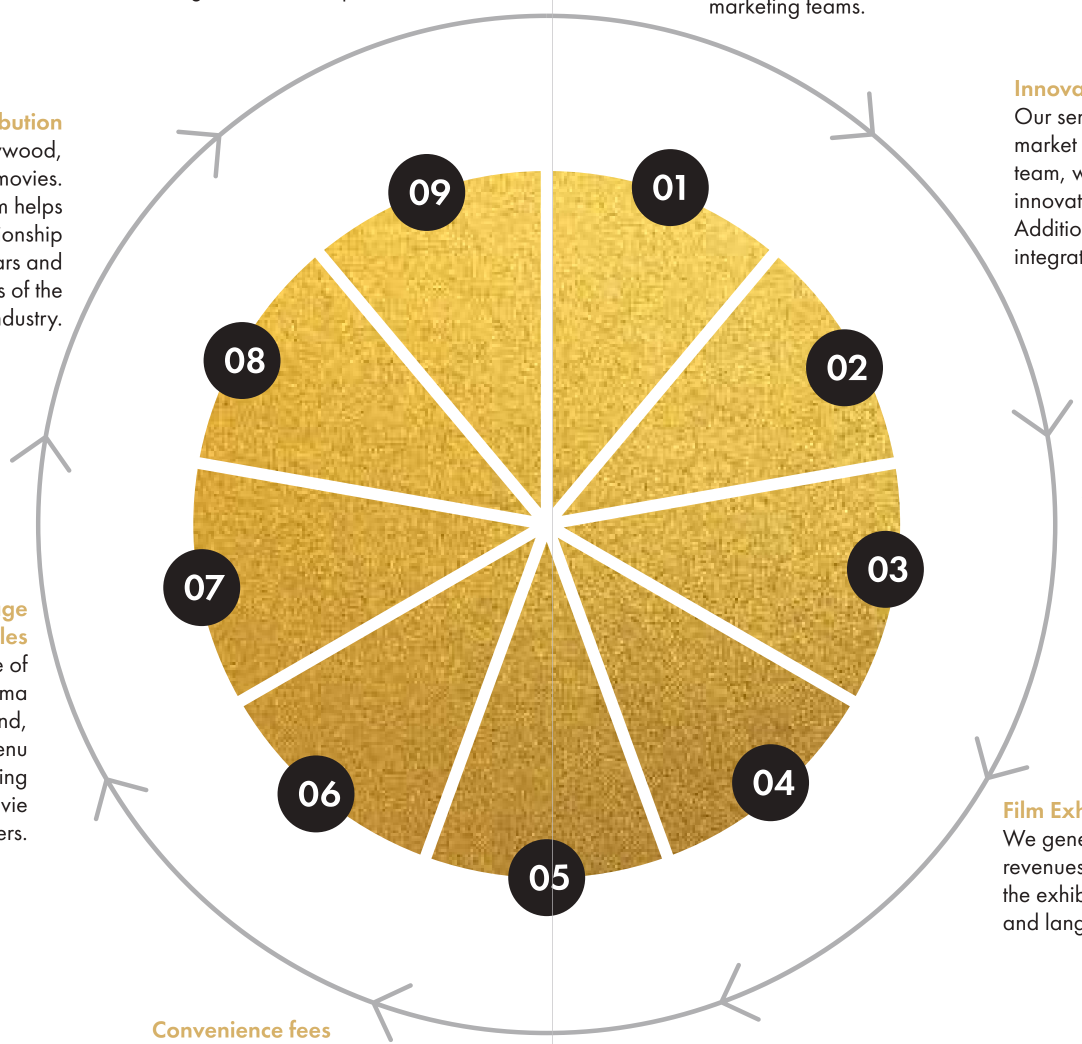
Customers
Our **1 Crore+** registered patrons for PVR Privilege loyalty programme are a testament to the value we bring.

Landlords and Developers
We operate on leased premises. Our cordial relationships with landlords, mall developers and other parties enable us to secure better pricing on rentals and priority for receiving spaces at prime locations.

Vendors, Government and other Communities
We value the relationship with our vendors, who strive to supply quality materials and services to us. Local government departments and communities help in enabling with 'license to operate', thus providing continuity to our business.

What we do

Our Processes



Consumer Insights
We track the dynamic consumer preferences and the overall market trends through our business development and marketing teams.

Innovation
Our senior management provides vital market insights to the product development team, which ushers in new ideas to innovate better brands for our customers. Additionally, technology is deeply integrated in all our processes.

Marketing
We normally market our brands and services through digital, television, radio and out-of-home avenues to stimulate customer demand.

Film Exhibition
We generate significant portions of our revenues through box office collections from the exhibition of movies of different genres and languages across our properties.

Advertising
We offer various advertising avenues for our clients, which include the on-screen and off-screen options.

Convenience fees
We are on a digital drive, by selling tickets and F&B online. Customers can book tickets and F&B from the comfort of their homes through our website or through ticketing aggregators like Bookmyshow, Paytm and Amazon.

Food and Beverage (F&B) Sales
We offer a wide range of menu items at our cinema halls, including a high-end, celebrity chef curated menu and world-class brands offering a totally differentiated movie indulgence to our customers.

Movie Distribution
We distribute Hollywood, Bollywood and Regional movies. Having a Distribution arm helps in building a good relationship with producers, film stars and other key stakeholders of the entertainment industry.

Zea Maize
We manufacture and distribute gourmet popcorn, which is available in cinemas, malls, airlines, Indian Railways and also can be ordered online through e-commerce platforms.

Value we create for

Relationships

Customers
Over 10 Crore admissions during FY 2019-20, reflects our leadership in the movie exhibition market. Additionally, our advertising clients and people consuming our gourmet popcorns vouch for the quality of products and services we offer.

Employees
We reward our employees with performance-based monetary and non-monetary rewards and help them grow in their careers. We also empower them with several learning and development programmes, to help them fulfil their growth ambitions. We are an equal opportunities employer and encourage healthy gender diversity, as well as employ specially-abled people.

Shareholders
Company paid Dividend of **₹ 6 per share** in financial year 2019-20 (including ₹ 2 per share for financial year 2018-19)

Communities
We undertake various community initiatives in the field of education, healthcare, women empowerment and skill development.
Lives Impacted: **2,40,000+**

Environment
We care for our environment and have been consciously making efforts to reduce our carbon footprint with energy efficiency at our properties and banning single use plastics at our F&B outlets.

Operational Review

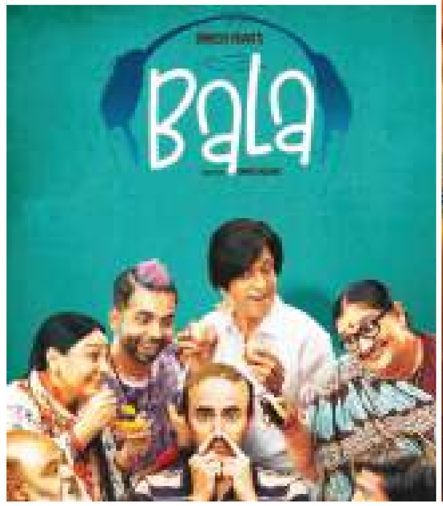
BOX OFFICE

2019 was a milestone year for the Indian box office, as the total box office collections amounted to ₹ 10,948 Crore, a growth of 11.6% over that of 2018. The net box office collections grew by 18.7% to ₹ 9,490 Crore, as the GST rates reduced from 28% and 18% to 18% and 12%, respectively. Hollywood flicks grew the highest to an all-time high of 30.5%, with Avengers: Endgame leading the pack. The overall footfalls across languages grew by 8.9% to 103 Crore in 2019 from 94.5 Crore in 2018. India loved movies across genres, ranging from the sci-fi Avengers franchise, to the kid's delight – The Lion King, to action-packed military storylines like War and Uri, to inspirational true stories like Mission Mangal. Love stories like Kabir Singh and Bharat and comedies like Housefull 4 and Good Newwz were also appreciated by audiences. Even small budget movies with good content witnessed higher interests among audiences.

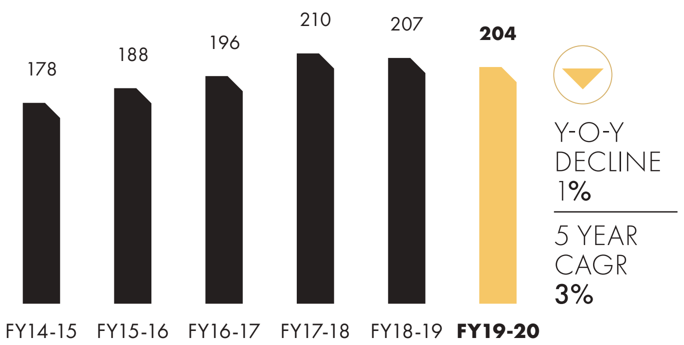
Our focus on innovative formats, continuous expansion and premiumisation across locations, including multiple formats under a single roof, enabled us to achieve 2% growth in admissions during FY 2019-20 to 10.17 Crore patrons. We offer distinguished formats like IMAX, 4DX, P[XL], Sapphire, Playhouse, with a combination of innovative Food & Beverage (F&B) offerings and customer engagement programmes to ensure that our patrons enjoy a truly amazing cinematic experience.

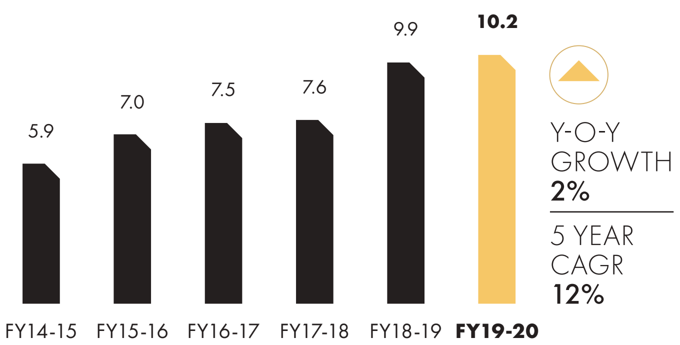
Outlook

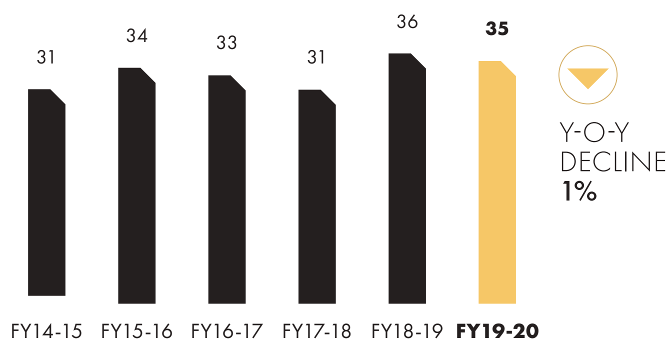
While we are confident of our long-term growth in the business, the recent COVID-19 pandemic has caused a complete halt in our revenue streams. Currently, all our cinemas across India are shut as per Government Directives. Our operations for FY 2020-21 will be significantly affected, as significant period of FY 2020-21 will be lost due to lockdown. Further uncertainty regarding the timing of opening the cinema halls persists, as India constantly faces the rise in number of affected cases. Also, post-lockdowns, there will be a significant rise in overall expenditure towards hygiene and social-distancing measures.



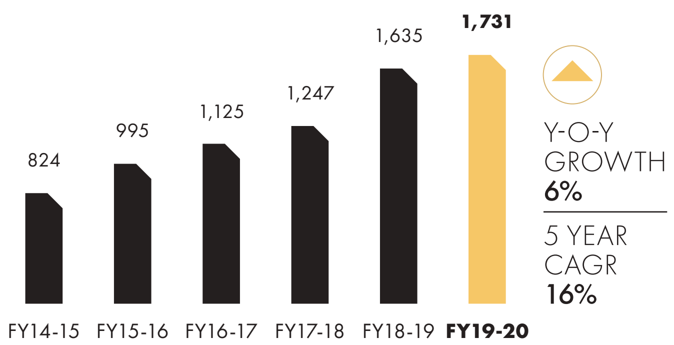
KEY OPERATIONAL PARAMETERS







KEY FINANCIAL PARAMETERS



Operational Review

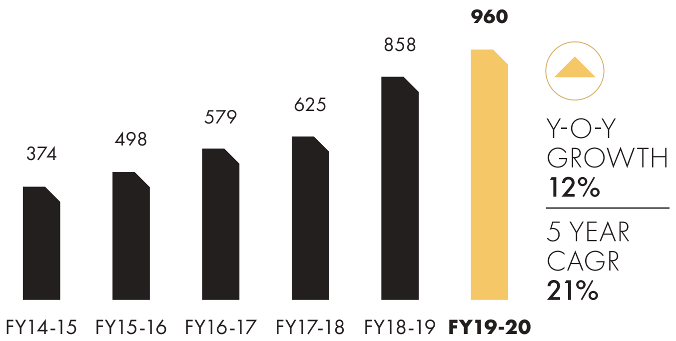
FOOD AND BEVERAGE

We provide a menu with a broad selection of food and drinks to our patrons. With continuous innovation in our menu and new initiatives in our F&B offerings, we have been able to maintain our leadership as we have the highest F&B spend per patron in the Indian film exhibition industry. Our revenue from this segment, which stood at ₹ 960 Crore, with a growth of 12% over the FY 2018-19 revenues, is the highest in the industry.

Our initiatives during FY 2018-19 include the introduction of new SKUs, centralisation of sourcing some of the key ingredients and addition of innovative items to the menu. Additionally, we offer industry-first experiences like on-seat ordering and complement with the highest possible service standards. We also started takeaways and deliveries (through food ordering platforms) from our F&B outlets. To further enhance our food and beverages revenue, we introduced new concepts such as self-ordering kiosks, occasion-specific menu and combos, gift hampers and collaboration with world-class brands to spoil our customers for choice.

REVENUE FROM THE SALE OF F&B PRODUCTS

(₹ IN CRORE)



Initiatives for FY 2019-20

Cost savings through centralisation

We rationalised our costs with centralised logistics management for the North, South and East regions. Additionally, we undertook centralised sourcing of high usage key ingredients including straws, dairy products like cheese, milk and butter, corn and refined oil.

Product initiatives

Burger: Specially created burgers through supply tie-ups with ITC and English Oven. Sold over 10.5 Lakh burgers during the year.

Ice Cream Cakes: Piloted in December at 7 cinemas, this new initiative has really taken off well and we are planning for pan-India launch in a phased manner, post-lockdown.

New Menu roll-out: Refreshed the Sarah Todd Gold and Luxe offerings, with additional menu items, beginning December.

Occasion-specific menu and combos

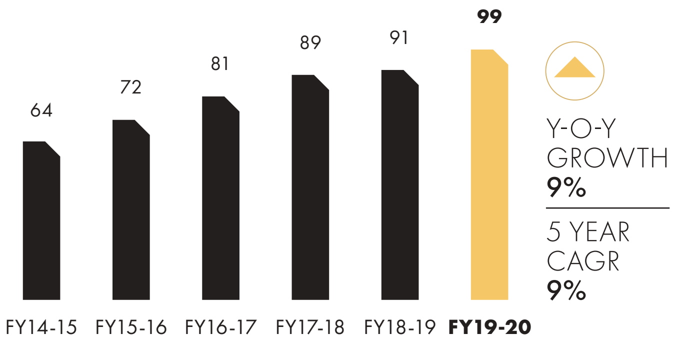
We innovated on occasion-specific menu items and combos throughout the year, be it festive special like Christmas, Lohri, Republic Day, Valentine Day specials, as well as round-the-year combos like the Kid's special.

Other initiatives

Other initiatives include the introduction of a new range of coffees, special collaborations piloted at some high-end destinations including Lavazza, Anandini's hand-picked tea selection and health section from celebrity wellness expert, Rujuta Diwekar. International Popcorn Day and Burger Fest were some of the other initiatives at our F&B segment.

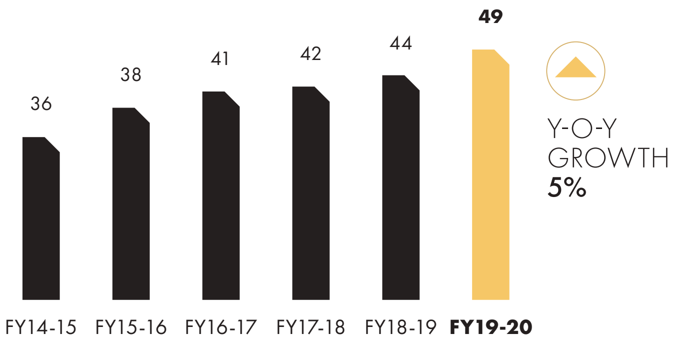
SPEND PER HEAD (SPH)

(₹)



SPEND PER HEAD TO AVERAGE TICKET PRICE RATIO

(%)



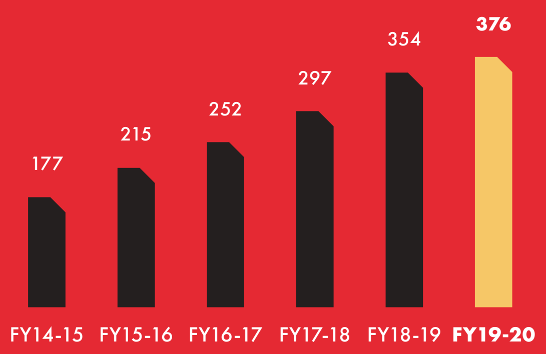
Operational Review

ADVERTISING PERFORMANCE

We derive advertising revenues from on-screen and off-screen advertising, without any additional investments. Cinema advertising has proven to be an effective medium of advertisement, as it attracts undivided attention from the audience. However, with the impact of lockdown, the share of in-cinema advertising is expected to decline to ₹ 5 Billion in FY 2020-21, before growing to ₹ 11 Billion in FY 2021-22. (Source: CRISIL)

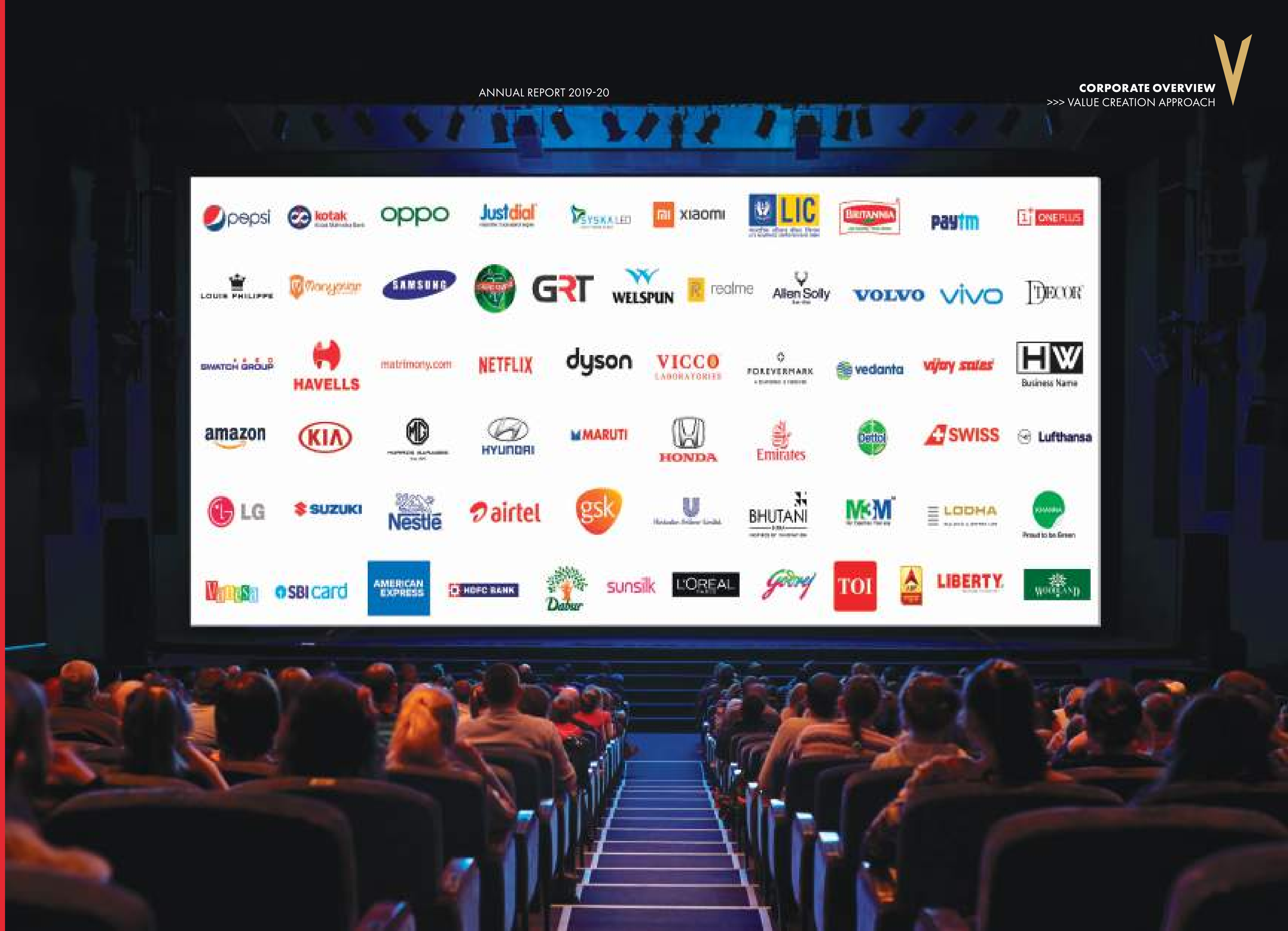
ADVERTISING INCOME

(₹ IN CRORE)



Y-O-Y GROWTH 6%

5 YEAR CAGR 16%



THE POWER OF CINEMA ADVERTISING

CAPTIVE AUDIENCE

ENGAGES ALL SENSES

ADS AS PART OF THE EXPERIENCE

NATION-WIDE REACH ACROSS RELEVANT AUDIENCE

RELATIVELY COST EFFECTIVE

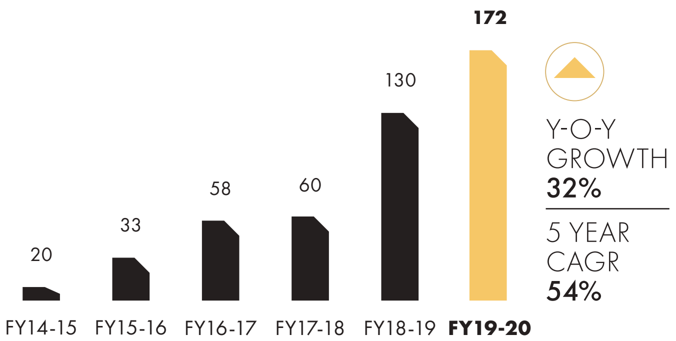
Operational Review

REVENUE FROM CONVENIENCE FEES

We derive convenience fees as a part of our online bookings either through our own platforms or through our ticket aggregating partners Bookmyshow, Paytm and Amazon. The convenience fees comprise a little over 5% of our total income structure. However, it is one of the highest growing segments (5-year CAGR of over 54%) of our revenue stream. In addition, the online data collected enables us to bring in more analytics, understand customer behaviour and preferences in terms of movies, actors, offers, timings and F&B, helping us customise our offers. We are thus focusing on encouraging more digital transactions.

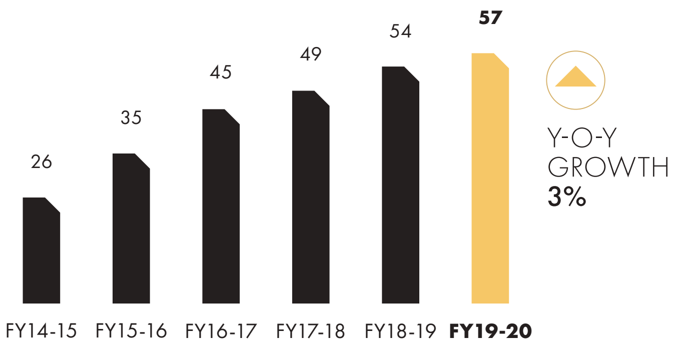
Customers prefer online booking, as it saves them the hassle of visiting the cinema and queuing up for booking, easy selection of seats, various discounts and cashback offers and convenience of cashless transactions, option for ticket cancellations, loyalty rewards and pre-booking of F&B. We support the Government of India's Digital India initiatives, with more focus on online bookings, as it is a win-win situation for both, us and our patrons.

CONVENIENCE FEE INCOME (₹ IN CRORE)

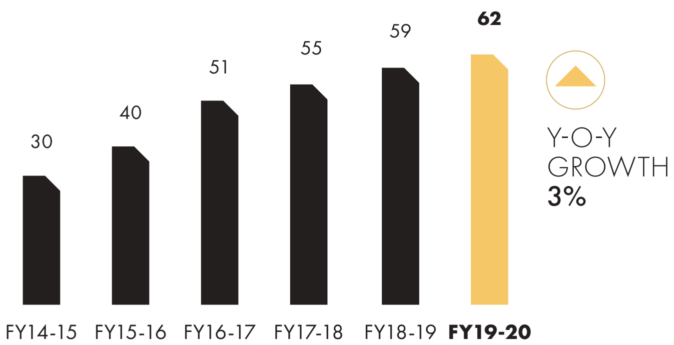


ONLINE MOVIE TICKET SALE

ONLINE ADMIT (%)



ONLINE GROSS BOX OFFICE COLLECTION (%)



BOOK YOUR MOVIE TICKET AND F&B AT

PVR — BOOK NOW
SPI CINEMAS — BOOK NOW
bookmyshow — BOOK NOW
Paytm — BOOK NOW
amazon pay — BOOK NOW

Steps to increase online ticket sales

- Ticket inventory available at aggregator platforms, Bookmyshow, Paytm and Amazon
- Revamped our website and mobile app to make them more consumer-friendly
- Provide offers, including discounts, cashbacks, free tickets via Mubi Go, to encourage more patrons to book online
- Introduced QR code-based paperless ticketing facility
- Introduced new features like Ticket cancellation in addition to existing features like booking through Amazon Alexa & Google Home
- Introduced gift cards/e-cards for special occasions such as birthdays, anniversaries and corporate gifting

Operational Review

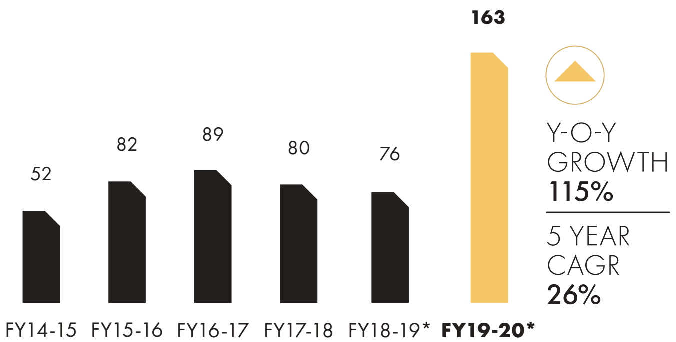
DISTRIBUTION BUSINESS PERFORMANCE

We conduct the movie distribution business through PVR Pictures Ltd. ('PVR Pictures'), our wholly owned subsidiary. PVR Pictures aims to be the preferred distributor for Hollywood production houses that do not have a base in India for distributing movies. Further, we have started increasing our foray into distribution of Hindi and Regional language movies. The Distribution business helps us in maintaining a good and healthy relationship with producers, film stars and other key stakeholders of the entertainment industry.

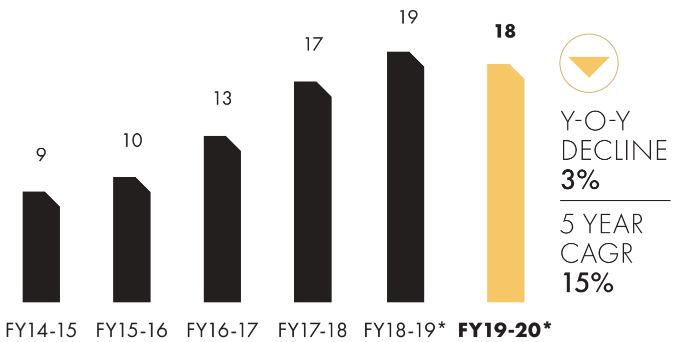
We had initially projected a higher Revenue and EBITDA for FY 2019-20, however as two large releases i.e. Sooryavanshi and 83 got postponed, the set targets couldn't be achieved.

DISTRIBUTION BUSINESS

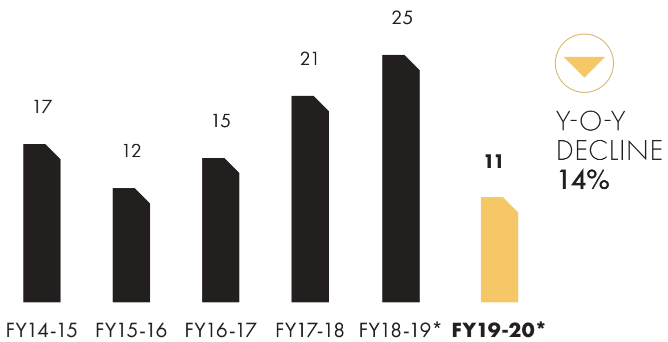
REVENUE (₹ IN CRORE)



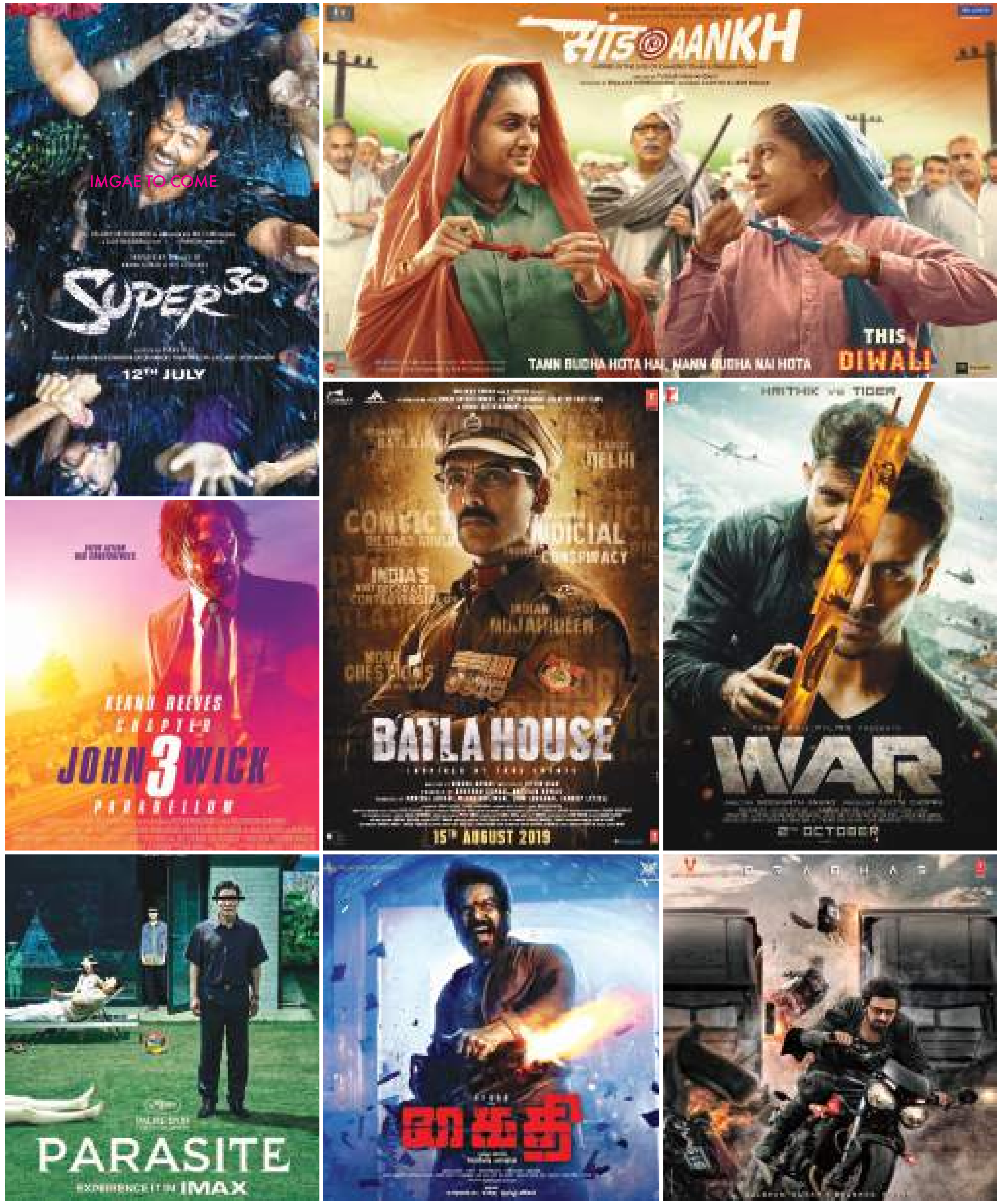
EBITDA (₹ IN CRORE)



EBITDA MARGIN (%)



* Includes financial performance of Distribution Business of SPI Cinemas Private Ltd.

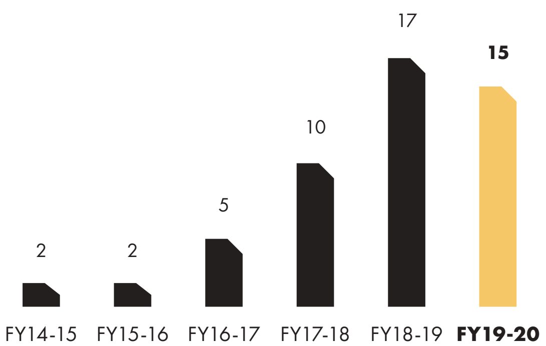


Operational Review

ZEA MAIZE
BUSINESS PERFORMANCE

Zea Maize is engaged in manufacturing, packaging and selling gourmet popcorn under the '4700BC' brand. It has a strong brand recall among consumers, and we were the first to introduce premium popcorn in the Indian market. The brand is built on highly innovative products with unique flavours. Our wide range of products are available on e-commerce portals such as Flipkart, Amazon, and avenues like Indian Railways, Airlines, Cinemas and in malls.

REVENUE (₹ IN CRORE)



Y-O-Y DECLINE
7%

5 YEAR CAGR
51%

Unique Flavours of 4700BC

Savoury Category	Sweet Category
Sour Cream and Wasabi	Orange Chilly Caramel
Sriracha Lime	Himalayan Salt Caramel
Barbeque Cheese	Nutty Tuxedo

FORAYING INTO NEW GEOGRAPHIES

Our rapid expansion into the Tier II and Tier III markets as a part of our growth strategy, is an important step in our value creation story. During FY 2019-20, we unveiled the highest number of screens – 87, by any Indian film exhibitor

We credit our expansion to various sub-plots in our growth sequence, including

Relationships with Leading Mall Developers

We have been doing the business of filmed entertainment since 1995. Over the years, we have developed long-term relationships with all the leading mall developers across the major markets we operate in. We are typically the anchor tenants in various malls, due to our ability to influence higher footfalls. These factors ensure preferential access to prime locations and better lease rates.

Presence Across Prime Locations

Currently, we are present in 60% of the 20 largest operational malls in India, as of March 2019 (Source: CRISIL), including some of the most iconic properties in India, like High Street Phoenix (Mumbai), DLF Mall of India (Noida), VR Mall (Chennai), Ambience Mall (Gurgaon), Phoenix Market City (Bengaluru), Select Citywalk (Delhi) and Elante Mall (Chandigarh). Our strategy of being in prime retail locations and generating significant admits, has helped in building our leadership position in terms of average ticket price, revenue per screen and EBITDA per screen, and increasing our profitability.

Strong Business Development Team

We have steadily nurtured a strong business development team, which identifies and determines suitable locations for developing multiplex operations, at competitive terms, in accordance with our growth objectives and expansion strategies. They keep our senior leadership abreast of the latest market dynamics, including demographics, trends, competitive intelligence and feasibility of new operations at the selected locations. Additionally, they maintain cordial relationships with the real estate/mall developers.

Long-Term Lease Agreements

We typically obtain the right to operate cinema halls in all the locations we are present. Our leases are long-term in nature and usually range from 10 to 20 years, which are sometimes renewable, subject to mutual agreement. These long-term leases enable us to negotiate better rentals and apportion the renovation and upgradation expenses, over a longer period of time.

Asset-Light Expansion Mode

Our cost-consciousness has led us to expand in an asset-light manner. This means, we effectively operate on leased premises, which empowers us with the flexibility to operate at lower capital. This also enables us to expand into more locations rapidly, with the same capital levels. We obtain the right to operate cinemas through various contractual arrangements executed with mall operators/real estate developers.

OFFERING DIFFERENTIATED EXPERIENCES TO DISCERNING AUDIENCES

At PVR, we focus on enriching the movie-going experience and engage deeply with our patrons, through innovative offerings. Our strategies revolve around the changing aspirations of our customers to offer them a differentiated and premium experience.

PVR Privilege is a unique loyalty programme, to reward our patrons for their relationship with us. The redemption is seamless across digital and offline channels. The loyalty programme uses the power of technology to generate analytics based on customer behaviour, and provide customised offers to the patrons, thereby enhancing the level of engagement.

Real Customer Care

We introduced the concept of 'special' shows for a target segment. For instance, special screenings for women 'Women on Wednesday', Senior Citizens with celebration of Senior's Day and a dedicated format for kids – 'Playhouse', which includes colourful interiors, in-audi slide and playful seating, with a special kid's menu, making it the ultimate play zone for kids. Further, in some of our cinemas in Delhi and Mumbai, we monitor the air quality and filter the air to maintain the optimal level of air quality in our cinemas.

Co-Branded Activities

We continued our strategic tie-ups with renewal of our association with Kotak Mahindra Bank. With this renewal, we will continue our co-branded activity with PVR co-branded Kotak Credit Cards, which provide a host of rewards, including free movie tickets and discounts on movies and F&B outlets, subject to minimum usage requirements.

Booking Delight

As a continuation of our endeavour to provide excellent customer service and generate a pull effect on patrons to move away from competition, we provided a unique booking modification service, enabling partial cancellation, seat selection to same or upgrade to higher class or reschedule the entire ticket to any alternate day/date/time. We also introduced booking through Google Home, which is similar to Alexa. Customers can now book through any Android device, including smartwatches.

Expansive F&B Offerings

We expanded our F&B offerings with various initiatives including addition of newer SKUs to help upselling, new menu items like burgers, ice-cream cakes and coffees, along with introduction of specialised combos as per the occasion such as Valentine's Day special, Republic day, Lohri, special kids menu and so on.

Innovative Value-Additions

Innovation is one of our strengths. We continuously strive to bring in innovations across our all our offerings or processes, like D-Box seats. We introduced IMAX LASER technology in India, which comes with 4K laser projection system and a 12-channel surround sound, delivering stunning images, along with powerful immersive audio, giving audiences a new range of experiences, altogether.

PVR Privilege

1 Crore +
PVR Privilege members

NO UPPER LIMIT
To redeem reward points

APP SUPPORT
TO TRACK USAGE ACTIVITY

AUTOMATIC REDEMPTION
ON EARNING 50 POINTS

Every Seat Has a Story

The reporting year also saw us deeply connect with our customers with the launch of an exclusive brand campaign 'Every seat has a story', dedicated to our special relationships with our 10 Crore+ patrons.

This campaign strikes an emotional chord with the depiction of various stories, which our customers instantaneously resonate with, and connect more deeply with our brand.

MORE UNIQUE IDEAS OUT OF THE BOX

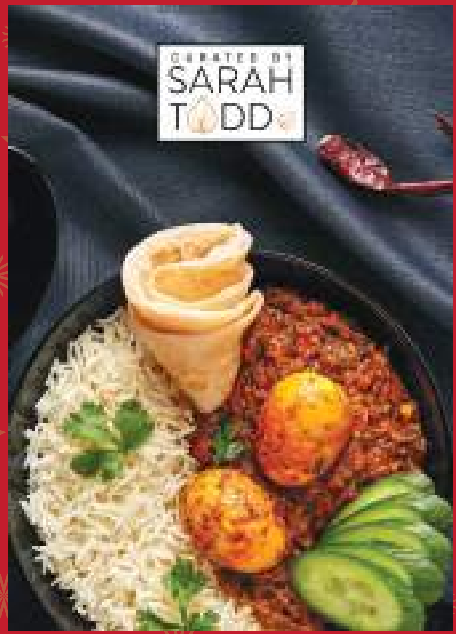
We are always seeking new horizons in our innovation to surprise our guests and create a unique brand aura – be it our innovative cinema formats, unique F&B menu, or newer modes of generating off-screen advertisement and collaborative revenues.

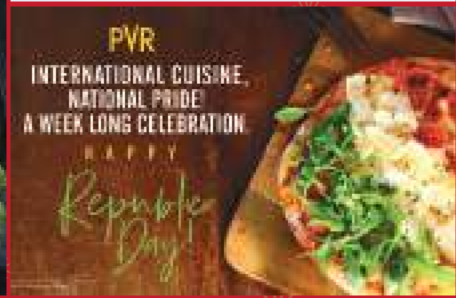
Innovative Cinema Formats

We have pioneered many industry-firsts in the Indian filmed exhibition market, beginning with the concept of the multiplex itself. Over the years, we continue to add innovative cinema formats to our expansive portfolio of multiplexes – be it luxury offerings viz. the Luxe and Sapphire, or exclusive plush formats such as Director's Cut or technological advancements such as the 4DX, Onyx, P[XL] and D-Box or niche formats catering to specific audiences like Playhouse. Superplex is another innovative format, which is a congregation of various formats under a single roof.

Lip-Smacking Innovation

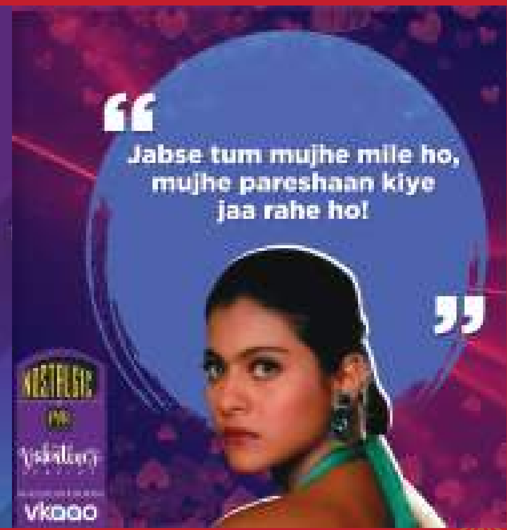
We have exciting items on the menu as a part of our F&B offerings. We were the first in India to onboard celebrity chefs Sarah Todd and Yutaka Salto, and world-renowned mocktail mixer Yangdup Lama to curate recipes for our cinema halls. During FY 2019-20, we introduced new offerings, including new SKUs, gourmet offerings like burger, ice-cream cakes and the like, as well as occasion-specific combos and collaborations with upscale brands like Lavazza. To enhance monetisation, we introduced takeaways at outlets and deliveries through food ordering apps such as Zomato and Swiggy.





Customer Engagement

We offer conveniences to our customers such as service on seat, QR-based ticketing, booking modification for online bookings, ticket cancellations, loyalty programme and an exclusive screening service – Vkaao, which allows our patrons to enjoy their favourite movies on the big screen, with private screenings, once a minimum number of customers are booked.



Combating COVID-19 Impact

OUR RESILIENCE DURING THE PANDEMIC

COVID-19 is an unprecedented challenge to the global economy, even as the world tries to cope with the health crisis through various measures such as full and partial lockdown and practising social-distancing.

WE ARE COMMITTED TO TAKE CARE OF YOUR EVERY COMFORT AND SAFETY

Impact of COVID-19

At PVR, we are cognisant of the evolving scenario and are collaborating with local authorities to observe social distancing and other safety protocols to help flatten the curve.

- We started closing our screens beginning March 11, 2020, in accordance with the orders from regulatory authorities, and within a few days most of our cinemas across the country were shut down.
- We generated nil revenues since the lockdown, while our committed cash outflows continue, including employee salary pay-outs, overheads as well as payments for older working capital.
- This will continue to have a significant negative impact on our profitability and liquidity during lockdown, and even thereafter, till business returns to normalcy.
- Further, once operations are allowed to reopen, our revenue and cash flow generation may be hampered, as cinemas may not be able to operate at normal capacity utilisation, due to implementation of social distancing measures as well as health concerns that the patrons may have.

Our Strategy for Tackling the Challenge

Reducing fixed costs and cash outflow

- Rental and common area maintenance reduction through implementation of force majeure clauses at most places and negotiating lower rentals post lockdown
- Personnel cost reduction through measures like layoffs/retrenchments and reduction in salaries of employees during lockdown
- Electricity and water charges reduction due to closure of properties and waiver of minimum load charges by various state governments
- Other overheads being controlled with contractual obligations like housekeeping and security suspended till lockdown open

We expect to achieve a reduction of 70-75% in fixed costs due to the above measures during the period of lockdown.

Enhancement of liquidity

We enhanced liquidity position with additional borrowings from existing bankers, as well as through additional equity 'Confidence Capital' in the form of Right Issue for an amount of ₹ 300 Crore.

Cash flow management

We managed our cash flows through effective negotiations on outstanding opening balances. All capex projects are kept on hold and we have exercised opt-in for the moratorium on interest and principal repayment.

The way Forward

We are in continuous touch with local authorities for re-opening of our cinema halls. However, as per ministry guidelines, cinema halls are still not allowed to start operations.

Some of the precautions recommended by the Multiplex Association of India, for re-opening of cinema halls are:

- Minimal human contact
- Adhering to all social distancing norms and guidelines
- Patrons will be seated basis Government directives
- Disinfecting all possible areas of the cinema premise
- Body temperature checks with infrared scanners
- Masks mandatory and PPE kits made available for purchase
- Hand sanitisers to be placed at all strategic locations
- All point of sales will have demarcated directives

These measures are expected to increase the cost of our operations in the short-term. However, we are committed to the safety of all our employees and patrons.

Corporate Social Responsibility

CREATING IMPACT BEYOND BUSINESS

We are committed to working for our communities and creating a positive social impact, especially for those who are at the bottom of the social pyramid. PVR NEST is the first cinema CSR trust that works for the urban poor and their protection, by providing financial aid and volunteering services.

Vision

In alignment with our sustainable goals, to work via Public Private Partnership models towards transforming urban spaces and facilities to make them more safe, inclusive, accessible, and cater to the basic needs of people from the marginalised communities, and make cities more livable.

Mission

Building capabilities of spaces in urban areas, which will especially empower people from economically weaker and marginalised sections of the society. Fostering inclusion by building awareness, acceptance and understanding about intersectionality of issues faced by economically weaker sections of the society.

PVR NEST Envisions Safe and Liveable Cities

PVR NEST (Network for Enablement & Social Transformation) was founded in 2006, as a social arm of the Company that envisions sustainable, liveable cities, with safe multi-utility spaces that empower women and children. PVR NEST's core philosophy is to develop and promote public-private partnerships that work on urban sustainability issues and to create a safe environment for all sections of the society. The trust believes in educating, empowering and building a collaborative society by extending ongoing support to the vulnerable sections of the society through its various programmes. The programmes of PVR NEST aim to provide sustainable solutions to the most fundamental problems such as safety, health, education, and workforce participation, faced by the underprivileged.

Aanchal Childscapes – Care and Protection Centres

In Delhi, this initiative is being run in partnership with North MCD and Mobile Creches, under which 10 primary schools of North MCD have been identified as Aanchal Childscapes centres. The programme is to provide 12-hour care facilities, health, nutrition and education support to children in the age group of 6 months to 12 years. The centres are functional from 7 AM to 7 PM. Apart from the care of children, this initiative increases the mobility of women and adolescent girls, enabling them to access livelihood opportunities and educational opportunities, as they no longer have to stay back at home to care for their children.

Childscapes – Child-Friendly Railway Stations

PVR NEST partnered with Railway Children India and Ummeed – Ray of Hope Society, to launch the Child-Friendly Railway Stations project to make railway stations a safe and friendly place for children, with the aim of ensuring their rescue, safety and rehabilitation, and to make a real, lasting difference to their lives. The project is currently covering a station each in the North, West and South East Central Zones of the Indian Railways. The stations selected in each zone respectively, are Ghaziabad Junction (UP), Dadar (Mumbai) and Raipur (Chhattisgarh). The programme rescued and rehabilitated 1,000 children across these 3 railway stations.

Pink Toilets

PVR NEST in association with Municipal Corporations of Delhi has successfully maintained public toilets for women for the past two years recording a footfall of 1.5 Lakh from just 4 of our toilets. As we are now scaling up and expanding to 16 toilets, we visualise these spaces as more than just toilets. We are already taking care of women's needs and our spaces include accessibility features, sanitary napkin vending machines, incinerators and areas for breast-feeding as well as a changing room. Moving further, we envision these spaces as evolving beyond just toilets, to complete accessible centres for women and children.

Community Impact During the year

500
Children benefited, Aanchal Childscapes – Child Protection and Care Centres

1,000
Children protected at child-friendly railway stations

1,50,000+
Users (women and children) accessed safe and hygienic Pink Toilets

100
Cataract surgeries for children in Samastipur, Bihar

10,000
Children enjoyed film screenings at PVR cinemas

10,000
Youth reached across 5 cities through 11 innovative eco-grant projects

70,000
Young leaders were educated about environment, awareness, and action in CineGreen Project

Enhancing the Empathy quotient

TOWARDS HOLISTIC WELL-BEING

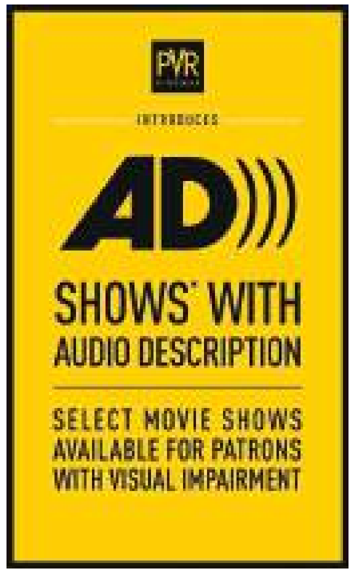
Caring for our patrons and teams continues to be our priority. They are our true brand advocates and help us retain and grow our industry prominence.

Empathy for our Patrons

Last year we launched the phase 1 of the #Cinema4All initiative. As per this pledge, we have announced our 'Accessible Cinema Programme' for people with mobility, hearing and visual impairment.

- Hindi and regional shows are provided with English sub-titles for patrons with hearing impairment.

- Shows with audio descriptions for patrons with visual impairment. Additionally, we are offering audio description on mobile applications and screening with subtitles and captions.



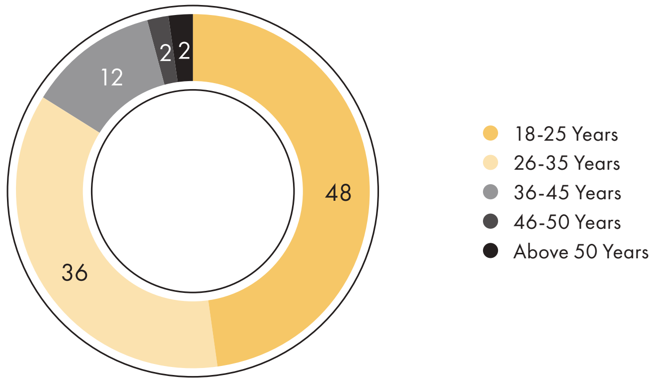
- Special assistance for senior citizens, expecting mothers and differently-abled patrons. We intend to install step sliders, step climbers, roll-a-ramps, stair lifts and one-step ramps in our cinemas, to ensure access for patrons with mobility issues. We have enabled 50 wheelchair-friendly cinemas in 25 cities and made them easily discoverable with wheelchair-friendly and companion seats.

People @ PVR

Our employees are the writers of our successful storyline. Our success highly depends on the conduct of our employees. We value and nurture our strong talent pool of 14,500+ employees as on March 31, 2020 through various learning and development programmes. Our employee engagement initiatives keep them motivated and inspired to provide their best at the workplaces.

We have a unique combination of young talent and a responsible leadership team, who further our success plot. While the maximum number of employees (around 48%) are 25 years or below, we channelise this youthful energy towards right direction, with guidance from our leadership and middle management talent.

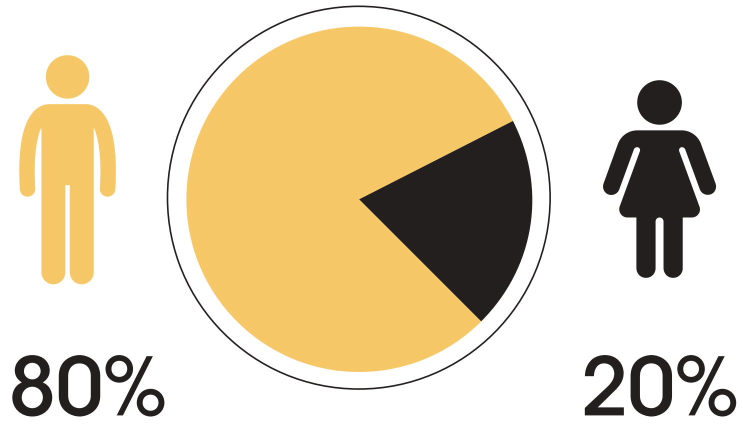
AGE BREAK-UP (%)



We regularly upskill our talent through our online training programme – PVR Springboard, which makes the programmes related to induction, handling difficult situations, POSH, #Movies4All and Fire & Safety, accessible to them. We offer some of the best-in-class rewards and recognitions programme, involving both monetary and non-monetary components to attract and retain young, as well as leadership talent.

Gender diversity also plays an important role in our workforce. While the majority is still skewed towards male employees, the female workforce component has been rising in our overall talent pool. For FY 2019-20, our ratio of male to female employees improved to 80:20 from 81:19 in FY 2018-19.

GENDER RATIO



We are an equal opportunities employer and do not discriminate on the basis of gender, religion, race or sexual orientation. We also provide opportunities to differently-abled individuals to lead a life of dignity. We have 18 differently-abled employees in our talent pool and all are being valued at par with the rest of the team.

We intend to leverage our strong brand value and leading position to become an employer of choice for budding talent, looking not only for a job, but also a fulfilling career experience.

Board of Directors

DIVERSITY IN THE BOARDROOM

Ajay Bijli

Promoter and Founder

Chairman and Managing Director

C C M M

- Has over two decades of experience in the movie exhibition industry
- Recognised as pioneer of the multiplex industry in India
- Completed the 28th session of the Owner/President Management Programme from the Graduate School of Business Administration, Harvard University
- Received numerous awards such as the 'Business Icon of the Year' at the Indywood Film Business Awards at the Indywood Film Market and ALIIFF in 2015, and the 'Exhibitor of the year' at the Cine Asia Awards in 2017, among others

Sanjeev Kumar

Promoter and Co-founder

Joint Managing Director

M M M

- Over two decades of experience in the movie exhibition industry
- Responsible for managing the film acquisition and distribution business and programming activities, along with the development and growth strategy of the Company

Anish Kumar Saraf

Non-executive Director

- Holds Chartered Accountancy degree from the ICAI and an MBA from the Indian Institute of Management, Ahmedabad
- Working with Warburg Pincus' India affiliate handling investment advisory and Director on the Board of Kalyan Jewellers India Limited, PRL Developers Private Limited, BIBA Apparels Private Limited, Hamstede Living Private Limited and R. Retail Ventures Private Limited
- Over 15 years of experience

Deepa Misra Harris

Independent Director

M M M

- Has a proven track record of delivering double-digit growth and escalating brands to leadership positions
- With an experience of over 31 years in the high-end hospitality category, she has contributed significantly to the success of the Taj Group of Hotels

Pallavi Shardul Shroff

Independent Director

- Has over 37 years of vast experience in representing public and private enterprises before various national courts
- Appointed on the International Chamber of Commerce (ICC) Court of Arbitration, she was recently conferred the 'Lifetime Achievement Award' at the Chambers India Awards 2019 and recognised as one of the Most Powerful Women in Indian Business by Business Today, seven years in succession (2013-19)
- Also, Director on the Boards of prestigious companies viz. Apollo Tyres Ltd., Trident Ltd., Asian Paints Ltd., Interglobe Aviation (Indigo Airlines) and One97 Communications Ltd. (Paytm)

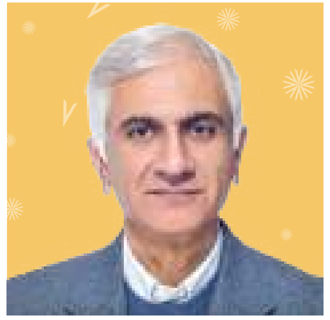
Renuka Ramnath

Non-executive Director

M

- Holds a Bachelors degree in Textiles from V.J. Technical Institute, University of Mumbai, and a Masters degree in Management Studies from the Chetna R.K. Institute of Management & Research, University of Mumbai
- Completed the 156th session of the 'Advanced Management Programme, the International Senior Managers Programme' from the Graduate School of Business Administration, Harvard University
- Currently the Managing Director of Multiples Alternate Asset Management Private Ltd. a private equity firm
- Also a Director on the Boards of Tata Communications Ltd. among others

Sanjai Vohra



Independent Director

C C M M

- Holds a Bachelor's degree in Science from the University of Delhi and Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad
- Also Director on the Board of Tivass Strategies (India) Private Limited
- Over 31 years of experience in the banking industry, private finance and risk management

Vikram Bakshi

Independent Director

C M

- A Director on the Board of Ascot Estates (Manesar) Private Ltd., Brite India Private Ltd. among others
- Successfully established McDonald's in North India
- Over 31 years of experience

Committee Details

Audit Committee · Risk Management Committee · Stakeholder Relationship Committee · Nomination and Remuneration Committee · Corporate Social Responsibility Committee

C Chairman M Member

Leadership Team

LEADING TO CREATE LONG-TERM VALUE

Gautam Dutta

Chief Executive Officer

Ⓜ

- Associated with the Company for over 14 years
- Involved in enhancing revenue and profitability, technology adoption, innovation and growth as an organisation
- Awarded the 'CEO of the Year' in 2018 as part of the global awards for retail excellence for leadership in multiplex cinemas and entertainment presented by ET Now and the 'CEO with HR Orientation' by Times Ascent in 2018

Kamal Gianchandani

Chief of Business Planning & Strategy

- Associated with the Company for over 20 years
- Responsible for handling film financing, distribution, syndication, licensing, and cinema exhibition (for both Indian and foreign language films in India)
- Oversees business planning and strategy

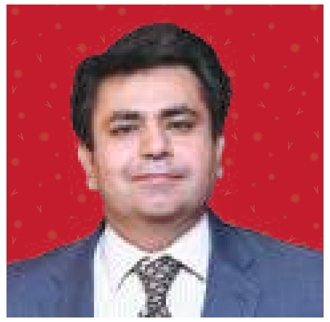
Nitin Sood

Chief Financial Officer

Ⓜ

- Associated with the Company for over 18 years
- Played a key role in Company growth and expansion
- Oversees the finance function and legal compliance
- Also responsible for managing all activities relating to mergers and acquisitions, fund raising including QIP and Right issue and strategic business expansion opportunities
- Awarded the 'Best CFO – Excellence in Mergers & Acquisitions' by ET Now, as part of the 'Stars of the Industry Awards' in 2018

Pramod Arora



Chief Growth & Strategy Officer

- Overall association with the Company for over 19 years
- Responsible for overseeing growth and development of new screen portfolio and execution and fitouts of new screens

Committee Details

Audit Committee, Risk Management Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee

Ⓒ Chairman Ⓜ Member

Rahul Singh

COO Strategic Operations

- Associated with the Company for over 11 years
- Oversees cinema operations and procedures and is responsible for business growth and efficiency
- Responsible for designing and implementing business strategies, plans and procedures, setting comprehensive goals for performance and growth, establish policies that promote Company culture and vision, manage relationship with partners and charter new avenues for growth
- Oversees and champions the entire Food & Beverages function from the strategic and operational perspective

Rajat Tyagi

Chief Information Officer

- Associated with the Company for over 4 years
- Drives the digital engagement for customers through interactions on digital platforms, focussed on building deeper customer loyalty, automating back end operations with cloud native technologies to provide security, scale and reliability of business operations at lower costs

Pankaj Dhawan

Company Secretary cum Compliance Officer

- Seasoned professional who ensures the smooth functioning of Secretarial and other Corporate Compliances of PVR Limited and its group companies
- Plays a key role in conducting Board Meetings, Court and NCLT Convened Meetings and General Meetings. Further, actively involved in several re-structuring exercises, acquisitions, mergers, de-mergers, fund raise etc.
- Extensive experience and exposure of more than 30 years of working in the field of Corporate Law.

Sunil Kumar

Chief Human Resource Officer

- Associated with the Company for over 4 years
- Responsible for managing the entire day-to-day business HR operations and provide strategic HR leadership and support in developing HR Business Strategy
- Steers the talent strategy and practices, and leads the efforts to create the necessary infrastructure and quality of recruitment processes for profitable growth, substantial cost and strengthening management discipline
- Recognised as one of the '100 HR Innovators' and '101 top HR Minds in India' in 2018. Under his leadership, PVR was awarded 'North India's Best Employer Brand' and 'National Best Employer Brand 2018'

Awards and Accolades

WE ARE HONOURED

2020
Indian Digital Awards for Best Use of Real-Time Streaming and Best Messaging Campaign in Digital Marketing

2019
NIPMAN Foundation Microsoft Equal Opportunity Award for Physical Accessibility at PVR

2019
Most Innovative Mid-Sized Company at ET Innovation Awards

2019
PVR's Annual Report for FY 2018-19 has been Ranked 17th Globally (2nd in India), by the League of American Communications Professionals (LACP) in the 2018/19 Vision Awards Annual Report Competition

2019
Top Multiplex chain of the year at Big cine Expo

2019
Most Admired Retail Tech Implementation of the Year – PVR's Accessible Cinema Program at the IMAGES Retail Forum

2019
Indian Content Leadership Awards for Content Enterprise of the Year; Best Content in an Experiential Marketing Campaign; Best Content in a Digital Media Campaign by a Retail Enterprise; Best Content in a Digital Media Campaign by a Media/Entertainment Enterprise and Best Content in a Performance-Driven Mobile Campaign

2019
Masters of Modern Marketing Awards and Conference (mCube Awards) for Multi-Channel Campaign; Content in Email Marketing Campaign; Best Experiential Marketing Campaign; digital Campaign by a Media/Entertainment Enterprise; and Best Content in a Mobile Marketing Campaign

2019
PVR – Investor Relations won Most Outstanding Company in India – Media Sector, in the 2019 Asiamoney Asia's Outstanding Companies Poll

Corporate Information

Ajay Bijli
Promoter and Founder,
Chairman and Managing Director

Sanjeev Kumar
Promoter and Co-Founder,
Joint Managing Director

Anish Kumar Saraf
Director

Deepa Misra Harris
Director

Pallavi Shardul Shroff
Director

Renuka Ramnath
Director

Sanjai Vohra
Director

Vikram Bakshi
Director

Nitin Sood
Chief Financial Officer

Pankaj Dhawan
Company Secretary cum Compliance Officer

Statutory Auditor
B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Internal Auditor
Ernst & Young LLP

Main Bankers
HDFC Bank Limited
IndusInd Bank Limited
ICICI Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited

PVR Limited
Corporate Identity Number: L74899DL1995PLC067827
Registered Office: 61, Basant Lok, Vasant Vihar, New Delhi 110 057, India
Corporate Office: Block A, 4th Floor, Building No. 9A, DLF Cyber City, Phase - III, Gurugram 122 002, Haryana, India
Tel: +91 124 4708 100
Website: www.pvrcinemas.com
Investor Grievance E-mail: cosec@pvrcinemas.com, Investorrelations@pvrcinemas.com

Registrar and Transfer Agent
Kfin Technologies Private Limited
(formerly known as 'Karvy Fintech Private Limited')
Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, 500 032, Telangana, India
Tel: +91 40 6716 2222
Website: www.kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com

Board Report

Dear Members,

Your Directors have pleasure in presenting the Twenty-Fifth Board Report on the business and operations of your Company along with audited financial statements for the Financial Year ended March 31, 2020.

1. Financial Summary and highlights

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended and modified from time to time, the Company has prepared its financial statements as per Indian Accounting Standards (Ind AS) for the Financial Year 2019-20. Further, with effect from April 1, 2019, the Company adopted the new Accounting Standard Ind AS 116 'Leases' which have significant impact on financial statements (for details please refer financial statements and Management Discussion and Analysis section). The financial highlights of the Company's operations (on standalone basis) are as follows:

(₹ in lakh)

Particulars	FY 2019-20	FY 2018-19
Revenue from operations	3,28,436	3,03,935
Other Income	4,286	3,150
Profit/Loss before Depreciation, Finance costs, Exceptional items and tax expense	1,10,834	60,776
Less: Depreciation/Amortisation	53,306	18,164
Profit/Loss before Finance costs, Exceptional items and tax expense	57,528	42,612
Less: Finance costs	47,984	12,775
Profit/Loss before Exceptional items and tax expense	9,544	29,837
Add/(less): Exceptional items	-	-
Profit/Loss before tax expense	9,544	29,837
Less: Tax expense (Current/Deferred)	6,528	10,828
Profit/loss for the year (1)	3,016	19,009
Total Comprehensive Income/loss (2)	-682	-1,252
Total (1)+(2)	2,334	17,757
Balance of profit/loss for earlier years	57,601	41,596
Less: Transfer to Debenture Redemption Reserve	-	2,895
Add: Transfer from Debenture Redemption Reserve	7,930	2,250
Less: Transfer to reserves	-	-
Less: Dividend paid on Equity shares	-2,989	-935
Less: Dividend distribution tax	-615	-192
Add: Adjustment on adoption of Ind AS 115	-	20
Less: Adjustment on adoption of Ind AS 116	-50,866	-
Balance carried forward	13,395	57,601

Revenue from operations of the Company was ₹ 3,28,436 lakh as compared to ₹ 3,03,935 lakh in the previous year. Further, Company registered EBITDA of ₹ 1,10,834 lakh as compared with ₹ 60,776 lakh for the financial year ended March 31, 2019, showing a growth of 82%, primarily due to impact of change in accounting due to Ind AS 116. Further the financial results of the Company for the Financial Year 2019-20 are also impacted in a limited manner on account to measures taken by Government/regulatory bodies to prevent the spread of COVID-19. The financial results have been discussed in detail in the Management Discussion and Analysis Report forming part of this Report.

Further, during the Financial Year 2019-20, there was no change in the nature of business of the Company.

2. Dividend and Dividend Distribution Policy

During the year under review, the Board of Directors has declared and paid an Interim dividend of ₹ 4 per equity share of the face value of ₹ 10 each (40%) during the year. An amount of ₹ 2,476.16 lakh including Dividend Distribution Tax was paid towards the Interim dividend. The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the Company's dividend distribution policy and impact of COVID-19 on business, has decided that it would be prudent, not to recommend any final dividend for the year under review.

The Board of Directors of your Company has approved and adopted the Dividend Distribution Policy of the Company and dividends declared/recommended during the year are in accordance with the said policy. The dividend distribution policy is placed as **Annexure-'1'** to the report and is also available on the Company website www.pvrcinemas.com.

3. Transfer within Reserves

During the year under review, the Company has utilised ₹ 3,603.85 lakh of retained earnings for payment of Dividend and Dividend Distribution Tax (Final and Interim Dividend paid during the Financial Year 2019-20). The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

4. Major events occurred during the year and post closure

(i) Adoption of Ind AS 116 'Leases'

With effect from April 1, 2019, the Company adopted the new Accounting Standard Ind AS 116 'Leases'. The new standard has a significant impact on financial statements of the Company. Please refer financial statements and Management Discussion and Analysis section for details.

(ii) Merger of SPI Cinemas Private Limited ('SPI') with PVR Limited

During the previous year, the Board of Directors in its meeting held on August 12, 2018, approved the acquisition of SPI Cinemas Private Limited ('SPI') via Share Purchase Agreement (SPA) by way of acquisition of 71.69% equity shares in SPI for a cash consideration (including deferred consideration) of ₹ 63,560 lakh and for the balance 28.31% stake, through issue of 1,599,974 equity shares of the Company to SPI shareholders in the ratio of 1:18.19 equity shares in the Company, pursuant to the proposed scheme of amalgamation. Consequent to above, on fulfilment of condition precedent in the said SPA, on August 17, 2018, the Company completed the acquisition of 71.69% shareholding in SPI. The scheme of amalgamation got approved by National Stock Exchange of India Limited, BSE Limited, by the members, secured and unsecured creditors of the Company and unsecured creditors of SPI in the NCLT convened meetings on April 24, 2019.

Pursuant to an application filed with National Company Law Tribunal for final order on aforesaid matter, the Hon'ble Principal Bench of The National Company Law Tribunal at New Delhi vide its Order dated August 23, 2019 has approved the Scheme of Amalgamation ('Scheme') between the Company, SPI Cinemas Private Limited ('SPI') and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and the rules and regulations framed thereunder, effective from the appointed date of August 17, 2018. With effect from the appointed date and upon the Scheme becoming effective, entire business of SPI including its assets, properties, rights, benefits, interests and liabilities has been transferred to and vested in the Company, as a going concern.

The Company has given effect to the accounting treatment in the books of accounts as per acquisition method per Indian Accounting Standard (Ind AS) 103 'Business Combinations', as prescribed by Section 133 of the Companies Act, 2013. Consequently, the standalone and consolidated financial figures for the year ended March 31, 2019 which were earlier approved by the Board of Directors at their meeting held on May 10, 2019 have been restated to give effect to the Scheme. Refer financial statements for further details.

(iii) Qualified Institutional Placement (QIP)

During the year under review, your Company raised ₹ 500 crore (Rupees Five Hundred Crore Only) by allotment of 2,908,583 Equity Shares under Qualified Institutional Placement at an issue price of ₹ 1,719.05 (including a premium of ₹ 1,709.05 share). The Company has utilised substantial amount of funds raised through QIP. Further, it is confirmed that there has been no deviation in the utilisation of funds raised through QIP for the period ended March 31, 2020. For further information, please refer to the 'Placement Document' dated October 29, 2019 which is available on BSE, NSE and Company website.

(iv) COVID-19 Impact and measures

COVID-19 is an unprecedented event that has impacted people across the Globe. India has taken tough measures to fight against the situation including a country-wide lockdown. Accordingly, since mid-march all our cinemas across the country are shut with no certainty on re-opening. Due to this extraordinary event in the form of COVID-19 pandemic, it has led to lower revenue and earnings for financial year 2019-20. Further, depending on the duration of the closure of cinemas, Company expects a severe impact on the Company's financial results for Financial Year 2020-21 as well.

Company is taking decisive actions to mitigate the significant adverse impact of COVID-19 on our businesses and we are implementing cost reduction strategies to reduce the potential impact on the Company's earnings and cashflows and are in discussion with Industry groups and local/state/central government to develop action plans and support.

Some of the actions taken by the Company to date includes:

- Halted all non-essential operating and capital expenditures;
- Implemented a daily CFO review and approval for all outgoing procurement and payment requests;
- Significant payroll reduction for corporate employees. Reduced salary for senior management by 50% and for other staff in the rage of 20%-35%;
- Invocation of Force majeure clause in rental agreements. Further, discussions are going on with developers for reducing rentals for the post – COVID period as well;
- Making principal and Interest payments as scheduled; availing the benefit of moratorium announced by RBI; and
- Dividend to shareholders is suspended.

Your Company will continue to take all measures necessary to further reduce the impact at all cost levels, including fixed costs and outgoing cash flows.

(v) Right Issue of Equity Shares

Post the closure of the Financial Year 2019-20, the Board of Directors of the Company in their meeting held on June 8, 2020 approved Right Issue to the tune of ₹ 30,000 lakh (approx.). Further details in this regard will be updated from time to time on the website of the Company at www.pvrcinemas.com.

Further, no other material change and commitment have occurred after the closure of the Financial Year 2019-20 till the date of this Report, which would affect the financial position of your Company.

5. General Information – Overview of the Industry, External Environment and Economic outlook

Pursuant to Regulation 34 of the Listing Regulations, the stated information is adequately captured in Management Discussion and Analysis Report, forming part of this Report.

6. Capital Structure

During the year under review, the Authorised Share Capital of the Company was increased due to merger of SPI Cinemas Private Limited with the Company. The revised Authorised Share Capital of the Company, as on the date of this Report is ₹ 1,43,84,96,800 divided into 123,700,000 Equity Shares of face value of ₹ 10 each and 590,000, 0.001% Non-Cumulative Convertible Preference Shares of face value of ₹ 341.52 each.

During the year under review, the paid up equity share capital of the Company was increased consequent upon allotment of following equity shares of the Company:

- 102,000 Equity Shares of face value of ₹ 10 each were allotted under PVR Employees Stock Option Scheme 2017 to the specified employee(s) of the Company at the pre-determined exercise price against same number of options exercised by them;
- 2,908,583 Equity Shares of face value of ₹ 10 each were allotted under Qualified Institutional Placement on October 30, 2019 at an issue price of ₹ 1,719.05 per share;
- 1,599,974 Equity Shares of face value of ₹ 10 each were allotted at par to M/s. S S Theatres LLP, pursuant to the order passed by NCLT (Principal Bench) upon merger of SPI Cinemas Private Limited with the Company.

The paid up equity share capital as on March 31, 2020 was ₹ 51,34,91,450.

During the year under review, the Company has not issued any shares with differential voting rights nor issued sweat equity shares.

7. Details of Employee Stock options

During the year under review, your Company introduced PVR Employees Stock Option Plan 2020 ('PVR ESOP 2020') for issuance of 520,000 stock options. PVR ESOP 2020 was approved by the Nomination and Remuneration Committee ('NRC') and Board at their respective meetings held on January 23, 2020 and by the shareholders through postal ballot, result of which was announced on March 9, 2020. Further, NRC had on March 11, 2020 approved grant of 434,000 options at an issue price of ₹ 1,500 per option in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI SBEB Regulations'). However, on account of the difficulties faced by the Company due to lock-down imposed by the Government of India and various other State Governments, above 434,000 employee stock options could not be granted to the employees of the Company and the same were withdrawn by NRC at its meeting held on June 5, 2020. Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the year ended March 31, 2020 is available on the website of the Company at www.pvrcinemas.com.

The details of the existing Employees Stock Options Plans are available on the website of the Company at www.pvrcinemas.com.

Kindly refer financial statements forming part of this Report for further details on ESOP Plans/Scheme(s).

8. Credit rating of Securities

The details on credit rating(s) of Securities as availed by the Company are disclosed in the Corporate Governance Report forming part of this Annual Report.

9. Transfer to Investor Education and Protection Fund

The Company has transferred a sum of ₹ 1.56 lakh during the Financial Year 2019-20 to Investor Education and Protection Fund established by the Central Government, in compliance with the Companies Act, 2013. The said amount represents unclaimed dividend which was lying with the Company for a period of seven years. Further, the Company has transferred 364 shares to Investor Education and Protection Fund Authority established by the Central Government, in compliance with the Companies Act, 2013.

Any shareholder whose shares or unclaimed dividend have been transferred to the Fund, may claim the shares under provision to Section 124(6) or apply for refund under Section 125(3) (a) or under proviso to Section 125(3), as the case may be, to the Authority by making an application in Web Form IEPF - 5 available on website www.iepf.gov.in.

10. Changes in Directorships

During the year under review, Mr. Sanjay Khanna, Mr. Amit Burman and Mr. Vishal Kashyap Mahadevia, Directors of the Company had resigned from the Board and various committees of the Board, effective from April 15, 2019, July 26, 2019 and March 26, 2020, respectively, due to their pre-occupancy and personal reasons.

Further, during the Financial Year 2019-20, Mr. Sanjai Vohra and Mr. Vikram Bakshi were duly appointed/re-appointed as Independent Directors on the board of the Company for a period of five years, pursuant to the shareholder's approval accorded on July 25, 2019. Also the appointment of Ms. Deepa Misra Harris, Independent Director, was regularised by the shareholder's at their meeting held on July 25, 2019.

On October 22, 2019, the Company appointed Ms. Pallavi Shardul Shroff as an Independent Director (Additional Director) on the Board of the Company. Ms. Pallavi Shardul Shroff is the Managing Partner of Shardul Amarchand Mangaldas & Co. with over 37 years of extensive experience. Her broad and varied representation of public and private corporations and other entities, before various national courts, tribunals and legal institutions has earned her national and international acclaim. She is a member of the Competition Law Review Committee, constituted by the Government of India. She appears regularly in the Supreme Court and High Courts of India, and in arbitrations, mediations and international legal disputes. She has recently been appointed on the ICC (International Chamber of Commerce) Court of Arbitration. She is presently a Director on the Boards of prestigious companies viz. Apollo Tyres Ltd., Trident Ltd., Asian Paints Ltd., Interglobe Aviation (Indigo Airlines) and One97 Communications Ltd. (Paytm). Ms. Shroff was recently conferred the 'Lifetime Achievement Award' at the Chambers India Awards 2019 and also been recognised as one of the Most Powerful Women in Indian Business by Business Today, seven years in succession (2013-19). Her appointment as an Independent Director for a period of five years, effective October 22, 2019, is subject to the approval by the shareholders in the ensuing Annual General Meeting of the Company. The Board recommends her appointment to the shareholders. Further necessary detail as required under Regulation 36 of Listing Regulations is included in the Notice calling the ensuing Annual General Meeting.

Post the closure of Financial Year 2019-20, the Board had appointed Mr. Anish Saraf as an Additional Director (Non-executive Director) effective June 8, 2020. Mr. Saraf is based in Mumbai, joined Warburg Pincus in 2006 and has since been working with the Firm's Indian affiliate. He is involved in the Firm's investment advisory activities in India and evaluates opportunities in Real Estate, Industrial and Consumer sectors in India. Prior to joining Warburg Pincus, Mr. Saraf started his own mild steel manufacturing business. He is a Director of Kalyan Jewellers India Limited, PRL Developers Private Limited, BIBA Apparels Private Limited, Hamstede Living Private Limited and R. Retail Ventures Private Limited. Mr. Saraf holds a Chartered Accountancy degree from the Institute of Chartered Accountants of India and an M.B.A. from the Indian Institute of Management, Ahmedabad. His appointment is currently up to the ensuing Annual General Meeting. The Board recommends his appointment to the shareholders. Further necessary detail as required under Regulation 36 of Listing Regulations is included in the Notice calling the ensuing Annual General Meeting.

Pursuant to Section 149 read with Section 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of the retirable Directors shall retire every year and if eligible, may offer for re-appointment. Consequently, Mr. Ajay Bijli who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013. The Board recommends his re-appointment.

The Company has received necessary declarations from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013, confirming that they meet the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and that of Listing Regulations. The Independent Directors have also confirmed that they have registered their names in the Independent Directors' Databank. Further, the Board members are satisfied with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company.

In addition to above, the Company has in place a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in 'Zero Tolerance' against bribery, corruption and unethical dealings/behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as 'Code of Business Conduct' which forms an Appendix to the Code. The Code is available on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management Personnel have confirmed compliance with the Code.

11. Key Managerial Personnel

The Key Managerial Personnel (KMP) of the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Name of the Employee	Designation
Mr. Ajay Bijli	Chairman cum Managing Director
Mr. Pankaj Dhawan	Company Secretary cum Compliance Officer
Mr. Nitin Sood	Chief Financial Officer

There is no change in KMP's during the year under review.

12. Meetings of the Board of Directors

During the Financial Year 2019-20, the Board of Directors had met six times. The details of Board Meetings and Committee Meetings are given in the Corporate Governance Report.

13. Audit Committee

As on March 31, 2020, the Audit Committee comprised of the following independent directors:

- Mr. Sanjai Vohra, Chairperson;
- Ms. Deepa Misra Harris, Member; and
- Mr. Vikram Bakshi, Member.

It is further confirmed that the recommendations of Audit Committee, as made from time to time, were duly accepted by the Board of Directors.

14. Policy on Directors Appointment and Remuneration Policy

Pursuant to the requirements under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a director and remuneration of directors, KMP and other employees is annexed as **Annexure '2',** which forms part of this Report. There has been no change in the Policy during the current year.

15. Performance Evaluation of the Board, its Committees and Directors

Pursuant to applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, *inter alia*, the criteria for performance evaluation of the entire Board, its Committees and Individual Directors, including Independent Directors.

In order to evaluate the performance and various aspects of the functioning of the Board and its Committees viz. adequacy of the constitution, composition of the Board and its Committees, etc. are assessed, matters addressed in the Board and Committee Meetings, processes followed at the meetings, regulatory compliances and Corporate Governance, etc. are reviewed. Similarly, for evaluation of Directors' performance, their profile, contribution in Board and Committee Meetings, execution and performance of specific duties, obligations, regulatory compliances and governance are evaluated.

During the Financial Year under review, the Independent Directors had met separately without the presence of any Non-independent Director and the members of management and discussed, *inter alia*, the performance of Non-independent Directors and Board as a whole and reviewed the performance of the Chairman of the Company.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

The Directors expressed their satisfaction with the evaluation process.

16. Remuneration of Directors and Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure '3'** which forms part of this Report.

In terms of Section 136 of the Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the members at the registered office of the Company during business hours on working days of the Company from the date of this Report up to the date of ensuing Annual General Meeting. Any member interested in obtaining such particulars may write to the Company Secretary and the same will be made available on request.

17. Directors' Responsibility Statement

Pursuant to requirements of Section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors confirm:

(a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

(b) That such accounting policies have been selected by them and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for the year ended on that date;

(c) That proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) That the annual accounts have been prepared by them on a going concern basis;

(e) That they have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Internal Financial Control and their adequacy

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. Further, Audit committee interacts with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. During the year under review, such controls were assessed and no reportable material weakness in the design or operations were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2019-20.

Kindly refer Statutory Auditor Report on internal financial controls forming part of this Annual Report for Auditors opinion on internal financial controls.

19. Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors and Secretarial Auditors of the Company have not reported any frauds to the Audit committee or the Board of Directors under Section 143 (12) of the Companies Act, 2013, including rules made thereunder.

20. Report on the Performance & Financial Position of Subsidiaries

As on March 31, 2020, following is the list of subsidiaries of the Company:

Sl. No.	Name of the Company
1	PVR Pictures Limited
2	Zea Maize Private Limited
3	P V R Lanka Limited
4	SPI Entertainment Projects (Tirupati) Private Limited

Further, PVR Middle East FZ LLC, a wholly-owned subsidiary of the Company, was dissolved effective January 30, 2020.

In terms of Companies Act, 2013, your Company does not have any direct associate Company or joint venture Company during the Financial Year 2019-20.

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014 report on performance and financial position of subsidiaries in prescribed Form AOC-1 is annexed as per **Annexure '4'** which forms part of this Report.

In terms of provisions under Section 136 of the Companies Act, 2013, audited accounts of the subsidiary companies are placed on the website of the Company at www.pvrcinemas.com.

The Company will make available these documents upon request by any shareholder of the Company. The procedure for inspection of documents is mentioned in the Notice forming part of the Annual Report.

21. Disclosure on Deposit under Chapter V

The Company has neither accepted nor renewed any deposits during the Financial Year 2019-20 in terms of Chapter V of the Companies Act, 2013.

22. Particulars of Loans, Guarantee or Investment under Section 186 of the Companies Act, 2013

Pursuant to Section 134(3)(g) of the Companies Act, 2013, a statement containing details of loans, guarantee and investment made under Section 186 of the Companies Act, 2013, for the Financial Year 2019-20, is given in the financial statements, forming part of this Annual Report.

23. Contracts or arrangements with Related Parties under Section 188(1) of the Companies Act, 2013

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Companies Act, 2013, entered by the Company during the year under review, were in the ordinary course of business or/and on an arm's length basis.

During the Financial Year 2019-20, the Company has not entered into any contract or arrangement with related parties which could be considered 'material' according to the Policy of the Company on Materiality of Related Party Transactions.

Your attention is also drawn to the Related Party Disclosures set out in the Financial Statements forming part of this Annual Report.

24. Details of Policy developed and implemented on Corporate Social Responsibilities (CSR) initiatives

The Company has in place a CSR Policy in line with Schedule VII of the Companies Act, 2013. As per the policy, the CSR activities are carried by PVR Nest which focuses *inter alia* on:

(a) Education and social development of the most vulnerable sections of our society;

(b) Hunger, Poverty, Malnutrition and Health;

(c) Sanitation and Safety;

(d) Gender Equality; and

(e) Environmental Sustainability

A report on CSR activities is furnished in **Annexure '5A & 5B'** which forms part of this Report.

25. Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Pursuant to the provisions of Section 134 of Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo are attached as **Annexure '6'** which forms part of this Report.

26. Development and Implementation of Risk Management

Risk management is embedded in PVR's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a process in place to identify key risks across the Company and prioritise relevant action plans to mitigate these risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have well-defined approach to risk. The Policy lays down broad guidelines for timely identification, assessment and prioritisation of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated. The said Policy is also available on the website of the Company.

In terms of Regulation 21(3A) of Listing Regulations, a meeting of the Risk Management Committee of the Company was held during the year under review wherein the management confirmed that the Company on regular basis assesses, evaluates and monitors the risks-both internal and external associated with various aspects of its business and takes necessary mitigating steps, wherever possible to manage such risks.

Detailed discussion on Risk management forms part of Management Discussion & Analysis Report under the section 'Risks and Concerns', which forms part of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

27. Disclosure on Vigil Mechanism

The Company has a vigil mechanism through Whistle-Blower Policy to deal with instance of fraud and mismanagement, if any. The Company is committed to the highest standards of Corporate Governance and stakeholder responsibility. The Company has Whistle-Blower Investigation Committee which provides for adequate safeguards against victimisation of persons and also provides for direct access to the Chairman of the Audit Committee and also to the members of the Committee.

The Policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The Company has always provided a congenial atmosphere for work to all employees, free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex.

The said Policy is also available on the website of the Company.

28. Material orders of Judicial Bodies/ Regulators

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

29. Statutory Auditors and their Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) were appointed as statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the twenty-second Annual General meeting held on July 24, 2017 until the conclusion of twenty-seventh Annual General meeting of the Company.

Pursuant to Sections 139 and 141 of the Companies Act, 2013 and relevant rules prescribed thereunder, the Auditors have confirmed, that their appointment would be within the limits laid and as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

The Auditor have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by Peer Review Board of the ICAI.

M/s. B S R & Co. LLP, Chartered Accountants, have submitted their report on the financial statements of the Company for the Financial Year 2019-20, which forms part of this Report. They have issued an unmodified Audit opinion without any qualification, reservation or adverse remark.

30. Secretarial Auditors and their Report

M/s. Arun Gupta & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2019-20 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed Form MR-3 is annexed as **Annexure '7'** to this Report.

There are no qualifications or observations or other adverse remarks or disclaimer of the Secretarial Auditors in the report for the Financial Year 2019-20.

31. Compliance with Secretarial Standard

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has materially complied with the applicable provisions of the Secretarial Standards on meetings of the board of directors and general meetings, as issued by the Institute of Company Secretaries of India.

32. Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return as on March 31, 2020 in the prescribed Form No. MGT-9 is annexed as **Annexure '8'** and forms part of this Report.

33. Consolidated Financial Statements

The Company has prepared consolidated financial statements in accordance with applicable accounting standards and Companies Act provisions. The same are presented in addition to the standalone financial statement of the Company.

34. Prevention of Sexual Harassment Policy

The Company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year.

Particulars	Nos.
Number of complaints pending at the beginning of the year	0
Number of complaints received during the year	24
Number of complaints disposed off during the year	22
Number of cases pending at the end of the year	2#

These complaints were received in first week of March 2020. While the first round of inquiry was conducted with complainants and respondents, however, due to national lockdown, inquiry could not be completed, hence as of March 31, 2020, the same were pending.

35. Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from Environmental, Social and Governance perspective is presented in a separate section, forming part of the Annual Report.

36. Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming integral part of this Annual Report.

37. Corporate Governance

The Company is committed to uphold the highest standards of corporate governance and believes that the business relationship can be strengthened through corporate fairness, transparency and accountability. Your Company complies with all the mandatory provisions of the Listing Regulations.

The Report on Corporate Governance is placed in a separate section forming part of the Annual Report alongwith a certificate received from a Practicing Company Secretary and forms integral part of this Report. A certificate from Chairman cum Managing Director and Chief Financial Officer of the Company, confirming the correctness of the financial statements, compliance with Company's Code of Conduct and adequacy of the internal control measures as enumerated and reporting of matters to the Audit Committee in terms of Listing Regulations, is also attached and forms part of this Report.

38. Acknowledgements

The Directors express their deep sense of appreciation for the contribution made by the employees both at corporate and cinema level to the significant improvement in the operations of the Company. Their dedicated efforts and enthusiasm have been pivotal to the growth of the Company. The Directors also thank all the stakeholders including members, customers, lenders, vendors, investors, business partners and state and central governments, bankers, contractors, vendors, credit rating agencies, legal counsels, Stock Exchanges, Registrar and Share Transfer Agent for their continued co-operation and support and their confidence in its management.

For and on behalf of the Board of Directors
of **PVR Limited**

Ajay Bijli
Chairman cum Managing Director

Place: New Delhi
Date: June 8, 2020

Annexure 1 to Board Report Dividend Distribution Policy of PVR Limited

PVR Limited (the 'Company') has adopted the Dividend Distribution Policy (the 'Policy') of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') on February 3, 2017.

EFFECTIVE DATE

The Policy became effective from the date February 3, 2017.

PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India ('SEBI') vide its Notification dated July 8, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalisation calculated as on the 31st day of March of every year. Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the 'Board') of the Company recognises the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay progressive dividend, subject to the circumstances and factors enlisted hereon, which shall be preferably consistent with the performance of the Company over the years.

A. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following –

- Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management including the CFO, and other relevant factors.

B. CONSIDERATIONS RELEVANT FOR DECISION OF DIVIDEND PAY-OUT

The Board shall consider the following, while taking decisions of a dividend payout during a particular year –

Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

Agreements with lending institutions/Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

Extent of realised profits as a part of the Ind AS profits of the Company

The extent of realised profits out of its profits calculated as per Ind AS, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend or retention decision.

Expectations of major stakeholders, including small shareholders

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall, as far as possible, consider the expectations of the major stakeholders including the small shareholders of the Company who generally expects for a regular dividend payout.

C. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

External Factors

Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

Product/market expansion plan

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to consider by the Board before taking dividend decision.

Macroeconomic conditions

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

Internal Factors

Past performance/reputation of the Company

The trend of the performance/reputation of the Company that has been during the past years determine the expectation of the shareholders.

Working capital management in the Company

The current working capital management system within the Company also impacts the decision of dividend declaration.

Age of the Company and its product/market

The age of the Company and its business of Multiplex in which the Company operates will be one of the most significant determining factors to the profitability of the Company and dividend declaration or retention.

D. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Modernisation plan;
- Diversification of business;
- Long-term strategic plans;
- Other such criteria as the Board may deem fit from time to time.

E. PARAMETERS FOR VARIOUS CLASSES OF SHARES

- The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
- The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
- The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
- Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

AMENDMENT

To the extent any change/amendment is required in terms of any applicable law, the Managing Director, Chief Financial Officer or Company Secretary of the Company shall be jointly/severally authorised to review and amend the Policy, to give effect to any such changes/amendments.

For **PVR Limited**

Ajay Bijli
Chairman cum Managing Director

Place: New Delhi
Date: June 8, 2020

Annexure '2' to Board Report Policy on Directors Appointment and Remuneration Policy

A. Introduction

This Policy on Directors Appointment and Remuneration on Directors, Key Managerial Personnel, Senior Management Personnel has been formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Listing Agreement with the Stock Exchanges by the Nomination and Remuneration Committee of the Directors of the Company.

B. Definitions

Directors:	Directors (other than Managing Director(s) and Whole-time Director(s)) appointed under the provisions of the Companies Act, 2013 and rules made thereunder.
Key Managerial Personnel:	Managing Director(s), Whole-time Director(s), Chief Executive Officers of the businesses of the Company reporting to the Managing Director, Chief Financial Officer and Company Secretary.
Senior Management Personnel:	Members of the Corporate Leadership Team of the Company and Key Managerial Personnel.

C. Terms of Reference

The terms of reference are as follows:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board Diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Senior Management Personnel.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel, Senior Management Personnel.
- Evaluation of the performance of Directors (other than Independent Directors).
- Evaluation of the performance of Independent Directors and make recommendations to Board.

D. Criteria for Recommending a person to become Director

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:-

1. Qualifications & Experience

The incumbent should have appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

2. Attributes/Qualities

The incumbent Director should have one or more of the following attributes/qualities:-

- Respect for and strong willingness to imbibe the Company's Core Values.
- Honesty and Professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievements.
- Ability to be independent.
- Capable of lateral thinking.
- Reasonable financial expertise.
- Association in the fields of Business/ Corporate world/ Finance/ Education/ Community Service/ Chambers of Commerce & Industry.
- Ability to review and challenge the performance of management.

3. In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges and other applicable laws and regulations.

4. The incumbent should not be disqualified for appointment as a Director pursuant to the provisions of the Act or other applicable laws & regulations.

E. Eligibility Criteria & Remuneration of Key Managerial Personnel, Senior Management Personnel

The eligibility criteria for appointment of key managerial personnel and senior management personnel shall be in accordance with the job description of the relevant position.

In particular, the position of Key Managerial Personnel should be filled by senior personnel having relevant qualifications and experience.

The remuneration structure for Key Managerial Personnel and Senior Management Personnel shall be as per the Company's remuneration structure taking into account factors such as level of experience, qualification, performance and suitability which shall be reasonable and sufficient to attract, retain and motivate them.

The remuneration may consist of fixed and incentive pay/retention bonus reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The aforesaid employees may also be provided any facility, perquisites, commission, accommodation, interest free loans or loans at concessional rate in accordance with the policies framed for the employees or any category thereof.

However loan to the Directors who are KMPs shall be governed by such approvals as may be required by the Companies Act, 2013.

PVR uses three elements important for remuneration policy i.e.

1. Organisation Structure
2. Compensation
3. Performance Management

1. Organisation structure

- The structure of the organisation has to be in-line with business needs and proposed/targeted growth of the organisation.
- The span of control has to be kept in mind while deciding the organisation structure (8-10). An attempt to have one level skips difference between supervisor and subordinate.
- Tooth to tail ratio to be kept in mind while deciding the organisation structure.

2. Compensation

- The compensation of senior management is recommended to have 'fixed and variable components' and is to be migrated from as of now state to desired state.
- Compensation will also vary on nature of responsibility/ role (field/Non-Field).
- The committee considered it necessary to differentiate between performance and non-performance by giving differential compensation.
- Cost To Company' to have following components:
    - Fixed CTC – (Monthly Salary Payouts)
    - Variable CTC (Incentives/Payout based on performance)
    - Long-term Wealth Creation (Stocks/ Phantom/ Cash/ Retention bonus)

3. Performance Management

- The KRA and KPI are available for all senior management employees and the total number of KRA do not exceed 5 to 7.
- The objective setting is clear and should represent the key objectives of the organisation.
- The same is categorised into following business levels:

    (a) Financial

    (b) People

    (c) Customer

    (d) Process

For and on behalf of the Board
For **PVR Limited**

Ajay Bijli
Chairman cum Managing Director

Place: New Delhi
Date: June 8, 2020

Annexure '3' to Board Report

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2019-20

Rule	Particulars			
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company	A	Mr. Ajay Bijli, Chairman Cum Managing Director	1:246
		B	Mr. Sanjeev Kumar, Joint Managing Director	1:170
			Median Salary – (In INR)	2,41,020
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary	A	Mr. Ajay Bijli, Chairman cum Managing Director	8%
		B	Mr. Sanjeev Kumar, Joint Managing Director	8%
		C	Mr. Nitin Sood, CFO	12%
		D	Mr. Pankaj Dhawan, CS	10%
(iii)	The percentage ~~increase~~/decrease in the median remuneration of the employees as on March 31, 2020		12%	
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2020		5,099	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration		• Average Percentage increase in Salaries of the Employees: 9% (Executive Grades) • Average Percentage increase in Salaries of Managerial Personnel: 11% (Management Grades) • There were no exceptional circumstances for increase in the managerial remuneration	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.		It is hereby affirmed that the remuneration paid to directors and employees is as per the remuneration policy of the Company.	

For and on behalf of the Board
For **PVR Limited**

Ajay Bijli
Chairman cum Managing Director

Place: New Delhi
Date: June 8, 2020

Annexure '4' to Board Report

FORM –AOC 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of the subsidiary companies of the Company

For the Financial Year 2019-20

(₹ In lakh)

Sl. No.	Particulars					
1	Name of the Subsidiary	PVR Pictures Ltd.	Zea Maize Private Limited	P V R Lanka Ltd.	#PVR Middle East FZ -LLC	*SPI Entertainment Projects (Tirupati) Private Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01-Apr-19 to 31-Mar-20	01-Apr-19 to 31-Mar-20	01-Apr-19 to 31-Mar-20	01-Apr-19 to 31-Mar-20	01-Apr-19 to 31-Mar-20
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR
4	Share Capital	2,680	7	1406	-	1
5	Reserves & surplus	3,183	230	-409	-	-9
6	Total assets	14,288	955	8,387	-	0
7	Total liabilities	8,425	719	7,390	-	8
8	Investments	300	0	0	0	0
9	Turnover	15,366	1,549	829	-	-
10	Profit before taxation	636	-382	-778	-5	0
11	Provision for taxation	177	-	-431	-	-
12	Profit after taxation	459	-382	-347	-5	0
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	100%	80% (87.8% through compulsory convertible preference share)	100%	100%	100%

* Became subsidiary of the Company, pursuant to the order passed by the Hon'ble Principal Bench of The National Company Law Tribunal at New Delhi vide its Order Dated August 23, 2019, effective from the Appointed Date – August 17, 2018, towards merger of SPI Cinemas Private Limited with the Company.

Refer Note 2 below

Notes:

1. Names of subsidiaries which are yet to commence operations- None

2. Names of subsidiaries which have been liquidated or sold during the year – PVR Middle East FZ – LLC was dissolved w.e.f. January 30, 2020.

For and on behalf of the Board
For **PVR Limited**

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

Pankaj Dhawan
Company Secretary

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Annexure '5A' to Board Report

Corporate Social Responsibility Report

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The CSR activities of PVR Limited are approved by the CSR committee and carried out through PVR Nest. PVR Nest works for Children at Risk (Childscapes) on their complete rehabilitation, education, nutrition, healthcare and employability, additionally; through its infrastructure – business enterprise – PVR Cinemas. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is www.pvrcinemas.com.
2	The Composition of the CSR Committee as on March 31, 2020	1. Mr. Ajay Bijli – Chairman 2. Mr. Sanjeev Kumar – Member 3. Mr. Sanjai Vohra – Member 4. Ms. Deepa Misra Harris – Member
3	Average net profit of the Company for last three financial years (i.e. FY 2018-19, FY 2017-18 and FY 2016-17)	₹ 23,405 lakh
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 468 lakh
5	Details of CSR spent during the financial year:	
	(1) Total amount spent during the Financial Year 2019-20	₹ 450 lakh through PVR Nest ₹ 18 lakh – Others
	(2) Amount unspent, if any	NIL
	(3) Manner in which the amount spent during the financial year is detailed below	The manner in which the amount is spent is detailed in the Annexure 5B.
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report	N.A.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company	The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board
For **PVR Limited**

Ajay Bijli
Chairman cum Managing Director
(Also the Chairman of the Corporate Social Responsibility Committee)

Place: New Delhi
Date: June 8, 2020

Annexure '5B' to Board Report

Utilisation of fund for the year 2019-2020

(Amount in ₹)

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local Area or other 2. Specify the State and district where projects or programmes was undertaken	Amount Outlay (budget) project or programmes -wise	Amount spent on the projects or Programmes Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	**Children at Risk**			4,05,21,278			
	Childscapes	Education and social development of the most vulnerable sections of our society:	Delhi NCR, Ghaziabad, Dadar, Raipur		1 Direct Expenses – 3,18,86,496	3,36,16,676	Direct – 77,20,360
		a) Promoting education, healthcare, nutrition and rehabilitation to Children at risks (Street Children).			2 Overhead – 17,30,180*		Implementing Agency – 2,58,96,316
2				44,96,022			
	Collective of Leaders PwD	Development of capabilities of organisations and individuals to build solutions to the benefit Persons with Disabilities	Delhi NCR		Direct Expenses – 44,96,022	44,96,022	Direct – 5,05,975 Implementing Agency – 39,90,047
	TOTAL			**4,50,17,300**			

* The Overhead cost includes the donations forwarded to:

- Savitri Waney Charitable Foundation
- Film Restoration workshop
- United Way of Mumbai

PVR Nest Centres near PVR cinemas Complexes:

- PVR Priya, Vasant Vihar
- PVR Anupam, Saket
- PVR Naraina
- PVR Vikaspuri
- PVR Lajpat Nagar

Annexure '6' to Board Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are as mentioned herein below:

(i) Conservation of Energy

Energy conservation measures taken:

- Awareness of Staff towards benefits of reduction in energy wastage and how and what of energy conservation is being continuously done, by conducting trainings and knowledge sharing sessions.
- Incentivisation policy is implemented and contributors to the cause are appreciated and incentivised accordingly. Idea sharing and its successful implementation across all the sites is recognised and awarded.
- Onboard BEE Certified Energy Auditor and Manager to supervise and implement energy conservation measures. Outside consultants have also been appointed to provide energy saving measures over and above the existing system. They provide suggestions on optimising energy usage, lux level of various areas, design aspects of Electrical and HVAC systems etc. so that equipment optimal efficiency can be maintained and energy conservation can be done.
- We have also audited equipments under mall catering to PVR and other tenants to identify inefficiencies and suggested operational and equipment change to reduce wastage of energy. Mall's have also come forward and approved Energy auditing by 3rd party to identify inefficiencies at their end though at the cost borne by PVR.
- APFC's are being used to maintain power factor above 0.98 and thus ensure that the reactive power in the system remains as low as possible. As a result rebates from the power supply companies are being received in electrical bills.
- Load running is optimised by following switching On/Off procedure. Timers are being used to ensure equipment usage optimisation. Mechanical Timers on loads and areas with intermittent usage are implemented across sites and new sites are being equipped as and when they are added to the PVR fleet. This helps in safety against fire due to long unattended over usage and helps in energy conservation.
- Occupancy Sensors have been installed in washrooms to save energy by reducing the lighting load to minimum by switching off lights when washrooms are unoccupied. Implemented across PVR to conserving energy.
- Replacing major lighting by LED lights using retrofits in existing locations. Upcoming sites using LED mainly.
- New and Efficient Screw Chillers are installed at locations giving energy savings. Old and inefficient chillers are being phased out and being replaced with new technology – high efficiency chillers.
- We have installed one of the most energy efficient Chiller Plant. It is equipped with Danfoss Turbocor compressor the most advanced technology in medium size HVAC systems to deliver best part load efficiency.
- HVAC plants and sub systems under PVR are being closely monitored and regular PPM is being carried out to ensure less breakdown, increased guest comfort, reduced wear and tear resulting in energy conservation due to maintained efficiency of the complete system.
- Centralised monitoring of all water cooled chiller plants from corporate office.
- Centralised monitoring of Chilled & Condense water parameters implemented in previous years on all sites having Chiller high side under PVR scope. This has helped us to ensure that our systems are running at peak performance and help us in saving energy wastage.
- Installed Electronic water softeners on cooling towers reducing the chemical dosing of cooling tower water to maintain chiller energy efficiency; monitoring from corporate office.
- Effective monitoring of energy consumption from corporate office to ensure optimal utilisation of energy.
- VFD's are installed on AHU's for energy savings while ensuring guest comfort by using a closed loop temperature feedback for the VFD's. All New/Upcoming Sites will also be equipped with VFD's.
- Water Conservation across PVR sites in India is facilitated by Installation of water flow restrictors in wash basin taps. This has helped to reduce consumption by 78% thus reducing the energy consumed in pumping and helping in water conservation. Some of the malls have shown interest towards water conservation and have implemented the same taking help from PVR.
- State-of-art Energy Monitoring, Temperature Monitoring and Fire Hydrant pressure monitoring system has been implemented at 110 Locations, 34 across North India in Phase I, 48 Sites in Western India under Phase II and 28 sites in Phase III in Financial Year 2019-20. This system is a cloud based remote monitoring system, enabling us to become proactive rather than being reactive.
- Building Signage's with LED based technology to save energy and longer life span.
- Poster Windows having FTL's have been replaced with LED based lighting.
- AC discipline is being followed to avoid leakage of cooled air/infiltration of hot air.

- V3F Drive equipped Lifts are being used where ever we have them as our own.
- Automatic start stop for the escalators in PVR premises/ scope has been implemented to avoid idle running of the escalators and thus conserve energy.
- Solar Energy Utilisation for energy conservation by using rooftop solar photovoltaic grid connected system is under implementation at two locations (installation delayed due to COVID-19), other sites will be taken up in coming years with available space on roof.
- We have piloted high efficiency fans for AHU's with minimum 15% efficiency improvement & plan to implement same across sites in a phased manner in coming years.
- We have taken a proactive step towards Indoor air quality by introducing clean air auditoriums ('Audit-Air-Ium') where we have implemented state-of-the-art technology to curb Indoor air pollution by controlling PM2.5 and PM10 to provide cleanest possible air. We are maintaining AQI (Air Quality Index) levels below US standard of 50.
- Clean Air Auditoriums implemented at 4 locations and will be expanded to other locations in a phased manner.
- We have Implemented UVGI (Ultraviolet Germicidal Irradiation System) at 9 locations in Financial Year 2019-20 and balance will be implemented across sites in a phased manner. It serves two fold benefit:
  - provides bacteria free air, improved air quality and odour elimination – will prevent patrons getting infected by communicable disease; and
  - energy savings in air handling units by ensuring clean coils free from mould and fungus growth.
- We have been observing Earth Hour across cinemas every Thursday during which all non-essential loads are being switched off or brought down to the lowest possible level of power consumption for 1.5 hours.

(ii) Technology Absorption

Since the Company has no subsisting Technology Agreement hence not applicable.

(iii) Foreign Exchange Earnings & Outgo

i) Expenditure in foreign currency (on accrual basis)

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Travelling	180	207
Professional fees (including expenses, net of withholding tax)	1,025	1,071
Others	570	274
Total	**1,775**	**1,552**

(ii) Income in foreign currency (on accrual basis)

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Advertisement Income	484	282
Income from sale of tickets and food and beverages	7	6

(iii) CIF value of imports

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Capital Goods	4,446	3,293
Store and spares	108	33

For and on behalf of the Board
For **PVR Limited**

Ajay Bijli
Chairman cum Managing Director

Place: New Delhi
Date: June 8, 2020

Annexure '7' to Board Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended on March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PVR Limited
CIN: L74899DL1995PLC067827
61, Basant Lok, Vasant Vihar,
New Delhi – 110057

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PVR Limited** (hereinafter called the 'Company'). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 and made available to me, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules & Regulations made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review);**

  (g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review);**

  (h) SEBI (Issue and Listing of Debt Securities) Regulations, 2008; and

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws as are applicable to the Company are based on the reports of the heads of the Department:

  (a) All the Labour laws as applicable to the Company;

  (b) All the Environmental laws as applicable to the Company;

  (c) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Uniform Listing Agreements entered into by the Company with the Stock Exchange(s) as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above. Further, due to the adoption of Ind AS 116 ('Leases') w.e.f. April 1, 2019 and its impact on the profits computed as per Section 198 of the Company Act, 2013, the overall managerial remuneration paid to the Executive Directors (Mr. Ajay Bijli and Mr. Sanjeev Kumar) of the Company exceeds the maximum remuneration permissible under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015. Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company in their meeting dated June 8, 2020 (subject to the approval of the shareholders) has approved the same remuneration as was originally approved. The details in this regard are also covered under the Financial Statements for the Financial Year ended March 31, 2020.

We further report that:

Having regarded to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) All Cinematograph Acts and Rules as applicable to the Company;

(b) Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations;

(c) All the building bye-laws applicable on the construction and renovation of Cinemas/Multiplexes constructed or renovated during the year.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors including Independent Directors and woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

(i) The Company had made an offer for subscription of Non-convertible Debentures for an aggregate amount not exceeding ₹ 500 crore on private placement basis.

(ii) The Company had redeemed 1,100 Secured Redeemable Non-convertible Debentures during the period under review.

(iii) The Shareholders of the Company approved by way of postal ballot on March 7, 2020, PVR Employee Stock Option Plan, 2020 to grant in one or more tranches, not exceeding 520,000 (Five lakh Twenty Thousand) employee stock options to or for the benefit of person(s) who are in permanent employment of the Company.

(iv) The Company had issued and allotted a total of 102,000 (One lakh Two Thousand) equity shares pursuant to PVR ESOP 2017 Scheme.

(v) The Company had allotted 29,08,583 (Twenty Nine lakh Eight Thousand Five Hundred Eighty Three) to Qualified Institutional Buyers by way of Qualified Institutional Placement.

(vi) The Hon'ble National Company Law Tribunal, Principal Bench, New Delhi had approved the Scheme of Amalgamation of SPI Cinemas Private Limited with PVR Limited vide its order dated August 23, 2019.

For **Arun Gupta & Associates**

Arun Kumar Gupta
Company Secretary
ACS: 21227
UDIN: A021227B000333693
C.P. No.: 8003

Place: New Delhi
Date: June 8, 2020

Note 1: The Government of India has notified a complete lockdown in the country from March 25, 2020 for prevention and containment of COVID-19. This has resulted in many restrictions, including free movement of people. Therefore, we were not able to personally visit the office of the Listed Entity for verification of physical documents and have obtained most of the documents in electronic mode. The explanations from the management of the Listed Entity have also been obtained either orally or electronically.

Note 2: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
PVR Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws, standards rules and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is reasonably adequate and appropriate for us to provide a basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
5. Wherever required, we have obtained the management's representation Letter about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**

Arun Kumar Gupta
Company Secretary
ACS: 21227
UDIN: A021227B000333693
C.P. No.: 8003

Place: New Delhi
Date: June 8, 2020

Annexure '8' to Board Report

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
for the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Sl. No.	Particulars	Details
1	CIN	L74899DL1995PLC067827
2	Registration Date	26/04/1995
3	Name of the Company	PVR Limited
4	Category/Sub-Category of the Company	Public Company Limited by shares
5	Address of the Registered office and contact details	61 Basant Lok, Vasant Vihar, New Delhi – 110 057 and 011-47604302
6	Whether listed Company (Yes/No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32 | Financial District Nanakramguda |Serilingampally Mandal | Hyderabad – 500 032 | India Ph No.: 6716 2222 Toll Free Number: 1800 3454 001 Website: www.kfintech.com E-mail: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the product/ service	% to total turnover of the Company
1	Motion Picture Exhibition in cinemas	59141	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PVR Pictures Limited 61 Basant Lok, Vasant Vihar, New Delhi – 110 057	U74899DL2001PLC111997	Subsidiary	100%	2(87)(ii)
2	Zea Maize Private Limited 2nd Floor, Khasra No. 294/3, Village Chhatarpur, New Delhi – 110 074	U15494DL2013PTC255802	Subsidiary	79.87%	2(87)(ii)
3	P V R Lanka Limited No. 39, Canal Row, Colombo 01	PB5347	Subsidiary	100%	2(87)(ii)
4	SPI Entertainment Projects (Tirupati) Private Limited No. 25, Mamatha Complex, Whites Road, Royapettah, Chennai TN 600 014 IN	U74999TN2017PTC116291	Subsidiary	100%	2(87)(ii)

There is no holding Company or associate Company of the Company as of March 31, 2020.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(As per the records available from Depositories)

i) Category-wise Shareholding

Category code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% change during the year 2019-20
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	***PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual/HUF	9,465,305	-	9,465,305	20.25	9,522,153	-	9,522,153	18.54	(1.71)
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**9,465,305**	**-**	**9,465,305**	**20.25**	**9,522,153**	**-**	**9,522,153**	**18.54**	**(1.71)**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total A=A(1)+A(2)	**9,465,305**	**-**	**9,465,305**	**20.25**	**9,522,153**	**-**	**9,522,153**	**18.54**	**(1.71)**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds/UTI	5,839,218	-	5,839,218	12.49	10,592,752	-	10,592,752	20.63	8.14
(b)	Financial Institutions/Banks	15,116	-	15,116	0.03	12,682	-	12,682	0.02	(0.01)
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	65,000	-	65,000	0.13	0.13
(f)	Foreign Institutional Investors	19,649,772	-	19,649,772	42.04	19,692,725	-	19,692,725	38.35	(3.69)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	**25,504,106**	**-**	**25,504,106**	**54.57**	**30,363,159**	**-**	**30,363,159**	**59.13**	**4.56**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1,439,097	-	1,439,097	3.08	1,191,599	-	1,191,599	2.32	(0.76)
(b)	Individuals									
	(i) Individuals holding nominal share capital up to ₹1 lakh	1,655,918	1,045	1,656,963	3.55	2,039,651	1,031	2,040,682	3.97	0.43
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	660,393	-	660,393	1.41	272,975	-	272,975	0.53	(0.88)
(c)	Others			-				-	-	
	Clearing Members	242,243	-	242,243	0.52	303,134	-	303,134	0.59	0.07
	Foreign Bodies	7,461,030	-	7,461,030	15.96	7,461,030	-	7,461,030	14.53	(1.43)
	I E P F	1,757	-	1,757	0.00	2,121	-	2,121	0.00	0.00
	NBFC	2,849	-	2,849	0.01	34	-	34	0.00	(0.01)
	Non-Resident Indians	119,974	-	119,974	0.26	131,620	-	131,620	0.26	(0.00)
	NRI Non-Repatriation	49,314	-	49,314	0.11	51,805	-	51,805	0.10	(0.00)
	Qualified Institutional Buyer	0	0	0	0.00	8600	0	8600	0.02	0.02
	Trusts	135,557	-	135,557	0.29	233	-	233	0.00	(0.29)
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

Category code	Category of Shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% change during the year 2019-20
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
	Sub-Total B(2):	11,768,132	1,045	11,769,177	25.18	11,462,802	1,031	11,463,833	22.33	(2.86)
	Total B=B(1)+B(2):	37,272,238	1,045	37,273,283	79.75	41,825,961	1,031	41,826,992	81.46	1.71
	Total (A+B):	46,737,543	1,045	46,738,588	100.00	51,348,114	1,031	51,349,145	100.00	0.00
(C)	**SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED**									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	46,737,543	1,045	46,738,588	100	51,348,114	1,031	51,349,145	100	

*Mr. Ajay Bijli and Mr. Sanjeev Kumar, promoters of the Company had acquired 4,100 equity shares each of the Company, on March 31, 2020 but as on that date, the same were lying in their pool account. Accordingly, the effect of the same is not reflected in Depository account (NSDL) and thereby not considered in the Shareholding Pattern for March 31, 2020. The actual shareholding of Mr. Ajay Bijli and Mr. Sanjeev Kumar, as on March 31, 2020, is 5,512,896 equity shares and 3,744,342 equity shares representing 10.74% and 7.29%, the aggregate of Promoter & Promoter Group shareholding is 9,530,353 equity shares representing 18.56% of total capital

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year – 01/04/2019			Shareholding at the end of the year – 31/03/2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Ajay Bijli	5,410,298	11.58	-	5,508,796	10.73	-	(0.85)
2	Sanjeev Kumar	3,728,892	7.98	-	3,740,242	7.28	-	(0.69)
	Total	**9,139,190**	**19.55**	**-**	**9,249,038**	**18.01**	**-**	**(1.54)**

Reason For Change- Inter se transfer amongst promoters and market purchase during the year.

(iii) Change in Promoters' Shareholding

Sl. No.	Names of Promoters	Reason of change	Shareholding at the beginning of the year – 01/04/2019		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**AJAY BIJLI**					
	01-04-2019		5,410,298	11.58	-	-
	09-08-2019	Inter se Purchase	28,000	0.06	5,438,298	11.63
	01-11-2019	Inter se Purchase	25,000	0.05	5,463,298	10.65
	13-03-2020	Market Purchase	41,898	0.08	5,505,196	10.72
	20-03-2020	Market Purchase	3,600	0.01	5,508,796	10.73
	31-03-2020		-	-	5,508,796	10.73
2	**SANJEEV KUMAR**					
	01-04-2019		3,728,892	7.98	-	-
	20-03-2020	Market Purchase	7,200	0.01	3,736,092	7.28
	27-03-2020	Market Purchase	4,150	0.01	3,740,242	7.28
	31-03-2020		-	-	3,740,242	7.28

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholder	Reason of change	Shareholding at the beginning of the year – 01/04/2019		Cumulative Shareholding during the year – 31/03/2020	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**BERRY CREEK INVESTMENT LTD.**					
	01-04-2019		3,582,585	7.67	-	-
	During the year	No change				
	31-03-2020		-	-	3,582,585	6.98
2	**GRAY BIRCH INVESTMENT LTD.**					
	01-04-2019		2,958,888	6.33	-	-
	During the year	No Change				
	31-03-2020		-	-	2,958,888	5.76
3	**ICICI PRUDENTIAL REGULAR SAVINGS FUND**					
	01-04-2019		2,070,004	4.43	-	-
	05-04-2019	Market Sale	(149,927)	(0.32)	1,920,077	4.11
	19-04-2019	Market Sale	(137,462)	(0.29)	1,782,615	3.81
	26-04-2019	Market Purchase	29,791	0.06	1,812,406	3.88
	26-04-2019	Market Sale	(14,297)	(0.03)	1,798,109	3.85
	03-05-2019	Market Sale	(161,142)	(0.34)	1,636,967	3.50
	17-05-2019	Market Purchase	32	0.00	1,636,999	3.50
	24-05-2019	Market Purchase	16	0.00	1,637,015	3.50
	24-05-2019	Market Sale	(9,392)	(0.02)	1,627,623	3.48
	28-06-2019	Market Purchase	17,749	0.04	1,645,372	3.52
	05-07-2019	Market Purchase	16	0.00	1,645,388	3.52
	26-07-2019	Market Purchase	16	0.00	1,645,404	3.52
	26-07-2019	Market Sale	(46,800)	(0.10)	1,598,604	3.42
	09-08-2019	Market Purchase	27,551	0.06	1,626,155	3.48
	16-08-2019	Market Purchase	213,870	0.46	1,840,025	3.93
	23-08-2019	Market Purchase	156,848	0.34	1,996,873	4.27
	30-08-2019	Market Purchase	16	0.00	1,996,889	4.27
	06-09-2019	Market Purchase	33,797	0.07	2,030,686	4.34
	27-09-2019	Market Purchase	27	0.00	2,030,713	4.34
	30-09-2019	Market Purchase	15	0.00	2,030,728	4.20
	04-10-2019	Market Purchase	15	0.00	2,030,743	4.20
	11-10-2019	Market Purchase	15	0.00	2,030,758	4.20
	18-10-2019	Market Purchase	2	0.00	2,030,760	4.20
	18-10-2019	Market Sale	(148,990)	(0.31)	1,881,770	3.89
	25-10-2019	Market Purchase	15	0.00	1,881,785	3.89
	01-11-2019	Market Purchase	814,403	1.59	2,696,188	5.26
	08-11-2019	Market Purchase	11,700	0.02	2,707,888	5.28
	22-11-2019	Market Purchase	25,672	0.05	2,733,560	5.33
	06-12-2019	Market Purchase	3,090	0.01	2,736,650	5.34
	13-12-2019	Market Purchase	24,882	0.05	2,761,532	5.38
	20-12-2019	Market Purchase	31,031	0.06	2,792,563	5.44
	27-12-2019	Market Purchase	19	0.00	2,792,582	5.44
	10-01-2020	Market Purchase	15	0.00	2,792,597	5.44
	10-01-2020	Market Sale	(7,245)	(0.01)	2,785,352	5.43
	17-01-2020	Market Purchase	20,000	0.04	2,805,352	5.47
	17-01-2020	Market Sale	(16,083)	(0.03)	2,789,269	5.43
	24-01-2020	Market Sale	(46,323)	(0.09)	2,742,946	5.34
	31-01-2020	Market Purchase	15	0.00	2,742,961	5.34
	07-02-2020	Market Purchase	15	0.00	2,742,976	5.34
	14-02-2020	Market Purchase	7	0.00	2,742,983	5.34
	21-02-2020	Market Sale	(10,991)	(0.02)	2,731,992	5.32

Sl. No.	Name of the shareholder	Reason of change	Shareholding at the beginning of the year – 01/04/2019		Cumulative Shareholding during the year – 31/03/2020	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	06-03-2020	Market Purchase	455,888	0.89	3,187,880	6.21
	06-03-2020	Market Sale	(57,600)	(0.11)	3,130,280	6.10
	13-03-2020	Market Purchase	151,385	0.29	3,281,665	6.39
	20-03-2020	Market Purchase	611,789	1.19	3,893,454	7.58
	20-03-2020	Market Sale	(117,621)	(0.23)	3,775,833	7.35
	27-03-2020	Market Purchase	20,719	0.04	3,796,552	7.39
	27-03-2020	Market Sale	(30,000)	(0.06)	3,766,552	7.34
	31-03-2020	Market Purchase	1,086,331	2.12	4,852,883	9.45
4	**PLENTY PRIVATE EQUITY FUND I LIMITED**					
	01-04-2019		1,965,507	4.21	-	-
	During the year	No Change				
	31-03-2020		-	-	1,965,507	3.83
5	**BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C**					
	01-04-2019		1,916,978	4.10	-	-
	05-04-2019	Market Sale	(255,200)	(0.55)	1,661,778	3.56
	12-04-2019	Market Sale	(106,000)	(0.23)	1,555,778	3.33
	19-04-2019	Market Sale	(34,515)	(0.07)	1,521,263	3.25
	26-04-2019	Market Sale	(91,600)	(0.20)	1,429,663	3.06
	03-05-2019	Market Sale	(197,400)	(0.42)	1,232,263	2.64
	10-05-2019	Market Sale	(135,163)	(0.29)	1,097,100	2.35
	24-05-2019	Market Sale	(10,700)	(0.02)	1,086,400	2.32
	31-05-2019	Market Sale	(8,400)	(0.02)	1,078,000	2.31
	21-06-2019	Market Purchase	25,000	0.05	1,103,000	2.36
	26-07-2019	Market Purchase	25,000	0.05	1,128,000	2.41
	02-08-2019	Market Purchase	74,000	0.16	1,202,000	2.57
	09-08-2019	Market Purchase	302,100	0.65	1,504,100	3.22
	16-08-2019	Market Purchase	100,000	0.21	1,604,100	3.43
	06-09-2019	Market Purchase	146,400	0.31	1,750,500	3.74
	27-09-2019	Market Sale	(37,700)	(0.08)	1,712,800	3.66
	25-10-2019	Market Sale	(96,630)	(0.20)	1,616,170	3.34
	01-11-2019	Market Purchase	474,432	0.92	2,090,602	4.08
	01-11-2019	Market Sale	(134,200)	(0.26)	1,956,402	3.81
	29-11-2019	Market Sale	(13,600)	(0.03)	1,942,802	3.79
	17-01-2020	Market Purchase	6,066	0.01	1,948,868	3.80
	28-02-2020	Market Sale	(47,600)	(0.09)	1,901,268	3.70
	06-03-2020	Market Sale	(62,000)	(0.12)	1,839,268	3.58
	13-03-2020	Market Purchase	5,796	0.01	1,845,064	3.59
	20-03-2020	Market Purchase	35,199	0.07	1,880,263	3.66
	20-03-2020	Market Sale	(97,600)	(0.19)	1,782,663	3.47
	27-03-2020	Market Purchase	209,600	0.41	1,992,263	3.88
	27-03-2020	Market Sale	(33,273)	(0.06)	1,958,990	3.82
	31-03-2020	Market Sale	(22,712)	(0.04)	1,936,278	3.77
6	**MULTIPLES PRIVATE EQUITY FUND I LIMITED**					
	01-04-2019		1,771,598	3.79	-	-
	During the year	No change				
	31-03-2020		-	-	1,771,598	3.45
7	**PLENTY PRIVATE EQUITY FII I LIMITED**					
	01-04-2019		1,392,508	2.98	-	-
	During the year	No change				
	31-03-2020		-	-	1,392,508	2.71

Sl. No.	Name of the shareholder	Reason of change	Shareholding at the beginning of the year – 01/04/2019		Cumulative Shareholding during the year – 31/03/2020	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	**RELIANCE CAPITAL TRUSTEE CO LTD. A/C RELIANCE CONSU**					
	01-04-2019		209,480	0.45	-	-
	05-04-2019	Market Sale	(20,000)	(0.04)	189,480	0.41
	12-04-2019	Market Sale	(48,896)	(0.10)	140,584	0.30
	24-05-2019	Market Sale	(6,000)	(0.01)	134,584	0.29
	28-06-2019	Market Sale	(5,000)	(0.01)	129,584	0.28
	19-07-2019	Market Sale	(10,000)	(0.02)	119,584	0.26
	26-07-2019	Market Sale	(15,000)	(0.03)	104,584	0.22
	09-08-2019	Market Purchase	15,000	0.03	119,584	0.26
	16-08-2019	Market Purchase	6,400	0.01	125,984	0.27
	16-08-2019	Market Sale	(15,000)	(0.03)	110,984	0.24
	30-08-2019	Market Sale	(99,200)	(0.21)	11,784	0.03
	06-09-2019	Market Purchase	32,000	0.07	43,784	0.09
	13-09-2019	Market Purchase	77,200	0.17	120,984	0.26
	20-09-2019	Market Sale	(10,000)	(0.02)	110,984	0.24
	01-11-2019	Market Purchase	145,429	0.28	256,413	0.50
	29-11-2019	Market Purchase	30,000	0.06	286,413	0.56
	06-12-2019	Market Purchase	100,000	0.19	386,413	0.75
	13-12-2019	Market Purchase	28,767	0.06	415,180	0.81
	20-12-2019	Market Purchase	9,227	0.02	424,407	0.83
	27-12-2019	Market Purchase	30,739	0.06	455,146	0.89
	31-01-2020	Market Purchase	38,502	0.08	493,648	0.96
	07-02-2020	Market Purchase	79,924	0.16	573,572	1.12
	14-02-2020	Market Purchase	21,395	0.04	594,967	1.16
	21-02-2020	Market Purchase	50,000	0.10	644,967	1.26
	28-02-2020	Market Purchase	7,800	0.02	652,767	1.27
	06-03-2020	Market Purchase	210,100	0.41	862,867	1.68
	13-03-2020	Market Purchase	5,000	0.01	867,867	1.69
	20-03-2020	Market Sale	(150,000)	(0.29)	717,867	1.40
	20-03-2020	Market Purchase	150,000	0.29	867,867	1.69
	20-03-2020	Market Sale	(183,331)	(0.36)	684,536	1.33
	27-03-2020	Market Purchase	267,912	0.52	952,448	1.85
	31-03-2020	Market Purchase	260,179	0.51	1,212,627	2.36
9	**MFS INTERNATIONAL NEW DISCOVERY FUND**					
	01-04-2019		911,419	1.95	-	-
	27-03-2020	Market Sale	(458,799)	(0.89)	452,620	0.88
	31-03-2020		-	-	452,620	0.88
10	**SUNDARAM MUTUAL FUND A/C SUNDARAM RURAL AND CONSUM**					
	01-04-2019		846,312	1.81	-	-
	10-05-2019	Market Sale	(25,034)	(0.05)	821,278	1.76
	31-05-2019	Market Purchase	19,365	0.04	840,643	1.80
	19-07-2019	Market Sale	(29,016)	(0.06)	811,627	1.74
	26-07-2019	Market Sale	(19,365)	(0.04)	792,262	1.69
	09-08-2019	Market Purchase	29,638	0.06	821,900	1.76
	27-09-2019	Market Purchase	30,000	0.06	851,900	1.76
	04-10-2019	Market Sale	(89,844)	(0.19)	762,056	1.58
	18-10-2019	Market Sale	(40,463)	(0.08)	721,593	1.41
	01-11-2019	Market Purchase	349,029	0.68	1,070,622	2.09
	22-11-2019	Market Purchase	1,704	0.00	1,072,326	2.09
	10-01-2020	Market Sale	(22,093)	(0.04)	1,050,233	2.05
	31-01-2020	Market Sale	(89,200)	(0.17)	961,033	1.87

Sl. No.	Name of the shareholder	Reason of change	Shareholding at the beginning of the year – 01/04/2019		Cumulative Shareholding during the year – 31/03/2020	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	28-02-2020	Market Sale	(10,000)	(0.02)	951,033	1.85
	06-03-2020	Market Sale	(226,000)	(0.44)	725,033	1.41
	13-03-2020	Market Sale	(10,000)	(0.02)	715,033	1.39
	20-03-2020	Market Sale	(275,200)	(0.54)	439,833	0.86
	27-03-2020	Market Purchase	128,000	0.25	567,833	1.11
	27-03-2020	Market Sale	(23,981)	(0.05)	543,852	1.06
	31-03-2020		-	-	543,852	1.06

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Names of Directors/ KMP	Reason of change	Shareholding at the beginning of the year-01/04/2019		Cumulative Shareholding during the year- 31/03/2020	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**AJAY BIJLI**					
	01-04-2019		5,410,298	11.58	-	-
	09-08-2019	Inter se Purchase	28,000	0.06	5,438,298	11.63
	01-11-2019	Inter se Purchase	25,000	0.05	5,463,298	10.65
	13-03-2020	Market Purchase	41,898	0.08	5,505,196	10.72
	20-03-2020	Market Purchase	3,600	0.01	5,508,796	10.73
	31-03-2020		-	-	5,508,796	10.73
2	**SANJEEV KUMAR**					
	01-04-2019		3,728,892	7.98	-	-
	20-03-2020	Market Purchase	7,200	0.01	3,736,092	7.28
	27-03-2020	Market Purchase	4,150	0.01	3,740,242	7.28
	31-03-2020		-	-	3,740,242	7.28
3	**SANJAI VOHRA**					
	01-04-2019		5,000	0.01	-	-
	13-09-2019	Market Sale	(1,250)	(0.00)	3,750	0.01
	20-09-2019	Market Purchase	2,500	0.01	6,250	0.01
	20-09-2019	Market Sale	(3,750)	(0.01)	2,500	0.01
	27-09-2019	Market Sale	(1,250)	(0.00)	1,250	0.00
	31-03-2020		-	-	1,250	0.00
4	**PANKAJ DHAWAN**					
	01-04-2019		-	-	-	-
	During the year	No Change				
	31-03-2020		-	-	-	-
5	**NITIN SOOD**					
	01-04-2019		120000	0.26	-	-
	17-05-2019	Market Sale	(9,307)	(0.02)	110,693	0.24
	24-05-2019	Market Sale	(5,693)	(0.01)	105,000	0.22
	27-09-2019	Market Sale	(20,606)	(0.04)	84,394	0.18
	07-02-2020	Market Sale	(53,398)	(0.10)	30,996	0.06
	14-02-2020	Market Sale	(2,996)	(0.01)	28,000	0.05
	31-03-2020		-	-	28,000	0.05

None of the directors/KMP, besides those mentioned above, hold equity shares in the Company

V. INDEBTEDNESS

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

(Amount ₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year – 01/04/2019				
i) Principal Amount	102,204	5,000	-	107,204
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	646	-	-	646
Total (i+ii+iii)	**102,850**	**5,000**	**-**	**107,850**
Change in Indebtedness during the financial year –				
*Addition	41,808	35,000	-	76,808
Reduction	33,163	35,000	-	68,163
Net Change	**8,645**	**-**	**-**	**8,645**
Indebtedness at the end of the financial year – 31/03/2020				
i) Principal Amount	110,848	5,000		115,848
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	567	-	-	567
Total (i+ii+iii)	**111,415**	**5,000**	**-**	**116,415**

* includes loan amount added by virtue of merger of SPI Cinemas Private Limited with the Company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Particulars		Total Amount
		Managing Director Ajay Bijli	Whole-time Director – Sanjeev Kumar	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	59,399,568	41,039,136	100,438,704
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600	79,200
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission – @3.90% of net profits @2.10 % of profits	107,573,510	68,280,706	175,854,216
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	**167,012,678**	**109,359,442**	**276,372,120**
	Ceiling as per the Act	The remuneration paid during the Financial Year 2019-20 is as per the approval accorded by the shareholders. Details in this regard is included in the Notice calling for Annual General Meeting and the Financial Statements forming part of this Annual Report.		

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Names of Independent Directors					Total Amount
		Amit Burman	Vikram Bakshi	Sanjai Vohra	Deepa Misra Harris	Pallavi Shardul Shroff	
1	Fee for attending board and committee meetings	200,000	500,000	-	500,000	-	1,200,000
2	Commission	250,000	250,000	2,400,000	450,000	-	3,350,000
3	**Total**	**450,000**	**750,000**	**2,400,000**	**950,000**	**-**	**4,550,000**

No Remuneration in any form is paid to Non-executive Non-independent Directors.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary – Pankaj Dhawan	CFO – Nitin Sood	
	Gross salary			
1.	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,027,050	36,590,073	42,617,123
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	61,903	94,303
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission – as% of profit – others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	**6,059,450**	**36,651,976**	**42,711,426**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board
For **PVR Limited**

Ajay Bijli
Chairman cum Managing Director

Place: New Delhi
Date: June 8, 2020

Management Discussion and Analysis

PRELUDE

PVR Limited (the Company) is India's largest and most premium multiplex player with distinguished portfolio of cinema formats, ranging from mainstream to Luxe, Director's Cut, Playhouse, PVR ICON to PVR Superplex. The Company is leveraging cutting-edge technology to serve its customers the best movie-viewing experience with IMAX, Onyx, 4DX and Enhanced Cinema Experience (ECX). The Company also offers exclusive experiential offerings, including P[XL], a premium, extra-large screen experience and D-Box that offers motion-effect recliners. PVR Limited, along with its subsidiaries, is an integrated film and retail brand, with interests in box office collections, film distribution, Food and Beverage (F&B) outlets at its cinemas, and manufacturing and distribution of gourmet popcorn.

The Company has pioneered the transformational journey of India's love for the movies from single screens to multiplexes. Its focus on customer experience, technology and innovations, strategically located cinemas, leadership across key operating metrics, consistent financial performance, experienced leadership team (promoters, key managerial personnel and senior management) make it steer ahead of peers in the Indian film exhibition industry.

FY 2019-20 was a significant year in the Company's growth story, as it crossed borders and expanded to Colombo, Sri Lanka with a nine-screened premium property. Currently, the Company operates in two countries with 845 screens in 176 properties in 71 cities across India and Sri Lanka. With its expansive cinema circuit, the Company served over 1,017 lakh patrons in FY 2019-20. Importantly, the financial and operating results of the Company for FY 2019-20 were impacted in a limited manner on account to measures taken by the government/regulatory bodies, which includes closure of cinemas from March 11, 2020 onwards, to prevent the spread of COVID-19.

PVR'S PRESENCE

Countries	Screen	Properties	Total seats	Cities	States & UT
2	845	176	181,917	71	22

ECONOMIC OVERVIEW

Global economy

The global economy experienced a mixed Calendar Year (CY) 2019. While the first half experienced slow growth due to the spill-over effects of a weak Q4 CY 2018, the second half recorded a modest recovery, with the overall growth coming in at 2.9% compared to 3.6% in CY 2018. CY 2019 saw the global economy encounter multiple uncertainties – a delayed Brexit, trade uncertainties, oil-market volatilities and geopolitical risks. These risks cumulatively led to significant deceleration in growth. Across countries, these uncertainties weighed on consumer confidence and business sentiment, dampening investment decisions and are likely to remain a key drag on the global growth going forward, unless addressed with synchronised efforts from all economies.

The growth in Advanced Market Economies (AMEs) declined from 2.2% in CY 2018, to 1.7% in CY 2019. The US economy was a major growth engine among advanced nations in CY 2019 and is projected to have grown by 2.3% during the same period.

The growth in the Emerging and Developing Economies (EMDEs) declined to 3.7% in CY 2019, from 4.5% in CY 2018, largely due to growing trade restrictions dampening business confidence and investment plans. The Chinese economy witnessed the lowest growth in 30 years, amidst a continued trade war with the US and persistently high inflation numbers due to swine flu. Growth was largely muted for the rest of emerging economies, due to market-specific reasons.

While CY 2020 started on a strong note with the US-China trade conflicts reaching phase one agreement and the uncertainty around Brexit fading, the outbreak of the COVID-19 pandemic, originating in China and spreading across the world, prompted most countries to impose a lockdown to break the chain of transmission. The containment measures severely impacted economic activities across the globe in Q1 CY 2020.

Outlook

REGION-WISE GROWTH ESTIMATES (%)

Region	CY 2018	CY 2019	CY 2020 (P)	CY 2021 (P)
World	3.6	2.9	-4.9	5.4
AMEs	2.2	1.7	-8.0	4.8
EMDEs	4.5	3.7	-3.0	5.9
ASEAN	5.3	4.8	-2.0	6.2
US	2.9	2.3	-8.0	4.5
Euro Area	1.9	1.2	-10.2	6.0
UK	1.3	1.4	-10.2	6.3
China	6.7	6.1	1.0	8.2
Japan	0.3	0.7	-5.8	2.4
Russia	2.5	1.3	-6.6	4.1

(Source: International Monetary Fund (IMF))

According to the IMF, it is likely that in 2020 the global economy will experience its worst recession since the Great Depression, surpassing that seen during the global financial crisis a decade ago. It is anticipated that the global economic growth would decline by 4.9% in CY 2020, amidst 'The Great Lockdown' forcing almost all the economies towards a recession. There is an estimate that over 170 countries will witness a negative per capita income growth during CY 2020. Many countries would face multiple crisis, including health shock, weak domestic economy, low external demand, capital flow reversals and commodity market fallouts, risking worse outcomes. With an underlying assumption that the pandemic recedes, and the containment measures unwind by 2H CY 2020, the IMF predicts the global economy to grow by 5.4% in CY 2021.

Indian economy

India continues to be one the world's most resilient economies, which is growing consistently, despite challenges, uplifting millions from poverty and bringing them into the folds of mainstream economy. According to Ministry of Statistics and Programme Implementation of the Government of India, India's economy is estimated to have grown by 4.2% in FY 2019-20, against 5.9% in FY 2018-19. The slower growth can be largely attributed to weak domestic consumption, liquidity crunch and sluggish manufacturing and construction activities. Besides, lower demand in the export markets also dragged down capacity utilisation of industries and dried up fresh investments.

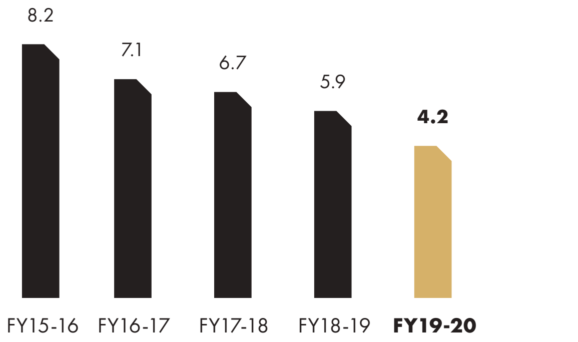
During the year, the Government of India undertook proactive initiatives such as reducing corporate tax rates and offering credit guarantee for financially sound NBFCs. The Reserve Bank of India (RBI) reduced interest rates significantly to inject liquidity into the economy.

After staying within the RBI's target range, CPI inflation spiked to six-year high of 7.59% in January 2020, which prompted it to halt rate cuts. By March 2020, retail inflation reached 5.91% and the wholesale inflation stood at 1%. Soon after the green shoots of a recovery became visible, the COVID-19 pandemic hit India in Q4 FY 2019-10 and destroyed hopes of an early turnaround.

However, the long-term potential of the economy remains intact. The enormous economic package amounting to ₹ 20 lakh crore (~10% of India's GDP) announced by the Government of India, and the containment measures undertaken to limit the outbreak are commendable and keep faith for long-term growth potential.

INDIA GDP GROWTH

(%)



(Source: Central Statistics Office (CSO))

Impact of COVID-19

COVID-19 has impacted lives and livelihoods across borders. It is likely to continue to have this severe and unprecedented effect on the world until a cure/ vaccine is made available or people develop natural immunity towards it. The measures to prevent its spread includes social distancing, which is being strictly imposed by governments.

In India, the government used a stringent lockdown to contain the spread of the diseases. Although quite effective in containing restrictions on social gathering and the nationwide lockdown affected 1.3 billion people residing in India and significantly affected industries, including entertainment businesses, especially cinema. All businesses faced supply chain disruptions, steep decline in consumption demand and investments. Besides, uncertainty in the informal sector and large cash flow gaps for corporates will aggravate this challenges to a quick economic recovery.

Synchronised government and RBI measures focus on stabilising economy

The government was responsive to the woes of the economy due to the COVID-19 disruption. It announced a comprehensive package equivalent to ~10% of India's GDP for a faster economic revival. This included the initial interim package of ₹ 1.7 lakh crore with direct cash and food benefits to provide relief to daily wage earners, informal sector workers and farmers. For the salaried class, there were relaxation in the EPF terms and collateral-free lending for women SHGs.

The RBI synchronised efforts and announced major rate cuts, along with a host of measures, including reduction in CRR, long-term repo operations, six-month moratorium on all term loans and interest on working capital loans, as well as special liquidity funding, to provide relief to the economy. Other measures include special hassle-free lending and capital infusion packages for MSMEs and a change in their definition, issue of immediate pending income tax refund orders, special emergency health response package and relaxation in statutory and compliance matters. Additionally, to give a fillip to domestic industry, the government initiated Atmanirbhar Bharat (Self-Reliant India) movement.

Outlook

The IMF forecasts India's economy to contract by 4.5% in FY 2020-21. The government's focussed attitude and the economic package to bolster the economy will help spur growth and build a self-reliant India. The resilience of the Indian economy also finds validation in the latest economic outlook of the IMF, which estimates that India's GDP is likely to grow by 6% in FY 2021-22, as the COVID-19 impact recedes.

The synchronised efforts from the government and central bank will also add up to provide more relief to the Indian economy. A recent KPMG report (April 2020) expects the economic recovery in India to be smoother and faster than other advanced economies.

(Source: IMF's WEO, June 2020)

INDUSTRY OVERVIEW

Media & Entertainment (M&E) industry

India's M&E industry has been characterised by rapid transformation towards digitalisation. Wider access, open adoption and democratisation of content have paved way for newer players, bringing more vibrancy to the already diverse market, with novel offerings and business models.

REVENUE GROWTH RATE SUMMARY

Revenue Growth	FY 2019		FY 2020		FY 2021 (E)		FY 2022 (E)	
	₹ (in '000 crore)	%	₹ (in '000 crore)	%	₹ (in '000 crore)	%	₹ (in '000 crore)	%
Digital	11.4	24	14.0	23	15.2	9	17.7	16
TV	71.9	6	80.7	12	73.3	-9	81.1	11
Radio	2.8	12	2.5	-11	2.0	-18	2.5	23
Print	32.3	5	30.9	-4	24.2	-22	29.3	21
OOH	3.9	15	4.0	3	2.8	-30	3.4	22
Films	19.6	12	22.4	8	12.2	-45	19.7	62
Overall	**142.9**	**9**	**155.7**	**9**	**130.2**	**-16**	**154.8**	**19**

(Source: CRISIL, April 2020)

Growth drivers

Direct-to-consumer segments gaining momentum

According to April 2020 CRISIL report, the overall M&E industry in India grew by 9% in FY 2019-20, on the back of phenomenal growth in digital segment, aptly supported by television. While digital grew by 23% to ₹ 14,000 crore, television continued rule to the ₹ 1,55,700 crore M&E industry contributing ₹ 80,700 crore (over 50%) at 12% growth rate. The traditional segments of mass entertainment – radio and print de-grew by 11% (to ₹ 25,000 crore) and 4% (to ₹ 30,900 crore), respectively.

Industry growing faster than overall GDP

FY 2019-20 witnessed the M&E industry outpace the overall GDP growth rate of India, growing by 9% to reach ₹ 1,55,700 crore. While Indian entertainment is being consumed in over 150 countries across the globe through television, movies and digital platforms, there is a growing demand for original content in Indian homes through OTT platforms.

Subscriptions marching ahead of advertising

During FY 2019-20, subscriptions moved significantly ahead of advertising, as the latter remained muted in H2 CY 2019 due to a sluggish pace of the economy, which led to subdued festive ad spending. While advertising de-grew marginally by 0.14% from ₹ 71,200 crore in FY 2018-19 to ₹ 71,100 crore in FY 2019-20, the subscriptions grew by 17.99% from ₹ 71,700 crore in FY 2018-19 to ₹ 84,600 crore in FY 2019-20.

9%

M&E industry growth in FY 2019-20

Outlook

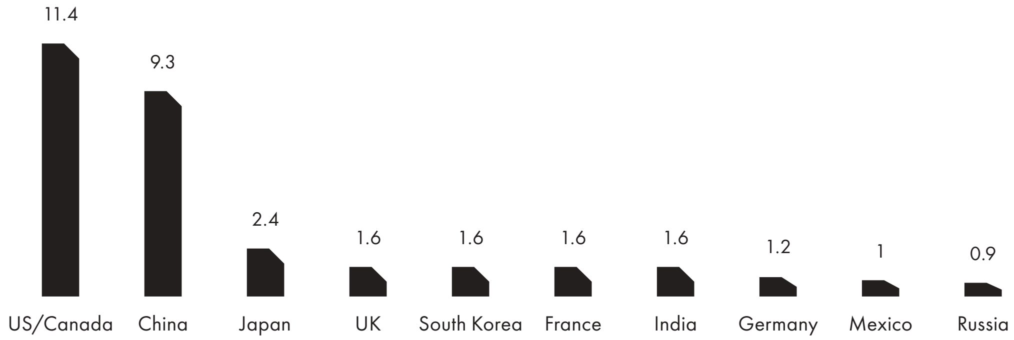
According to a CRISIL Report (April 2020), COVID-19 is expected to affect the M&E segment significantly, as revenues are expected to slip by 16% (~₹ 25,000 crore) from ₹ 1,55,700 crore in FY 2019-20 to ₹ 1,30,200 crore in FY 2020-21. Ad spends are expected to plummet ~18% in FY 2020-21, as corporates shift focus on controlling costs. The impact may vary across sub-segments, with digital growing at a slower pace and TV and print being cushioned with subscription revenues. The recovery of OOH – cinema, events and sports would be an uphill task, as social distancing norms take relevance. However, empirical data suggests a 'V'-shaped recovery in FY 2021-22, as consumption revives.

Filmed entertainment

India is the 7th largest box office market in the world, grossing US$ 1.6 billion revenues in box office collections, equating with the UK, South Korea and France box office collections in CY 2019. While the US/ Canada continue to reign with US$ 11.4 billion (a drop from US$ 11.9 billion in 2018), China grossed next at US$ 9.3 billion.

TOP 10 BOX OFFICE MARKETS IN 2019

(US$ in billion)



(Source: Statista.com)

India has the world's largest film industry in terms of number of movies produced in a year (Source: IBEF). It has 400 production and corporate houses involved in film production. During CY 2019, ~1,833 films were released in India, a rise of 3.3% vis-à-vis ~1,777 movies during CY 2018. Overall, the filmed entertainment segment in India grew by 14.29% in FY 2019-20 to ₹ 22,400 crore, even though the screen count declined by 1% to 9,527 screens in 2019.

~1,833 Films

Released in India during FY 2019-20

DOMESTIC BOX OFFICE COLLECTIONS

₹ (in '000 crore)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21 (E)	FY 2021-22 (E)
Domestic theatricals	13.5	15.1	6.2	12.2
International theatricals	1.6	1.9	0.8	1.5
C&S rights	3.4	4.2	4.6	4.9
In-film advertisement	1.1	1.2	0.5	1.1
Total	**19.6**	**22.4**	**12.2**	**19.7**

(Source: CRISIL, April 2020)

BREAKUP OF DOMESTIC THEATRICALS INTO DIFFERENT LANGUAGES AND THEIR COMPARISON WITH THE COMPANY IS AS FOLLOW:

(₹ in crore)

Language	India					PVR					PVR Share (%)	PVR Share (%)
	2018	Mix (%)	2019	Mix (%)	Growth (%)	2018	Mix (%)	2019	Mix (%)	Growth (%)	2018	2019
Hindi	4,392	45	4,831	44	10	1,056	56	1,162	53	10	24	24
Hollywood#	1,222	12	1,595	15	31	384	20	509	23	33	31	32
Regional	4,196	43	4,522	41	8	442	24	510	24	15	11	11
Total	**9,810**	**100%**	**10,948**	**100%**	**12%**	**1,882**	**100%**	**2,181**	**100%**	**16%**	**19%**	**20%**

(Source: Ormax Box Office Report, 2019 referred for India numbers; compared with PVR Results)

#Note: Hollywood Box office includes all language versions.

- Total GBOC in India crossed ₹ 10,000 crore mark in CY 2019; PVR contributed ~20% of this surpassing ₹ 2,000 crore in GBOC
- Hindi was the largest segment with 44% mix in the overall Indian GBOC; it constituted more than half the GBOC for PVR
- PVR market share in Hollywood content is higher than industry benchmark
- In CY 2019, PVR enjoys 32% market share in Hollywood GBOC and 24% in Hindi segment. PVR's overall market share stands at 20%
- PVR's consolidated its market share in 2019 by ~100 bps led by gains in Hollywood (+1%)
- Hollywood, the second biggest segment after Hindi significantly raised its GBOC share in CY 2019 both for PVR and India
- Total footfalls across languages in CY 2019 crossed the ₹ 100 crore mark, growing by 9% over the previous year. PVR breached the ₹ 10 crore mark, serving 20% more patrons than 2018. Better than industry growth resulted in PVR's admit share rising from 10% in 2018 to 11% in 2019.

Expanded share of Hollywood

The Hollywood box office collection contribution to total domestic theatricals was 13%, which was 33% higher at ₹ 16 billion, as against CY 2018 collection of ₹ 12.2 billion. Avengers: Endgame was the highest grossing Hollywood movie of all time in India, with gross collections of ₹ 4.3 billion. three other movies found place in the top 10 grossing Hollywood movies of all times and a total of four Hollywood movies made to the 100-crore club during 2019.

Rise of the ₹ 200 crore club

CY 2019 witnessed the rise of ₹ 200 crore club, as six Hindi movies made to this list as opposed to three in CY 2018. In fact, three Hindi movies crossed ₹ 300 crore collections. The ₹ 100 crore club was occupied by 17 Bollywood films. War emerged as one of India's all-time Bollywood blockbusters, grossing ₹ 3.4 billion at the box office.

Regional movies

CY 2019 witnessed revenue contribution of ₹ 50.4 billion in domestic theatricals as against ₹ 47.9 billion in 2018, while the number of regional films released was 1,460, which were 80% of the total films released in India in CY 2019.

Growth drivers

Government support initiatives

The central government provided relief to the sector in January 2019 with rationalisation of GST rates from 28% and 18% to 18% and 12% for ticket prices more than ₹ 100 and lower than ₹ 100, respectively. The state governments also supported the industry re-introducing the tax-free film concept. Under this mechanism, state governments waive off their share of GST on socially impactful films, providing impetus to production of such movies. CY 2019 witnessed Mission Mangal, Super 30, Panipat and Tanhaji: The Unsung Warrior receive these benefits.

1,460

regional movies

Released in India during FY2019-20

Film Facilitation Office (FFO) to ease moviemaking

The Ministry of Information and Broadcasting has setup a Film Facilitation Office (FFO) in National Film Development Corporation (NFDC) to enable domestic and international movie producers with a single window clearance and facilitation mechanism. This initiative will strengthen India's position as an ideal film-making destination on the global entertainment map.

Quality content valued over star power

Thought-provoking movies have been gaining popularity for the last few years, strengthening the fact that only star-power is not essential for a successful movie. Though, star-studded movies can bring in good opening at the box office, the ultimate success of a film depends on the content and storyline. CY 2019 continued this trend with success of movies like Dream Girl, Bala, Chhichhore, etc. signifying that a good concept, great treatment and small budget movie also has a scope for tremendous success at the box office.

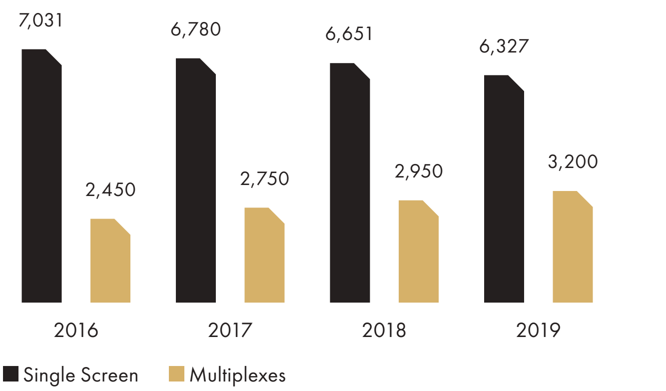
Exhibition infrastructure

The Indian movie exhibition infrastructure comprises two important elements: single screens and multiplexes. Both avenues cater to distinct markets and their respective segments. While the single screens rule the rural hinterlands and small towns, the multiplexes cater to slightly bigger towns and towards an aspirational segment.

It is a contradictory datapoint that though India produces the highest number of movies globally on an annual basis, yet it has one of the most under-penetrated markets in terms of screen density. Even more paradoxical is the fact that the already under-penetrated market has reduced the total number of screens from 9,601 in CY 2018 to 9,527 in CY 2019. This decline is primarily because single screens in the Hindi heartland are shutting down, as movies continue to be made for multiplex audiences that resonate less with the non-metro viewers. However, multiplexes were offsetting the declines with deeper penetration across smaller towns with population of ~3,00,000 – 4,00,000.

SCREENS IN INDIA

(Nos.)



(Source: FICCI Report March 2020)

Film exhibition infrastructure continues to modernise

The number of people watching movies at cinema halls remained almost constant at 1,000 million in CY 2019. The repeat footfalls grew by 11.6% in CY 2019, due to the initiatives from film exhibitors. Leading multiplexes continue to add premium formats to cater to growing demand from audiences. Around one fourth of screen additions by multiplexes were in premium format. Large multiplex operators continue to invest in latest audio-visual technology, which enhances their USP in the location, enabling them to attract audiences easily. There is also a growing trend in multiplexes to operate mix formats – like premium and kid-focussed screens at a single property, attracting wider audiences.

9,527

Total number of screens in CY 2019

Growth drivers

Rising disposable incomes

As per IBEF Report, the elite, effluent, aspirers and next-billion income classes are expected to grow at a CAGR (2017-2025) of 11%, 9%, 5% and 2%, respectively. These rising incomes would lead to more spends on entertainment and ultimately bring about a growth in the movie audiences at cinema halls.

Higher F&B contribution driving margins

The F&B segment continued to lead as the second-largest revenue source for multiplexes. This segment has brought in decent growth for the multiplexes, with innovative restaurant-like menus that go beyond the usual popcorn and colas, with gourmet offerings, celebrity chefs and automated kiosks, effectively satiating the demand for a meal within the cinema itself. Globally, the ticket to non-ticket ratio is 1:1. However, in India non-ticket revenues are barely 40-50% of the ticket revenues, representing a huge scope for growth.

Multiplexes evolving as event destinations

Indian multiplexes are innovating with newer offerings to widen their reach for destination-based events like exclusive parties, live events, franchisee meets, product launches, etc. Live sports events being broadcasted at multiplexes, private screening concept, as well as weekly calendars for jazz bands and stand-up comedies are some of the newer offerings by the leading multiplex chains to stay ahead of the curve.

Outlook

Leading multiplexes have footprint in ~70 towns, whereas movies are released in 400-450 towns, representing a huge headroom for growth. However, the lockdown is expected to impact box office collection of exhibitors during FY 2020-21. Footfalls are expected to be weaker even post lockdown due to safety and health concerns among people. This may lead producers to defer releases unless occupancy improves or move them to TV/OTT platforms to release their working capitals. According to a CRISIL report (April, 2020), the expected duration for recovery post lockdowns for multiplexes is ~5 months.

With rising OTT popularity, movie producers will focus more on releasing films with better visual effects, higher quality camera work, special sound effects and/or 3D effects to generate a pull for audiences towards cinema houses. Multiplexes are already bracing up their infrastructure for this scenario with super premium offerings, mix formats at a single property, investing in technology to offer a distinguished experience to the customers.

BUSINESS OVERVIEW

FY 2019-20 witnessed robust growth driven by strong performance of content. The Company was able to maintain its position in the industry across all operating parameters due to the following:

- Leader in terms of screen count, admissions and operating revenues
- Pan-India presence with diversified operations across geographies and content
- Highest occupancy among all leading multiplexes in the country
- Highest Average Ticket Price (ATP) and Spend Per Head (SPH) among all leading multiplexes in the country
- Highest revenue and EBITDA per screen among all leading multiplexes in the country.

Key events of FY 2019-20

- **The COVID-19 pandemic has disrupted business and will adversely affect operations and results of operations**

  The outbreak of COVID-19 is subjecting India and the world to extreme stress and uncertainty. Amidst the tumult of this unprecedented period, the Company's priority has been to safeguard the health and well-being of its employees, customers and communities at large while continuing the business operations with responsibility and care.

I. Impact of COVID–19 pandemic on the business

- Beginning March 11, 2020, the Company started closing its screens in accordance with the order passed by various regulatory authorities and within a few days most of its cinemas across the country were shut down
- Since Cinema Exhibition is the only business segment, Company is currently not generating any revenue from admissions, food and beverage sales or other revenue and cash flow from operations
- Having said that it upholds its cash outflow commitments, including employee salary pay-outs, other overheads, as well as payments for older working capital. This has and will continue to have significant negative impact on profitability and liquidity during the lockdown and even thereafter till business comes back to normalcy
- Further once the cinemas are re-opened, the Company may not be able to run its establishments at normal capacity utilisation levels on account of social distancing measures that cinemas may be required to follow as well as health concerns that the patrons may have. Therefore, the Company's revenue and cash flow generation may be impeded even once it is allowed to restart operations.

II. Financial impact of one-off expense

Company has taken one-time write-off of perishable inventory of ₹183 lakh in Mar'20, on account of spoilage due to closure of cinemas pursuant to COVID-19.

III. Operational steps to ensure continuity

Key measures undertaken in view of COVID-19 crisis:

- Employees are connected through secured remote access to ensure continued operations and Work From Home (WFH) has been facilitated wherever possible. Robust IT controls have been put in place to ensure data privacy, cyber threats and confidentiality
- The Company has undertaken review of financial impact of COVID-19 and related developments on the business. Basis the review, the Company doesn't see any risk of impairment of its assets, given the measures being pursued to safeguard/mitigate related risks
- The Company is undertaking decisive action to mitigate the adverse impact of COVID-19 on businesses by:

  A. Implementing cost reduction strategies

  B. Enhancing liquidity

  C. Cash-flows management

A. Implementation of cost reduction

Expenses	Remarks
Personnel cost	The Company has taken significant measures to reduce its personnel cost, including: • Salary cuts across various levels in the organisation during the period of lockdown • Reduction in headcount • Decision on increments deferred
Rental and Common Area Maintenance (CAM) cost	• Written to developers for waiving rental and CAM charges for the lockdown period • In discussion with developers for reducing rentals post re-opening • Invoked force majeure clause in its agreements
Electricity charges	• Electricity and water charges drastically reduced due to the closure of cinemas • Certain state governments have even waived off minimum load charges
Other overheads	• Significant reduction in other overheads • Contracts like housekeeping/security suspended till cinemas are closed • All discretionary spends like advertising, non-essential expenses are kept on hold

- Expect to achieve a significant reduction of 70%-75% in the Company's fixed costs expenses during the period of closure of cinemas
- All these initiatives are reviewed through a regular CFO review and approval process for all outgoing procurement and payment requests.

B. Liquidity enhancement

- **Additional borrowings:** The Company raised additional borrowings from existing bankers to shore up liquidity. As on March 31, 2020, the Company had cash and bank balance of ₹ 316 crore. As on June 7, 2020 the cash and bank balance was ₹ 227 crore (including undrawn bank lines)
- **Announcement of rights issue:** The Board of Directors of the Company approved a Rights Issue for an amount of up to ₹ 300 crore as 'confidence capital' to shore up the capital base

C. Cash flow management

- **Working capital payments:** Working with suppliers and vendors to negotiate an alternative payment schedule for clearing opening outstanding
- **Capital expenditure:** All capex spends have currently been put on hold
- **Debt obligation:** The Company accepted the relief offered by the RBI with respect to the moratorium on interest and principal repayment between March 2020 and August 2020.

The Company will continue to take all measures necessary to further reduce the impact at all cost levels, including fixed costs and outgoing cash flows.

IV. Operational preparedness for re-opening

Multiplex Association of India (MAI), under the aegis of Federation of Indian Chambers of Commerce and Industry (FICCI) has submitted enhanced safety and precautions plan for cinemas to Information & Broadcasting Ministry and various state governments. Some of the measures stated in the representation are:

- Minimal human contact
- Adhering to all social distancing norms and guidelines
- Patrons will be seated basis Government directives
- Disinfecting all possible areas of the cinema premises
- Body temperature checks with infrared scanners
- Masks mandatory and PPE kits made available for purchase
- Hand sanitisers to be placed at all strategic locations
- All point of sales will have demarcated directives.

Detailed presentation submitted by MAI is available on the Company's website www.pvrcinemas.com.

V. Re-opening schedule

We are in continuous touch with local authorities for re-opening of our cinema halls. However, as per ministry guidelines, cinema halls are still not allowed to start operations.

- **Merger update**

The merger scheme of SPI Cinemas with the Company received approval from regulators during the year. Accordingly, The Company has given effect to the accounting treatment in the books of account as per acquisition method per Indian Accounting Standard (Ind AS) 103 'Business Combinations', as prescribed by Section 133 of the Companies Act, 2013. Consequently, the standalone and consolidated financial figures for the year ended March 31, 2019, which were earlier approved by the Board of Directors at their meetings held on May 10, 2019 have been restated to give effect to the scheme. Please refer the financial statements for further details.

- **Expansion into Sri Lanka**

The Company made its International debut, with the opening of a nine-screen cinema at Colombo, Sri Lanka. Redefining movie viewing experience, the property has premium formats like PVR Luxe, a luxury cinema format and PVR Playhouse, among others.

9-screened cinema

Debut vehicle in Colombo, Sri Lanka

- **Increasing share of premium formats**

The Company continued premiumising its network by adding premium screens/seats. It launched 'PVR Sapphire' at PVR Pacific D21 Mall, Delhi, a new premium category cinema experience in addition to PVR's bouquet of Luxe and Director's Cut. PVR Sapphire has best-in-segment theatrical technologies, along with F&B menu like Bento & Bowl; a dedicated box-office and personalised hospitality services on request.

As on March 31, 2020, 11% of the Company's screen portfolio is premium. The following are the premium screens as on March 31, 2020:

Format	Screens
Gold Class/Luxe	37
DC	4
4DX	18
Playhouse	13
IMAX	9
P[XL]	8
Onyx	1
Sapphire	4
Total	**94**
11% of our screen portfolio is premium	

- **Technological advancements**

The Company collaborated with Canadian motion technology player D-BOX Technologies Inc. for 'D-BOX' motion seats that offer a more immersive experience while watching the movie. Currently, these seats are installed in PVR Select City Walk, Delhi and PVR Infinity Mall, Mumbai. War, Jumanji 2: The Next Level, Frozen II, Ford V Ferrari, Street Dancer are some of the movies that released in D-Box-enabled format.

- **QIP offering**

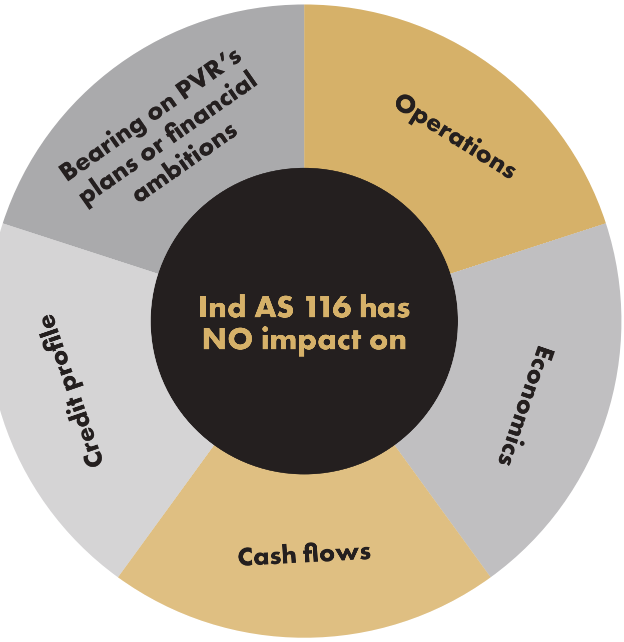
During the year, the Company completed fund raising through a QIP offering amounting to ₹ 500 crore. The offering saw participation from top sovereign and pension funds and marquee domestic investors. The issue price was fixed at ₹ 1,719.05 per equity share (including a premium of ₹ 1,709.05 per equity share). The Company's total stake dilution through this placement is ~6%.

The key objective of the issue was towards repayment/ pre-payment of a part of the Company's outstanding indebtedness; funding strategic expenditure towards expanding screen network; general corporate purposes and other corporate exigencies; including but not limited to funding balance milestone based payments in relation to its acquisition of SPI Cinemas; long- and short-term working capital requirements; strategic investments/acquisitions and expenditure towards refurbishment of its existing cinemas. Accordingly, the Company utilised QIP fund in below manner:

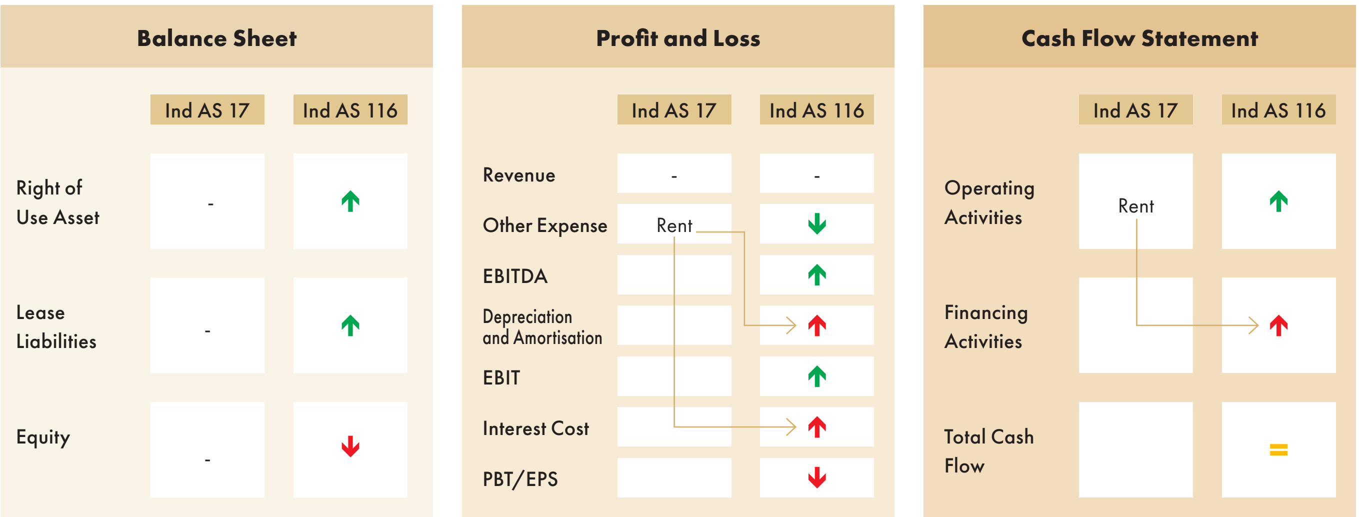
Particulars	Amount (₹ in crore)
Gross fund received through QIP	500
QIP issue expenses	10
Net proceeds	490
Fund utilisation	
- Debt repayment	297
- Capex and general corporate purpose	133
Closing QIP fund as on March 31, 2020	**60**

The Company filed 'Placement Document' dated October 29, 2019 detailing risk factors, the Company's strength and strategies, industry overview, business overview and its financial position, among other details, as required under the SEBI (Issue of Capital & Disclosure Requirements) Regulations 2018, which is available on the Company's website and on stock exchanges.

- Ind AS 116 'Lease'
  With effect from April 1, 2019, the Company adopted the new Accounting Standard Ind AS 116 'Leases'. The new standard has a significant impact on financial statements, including:
  - Accounting to shift from operating lease model (off balance sheet) to finance lease model (on balance sheet)
  - Present value of future rentals are recognised as Right of Use (RoU) asset and its corresponding 'Lease liability'
  - RoU to be amortised on a straight-line basis over the lease period; lease payments to be apportioned between finance charge and reduction of the lease liability
  - Significant impact on reported KPIs, including EBITDA, EBITDA margin, PBT, EPS and accounting ratios
  - No economic impact on the business
  - NET impact on cash flow is Nil.



IND AS 116 – IMPACT ON FINANCIAL STATEMENTS



The impact of standard on various KPIs can be understood in following manner.

KPI's	IMPACT	Amount (₹ in lakh)	COMMENTS
Rent	↓	50,004	Lease expense will be reduced and will be accounted as depreciation and interest expense.
EBITDA	↑	50,004	As lease expense will now be accounted as depreciation and interest expense, EBITDA will increase.
EBITDA margin	↑	15%	With increase in absolute EBITDA and no change in revenue, EBITDA margin is naturally going to increase under the new accounting standard.
Depreciation and amortisation	↑	30,831	Lease expense will now be split under depreciation and interest expense. Hence, depreciation and interest expense will see an increase under the new accounting standard.
Interest expense	↑	32,806	
PAT	↓	10,202	Basis the standard, lease expenses will be front loaded, hence, net profit for the earlier years will be lower. However, over the term of the lease, there will be no impact on the net profit.
Right-Of-Use(ROU)*	↑	249,229	The standard requires to create 'lease liability' and corresponding 'right to use asset' to account for future lease liability. Basis which balance sheet will be asset rich with corresponding heavy indebtedness.
Lease liability*	↑	327,416	
Impact on opening equity*	↓	50,866	As Company has adopted retrospective method of adoption of Ind AS 116, cumulative impact (net of tax) is adjusted from opening reserve.
Cash outflows	No Impact	-	The accounting standard shift will not lead to overall cash flow impact, though operating cash flow will improve at the expense of financing activity cash flows.
Operations of the Company	No Impact	-	There will be no change in operations and economics of the business. The business will run as usual.

*as on April 1, 2019

- **Loyalty @ PVR**
  PVR PRIVILEGE, the flagship loyalty programme of the Company continues to gain scale. As on March 31, 2020, it had over 100 lakh members since its launch, which is a significant jump from a base of ~46 lakh as on March 31, 2019. The Company would continue to invest in this programme and intends to work on making this programme the most admired loyalty programme in the country.

  Key features of PVR PRIVILEGE are:
  - Free Privilege Popcorn on first transaction of ₹ 100 or greater
  - Customer earns 5 points for every ₹ 100 spend on tickets and F&B items
  - Once 50 points get accumulated, it turns into a voucher, which can be redeemed at cinema counters or digital platforms for purchase of tickets and/or F&B items
  - Exclusive privileges like birthday bonuses, invitation to events and premieres etc.

Particulars	As on March 31, 2020	As on March 31, 2019
Loyalty members	~112 lakh	~46 lakh

- New screen openings

  The Company operationalised the following cinemas during FY 2019-20:

Sl. No.	Cinema	Date of Opening	Screens
1	PVR Suraj Chanda Tara, Amritsar	April 22, 2019	6
2	PVR Downtown Mall, Kolkata	April 26, 2019	3
3	PVR Vegas Mall, Gorakhpur	April 30, 2019	4
4	PVR Uthandi Mall, Chennai	June 7, 2019	10
5	PVR Preston Mall, Hyderabad	June 28, 2019	4
6	PVR Gaur City Mall, Noida	July 12, 2019	9
7	PVR GMS City Centre Mall, Satna	August 15, 2019	3
8	PVR Riddhi Siddhi Mall, Sri Ganganagar	August 28, 2019	3
9	PVR One Galle Face Mall, Colombo	November 8, 2019	9
10	PVR Vegas Mall, Delhi	November 15, 2019	12
11	PVR Cosmo Mall, Zirakpur	January 13, 2020	4
12	PVR Nilamber Triumph Mall, Vadodara	February 21, 2020	5
13	PVR Pacific D21 Mall, Delhi	March 6, 2020	6
14	PVR Orion Uptown Mall, Bengaluru	March 6, 2020	5
15	PVR Treasure Island Mall, Indore	March 14, 2020	4
	Total		**87**

- **Branding initiatives**
    - Renewed partnership with Kotak for co-branded credit card
    - Launched the PVR brand film to celebrate its customers and their delight stories.

SCOT ANALYSIS

Strengths	Challenges
• Largest theatre network across India with strong brand equity • Strategically located cinemas • Diversified product offerings and premium guest experience • Leadership position across key operating metrics • Consistent financial performance • Asset-light model with no ownership of cinema premises • Experienced promoters and senior management team with an established track record • Usage of cutting-edge technology such as Dolby stereo sound system, digital cinema technology for unmatched customer experience • High entry barriers	• Dependency on development of malls for growth • Continuous technology evolution • Dependency on movie performance • Controlled ticket price in some states • Regulatory changes

Opportunities	Threats
• Young demographics of India ideal for consumption of films • Large untapped Indian market, with significant headroom to increase network across the country • Growing discretionary spending, especially on entertainment by consumers • Large film industry with more than 1,500 films released each year • Diversified content (Bollywood, Hollywood and regional) • Rising trend of successful content-based smaller budget movies	• The COVID-19 pandemic has disrupted the business and will adversely affect operations and results of operations • Increasing competition in the industry • Challenges in securing strategic locations on commercially viable terms • Piracy and live-streaming videos may reduce the number of cinema customers • Competition from alternative content and movie distribution channels, including OTT content and home-videos, movie DVDs, and others may result in a decline in cinema attendance and limit ticket pricing • Termination/non-renewal of lease agreements • Allowing outside food within cinemas, may increase security risk and lower F&B revenue

FINANCIAL PERFORMANCE AND ANALYSIS

FY 2019-20 was a year of strong performance for the Company, even as India faced a cyclical slowdown. PVR's strong brand, its focus on expanding presence and innovative spirit enabled the Company to stay resilient during these tough market conditions.

The discussion in this section relates to the standalone financial results pertaining to the year ended March 31, 2020. The financial statements of Company have been prepared in accordance with the Indian Accounting standards (Referred to as Ind AS), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the standalone financial statements. Further, the standalone financial results for the year ended March 31, 2020 are not strictly comparable with corresponding results for the year ended March 31, 2019 on account of adoption of Ind AS 116 'Leases' with effect from April 1, 2019 and SPI Cinemas numbers are reported for 12 months in FY 2019-20, however, in FY 2018-19, SPI Cinemas numbers are included post acquisition i.e. August 17, 2018.

The table below gives an overview of the standalone financial and operating results for FY 2019-20 compared with FY 2018-19. The Company eliminated the impact of Ind AS 116 from earnings and balance sheet and then compared it with last year numbers to show actual growth/de-growth in numbers.

(₹ in lakh)

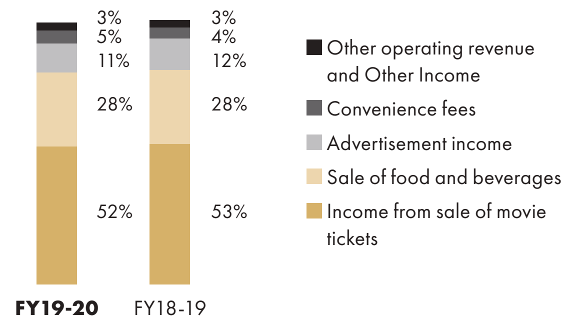
Particulars	March 31, 2020 Reported	Ind AS 116 Adjustment*	March 31, 2020 Adjusted*	% of Revenue	March 31, 2019	% of Revenue	Growth/ De-growth
Income							
Revenue from operations	3,28,436	-	3,28,436	99%	3,03,935	99%	8%
Other income	4,286	-	4,286	1%	3,150	1%	36%
Total Income	**3,32,722**		**3,32,722**	**100%**	**3,07,085**	**100%**	**8%**
Expenses							
Movie exhibition cost	77,021	-	77,021	23%	71,165	23%	8%
Consumption of food and beverages	25,927	-	25,927	8%	23,514	8%	10%
Employee benefits expense	38,166	-	38,166	11%	32,686	11%	17%
Other operating expenses	80,774	50,004	1,30,778	39%	1,18,944	39%	10%
Total expenses	**2,21,000**	**50,004**	**2,71,892**	**82%**	**2,46,309**	**80%**	**10%**
EBITDA	**1,10,834**	**(50,004)**	**60,830**		**60,776**		**0%**
EBITDA Margin (%)	**33%**		**18%**		**20%**		**-2%**
Finance costs	47,984	(32,806)	15,178	5%	12,775	4%	19%
Depreciation and amortisation expense	53,306	(30,831)	22,475	7%	18,164	6%	24%
Profit before tax	**9,544**	**13,633**	**23,177**		**29,837**		**-22%**
PBT Margin (%)	**3%**		**7%**		**10%**		**-3%**
Tax expense	**6,528**	**3,431**	**9,959**	**3%**	**10,828**	**4%**	**-8%**
Profit after tax	**3,016**	**10,202**	**13,218**		**19,009**		**-30%**
PAT Margin (%)	**1%**		**4%**		**6%**		**-2%**
Operating Numbers							
Locations (Nos.)	175		175		164		7%
Screens (Nos.)	836		836		763		10%
Admits (lakh)	1,015		1,015		993		2%
Gross ATP	204		204		207		-1%
Net ATP	171		171		165		3%
Gross SPH	99		99		91		9%
Occupancy %	35%		35%		36%		-1%

*Proforma numbers

I. Revenue

Total revenue increased by 8% or ₹ 25,637 lakh during the year ended March 31, 2020 as compared to previous year ended March 31, 2019. Total revenue comprises the following:

(%)



A. Income from sale of movie tickets

Income from sale of movie tickets increased by 6% or 9,045 lakh during the year ended March 31, 2020 as compared the previous year ended March 31, 2019. Primarily the increase is on account of:

(i) New screens made operational during the year

(ii) Admits increased by 2% and Net ATP increased by 3%; the growth in footfall was led by strong content performance of movies like Dream Girl, Bala, Kabir Singh, Mission Mangal, Avengers: Endgame, The Lion King, Chhichhore, Super 30, Saaho, Kesari, Good Newwz, Tanhaji and others. Further, the Company lost some admits due to closure of cinema since mid-March 2020 due to COVID-19, strong content like Sooryavanshi was scheduled to release during this period

(iii) Content diversification by admits:

Language	FY 2019-20 (%)	FY 2018-19 (%)
Hindi	55	58
English	16	13
Regional	29	29

B. Income from sale of F&B

Income from sale of F&B increased by 12 % or ₹ 9,969 lakh during the year ended March 31, 2020 as compared to the previous year ended March 31, 2019. The increase was mainly due to addition of new cinemas and increase in Spend Per Head (SPH) by 9%.

C. Advertising revenue

Advertising revenue increased by 6% or ₹ 2,213 lakh during the year ended March 31, 2020 as compared to previous year ended March 31, 2019.

D. Convenience fees

Convenience fees increased by 32% or ₹ 4,158 lakh during the year ended March 31, 2020 as compared to previous year ended March 31, 2019. The ticketing agreement with Bookmyshow and Paytm got renewed in July, 2018 and SPI Cinemas was acquired in August 2018. Therefore, last year proportionate revenue was accounted and however, in the current year full 12 months revenue is accounted.

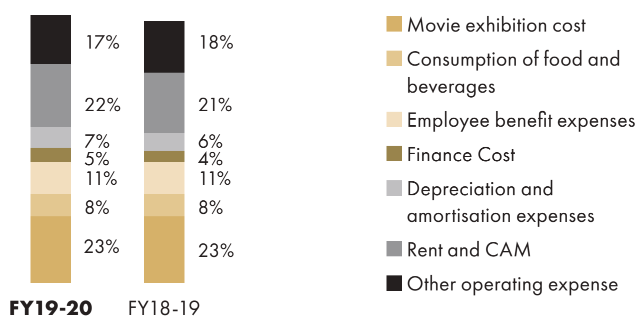
E. Other operating revenue and other income

Other operating revenue, including other income increased by 2% or ₹ 252 lakh during the year ended March 31, 2020 as compared to previous year ended March 31, 2019. It includes income from movie production and distribution, food court income, gaming income, management fees, interest income and other non-operating income.

II. Expenses

Total expenses increased by 12% or ₹ 32,297 lakh during the year ended March 31, 2020 as compared to previous year ended March 31, 2019. Total expense comprises following:

(%)



Note: (Percentages denotes expense as a percentage to Total Revenue)

A. Movie exhibition cost

Movie exhibition cost increased 8%, or ₹ 5,856 lakh, during the year ended March 31, 2020 compared to the year ended March 31, 2019 primarily due to increase in revenue from sale of movie tickets. This cost is fully variable and linked to sale of movie tickets.

Particulars	FY 2019-20 (%)	FY 2018-19 (%)
Movie exhibition cost (as a % to Box office Revenue)	45	44

B. Consumption of F&B

The consumption of F&B increased 10%, or ₹ 2,413 lakh during the year ended March 31, 2020 compared to the year ended March 31, 2019 primarily due to increase in revenue from sale of F&B. This cost is fully variable and is linked to sale of F&B.

Particulars	FY 2019-20 (%)	FY 2018-19 (%)
Cost of goods sold (as a % to F&B revenue)	27	28

C. Employee benefit expenses

Employee benefit expenses increased 17%, or ₹ 5,480 lakh, during the year ended March 31, 2020 compared to the year ended March 31, 2019 primarily due to the opening of new screens, annual increment and accounting for SPI Cinemas employee cost for 12 months as against partially (from date of acquisition) in last financial year.

D. Rent and Common Area Maintenance (CAM)

Rent and CAM expenses increased 15%, or 9,534 lakh, during the year ended March 31, 2020 compared to the year ended March 31, 2019 primarily due to opening of new screens, and accounting for SPI Cinemas property rental and CAM for 12 months as against partially (from date of acquisition) in last year and escalations on some properties.

E. Other operating expenses

Other operating expenses primarily includes Electricity and water charges, repairs and maintenance, movie production, distribution and print charges, marketing expenses, rates and taxes, security service charges, travelling and conveyance, legal and professional fees and other expenses. The increase in operating expenses were commensurate to the increase in the scale and size of the business due to expansion and addition of new cinemas during the year. The expense increased 4% or ₹ 2,300 lakh for the year ended March 31, 2020 as compared to March 31, 2019.

F. Finance cost

At 5% of total revenue, finance cost is an important expense. It includes interest on debentures, term loan, banks and other financial charges.

G. Depreciation and amortisation expense

Depreciation and amortisation expenses account for 7% of total revenue. The expenses increased 24% or ₹ 4,311 lakh, primarily on account of increase in depreciable assets resulting from maintenance capex and capex incurred for opening new cinemas and accounting for SPI Cinemas property depreciation for 12 months as against partially (from date of acquisition) in last year.

Balance Sheet

The following table set forth selected items from the standalone balance sheet:

Particulars (₹ in lakh)	March 31, 2020 Reported	March 31, 2019 Reported	Growth/ De-growth
Asset			
Non-current assets	6,63,826	3,44,034	↑ 93%
Current Assets	69,414	35,645	↑ 95%
Total	**7,33,240**	**3,79,679**	**↑ 93%**
Equity and liabilities			
Equity	1,46,322	1,47,572	↓ -1%
Non-current liabilities	4,61,907	1,28,902	↑ 258%
Current Liabilities	1,25,011	1,03,205	↑ 21%
Total	**7,33,240**	**3,79,679**	**↑ 93%**

Increase in assets and liabilities and decrease in equity is primarily on account of adoption of Ind AS 116 'lease'.

I. Non-current assets

Non-current assets includes property, plant and equipment, goodwill, intangible assets, capital work-in-progress, interest in joint ventures, security deposits to mall developers, deferred tax assets and other non-current assets. The increase in non-current assets is due to capital expenditure incurred for renovation and for new cinemas and security deposit given to mall developers on signing for new properties.

II. Current assets

Current assets include inventories, trade receivables, cash and cash equivalents and other current assets. Its increase is on account of ₹ 31,335 lakh crore cash held by the Company as on March 31, 2020 as against ₹ 2,144 lakh of cash held last year.

III. Equity

Equity comprises equity share capital and reserves and surplus. This increased primarily on account of ₹ 50,000 lakh of capital received during the year through QIP and profits earned during the year.

IV. Non-current Liability

Non-Current liability includes borrowings, non-current portion of gratuity and leave encashment liability, deferred tax liability and other non-current liabilities. This decreased primarily due to recognition of revenue against outstanding convenience fees advance received from Bookmyshow and Paytm last year under ticketing agreement and prepayment of debt from QIP funds. This decrease is partly set-off by ₹ 6,118 lakh related to classification of deferred consideration related to SPI Cinemas acquisition as non-current.

V. Current liability

Current liability includes short-term borrowings, trade payables, other financial liabilities, current portion of gratuity and leave encashment, and other current liability. This increase has been in line with the increase in overall business.

Ratios

Particulars	Formula	Unit	FY 2019-20	FY 2018-19
Debtors Turnover Ratio	Advertisement Income/Average Trade Receivables	in days	167	159
Inventory Turnover Ratio	Sale of food & Beverages/Average F&B Inventory	in days	7	6
Interest Coverage Ratio	EBIT/Finance cost	times	1.2	3.3
Current Ratio	Current Assets/Current liabilities	times	0.6	0.3
Debt Equity Ratio	Debt/Equity	times	0.9	0.9
EBITDA Margin	EBITDA/Total Income	%	33%	20%
Operating Profit Margin	EBIT/Total Income	%	17%	14%
Net Profit Margin	Profit after tax/Total Income	%	1%	6%
Return on Net Worth	Profit after tax/Equity	%	2%	13%

Notes:
1) For computing above ratios reported standalone numbers are considered.
2) FY 2019-20 ratios includes impact of Ind AS 116 'Leases'.

Governance

Corporate governance is an integral part of the Company. It facilitates the pursuit of excellence, growth and value creation. It continuously endeavours to leverage the available resources for translating opportunities into reality. During the year under review, the Board of Directors, Management and employees continued their focus on these objectives through the adoption and monitoring of prudent business plans, monitoring of major risks of the Company's business. The Company pursues policies and procedures to satisfy its legal and ethical responsibilities. Its philosophy is to achieve business excellence and optimise long-term shareholders' value on a sustained basis by ethical business conduct. The Company is committed to transparency in all its dealings and places strong emphasis on business ethics.

The Company's philosophy on corporate governance is driven by its desire towards attainment of the highest levels of transparency, accountability and equity, in all the field of its operations, and in all its dealings with its stakeholders – from shareholders and employees to the government, lenders etc. The Company believes that all its operations and actions must serve the goals of enhancing overall enterprise value and safeguarding the shareholder's trust.

Internal control systems and their adequacy

The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The Company's internal control system is commensurate with the size, scale and complexity of its operations. Further, the Audit Committee interacts with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference.

During the year, such controls were assessed and no reportable material weakness in the design or operations were observed.

The Company has appointed Ernst & Young LLP to oversee and carry out an internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the Audit Committee. The conduct of the internal audit is oriented toward the review of internal controls and risks in its operations, accounting and finance, procurement, employee engagement, travel, insurance, etc. The Audit Committee reviews reports submitted by internal and statutory auditors. Suggestions for improvement are considered and the Audit committee follows up for corrective action. The Audit Committee also meets the statutory auditors to ascertain, inter alia, their views on the adequacy of the internal control system and keeps the Board of Directors informed of its major observations periodically.

Based on its evaluation (as defined in Section 177 of Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Company's Audit Committee has concluded that as at March 31, 2020, its internal financial controls were adequate and operating effectively. The same is also confirmed by auditors through their report on Internal Financial Control.

Risk Management

Risk Management forms an important part of the business. The Company has a well-defined risk management framework approved by its Board of Directors. The prudent risk management practices enable the Company to effectively identify, assess, strategies and mitigate the risks.

Listed below are the key risks with their anticipated impact on the Company and their mitigation strategies:

Key risks	Description	Mitigation strategy
Political and economic risk	The Company derives its revenue from customer discretionary spending, which is linked to their earnings. Political disruption or volatile economic conditions may adversely affect that outlook, resulting in reduced spending that could restrict revenue growth opportunities.	The Company monitors political and economic environment closely. Through promotions, offers and other value propositions, the Company can mitigate this risk.
Reputation risk	In the consumer-focussed industry, brand is key. Bad customer experience could lead to negative publicity, resulting in boycotts and declining sales.	The Company believes that customer service is its core value and takes stringent steps that adhere to its service policies such as enhancing the F&B menu, bringing global cinema technology for Indian customers such as IMAX and 4DX, customer care, employing trained manpower at its theatres, and offering attractive incentives and discounts for the patrons.
Business model change risk	Rapidly evolving technologies are changing technology consumption patterns, giving rise to entirely new business models and therefore new kinds of competitors. This is resulting in increased demands on the Company's agility to keep pace with changing customer expectations. Failure to cope may result in loss of market share and impact business growth.	The Company understands the dynamics of the evolving M&E sector and accordingly invests in innovations such as Onyx, 4DX, Playhouse, IMAX Screens, ticket cancellation, Alexa etc. The Company conducts regular market surveys to stay on top of the upcoming and current market trends. Adding to the expertise is its senior management team with an average rich experience of over 10 years in the sector.
Property risk	The Company could incur losses on account perils such as earthquake, fire, flood, terrorism, etc.	The Company has in place adequate insurance coverage to save against this risk.
Technological risk	The Company faces the risk of being unable to adapt to the evolving technologies.	All the cinemas at the Company are equipped with state-of-the-art technology and offer premium visual and sound experience in a luxurious ambience. They also offer other facilities such as QR code-based paperless ticketing and ticket cancellations. Moreover, the Company will continue to adopt the latest technology to provide premium movie-watching experience to its customers.

Key risks	Description	Mitigation strategy
Litigation risk	Given the scale of the Company's operations, litigation risks can arise from commercial disputes, employee-related matters and tax-related disputes. The Company's rising profile and scale also makes it a target to litigations without any legal merit. This risk is inherent to doing business and commensurate with the risk faced by other players similarly placed in the industry. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk. Adverse rulings can result in substantive damages.	Internal processes and controls adequately ensure compliance with contractual obligations and the protection of intellectual property. They also ensure that potential disputes are promptly brought to the attention of the management and dealt with appropriately. The Company has a team of in-house counsels. Further, it also uses services of highly reputed law firms to advise on legal matter. There is a robust mechanism to track and respond to notices as well as defend the Company's position in all claims and litigations.
Non-compliance risk	The Company has to comply with laws across India, where each state has its own local laws and compliances, which include taxation, no objection certificates, clearances, approvals, health safety and environment regulations, anti-corruptions laws, data privacy, etc. Failure to comply could result in penalties and reputational damage.	Internal processes and controls adequately ensure compliance with tax and other regulations.
Interest rate risk	Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.	The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.
Currency risk	Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates.	The majority of the Company's revenue and expenses are in Indian Rupees. Management considers currency risk to be low and does not hedge its currency risk.
Legal, taxation and accounting risk	The Company is presently involved into various judicial, administrative, regulatory and litigation proceedings concerning matters arising in the ordinary course of business operations including but not limited to personal injury claims, landlord-tenant disputes, commercials disputes, tax disputes (including entertainment tax subsidy and other direct and indirect tax matters like GST, service tax, sales tax etc.), employment disputes and other contractual disputes. Many of these proceedings seek an indeterminate amount of damages. In situations where management believes that a loss arising from a proceeding is probable and can reasonably be estimated, the Company records the amount of the probable loss. As additional information becomes available, any potential liability related to these proceedings are assessed and the estimates are revised, if necessary.	The Company employs in-house counsel and uses third-party tax and legal experts to assist in structuring significant transactions and contracts. The Company also has systems and controls that ensure the timely delivery of financial information in order to meet contractual and regulatory requirements and has implemented disclosure controls and internal controls over financial reporting, which are tested for effectiveness on an ongoing basis.
Credit risk	Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.	The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix accounts for available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables (other than government dues) are in default/doubtful if the payment is outstanding for more than 270 days and more than 365 days in case of government dues.
Liquidity risk	Liquidity risk is the risk that the Company will encounter when facing difficulties in meeting obligations associated with its financial liabilities. The Company monitors this risk by using a liquidity planning tool.	The Company's objective is to maintain a balance between continuity of funding and flexibility using bank overdrafts, bank loans, debentures, finance leases and advance payment terms. The Company's liquidity management process includes the following: • Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met • Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows • Maintaining diversified credit lines.

Outlook

The Company's strategy is to further expand its screen network, with a focus on increasing premium formats composition in the portfolio.
The Company is dedicated to enhancing customer experience and delight through innovative offerings across different segments and enhance its box office and non-box office revenues.

Corporate Governance Report

Company's philosophy on Corporate Governance

PVR's philosophy on Corporate Governance is driven by its desire towards attainment of highest levels of transparency, accountability and equity, in all the fields of its operations, and in all its dealings with its stakeholders, from shareholders and employees to Government, Lenders etc. The Company believes that all its operations and actions must serve the goal of enhancing overall enterprise value and safeguarding the shareholder's trust.

Salient features of PVR's Corporate Governance Philosophy

- Act in the spirit of law and not just the letter of law;
- Do what is right and not what is convenient;
- Provide complete transparency on operations; and
- Follow openness in communication with all our stakeholders.

The Corporate Governance Structure of PVR can be described through three layers namely:

- Shareholders appoint Board of Directors and entrust them with necessary powers;
- Board leads strategic management and constitutes various committees to handle specific areas of responsibility; and
- The KMP's and the committees take up specific responsibility and day to day affairs as set by the Board and as required by the law.

Corporate Governance is an integral part of PVR in its pursuit of excellence, growth and value creation. It continuously endeavours to leverage available resources for translating opportunities into reality. During the year under review, the Board of Directors, Management and employees continued their pursuit of achieving these objectives through the adoption and monitoring of prudent business plans and by monitoring the major risks of the Company's business. The Company pursues policies and procedures to satisfy its legal and ethical responsibilities. The Company's Philosophy is to achieve business excellence and optimise long-term Shareholders' value on a sustained basis by ethical business conduct. The Company is committed to transparency in all its dealings and places strong emphasis on business ethics.

The Board of Directors ('The Board')

Composition of the Board

As on March 31, 2020, the Company had Seven Directors on the Board. The Board is comprised of two Executive Directors and Five Non-executive Directors out of which four are Independent Directors. The Board included three Women Non-executive Directors. The composition of the Board was in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations') and Companies Act, 2013. Post the closure of Financial Year 2019-20, the Board appointed Mr. Anish Saraf as Non-executive Director (Additional Director) effective June 8, 2020.

Mr. Ajay Bijli, the Promoter cum Executive Director is the Chairman of the Board.

None of the Directors of the Company is *inter se* related to each other.

The composition of the Board of Directors during the Financial Year 2019-20, shareholding in the Company, details regarding directorship/membership in Committees of other companies, attendance in last Annual General Meeting & Board Meetings of the Company held during the Financial Year 2019-20 are as under:

Name of the Directors	Category	Shareholding in the Company as on March 31, 2020 (No. of equity shares)	$ No. of Board Meetings attended during the Financial Year 2019-20	Name of other Listed Entity in which the person is a director and category	Attendance at the last AGM held on July 25, 2019	Number of other Directorships* as on March 31, 2020	& Number of Committee Memberships and Chairmanship in other public Companies as on March 31, 2020	
							Memberships	Chairmanships
Ajay Bijli	Promoter, Chairman cum Managing Director	55,08,796	6 of 6	Nil	Yes	3	Nil	Nil
Sanjeev Kumar	Promoter, Joint Managing Director	37,40,242	5 of 6	Nil	No	2	Nil	Nil
Renuka Ramnath	Non-executive, Non-independent, Woman Director	-	5 of 6	Independent Director in Arvind Limited, TV18 Broadcast Limited and Tata Communications Limited	No	12	1	1
#Vishal Kashyap Mahadevia	Non-executive, Non-independent Director	-	3 of 6	-	Yes	-	-	-
Vikram Bakshi	Non-executive, Independent Director	-	4 of 6	Nil	No	14	1	Nil
Sanjai Vohra	Non-executive, Independent Director	1,250	5 of 6	Nil	Yes	1	Nil	Nil

Name of the Directors	Category	Shareholding in the Company as on March 31, 2020 (No. of equity shares)	$ No. of Board Meetings attended during the Financial Year 2019-20	Name of other Listed Entity in which the person is a director and category	Attendance at the last AGM held on July 25, 2019	Number of other Directorships* as on March 31, 2020	& Number of Committee Memberships and Chairmanship in other public Companies as on March 31, 2020	
							Memberships	Chairmanships
Deepa Misra Harris	Non-executive, Independent, Woman Director	-	5 of 6	Independent Director in ADF Foods Limited, Prozone Intu Properties Limited, TCPL Packaging Limited and in Jubilant Foodworks Limited	Yes	6	3	Nil
## Pallavi Shardul Shroff	Non-executive, Independent Woman Director	-	0 of 2	Independent Director in Interglobe Aviation Limited, Apollo Tyres Limited, Trident Limited and Asian Paints Limited	NA	15	3	Nil
Amit Burman**	Non-executive, Independent Director	-	1 of 3	-	No	-	-	-

$ Includes meetings attended through conferencing facility.
*Excludes Directorship in Foreign Companies and companies under Section 8 of Companies Act, 2013.
& In accordance with Regulation 26 of Listing Regulations, represents membership/chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Limited Companies (i.e. other than Foreign Companies, Private Limited Companies and Companies formed under Section 8 of the Companies Act, 2013).
# Mr. Vishal Kashyap Mahadevia resigned from Directorship on March 26, 2020.
Ms. Pallavi Shardul Shroff was appointed as an Independent Additional Director w.e.f. October 22, 2019.
**Mr. Amit Burman resigned from Directorship w.e.f. July 26, 2019.

The Independent Directors who resigned during the Financial Year 2019-20 have confirmed that besides the reasons as quoted in their resignation letters, there was no other material reason towards their resignation.

Meetings, agenda and proceedings etc. of the Board Meeting

The Board of Directors of the Company met six times during the Financial Year 2019-20 as per the details given below:

- April 17, 2019;
- May 10, 2019;
- July 25, 2019;
- October 17, 2019;
- January 23, 2020; and
- February 28, 2020

Separate Meeting of Independent Directors

As stipulated under the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on January 23, 2020 to review the performance of Non-independent Directors (including the Chairman of the Company) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Limit on the number of Directorships

In compliance with Regulation 17A of Listing Regulations, during the Financial Year ended March 31, 2020, none of the Directors on the Board of the Company serve as a Director/Independent Directors in more than 7 listed companies or if serving as a Whole-time Director in any other listed Company, does not hold such position in more than 3 listed companies.

Agenda

The agenda along with the detailed notes are circulated in advance to the board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and to discharge its responsibility effectively. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiary Companies for the information of the Board held between two consecutive Board Meetings. Supplementary agenda in the form of 'Other Business' are included with the permission of the Chairman. E-secured agenda is circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting.

Invitees & Proceedings

Apart from the Board members, Company Secretary cum Compliance officer, Chief Financial Officer (CFO) and Chief Executive Officer are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items concerning them and discussed by the Board.

The CFO makes presentation on the quarterly and annual operating & financial performance. The Board periodically reviews the strategy, annual business plan, capital expenditure budget, risk management and safety and environment matters. The Chairman of various Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

Post Meeting Action

Post meeting, all important decisions taken at the meeting are communicated to the members of the Board by way of draft minutes for their confirmation/comments within the stipulated time.

Support and Role of Company Secretary

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required information and documents.

Induction and Training of Board Members

On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a familiarisation programme including the presentation from the Managing Director & CEO on the Company's Business, finance performance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The familiarisation programmes for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads, Cinema visit etc. The details of the familiarisation programme of the Independent Directors is available on the website of the Company at www.pvrcinemas.com.

Evaluation of Board's Performance

The Board has in place a mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise of board evaluation for the Financial Year 2019-20 was duly carried out through a structured evaluation process covering various aspects of the Board's functioning, such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board's Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company which is available on the Company's website www.pvrcinemas.com. All Board members and senior management that includes Company's executives' one level below the Chairman and Managing Director have affirmed compliance with the said Code as per Regulation 26(3) of Listing Regulations. A declaration signed by the Chairman to this effect is annexed as annexure to this Report.

Prevention of Insider Trading Code

The Company has in place a Code of Conduct to regulate, monitor and report trading by Designated Persons. The Designated Persons and immediate relatives of the Designated Persons in the Company are governed by said code of conduct governing dealing in securities.

The trading window is closed from the end of every quarter till 48 hours after the declaration of financial results and on happening of any other material event which require closing of trading window. Mr. Pankaj Dhawan, Company Secretary cum Compliance Officer, is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

Matrix setting out the Skills/Expertise/Competence of the Board of Directors of the Company

The Company acts through human agency called Board of Directors. The Board is the governing body of the Company.

Board composition is a broad term that encompasses issues such as who is on the Board and the skills mix of the Board. It involves both structural and cultural issues and Board effectiveness depends on obtaining the right mix of skills and experience. Board composition varies significantly between organisations and is influenced by:

- Legal requirements including the organisation's constitution and purpose;
- Board size;
- The balance of executive and Non-executive directors;
- Director competencies;
- Terms of office for directors; and
- The structure of the shareholding or membership

Stable boards with long serving, committed members will have the advantage of thorough knowledge of the organisation and its mission.

The details of core skill/ expertise/ competence identified by the Board of Directors relating to the business of the Company for it to function effectively are reproduced below:

A. Industry knowledge/experience

- Industry experience;
- Knowledge of Sector; and
- Understanding of government legislation/legislative process.

B. Technical skills/experience

- Technical and professional qualification and expertise;
- Public relations;
- CEO/senior management experience; and
- Strategy development and implementation.

C. **Governance competencies**

- Director in large organisation;
- Financial Literacy;
- Strategic thinking/planning from a governance perspective;
- Compliance focus; and
- Profile/reputation.

D. **Behavioural competencies**

- Team player/collaborative;
- Ability and willingness to challenge and probe;
- Common sense and sound judgement;
- Integrity and high ethical standards;
- Mentoring abilities;
- Interpersonal relations;
- Listening skills;
- Verbal communication skills;
- Understanding of effective decision-making processes; and
- Willingness and ability to devote time and energy to the role.

For the Financial Year 2019-20, all the board members of your Company have the above set of skills/expertise and are competent to make the judgements in the best interests of the Company and that of its stakeholders.

Following Directors have skills, exposure, expertise and competency by virtue of their long working experience and exposure in the businesses or sectors which brings benefits to the Board by using their collective wisdom for the strategic decision-making and for their vision to maintain its leadership.

1. Mr. Ajay Bijli Chairman and Managing Director of PVR Limited. is pioneer of the multiplex industry in India. Mr. Bijli has over two decades of experience in the movie exhibition industry. Mr. Bijli transformed the way millions of Indians consume entertainment content over the past two-and-a-half decades. Mr. Bijli has received numerous awards namely 'Business Icon of the year' at the Indywood Film Business Awards in 2015 and the 'Exhibitor of the year' at the Cine Asia awards in 2017, among others. As an industry leader of Indian film exhibition, Mr. Bijli is on the Board of Trustees of the Mumbai Academy of the Moving Image (MAMI) and the founding member of FICCI Multiplex Association (India). He is also a member of The Film and TV Producers Guild (India), Young Presidents' Organisation and is associated with the Central Board of Film Certification, Government of India.

2. Mr. Sanjeev Kumar has over two decades of experience in the movie exhibition industry. Mr. Kumar has expertise in film distribution business and programming activities, along with the development and growth strategy of PVR. His 20 years of experience in the cinema exhibition stretches the full spectrum of the Company's business, propelling PVR to greater heights and redefining the movie watching experience in India, serving more than 100 million patrons annually. Sanjeev holds a Bachelor's degree in Finance and Accounting from Salford University, Manchester and a Master's degree in Business Administration from Imperial College, London University.

3. Ms. Renuka Ramnath is currently Managing Director of Multiples Alternate Asset Management Private Ltd – Private Equity firm. Ms. Ramnath has rich and relevant experience in banking & finance and plays an active role in all strategic decision-making for the Company.

4. Mr. Vikram Bakshi has over three decades of rich and relevant experience of hospitality and retail sectors. Mr. Bakshi had successfully established McDonald's in North India.

5. Mr. Sanjai Vohra has over three decades of experience in the banking industry, private finance and risk management. Mr. Vohra plays an active role in fund raising activities for the Company and provides his valuable contribution in strategic decision-making.

6. Ms. Deepa Misra Harris has over three decades of experience in the high-end hospitality category. Ms. Harris has proven track record of delivering double digit growth and escalating brands to leadership positions. Ms. Harris has from time to time played a pivotal role towards PVR brand building.

7. Ms. Pallavi Shardul Shroff is the Independent Director of the Company. She is the Managing Partner of Shardul Amarchand Mangaldas & Co. with over 37 years of extensive experience. Her broad and varied representation of public and private corporations and other entities, before various national courts, tribunals and legal institutions has earned her national and international acclaim. She is a member of the Competition Law Review Committee, constituted by the Government of India. She has recently been appointed on the ICC (International Chamber of Commerce) Court of Arbitration. Ms. Shroff was recently conferred the 'Lifetime Achievement Award' at the Chambers India Awards 2019 and also been recognised as one of the Most Powerful Women in Indian Business by Business Today, seven years in succession (2013-19).

Declarations from Independent Directors

In the opinion of the Board, the declaration(s) under Section 149 of the Companies Act, 2013 and Regulation 25 of Listing Regulations, as received from the Independent Directors, confirm that their independency fulfills the conditions specified in these regulations and that they are independent of the management.

Qualified Institutional Placement

During the year under review, the Company raised funds to the tune of ₹ 500 crore (Rupees Five Hundred Crore Only) through Qualified Institutions Placement. Placement document detailing Risk factors, Company's Strength & Strategies, Industry overview, Business overview, Financial Position of the Company among other details, as required under SEBI (Issue of Capital & Disclosure Requirements) Regulations 2018, is available on Company's website and on stock exchanges. Company issued 2,908,583 equity shares at an issue price of ₹ 1,719.05 per equity share (including premium of ₹ 1,709.05 per equity share). This led to total stake dilution of about ~ 6%. Further, the details of utilisation of funds as specified under Regulation 32(7A) is been provided in financial statements.

Committee's recommendation

The Board of your Company has accepted the recommendations made by various committees of the Board, during the Financial Year 2019-20.

Governance by the Committees of the Board

Your Board has constituted following statutory committees and each committee has their terms of reference as a Charter. The chairperson of each committee along with the other members of the committee and if required with other members of the Board, decide the agenda, frequency and the duration of each meeting of the committee:

Sl. No.	Name of Committee
1	Audit Committee
2	Nomination and Remuneration Committee
3	Stakeholder's Relationship Committee
4	Corporate Social Responsibility Committee
5	Risk Management Committee

Besides the statutory committees, the Board has constituted certain other committees viz. Finance Committee, etc. and has clearly stipulated the terms of reference. The Board is frequently apprised of the decisions taken by such delegated authorities.

Composition of statutory committees

As on March 31, 2020, the composition of statutory committees is as under:

Name of the Members	Category of Members	Audit Committee	Nomination and Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. Sanjai Vohra	Independent Non-executive	Chairman	Chairman	-	Member	Member
Ms. Deepa Misra Harris	Independent Non-executive	Member	Member	-	Member	-
Ms. Pallavi Shardul Shroff	Independent Non-executive	-	-	-	-	-
Mr. Vikram Bakshi	Independent Non-executive	Member	-	Chairman	-	-
Mr. Ajay Bijli	Executive	-	Member	Member	Chairman	Chairman
Ms. Renuka Ramnath	Non-executive Non-independent	-	Member	-	-	-
Mr. Sanjeev Kumar	Executive	-	-	Member	Member	Member
Mr. Gautam Dutta	Chief Executive Officer	-	-	-	-	Member
Mr. Nitin Sood	Chief Financial Officer	-	-	-	-	Member

Attendance at Committee meetings during the Financial Year 2019-20

Name of the Director	Category of Directors	Audit Committee	Nomination and Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. Sanjai Vohra	Independent Non-executive	4 of 4	2 of 2	NA	3 of 3	1 of 1
Ms. Deepa Misra Harris	Independent Non-executive	2 of 2 (appointed as member of the Committee w.e.f. September 23, 2019)	1 of 1 (appointed as member of the Committee w.e.f. September 23, 2019)	NA	2 of 2 (appointed as member of the Committee w.e.f. May 10, 2019)	NA
Ms. Pallavi Shardul Shroff	Independent Non-executive	NA	NA	NA	NA	NA
Mr. Vikram Bakshi	Independent Non-executive	1 of 4	NA	0 of 1	NA	NA
Mr. Ajay Bijli	Executive	NA	1 of 2	1 of 1	2 of 3	1 of 1
Ms. Renuka Ramnath	Non-executive Non-independent	NA	1 of 2	NA	NA	NA
Mr. Amit Burman*	Independent Non-executive	2 of 2	1 of 1	NA	NA	NA
Mr. Sanjeev Kumar	Executive	NA	NA	1 of 1	2 of 3	1 of 1
Mr. Gautam Dutta	Chief Executive Officer	NA	NA	NA	NA	1 of 1
Mr. Nitin Sood	Chief Financial Officer	NA	NA	NA	NA	1 of 1

*Mr. Amit Burman resigned from directorship and committee positions w.e.f. July 26, 2019.

Audit Committee

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013. These broadly includes (i) develop an annual plan (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory and internal auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors (vii) reviewing and examining with the management the annual financial statements and auditor's report thereon before submission to the Board for approval (viii) reviewing of related party transactions (ix) review the Whistle-Blower mechanism, etc.

As on March 31, 2020, the Audit Committee was comprised of three Independent Non-executive Directors. The Chief Financial Officer, the Statutory Auditors and the Internal Auditors are the invitees in the Committee meetings. The Committee met 4 times in the year under review: (i) May 9, 2019; (ii) July 25, 2019; (iii) October 17, 2019; and (iv) January 23, 2020.

The Company Secretary acts as the Secretary of the Audit Committee.

The composition of the Audit Committee is in accordance with Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013.

Nomination and Remuneration Committee

As on March 31, 2020, the Nomination and Remuneration Committee comprised of four members of which half are Independent Directors. The Nomination and Remuneration Committee is empowered to:

i. Formulate criteria for determining qualifications, positive attributes and independence of Directors.

ii. Identify and assess potential individuals with respect to their expertise, skills, attributes, personnel and professional standing for appointment and re-appointment as Directors/Independent Directors on the Board and as Key Managerial Personnel.

iii. Support Board in evaluation of performance of all the Directors.

iv. Conduct Annual performance review of MD and CEO;

v. Administer Employee Stock Option Scheme (ESOS);

vi. Formulate a policy relating to remuneration for the Directors and also the Senior Management.

The Committee met 2 times in the year under review: (i) May 9, 2019; and (ii) January 23, 2020.

Remuneration Policy

The Remuneration policy of the Company is aimed at rewarding performance, based on review of the achievements on a regular basis. The remuneration paid to the Executive Directors and/or Non-executive Directors, if any, is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to fulfillment of necessary criteria as laid therein and the subsequent approval by the shareholders, as and when required. Detailed Remuneration Policy is provided on the Company's website www.pvrcinemas.com.

Remuneration paid to Directors during the Financial Year 2019-20

Executive Directors

The details of remuneration and perquisites paid/payable to Mr. Ajay Bijli, Chairman cum Managing Director (CMD) and Mr. Sanjeev Kumar, Joint Managing Director (JMD) of the Company are as follows:

Amount (₹)

*Remuneration	Mr. Ajay Bijli	Mr. Sanjeev Kumar
Salary	3,98,64,960	2,75,40,000
Perquisites (HRA)	1,95,34,608	1,34,99,136
**Commission payable (for Financial Year 2019-20) for CMD at 3.9 % of profit for JMD at 2.1 % of profit	89,91,877	2,73,52,309
Total	**6,83,91,445**	**6,83,91,445**

*No remuneration is drawn by the Executive Directors from any of the subsidiary companies of PVR Limited.

**Total Commission payable for Financial Year 2019-20, for Mr. Ajay Bijli is ₹ 7,71,56,638 and for Mr. Sanjeev Kumar is ₹ 5,73,53,606. This includes the commission payable to Mr. Ajay Bijli (₹ 6,81,64,761) and Mr. Sanjeev Kumar (₹ 3,00,01,298), which is subject to shareholders approval.

Due to the adoption of Ind AS 116 ('Leases') w.e.f. April 1, 2019 and its impact on the profits computed as per Section 198 of the Company Act, 2013, the overall managerial remuneration paid to the Executive Directors of the Company exceeds the maximum remuneration permissible under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015. Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company in their meeting dated June 8, 2020 (subject to the approval of the shareholders) has approved the same remuneration as was originally approved. The details in this regard are also covered under the Financial Statements for the Financial Year ended March 31, 2020 and as further detailed in the Notice for the ensuing Annual General Meeting of the Company.

Remuneration details of Executive Directors are also mentioned in the Extract of Annual Return forming part of the Board Report. Also, the terms of service contract, notice period and severance fees etc. are governed by the appointment letter issued to respective Executive Directors at the time of their appointment.

Non-executive Directors

Further, the remuneration including sitting fees and commission paid/payable to the Non-executive Directors for the Financial Year 2019-20 are as follows:

Name of the Directors	Sitting Fees (₹)	Commission (₹)	No. of Equity Shares held
*Mr. Sanjay Khanna	Nil	Nil	Nil
Ms. Renuka Ramnath	Nil	Nil	Nil
**Mr. Vishal Mahadevia	Nil	Nil	Nil
***Mr. Amit Burman	2,00,000	2,50,000	Nil
Mr. Vikram Bakshi	5,00,000	2,50,000	Nil
Mr. Sanjai Vohra	Nil	24,00,000	1,250
Ms. Deepa Misra Harris	5,00,000	4,50,000	Nil
# Ms. Pallavi Shardul Shroff	Nil	Nil	Nil
Total	**12,00,000**	**33,50,000**	**-**

*Resigned from the directorship on April 15, 2019.
** Resigned from the directorship on March 26, 2020.
*** Resigned from the directorship on July 26, 2019.
#Appointed on the Board effective October 22, 2019.

Except as disclosed above, the Company does not have any direct pecuniary relationship/transaction with any of its Non-executive Directors. None of the directors have been granted stock options. Further, the criteria for payment of remuneration to Non-executive Directors is in consonance with the requirements stipulated under Companies Act, 2013 and Listing Regulations.

Stakeholders Relationship Committee

This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee met once on January 23, 2020, during the year under review.

Mr. Pankaj Dhawan, Company Secretary cum compliance officer, is entrusted with the responsibility, to look into the redressal of the shareholders and investors complaints and report the same to the Stakeholders Relationship Committee.

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the Financial Year 2019-20 are as under:

Particulars	Number
Complaints as on April 1, 2019	0
Complaints received during the Financial Year 2019-20	37
Complaints redressed during the Financial Year 2019-20	37
Complaints as on March 31, 2020	0

The transmission/split etc. of physical share certificates is approved on the basis of recommendations received from the Company's Registrar and Share Transfer Agent- M/s. KFin Technologies Private Limited. The Investors may lodge their grievances through e-mails at cosec@pvrcinemas.com or through letters addressed to Ms. Shobha Anand, Deputy General Manager, Unit PVR Ltd., KFin Technologies Private Limited.

Corporate Social Responsibility Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013.

The Terms of Reference of the Committee are as follows:-

(a) To frame the CSR Policy and its review from time-to-time;

(b) To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

(c) To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

The Committee met thrice during the year under review: (i) May 9, 2019; (ii) July 25, 2019; and (iii) October 17, 2019.

Detailed CSR Policy is provided on the Company's Website www.pvrcinemas.com.

Risk Management Committee

The Company has constituted a Risk Management Committee as required under Regulation 21 of Listing Regulations.

The purpose of this Committee is to ensure timely risk identification and to provide a framework for proactive, rather than reactive risk management. Effective risk management maximises opportunities for improvement and eliminates or minimises the risk of losses.

Risks are identified by considering what may happen and then why, where, when and how it can occur.

The Committee met once on January 23, 2020, during the year under review.

CMD/CFO Certification

The Certificate from Mr. Ajay Bijli, Chairman cum Managing Director and Mr. Nitin Sood, Chief Financial Officer in terms of Regulation 17(8) of Listing Regulations, 2015 for the year under review as placed before the Board is attached as annexure to this Report.

Last three AGM's of the Company

Details of the last three Annual General Meetings (AGM's) of the Company are as under:

Financial Year	Day & Date	Time	Venue	Special Resolutions passed
2016-17	Monday, July 24, 2017	10.30 a.m.	The Mapple Emerald, Rajokri, NH-8, Delhi - 110 038	1. Subscription of Non-convertible Debentures for an amount not exceeding ₹ 250 crore on private placement; 2. Approval of PVR Employee Stock Option Plan 2017; and 3. Adoption of new set of Articles of Association of the Company
2017-18	Thursday, September 27, 2018	10:30 a.m.	The Mapple Emerald, Rajokri, NH-8, Delhi - 110038	No special resolution was passed
2018-19	Thursday, July 25, 2019	10.30 a.m.	The Mapple Emerald, Rajokri, NH-8, Delhi - 110038	1. Re-appointment of Mr. Sanjai Vohra as an Independent Director; 2. Re-appointment of Mr. Amit Burman as an Independent Director; 3. Re-appointment of Mr. Vikram Bakshi as an Independent Director; 4. To offer or invitation to subscribe to Non-convertible Debentures on private placement basis; and 5. Payment of remuneration for Financial Year 2018-19 to Mr. Sanjai Vohra, a Non-executive Independent Director

Postal Ballot

Following resolution was passed during the Financial Year 2019-20 through Postal Ballot

Resolution	Date of Postal Ballot Notice	Type of resolution	Mode of Voting
Approval of PVR Employee Stock Option Plan 2020.	January 23, 2020	Special	Postal Ballot + E-Voting

Procedure followed for the resolution passed vide Postal Ballot Notice dated January 23, 2020, result whereof was announced on March 9, 2020.

i. The Board of Directors of the Company, vide resolution dated January 23, 2020 had appointed M/s. Arun Gupta & Associates, Company Secretaries as the Scrutiniser for conducting the postal ballot voting and e-voting process;

ii. The Company had completed the dispatch of the Postal Ballot Notice together with the Explanatory Statement on February 4, 2020, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on January 24, 2020;

iii. The voting under the postal ballot was kept open from February 7, 2020 to March 7, 2020 (both for physical and through electronic mode);

iv. Particulars of postal ballot forms received from the Members using the electronic platform of KFin Technologies Private Limited were entered in a register separately maintained for the purpose;

v. The postal ballot forms were kept under the safe custody of the Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;

vi. All postal ballot forms received up to the close of working hours on March 7, 2020, 05:00 p.m., had been considered for his scrutiny;

vii. Envelopes containing postal ballot forms received after 05:00 p.m. on March 7, 2020 had not been considered for scrutiny;

viii. On March 9, 2020, Mr. Pankaj Dhawan, Company Secretary cum Compliance Officer, so authorised by Chairman announced the results of the postal ballot as per the Scrutiniser's report; and

ix. The result of the postal ballot along with the Scrutiniser's report was displayed on notice board at the registered office/ corporate office of the Company, hosted at the Company's website at www.pvrcinemas.com and communicated to the stock exchanges where the Company's shares are listed.

There is no immediate proposal for passing any resolution through Postal Ballot as on the date of this Report.

Means of Communication

The Company interacts with its shareholders through multiple forms of corporate and financial communication such as annual reports, result announcement which includes quarterly, half-yearly and annual financial results, Conference calls and media releases. The financial results and Investor calls transcripts are also made available at Company's website: www.pvrcinemas.com.

Communication to shareholders on E-mail

Documents like notices, annual reports, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

NEAPS (NSE Electronic Application Processing system) and BSE Corporate Compliance & Listing Centre

NSE and BSE have developed web-based applications for corporates. All compliances like Financial Results, Shareholding Pattern, Official news releases and Presentations made to institutional investors or to the analysts and Corporate Governance Report, etc. are filed electronically through NEAPS/BSE Listing centre.

SCORES (SEBI Complaints Redressal System)
SEBI processes investor complaints in a centralised web-based Complaints Redressal System i.e. SCORES. Through this system a shareholder can lodge complaint against the Company for his/her grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

Exclusive E-mail ID for investors
The Company has designated E-mail ID investorrelations@pvrcinemas.com exclusively for investor servicing.

The Quarterly and annual Results of the Company were published in the following newspapers and are available on Company's website www.pvrcinemas.com:

Newspapers	Language	Region
Financial Express	English	Delhi, Ahmedabad, Chandigarh, Lucknow, Bengaluru, Mumbai, Kolkata, Chennai, Cochin and Hyderabad.
Business Standard	Hindi	New Delhi.
Business Standard	English	Delhi, Ahmedabad, Bengaluru, Mumbai, Bhubaneshwar, Kolkata, Chandigarh, Cochin, Hyderabad, Lucknow, Chennai and Pune.

General Shareholders' Information

1.	Annual General Meeting		Tuesday, September 29, 2020 at 03:00 p.m. (IST) through Video Conferencing/ Other Audio Visual Means as set out in the Notice convening the Annual General Meeting
2.	Financial Calendar	:	Tentative Schedule
	The Company follows the period of April 1 to March 31, as the Financial Year.		
	Meeting of Board of Directors		
	First quarterly results	:	August-September, 2020
	Second quarterly / Half yearly results	:	October, 2020
	Third quarterly results	:	January, 2021
	Annual results for the year ending on March 31, 2021	:	May, 2021
	The above schedule is tentative and the exact dates will be duly communicated as per statutory requirements.		
	Annual General Meeting for the year ending on March 31, 2021	:	on or before September 30, 2021
3.	Dividend Payment	:	NA
4.	Listing on Stock Exchanges	:	National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
			BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
5.	Stock Code	:	NSE Symbol: PVR BSE Script Code: 532689 ISIN: INE191H01014

Listing fees has been paid to both the Stock Exchanges where the securities of the Company are listed. Further, none of the securities of the Company has been suspended from trading by any of the stock exchanges, where such securities are listed.

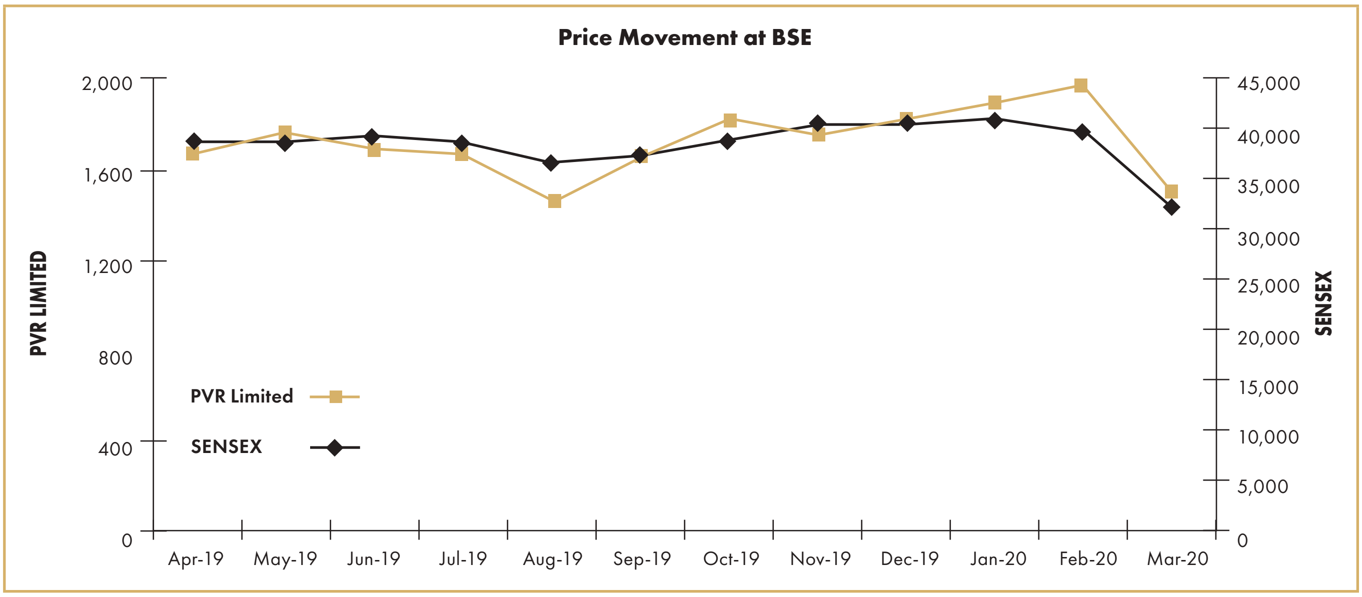
6. Market Price Data

Monthly High Low for the year under review

Month	NSE		BSE	
	High	Low	High	Low
Apr-19	1780.00	1620.60	1774.00	1622.30
May-19	1829.95	1689.10	1833.80	1692.00
Jun-19	1807.70	1565.00	1801.65	1566.20
Jul-19	1819.00	1506.10	1820.00	1506.65
Aug-19	1593.90	1345.25	1593.75	1345.80
Sep-19	1898.00	1458.40	1897.95	1458.20
Oct-19	1858.15	1746.30	1856.60	1747.85
Nov-19	1829.00	1695.00	1829.65	1695.15
Dec-19	1924.00	1711.00	1925.30	1713.00
Jan-20	1994.10	1833.80	1993.10	1839.00
Feb-20	2125.00	1828.00	2121.00	1830.00
Mar-20	1962.40	1045.05	1958.65	1045.85

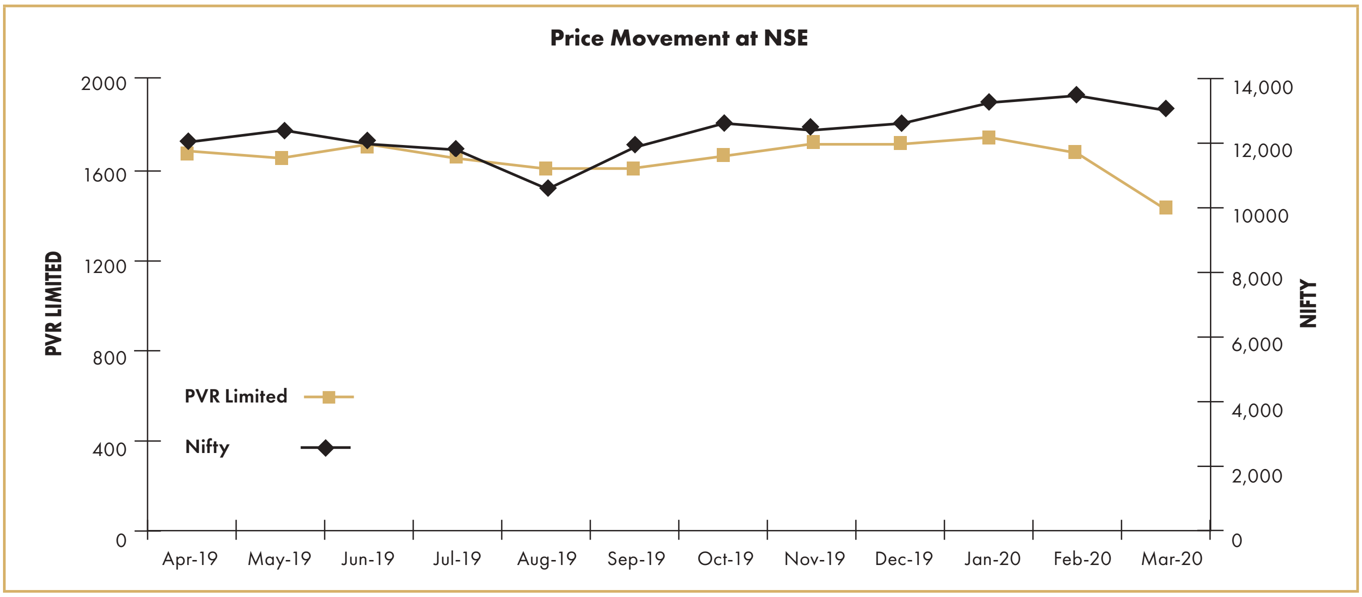
7. Performance of PVR Share Price in Comparison to

BSE SENSEX



*PVR and Sensex prices as depicted in the above chart are the average prices for each month.

NSE NIFTY



*PVR and Nifty prices as depicted in the above chart are the average prices for each month

8. Registrar and Transfer Agent	:	KFin Technologies Private Limited (KTPL) (Formerly known as Karvy Fintech Private Limited), Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 Ph No.: 6716 2222 Toll Free Number: 1800 3454 001 Website: www.kfintech.com E-mail: einward.ris@kfintech.com
9. Share Transfer System:	:	SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shares in physical form can be lodged with KTPL at the above-mentioned address. Share Transfer Committee was formulated to approve transfer of shares in the physical segment. The Committee had delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. The Company obtains from a Company Secretary in Practice, half yearly certificate of compliance, as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

10(a) Distribution Schedule

Distribution Schedule – Consolidated As on March 31, 2020

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	53,320	98.42	1,709,230	17,092,300	3.33
5001- 10000	324	0.60	238,671	2,386,710	0.46
10001- 20000	144	0.28	201,528	2,015,280	0.39
20001- 30000	48	0.09	122,520	1,225,200	0.24
30001- 40000	27	0.04	97,426	974,260	0.19
40001- 50000	19	0.03	87,834	878,340	0.17
50001- 100000	52	0.09	383,438	3,834,380	0.75
100001& Above	243	0.45	48,508,498	485,084,980	94.47
Total	**54,177**	**100.00**	**51,349,145**	**513,491,450**	**100.00**

10 (b) Shareholding Pattern

Consolidated Shareholding Pattern As on 31-3-2020

Category	No. of Holders	Total Shares	% To Equity
Promoters	2	9,249,038	18.01
Promoter Group	2	273,115	0.53
Foreign Corporate Bodies	4	7,461,030	14.53
Foreign Portfolio Investors	20	3,075,731	6.00
Foreign Portfolio – Corp	204	16,533,248	32.20
Foreign Institutional Investors	2	83,746	0.16
Non-resident Indians	881	131,620	0.26
Non-resident Indian Non-repatriable	514	51,805	0.10
Mutual Funds	85	10,272,308	20.00
Resident Individuals	50,744	2,165,414	4.22
Bodies Corporates	530	1,191,599	2.32
Indian Financial Institutions	1	7,000	0.01
Alternative Investment Fund	7	320,444	0.62
Clearing Members	171	303,134	0.59
Employees	11	98,757	0.19
Insurance Companies	1	65,000	0.13
H U F	989	49,486	0.10
Qualified Institutional Buyer	2	8,600	0.02
Banks	3	5,682	0.01
I E P F	1	2,121	0.00
Trusts	2	233	0.00
NBFC	1	34	0.00
Total	**54,177**	**51,349,145**	**100.00**

11. Dematerialisation of shares and liquidity

Our Equity Shares are traded in dematerialised form since its listing. We have entered into agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate trading in dematerialised form in India. Further the Non-convertible Debentures (NCDs) are also admitted with NSDL.

The breakup of Equity Share capital in dematerialised form held with depositories and in physical form as on March 31, 2020 is as follows:

Summary of Shareholding As on 31-03-2020

Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	62	1,031	0.00
N S D L	30,066	50,561,138	98.47
C D S L	24,049	786,976	1.53
Total	**54,177**	**51,349,145**	**100.00**

Details of Demat Suspense Account

The Company had opened Demat Suspense Account – 'PVR Limited – Unclaimed Shares Demat Suspense Account' for the unclaimed shares. During the year, none of shareholders have approached the Company for transfer of unclaimed shares from the Suspense Account. Accordingly, the outstanding shares in the Suspense Account as on April 1, 2019 and March 31, 2020, were 25 in number (only 1 shareholder).

It is also confirmed that the voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

12. Details on Outstanding Securities as on March 31, 2020 and details of commodity price risk, foreign exchange risk & hedging activity

As on March 31, 2020, the Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments. Details of commodity price risk, foreign exchange risk & hedging activity (commodity or otherwise), as applicable, during the Financial Year 2019-20 are provided in financial statements. It is hereby confirmed that the Company is not involved in commodity and/or derivative market.

13. Other Information

Service of documents through E-mail

In terms of provisions of Companies Act, 2013, service of documents to members by a Company is allowed through electronic mode. Further, as per Listing Regulations, listed companies shall supply soft copies of full annual reports to all those shareholders who have registered their e-mail addresses for this purpose. Accordingly, the Company proposes to send documents like shareholders meeting notice/other notices, annual report, Director's Report, Auditor's Report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their depositories. This will definitely help prompt receipt of communication, reduce paper consumption and save trees as well as avoid loss of documents in transit.

Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/updated either with their depositories or by writing to the Company. Members having multiple folios are requested to get them consolidated.

Reconciliation of Share Capital Audit

S Anand SS Rao, an Independent firm of practicing Company Secretary, carries out the Reconciliation of Share Capital Audit as mandated by SEBI and reports on the reconciliation of total issued and listed capital with that of total share capital admitted/ held in dematerialised form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has materially complied with them.

Further, it is confirmed that there has been no instance of non-compliance by the Company nor any penalty or stricture was imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years. Also, there are no instances of non-compliance with the requirements as stated in this Report.

Compliance with Regulations 17 to 27 and 46 of Listing Regulations

The Company has complied with all the requirements of provisions of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of 46 of Listing Regulations.

Further, the Company endeavour to comply with the discretionary requirements laid down under Part E of Schedule II of Listing Regulations, to the extent possible.

Plant Locations

In view of the nature of the Company's business i.e. Movie Exhibition Business, the Company operates through various locations in India and Sri Lanka.

Address for correspondence	:	Mr. Pankaj Dhawan Company Secretary & Compliance Officer
Registered Office	:	61, Basant Lok, Vasant Vihar, New Delhi – 110057
Corporate Office	:	Block A, 4th Floor, Building No. 9A, DLF Cyber City, Phase-III, Gurugram, Haryana – 122002
Investor Grievance E-mail	:	cosec@pvrcinemas.com investorrelations@pvrcinemas.com Tel: + 91-124-4708100 Fax: + 91-124-4708101 Website: www.pvrcinemas.com

List of all Credit Ratings

The Company has received the credit ratings from various agencies for the Financial Year 2019-20, for its debt instruments, details whereof is given below:

Sl. No.	Name of Agency	Rating	Name of Instrument	Date of Rating	(Amount ₹ in crore)
1	ICRA	AA-	Non-convertible Debenture	17.03.2020	360.00
		AA-	Fund Based – Term Loan	17.03.2020	219.00
		A1+	Commercial Paper	17.03.2020	200.00
2	CRISIL	AA	Non-convertible Debenture	31.01.2020	460.00
		AA	Bank Loan Facilities	31.01.2020	823.33
3	India Ratings & Research	AA	Fund-based Facility	20.03.2020	65.00

Certificates from Practicing Company Secretaries

(a) A certificate on compliance of Listing Regulations relating to corporate governance. The same also forms part of this Report; and

(b) The Company confirming that none of the Directors on the Board of the Company, as on March 31, 2020, have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same also forms part of this Report.

Total fees paid to M/s. B S R & Co. LLP, Statutory Auditors of the Company

Total fees for all services paid by the Company and its subsidiaries, during the Financial Year 2019-20, on a consolidated basis, to the statutory auditors of the Company and all entities in the network firm/network entity of which the statutory auditors is a part is given below:

(Amount in ₹)

Nature	Total	Amount paid by the Company to M/s. B S R & Co. LLP	Amount paid by the subsidiaries of the Company to M/s. B S R & Co. LLP and its network entities
Audit fee	45,38,130	33,50,000	11,88,130
Limited Review	31,00,000	31,00,000	-
Tax audit fee	4,50,000	2,50,000	2,00,000
Other Certifications	7,53,980	7,53,980	-
Reimbursement of out of pocket expenses	9,28,368	7,74,708	1,53,660
Total	**97,70,478**	**82,28,688**	**15,41,790**

Prevention of Sexual Harassment Policy

The Company is committed to provide a protective environment at work place for all its women employees to ensure that every woman employee is treated with dignity and respect and as mandated under 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. The Company has in place a formal policy for prevention of sexual harassment of its women employees and also constituted an Internal Complaints Committee for them. The details of total number of complaints filed, disposed and pending in this regard during the Financial Year 2019-20 are disclosed in the Board Report.

Related Party Transaction Policy

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard. Detailed Related Party Transaction Policy is provided on the Company's website www.pvrcinemas.com.

The Company has followed the Indian Accounting Standards, in relation to related party transactions, as notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 in preparation of the financial statements.

The Company has complied with Listing Regulations in relation to related party transactions. During the Financial Year 2019-20, no materially significant related party transaction has been entered by the Company which may have potential conflict with the interests of the Company at large.

Vigil Mechanism Policy/Whistle-Blower Policy

Section 177(9) of the Companies Act 2013 and Regulation 22 of Listing Regulations requires that the Company shall establish a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism. It is confirmed that during the Financial Year 2019-20, no personnel was denied direct access to any member of the Whistle-Blower Investigation Committee. Detailed Whistle-Blower Policy is provided on the Company's website www.pvrcinemas.com.

Material Subsidiary

As on March 31, 2020, none of the subsidiaries of the Company qualify as Material Subsidiary as defined in Regulation 24 of Listing Regulations. The Policy for Determination of Material Subsidiary is available on the website of the Company-www.pvrcinemas.com.

Certification by Chief Executive Officer & Chief Financial Officer of the Company

We, Ajay Bijli, Chief Executive Officer and Nitin Sood, Chief Financial Officer of PVR Limited, to the best of our knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement of the Company for the Financial Year ended March 31, 2020 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

C. We are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and that we have evaluated the effectiveness of Company's internal control systems and procedures pertaining to financial reporting.

D. We have indicated based on our most recent evaluation wherever applicable, to the Company's Auditors and through them to the Audit Committee of the Company's Board of Directors:

   1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

   2. Significant changes in internal control over financial reporting during the year.

   3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and

   4. Any fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company internal control system over financial reporting.

Place: New Delhi	**Ajay Bijli**	**Nitin Sood**
Date: June 8, 2020	CEO	CFO

Certification by Chief Executive Officer of the Company

I declare that all Board Members and Senior Management personnel have affirmed compliances with the code of conduct for the Financial Year 2019-20.

Place: New Delhi	**Ajay Bijli**
Date: June 8, 2020	CEO

Certificate Regarding Compliance of Conditions of Corporate Governance

To,

The Members,
PVR Limited
61, Basant Lok Vasant Vihar,
New Delhi - 110057

1. We have examined the compliance of conditions of Corporate Governance by the PVR Limited ("the Company") for the year ended on 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Listing Regulations during the year ended 31st March 2020.

6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Arun Gupta & Associates**
Company Secretaries

Arun Kumar Gupta
Company Secretary
ACS No.: 21227
C P No.: 8003
UDIN: A021227B000334694

Place: New Delhi
Date: June 8, 2020

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,
PVR Limited
61, Basant Lok Vasant Vihar,
New Delhi - 110057

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PVR Limited having CIN L74899DL1995PLC067827 and having registered office at 61, Basant Lok, Vasant Vihar, New Delhi- 110057 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Ajay Bijli	00531142	24/07/2003
2.	Mr. Sanjeev Kumar	00208173	24/07/2003
3.	Ms. Renuka Ramnath	00147182	30/01/2013
4.	Mr. Vikram Bakshi	00189930	19/09/2005
5.	Mr. Sanjai Vohra	00700879	30/09/2011
6.	Ms. Deepa Misra Harris	00064912	27/03/2019
7.	Ms. Pallavi Shardul Shroff	00013580	22/10/2019

Ensuring the eligibility of appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**
Company Secretaries

Arun Kumar Gupta
Company Secretary
ACS No.: 21227
C P No.: 8003
UDIN: A021227B000334694

Place: New Delhi
Date: June 8, 2020

Business Responsibility Report

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L74899DL1995PLC067827
2.	Name of the Company	PVR Limited
3.	Registered address	61, Basant Lok, Vasant Vihar, New Delhi – 110 057
4.	Website	www.pvrcinemas.com
5.	E-mail ID	investorrelations@pvrcinemas.com
6.	Financial Year reported:	April 01, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	59141
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	• Movie exhibition; • Sales of Food and beverages; • On-Screen and off-Screen Advertisement
9.	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations (Provide details of major 5) b) Number of National Locations	 1 Cinema in Sri Lanka 175 Cinemas across India
10.	Markets served by the Company	Pan-India and Sri Lanka

SECTION B: Financial details of the Company (On standalone basis)

1	Paid up Capital in INR:	5,135 lakh
2	Total Turnover (INR):	3,32,722 lakh
3	Total profit after taxes (INR):	3,016 lakh
4	Total Spending on CSR as percentage of profit after tax (%):	468 lakh which is 2% of average net profit for immediately preceding three financial years
5	List of activities in which expenditure in 4 above has been incurred:	As disclosed in the Director's Report – Annexure 5A and 5B

SECTION C: Other details

1. Does the Company have any Subsidiary Company/Companies?

Yes, as on March 31, 2020, Company had following subsidiaries:

Sl. No.	Name of the Company
1	PVR Pictures Limited
2	Zea Maize Private Limited
3	P V R Lanka Limited
4	SPI Entertainment Projects (Tirupati) Private Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)

As of now our subsidiary companies do not participate in our Business Responsibility initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes, Less than 30% entities that do business with PVR participate in the Company's BRR initiatives.

SECTION D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Implementation of BR policies is the responsibility of the Corporate Social Responsibility Committee of the Board of Directors, which comprises of:

Sl. No.	DIN	Name	Designation
1	00531142	Mr. Ajay Bijli	Chairman cum Managing Director
2	00208173	Mr. Sanjeev Kumar	Joint Managing Director
3	00700879	Mr. Sanjai Vora	Independent Director
4	00064912	Ms. Deepa Misra Harris	Independent Director

(b) Details of the Business Responsibility Head

Particulars	Details
Name	Mr. Nitin Sood
Designation	CFO
Telephone Number	0124-4708100
E-mail ID	nitin.sood@pvrcinemas.com

2. Principle-wise (as per NVGs) BR Policy/policies

Details of compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P 3	P4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for #	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the National Guidelines for Responsible Business Conduct 2019 (Earlier NVGs) released by the Ministry of Corporate Affairs								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner / CEO/ appropriate Board Director?	Our Policies are approved by MD and CEO								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Relevant Senior Management officials oversee the implementation of each of these policies.								
6	Indicate the link for the policy to be viewed online	https://www.pvrcinemas.com/corporate Employee Well-being Policies are available on the Company Intranet www.pvrhive.com available only to employees								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	While we have not carried out an independent audit of these policies yet, the framework are based on the National Guidelines for Responsible Business 2019								

* Principles:

Principle P1: Business Ethics, Transparency & Accountability (1)	Principle P2: Product Responsibility (2)	Principle P3: Employee Development (3)
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Businesses should promote the well-being of all employees
Principle P4: Stakeholder Engagement (4)	**Principle P5: Human Rights (5)**	**Principle P6: Environment (6)**
Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Businesses should respect and promote human rights	Business should respect, protect and make efforts to restore the environment
Principle P7: Policy Advocacy (7)	**Principle P8: Inclusive Growth (8)**	**Principle P9: Customer Value (9)**
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Businesses should support inclusive growth and equitable development	Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**
The Board of Directors assesses BR performance annually.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
Your Company publishes its Business Responsibility Report as part of its Annual Report. The disclosures for FY 2019-20 are included in this annual report and can be accessed online on our website www.pvrcinemas.com/ corporate

Section E: Principle-wise Performance

Principle 1: Ethics, Transparency & Accountability

- **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs Others?**
The Company's policy on Ethics, Transparency and Accountability along with the Code of Conduct, is applicable to all individuals working in the Company including its Directors, senior management and employees in the PVR Group. The Company encourages its business partners to follow the code by extending certain statutes in the contracts and MoUs that PVR signs with its various Contractors, suppliers, partners etc.

- **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
Our grievance redressal mechanism are open to complaints of a wide nature.

Particulars	Stake-holder Complaint received in FY 2019-20	Complaints resolved in FY 2019-20	Complaints Resolved (%)
Investor Complaints	37	37	100
Consumer Complaints	25,342	25,266	99.7
Total	**6323**	**6310**	**99.79**

Table 1: Number of Investor/ Customer Complaints received/ resolved

Complaints from other stakeholders like suppliers and contractors are looked by Departments and addressed on a case to case basis.

Principle 2: Products Lifecycle Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   i. Concluded our 'No Plastics' initiative that was started in 2018-19.
   ii. 32 Step Climbers to be installed in Phase 2 of Accessible Cinemas programme.
   iii. Solar Power installations in 2 stand-alone sites.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
   i. **PVR is going plastic free:** Company has reduced use of plastics in its cinemas. In order to minimise use of plastic bottles we are installing water fountains. The plastic products eliminated have been replaced with wooden cutlery, PLA, Paper and Sugarcane Bagasse products.

Image 1: Bio degradable container & Sugar cane bagasse container

   ii. **Accessible Cinemas programme:** In Phase 2 of this programme, 32 Stair Climbers have been imported from Europe in order to retrofit cinemas that have steps at both entrance and exit enabling people with mobility issues to enjoy films. Installation of these has got delayed due to the COVID-19 Pandemic. During the year, the Ministry of Information and Broadcasting has sent a communication to the Producers Association of India to make films with Audio Description and Captioning in order to enable people with disabilities to enjoy films. During the year over 2 Lakh people with disabilities enjoyed films at PVR.
   iii. **Solar Power:** In 2 stand-alone sites; PVR Jalgaon and Satna, we have finalised Solar Power Purchase Agreement (PPA) under OPEX Model (delayed due to COVID-19) This initiative is expected to result in carbon foot print reduction of approx. by 325 tonnes/year in the next 20 years.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**
   i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Owing to the nature of our business, PVR's vendor and supplier base consists of various categories of Vendors & Suppliers that include:
   - Cinema Equipment and Technology Providers
   - Film Producers & Distributors
   - Mall Owners
   - Contractors and Architects
   - F&B suppliers
   - F&B Packaging
   - Uniforms
   - Other Consumables

   During the last two years we have been looking at all our consumables through a sustainability lens and have taken various steps to ensure sustainability in our supply chain. Some of the initiatives, particularly those on eliminating the use of plastic and replacing it with bio degradable material have shown encouraging results during the year (as detailed Principle 2). In the coming years we will be looking at other aspects of our supply chain and moving more and more towards sustainable sourcing.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**
   We are consciously incorporating sustainable and local sourcing practices in our supply chain till as far as possible. In addition, we are also expanding our footprint to smaller cities; thereby creating employment opportunities in smaller towns and cities. For many of our sustainability initiatives, we are working with local Indian Startups.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**
   During the previous Financial Year, we started working on minimising use of plastic and non-biodegradable wastes and replacing them with bio degradable materials. This in itself is a huge step towards reducing waste that ends up in the landfills. Some of the materials being used in our operations like Sugarcane Bagasse is waste from another industry (agriculture) and is recycled and being used by us instead of plastic.

Principle 3: Employee's Well-Being

1. **Employee data (Questions 1-4):**

Sl. No.	Head	As on March 31, 2020
1	Total number of employees	14,590
2	Total number of contractual employees/Off-role	9,303
3a	Total number of women employees	2,941
3b	Total number of permanent women employees	748
4	Total number of employees with Disabilities	18

Table 2: Number of Employees at Group level

2. **Do you have an employee association that is recognised by management?**
No, we do not have any employee association recognised by management.

3. **What percentage of your permanent employees is members of this recognised employee association?**
Not Applicable.

4. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending, as on the end of the financial year.**

Particulars	No. of complaints filed during the FY	No. of complaints pending as on end of the FY
Child labour/forced labour/involuntary labour	Nil	Nil
No. of Sexual Harassment complaints filed	24	2 complaints were received around March 7-8, 2020, First round of inquiry done with complainants and Respondents. Due to lockdown inquiry could not be completed, hence still pending.
Discriminatory Employment	Nil	Nil

Table 3: Number of Internal Complaints received

5. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Particulars	%
Permanent employees	82%
Permanent women employees	83%
Casual/Temporary/Contractual Employees	100%
Employees with disabilities	100%

Table 4: Training Data

Image 2: Personal grooming session for ESPs

Training: Nearly 90% of our total workforce works at the cinemas and they are the ones that deliver the 'PVR Experience' to our patrons; therefore, training is of utmost importance at PVR. In order to make training available seamlessly – anytime, anywhere; PVR has launched an online Training Platform called PVR Springboard. This, in addition to face to face training, ensures that various aspects of the business are reinforced effectively. We conduct the following programmes on an ongoing basis:

- Cinema Induction
- Handling difficult situations
- #Movies4All
- POSH
- Fire & Safety.

Image 3: Training Session

Image 4: Fresh batch of Hires Trained to join new properties

Principle 4: Stakeholder Engagement:

1. **Has the Company mapped its internal and external stakeholders?**
   PVR recognises existing and potential customers, employees, shareholders, investors and regulatory authorities, media, public at large as its stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.**

   The Company has identified the following as disadvantaged, vulnerable and marginalised stakeholders:

   i. Underprivileged communities (particularly Children at Risk) around its business locations; and

   ii. People with Disabilities.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**
   PVR Nest: PVR Nest is a Trust set up by the Company to execute development projects under its Corporate Social Responsibility commitment. Established in 2006, and long before CSR became a mandate in India, PVR has been steadfast in its commitment to give back to the society in which it operates. A pioneering endeavour in the Indian entertainment industry, PVR NEST (PVR Network for Enablement & Social Transformation) works to rehabilitate 'Children at Risk' through various programmes in the vicinity of its cinemas. The Trust undertakes numerous initiatives on rehabilitation, education, nutrition, healthcare and employability.

Image 5: Stair Lifts procured to enable accessibility in 32 Cinemas in Phase 2 of #Cineam4All programme

#Cinema 4 All: Under its Inclusive Entertainment programme #Cinema4All, PVR launched Phase 1 of its Accessible Cinema programme in December 2018 to enable people with disabilities and the elderly to enjoy movies. The programme addresses infrastructural issues, makes assistive equipment, technology and platforms available to its patrons with different abilities across mobility, vision, hearing and cognition. In the first Phase we announced, made discoverable and branded the first 50 Accessible cinemas with regard to mobility, made subtitled films discoverable and tied up with a Mobile phone app to enable people with visual impairment to stream Audio Description (AD) for films that have AD.

Image 6: Stair climber in use

During the year, we embarked on Phase 2 of the programme where-in we focussed on existing cinemas that have enhanced accessibility challenges. To address these, we have imported 32 Step Climbers, whose installation and staff training has got delayed due to the COVID-19 Pandemic. We have also introduced SENS shows for people with Cognitive Disabilities in Chennai and NCR. In addition to this, we are persevering to ensure that most new cinemas are accessible and adhere to Harmonised Guidelines 2016. During the year, more than 2 lac people with disabilities have enjoyed films at our cinemas.

In addition, PVR's efforts with the help of members of Civil Society, have borne results with the Ministry of I&B encouraging Producers to make accessible films in line with Clause 42 of the Rights of People with Disabilities Act, 2016.

Principle 5: Human Rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   PVR's policy on Human Rights is applicable to all employees in the Company including subsidiaries in India. For its International subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy. PVR discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labour at all manufacturing units /with business associates.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   There were no complaints reported on violation of any human rights during the financial year.

Principle 6: Environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**
   The Environmental impact of the Cinema Exhibition business is primarily on account of energy and water consumption, the business only generates Scope 2 and 3 emissions and is taking initiatives to reduce the same by undertaking various initiatives like:

   - Solar Power under a PPP model in stand-alone sites
   - Water flow restrictors in wash rooms taps
   - Minimising non-biodegradable waste
   - Technology absorption to enhance efficiency and reduce energy consumption.

   The Company's policy on environment outlines effective Resource optimisation (Energy, Water, F&B Packaging), Safety and Security of our patrons as the most material Sustainability aspects. However, the Policy does not cover suppliers and contractors. Nevertheless, we are taking the following initiatives to encourage our partners and suppliers to get sensitised to our requirements.

   For example:

   1. Guidance to Malls from PVR on energy conservation initiatives and sharing our successes;
   2. The agreement with Developers now has an additional clause that ensures that the structure we take over is accessible by wheelchair at least one exit/entry point for people with Mobility issues;
   3. Designers, Architects and Contractors have been sensitised on the Harmonised Guidelines 2016 to ensure alignment.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
   Yes, the Company has been working on environment conservation issues by improving its process efficiency and undertaking initiatives related to energy efficiency. Some of these initiatives include:

   Continued Sensitisation of employees at Cinemas: Since the bulk of our energy consumption is at the Cinema level, it is very critical that employees who manage operational day-to-day activities at the ground level are in tune with the Management's objectives. The following initiatives have been undertaken to create a culture that supports Technological interventions to conserve energy:

   (a) Awareness and sensitisation workshops for employees on benefits of energy conservation initiatives;

   (b) Involvement of employees is encouraged through Idea sharing and successful implementation of the selected ideas is recognised and rewarded;

   (c) A Certified Energy Auditor supervises and leads the implementation of energy conservation initiatives;

   (d) Third party Energy Audits are conducted periodically; In order to ensure that our equipment is operating at optimum efficiency levels and to curb wastage due to leakage and lack of maintenance of Plant and machinery, we actively engage with Mall Management on Energy Conservation initiatives and auditing by 3rd party to identify inefficiencies at their end as well.

Emission Reduction planned in 2019-2021: We are targeting 2000 tonnes of CO2 reduction per year till 2021 (on account of projects commissioned in late Q3 & beginning of Q4) with the help of the following initiatives:

Renewable Energy Utilisation:

a) Solar Energy Utilisation for energy conservation by using rooftop solar photovoltaic grid connected system will be implemented in 2020-21 at sites available with space on roof.

b) Solar PPA finalised for Roof Top Solar at 2 locations, namely Jalgaon and Satna will help us in reducing our carbon footprint by 325 tonnes/ year for next 20 years.

Technology Absorption

(a) High Efficiency Fans For AHU: Have been piloted in Jan 2020 and will help us to reduce 3.7 tonnes of CO2 per AHU per year (will be implemented in 2020-21).

(b) We have replaced 3 chiller plants in 2019-20 and this will help us in Globally change - CO2 Mitigation of 910 Tons per year

(c) Laser Projection: While these are being implemented in our new projects to create an enhanced experience for patrons, they will also result in 4.5 tonnes of CO2 reduction per projector per year. Laser Projectors are also not hazardous on disposal.

(d) Chiller Plants are being replaced and will result in CO2 mitigation to the tune of 910 Tonnes/Year (being implemented in Plaza, Escape, Wonder Thane & Oberon Cochin).

(e) Silent Fans: Are being installed and will save Energy, enhance guest comfort, mitigate hot and cold pockets. Pilots have been conducted in a few cinemas successfully (Forum, Velachery, Ampa, VR Mall Bangalore).

3. **Does the Company identify and assess potential environmental risks? Y/N**
PVR identifies and assesses potential environmental risks with respect to its business and takes appropriate measures to ensure we minimise our adverse impact on the environment across various functions and processes.

In addition to environmental risks, PVR recognises that our industry is extremely vulnerable to safety and security risks and we undertake numerous initiatives to ensure the safety and security of our patrons and employees. We conduct regular audits and safety checks to ensure smooth and safe running of our operations. Our staff is given regular fire safety and emergency evacuation training to deal with any kind of emergency where they would need to safely evacuate large numbers of people with varying abilities.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
No, The Company does not have any Clean Development Mechanism (CDM) projects.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
As mentioned earlier, we are near implementation of a PPA (Power Purchase Agreement) for Solar Power in two stand-alone sites contributing towards Green Initiative; which will further be replicated in others. A certain percentage of our energy consumption will be subset by Solar Energy Utilisation by using rooftop solar photovoltaic grid connected system and was ready for implementation but has been delayed due to the lock down.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB /SPCB for the financial year being reported?**
Not applicable. We are a Film Exhibition Company and have no harmful emissions emitted during screening of films. Our waste comprises:
   - F&B waste: Where we are moving towards more bio-degradable materials;
   - E-waste: Disposed through SPCB / CPCB Certified e-waste recyclers.

7. **Number of show cause/ legal notices received from CPCB /SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
Nil

Principle 7: Policy Advocacy

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
Yes, the Company is a member inter alia of:
   - Northern India Motion Pictures Association (NIMPA);
   - National Association of Motion Pictures & Exhibitors (NAMPE);
   - Federation of Karnataka Chambers of Commerce & Industry (FKCCI);
   - FICCI Multiplex Association of India (FICCI-MIA);
   - Retailers Association of India (RAI); and
   - National Association of Theatre Owners.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
The Company is part of various task forces and forums within the above listed industrial and trade bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of in the broader policy development process and do not participate lobbying on any specific issue. In the past, we have participated in forums pertaining to:
   - Corporate Governance;
   - Consumer Interest; and
   - Tackling Counterfeiting.

   On the Business Responsibility side, PVR has been working diligently to make entertainment inclusive for all; irrespective of barriers created by lack of mobility, vision or hearing. PVR recognises that more than 5-7% of India's population is Differently-abled and is spearheading Accessible and Inclusive Cinema in the country. Towards this, the Company has been working closely with concerned Government Departments, Ministries, State Government officials, NGOs, Producers and Distributers to implement Clause #42 of the Rights of People with Disabilities Act 2016 in letter and spirit in the Cinematograph Act, 1952. This will make it possible for Visually Impaired and Hearing Impaired patrons to enjoy all Indian films with Captions and Audio Description. During the year, a formal communication has gone out from the Ministry of I&B encouraging Producers to make films that can be enjoyed by a wider audience by making them accessible for the Visually and Hearing Impaired.

Image 7: Films that were Audio Described for Visually Impaired patrons by an NGO and promoted by PVR to be enjoyed with the help of a Mobile App

Principle 8: Inclusive Growth

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   PVR NEST is a registered foundation set up by PVR Limited to undertake its CSR initiatives. It undertakes projects aligned to the Sustainable Development Goals and implements them through Public Private Partnership models, towards transforming urban spaces and facilities to be safer, inclusive, and accessible; catering to the basic needs of people from the marginalised communities and making cities more livable.

   In accordance with the Sustainable Development Goals, PVR NEST works in areas where the objectives of the following goals intersect.

   GOAL 1: End poverty in all its forms everywhere

   GOAL 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

   GOAL 5: Achieve gender equality and empower all women and girls

   GOAL 10: Reduce inequality within and among countries

   GOAL 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

Image 8: Aanchal Childcare Centre

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures / any other organisation?**

   PVR Nest catalyses change by working closely with the Government on social issues, enhancing efficiency, competitiveness and expanding opportunities through their CSR Fund impacting a range of specialised services. It has a professional in-house team, which works closely with Board, in-line with the CSR Policy, to achieve annual targets and their implementation. It works in tandem with renowned and start-up NGOs to identify the new services for community rehabilitation on urban risks, safety and protection and health and sanitation for women and children. It has a strong, in-house finance and accounts team which overlooks all compliance related issues and disbursement of CSR Funds as per plan. It also has a trained start-up that works on monitoring and evaluation of the projects and the programmes, which have been approved by the Board. All programmes of PVR Nest are co-financed by government resources and the CSR fund.

3. **Have you done any impact assessment of your initiative?**
PVR NEST institutes a transparent monitoring mechanism for implementation of its projects. The monitoring process includes the following:

- Regular reports like the – funds utilisation reports, beneficiary progress report, intermediate and final impact reports, Audited annual reports
- Monthly monitoring visits
- A separate project evaluation report
- All reports on project progress and impact are presented to the PVR CSR Committee and the Board for review and approval.

During the year, the CSR team and members of Ummeed adopted a pragmatic approach with new decisions and processes, programmes and partners towards a unified vision. We built a systematic framework of ownership and design, financing maintenance and operation of facilities. This has tremendously improved the efficiency of PVR NEST project outcomes as it harnesses the skills and knowledge of government and non- profit organisation thus adding expertise and scale to our co-created sustainable projects.

Image 9: Aanchal Childcare Centre

4. **What is your Company's direct contribution to community development projects (Amount in ₹ and the details of the projects undertaken)**
During the year gone by, we have spent 468 lakh that amounts to 2% of average net profit for immediately preceding three financial years. For details, refer to Annexure 5A and 5B of Board Report forming part of this Annual Report. Some of the Initiatives are as follows:

AANCHAL CHILDSCAPES – Care and Protection Centres

In Delhi, this initiative is being run in partnership with North MCD and Mobile Creches under which 10 primary schools of North MCD have been identified as Aanchal Childscapes centres. The programme is to provide 12- hour care facilities, health and nutrition and education support to children in the age group of 6 months to 12 years old.

The centres are functional from 7 a.m. to 7 p.m.. Apart from care of children, this initiative increases the mobility of women and adolescent girls enabling them to access livelihood opportunities and educational opportunities as they no longer have to stay back at home to care for children.

Image 10: Pink Toilets

PINK TOILETS
PVR NEST has successfully maintained toilets for women for the past two year recording a footfall of 1.5 lakh from just 4 of our toilets. As we are now scaling up and expanding to 16 toilets, we visualise these spaces as more than just toilets. We are already taking care of a of womens' needs and our spaces include accessibility features, sanitary napkin vending machines, incinerators and areas for breast-feeding as well as a changing room. Moving further, we envision these spaces as evolving beyond just toilets to complete accessible centers for women's and children.

Image 11: Pink Toilet

CHILD FRIENDLY RAILWAY STATIONS

PVR NEST has partnered with Railway Children India to launch the Child-friendly Railway Stations project to make railway stations a safe and friendly place for children with the aim to ensure their rescue, safety and rehabilitation and to make a real, lasting difference to their lives. The project is currently covering a station each in the North, West and South East Central Zones of Indian Railways. The stations selected in each zone respectively, are, Ghaziabad Jn., Dadar (Mumbai) and Raipur (Chhattisgarh). The programme has rescued and rehabilitated 1,000 children across these 3 railway stations during the year.

Image 12: Child help desk

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the members of the community?**

   PVR NEST on behalf of PVR Limited, associates with the Government and NGOs for CSR activities that are directly or indirectly working for the betterment of marginalised and vulnerable section of society. Our partners are having a sustained commitment to serving the community and comply with all relevant laws, rules and regulations. All our partnerships are evolved after following a multi-step process of analysing a unity in vision and purpose with an emphasis on goals laid down to achieve the common objectives in mutually discussed time frames. The following steps are taken to ensure that the community development initiative is successfully adopted by the community:

   - Brainstorming with experts and government officials for identification of 'Need of Intervention' Areas
   - Research and mapping the need requirement at these areas
   - Conceptualisation in consultation with expert and community members
   - Identification of sites with Government
   - Identification of partner NGOs with Government.

Image 13: Childscapes Girls' Team

Principle 9: Customer Value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   76 complaints comprising 0.3% of the consumer complaints/ cases are pending as on March 31, 2020.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./remarks (additional information)**

   Yes, the Company displays product information on the packaging of its F&B products for the benefit of consumers, over and above what is mandated by local laws like Bureau of Indian Standards Act. The additional information is provided to enhance the value consumers can derive from the product and to ensure safe and appropriate use. The additional information on the product label relates to proven active ingredients contained, directions for use, safety, caution etc. and varies from product to product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There are few cases filed against PVR before different Hon'ble High Courts in India praying therein for allowing the outside foods inside the multiplexes amongst other matter. The Hon'ble Supreme Court has stayed the proceedings and pending for final hearing. Further, Mr. Vijay Gopal has filed a complaint against Bookmyshow and PVR before Hyderabad District consumer forum alleging that Company is wrongfully charging Internet handling fees from customers along with some several other consumer complaints filed against the Company alleging unfair trade practice that PVR is charging exorbitantly on food and beverages which are pending for adjudication/hearing.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

During the year, we have received: 25,342 complaints through various mechanisms that are in place. Of these 99.7% cases have been resolved.

Our proactive outreach methodology has resulted in Customer Satisfaction scores of 4.24 on a scale of 5. Of the 69,35,512 responses received through various mechanisms:

- 65% respondents are categorised as Promoters of our services; in other words are highly satisfied
- 22% are passive or neutral and
- 13% are Detractors or negative.

We conduct regular third party cinema Audits to assess various aspects of service delivery, namely: House-keeping issues

- Safety and security issues
- Electrical and maintenance issues
- Accounting/Billing issues
- Display of branding and marketing material
- Structural damage and repair issues
- Personal grooming and neatness of staff
- Ethics issues and due diligence
- Cinema sound/light quality
- Optimal Air-conditioning
- Quality of records maintained.

Independent Auditor's Report

To the Members of PVR Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of PVR Limited ('the Company'), which comprise the Standalone Balance Sheet as at March 31, 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

S No.	The key audit matter	How the matter was addressed in our audit
1.	**Going concern assumption** See Note 50 of the standalone financial statements Due to the outbreak of COVID-19 pandemic, the Company's operations, i.e., the movie exhibition locations have been shut since mid of March 2020 and post balance sheet, till date and this necessitates the evaluation of the Company's ability to continue as a Going concern and meeting its obligations to the stakeholders, creditors, employees and lenders.	**Audit procedures** In this area our procedures included: • Discussed with the management and those charged with governance regarding the possibility and plan for resumption of operations and the Company's ability to meet their obligations during and after the period effected due to COVID-19. Assessed sufficiency of the Company's resources/ funds to meet its costs in the foreseeable future. • Evaluated the external inputs and assumptions within the going concern model by comparing them to the assumptions used elsewhere in the preparation of the financial statements. • Assessed the appropriateness and reasonableness of the cash flow forecasts for the foreseeable future taking into account the adverse effects that could arise from the outbreak of COVID-19 pandemic. • Evaluated the mitigation measures taken by the Company's management and those charged with governance. In particular, we evaluated measures of cost rationalisation, managing the Company's liquidity position and maintaining the facilities for resumption after the lockdown is lifted. • Assessed the adequacy of the disclosures included in the standalone financial statements.

S No.	The key audit matter	How the matter was addressed in our audit
2.	**Revenue Recognition** See Note 23 to the standalone financial statements The Company's significant portion of revenue comes from income from sale of movie tickets and food and beverages ('revenue'). We have identified revenue recognition as a key audit matter, because its significance to the standalone financial statements and reliance on the Company's IT system. Further, as the revenue comprises of high volumes of individually small transactions, the process of summarising and recording sales revenue is critical.	**Audit procedures** In this area our procedures included: • Evaluated the design and implementation and operating effectiveness of key controls in relation to recognition of revenue • Involvement of our Subject Matter Experts on information technology with respect to testing of key IT system controls which impacts revenue recognition. • Performed substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents • Tested the reconciliation between sales recorded and cash / card / online transactions and agreed those reconciliations through underlying documents on sample basis. • Assessed the adequacy of related disclosures in the standalone financial statements.
3.	**Impairment of Goodwill, other intangible assets, property, plant and equipment, capital work-in-progress and ROU assets** See Notes 3, 4 and 4B to the standalone financial statements The carrying value of the Company's goodwill is ₹ 104,256 lakh and that of other intangible assets, property, plant and equipment, capital work-in-progress, ROU assets as at March 31, 2020 amounts ₹ 488,249 lakh. Due to the impact of COVID-19 pandemic, an impairment assessment of the non-financial assets is to be performed. The impairment testing of above requires significant judgements and estimates in assessing the Value in Use ('VIU') regarding assessment and measurement for impairment loss, if any. The risk relates to uncertainties involved in forecasting of cash flows, for key assumptions such as future revenue, margins, overheads, growth rates and weighted average cost of capital for the purpose of determining VIU. We have identified impairment assessment of such assets as a key audit matter because of the significance of the carrying value of such assets and involvement of judgements and estimates.	**Audit procedures** In this area our procedures included: • Tested the design and implementation of key controls with respect to impairment assessment of Goodwill and other intangible assets, property, plant and equipment, capital work-in-progress and ROU assets and tested operating effectiveness of such controls. • Evaluated the impairment model which is based on discounted cash flows including the adverse effects which could arise from the outbreak of COVID-19 pandemic. This includes evaluation of the assumptions used in key inputs such as forecasted revenue, gross margin and discount rate based on our knowledge of the Company and the industry with the assistance of our Subject Matter Experts. • Performed sensitivity analysis to evaluate whether any foreseeable change in assumptions could lead to a significant change in the VIU. • Assessed the adequacy of related disclosures in the standalone financial statements.
4.	**Accounting for Business Combination** See Note 43 to the standalone financial statements The Hon'ble Principal Bench of The National Company Law Tribunal vide its Order dated 23 August 2019 had approved the Scheme of Amalgamation ('Scheme') between the Company and SPI Cinemas Private Limited ('SPI'), effective from the appointed date of 17 August 2018. Accordingly, the Company has given effect to the accounting treatment in the books of account as per the acquisition method prescribed under Ind AS 103 'Business Combinations'. The Scheme has a significant impact on the standalone financial statements of the Company including comparative numbers which have been represented to take the effect of acquisition.	**Audit procedures** In this area our procedures included: • Read the approval obtained from National Company Law Tribunal (NCLT). • Tested the underlying workings and evidence relating to the accounting as per the Scheme. • Assessed the adequacy of related disclosures in the standalone financial statements.

S No.	The key audit matter	How the matter was addressed in our audit
5.	**First-time adoption of Ind AS 116 'Leases'** See Notes 4B and 17 to the standalone financial statements Ind AS 116, Leases, is applicable from April 1, 2019 and introduces a new lease accounting model, wherein the Company (lessee) is required to recognise a right-of-use (ROU) asset and a lease liability in their balance sheet in respect of contracts which qualify as a lease. The Company has implemented Ind AS 116 from 1 April 2019 and is required to disclose the impact of implementation Ind AS 116 in the standalone financial statements. In implementing Ind AS 116, the Company has opted for the modified retrospective approach for transition to Ind AS 116. Therefore, the cumulative effect of implementing Ind AS 116 upto 1 April 1, 2019 is recognised as an adjustment to the opening balance of retained earnings as at that date without restating the comparative information. The assessment of the impact of transition to Ind AS 116 is significant to our audit as it involves selection of the transition option and identification and processing all relevant data associated with the leases which is complex and voluminous. Significant judgement is required in the assumptions and estimates made in the measurement of the ROU asset and lease liability. Such assumptions and estimates include assessment of lease term including termination and renewal options, and determination of appropriate discount rates. In view of the above, the adjustments arising from the first-time adoption of Ind AS 116 are material and are considered as a key audit matter.	**Audit procedures** In this area our procedures included: • Assessed the appropriateness of the accounting policy for leases as per relevant accounting standard with special reference to methodology of the selected transition approach to this standard. • Evaluated and tested Company's internal control processes in relation to lease identification, assessment of the terms and conditions of lease contracts and the calculation of the related lease liability and ROU asset. • Evaluated the reasonableness of Company's key judgements and estimates made in preparing the transition adjustments, specifically in relation to the lease term and discount rate. • Tested the completeness and accuracy of underlying lease data and Ind AS 116 adjustments by checking its reconciliation with the number of operating lease contracts and relevant records of the Company. • On a sample basis, tested the accuracy and existence of the ROU asset and lease liability recognised on transition by examining the original lease agreements and re-performing the calculations after considering the impact of the variable lease payments, if any. • Assessed the adequacy of the disclosures included in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the management and Board of Directors.
- Conclude on the appropriateness of the management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

  a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

  b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

We draw attention to Note 51 to the standalone financial statements, relating to Managerial Remuneration accrued by the Company for the financial year ended March 31, 2020 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 982 lakh, and hence, is subject to the approval of the shareholders in the forthcoming annual general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Adhir Kapoor
Partner
Membership No.: 098297
ICAI UDIN.: 20098297AAAABK1997

Place: New Delhi
Date: June 8, 2020

Annexure A referred to in our Independent Auditor's Report to the members of PVR Limited on the standalone financial statements for the year ended March 31, 2020

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year. As informed to us, no material discrepancies were noted on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties of land and buildings which are freehold, are held in the name of the Company, except leasehold land situated at Chennai, Tamil Nadu amounting to (gross block) ₹ 797 lakh as at March 31, 2020, the conveyance deed in respect of which is in the name of SPI Cinemas Private Limited, which was acquired pursuant to the Scheme of merger approved by the National Company Law Tribunal. Due to the merger, the mutation of name is pending in the favor of the Company.

(ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.

(iii) According to the information and explanations given to us, the Company has granted loans to companies and an other party covered in the register maintained under Section 189 of the Companies Act, 2013.

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies and an other party listed in the register maintained under Section 189 of the Act were not, *prima facie*, prejudicial to the interest of the Company;

b) The said companies and an other party have been regular in repayment of principal, which are payable on demand. Further, the said companies and an other party has been regular in payment of interest;

c) There are no overdue amounts in respect of the loans granted to the companies and other party listed in the register maintained under Section 189 of the Act.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to firms or limited liability partnerships covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments, as applicable. Moreover, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered or goods sold by the Company. Accordingly, the provisions of paragraph 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there has been delay in deposit income tax. Further, income-tax (tax deducted at source) for the month of March 2020 has not been deposited as the Company has availed relaxation provided under the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 in respect of such amount. As explained to us, the Company did not have any dues on account of duty of excise, sales tax and service tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of income- tax, goods and services tax, service tax, duty of customs and value added tax which have not been deposited on account of any dispute as at March 31, 2020, except for the following:

Name of the Statute	Nature of the dues	Period to which the amount relates	Forum where dispute is pending	Amount (₹ in lakh)	Amount paid under protest (₹ in lakh)
Income-tax Act, 1961	Income-tax	AY 2006-07, AY 2009-10 and AY 2011-12	High Court	54	10
Income-tax Act, 1961	Income-tax	AY 2007-08 to AY 2015-16	Income Tax Appellate Tribunal (ITAT)	1,221	800
Income-tax Act, 1961	Income-tax	AY 2010-11, AY 2012-13 and AY 2014-15 to AY 2017-18	Commissioner of Income Tax (Appeals)	1,460	249
Finance Act, 1994	Service tax	FY 2007-08 to FY 2017-18	Customs Excise and Service Tax Appellate Tribunal (CESTAT)	9,332	434
Finance Act, 1994	Service tax	FY 2013-14 and FY 2015-16 to FY 2017-18	Commissioner	6,032	-
UP VAT Act, 2007 / HVAT Act, 2003/ Rajasthan VAT Act, 2003/ Maharashtra VAT Act, 2002 / KVAT Act, 2003	Value Added Tax	FY 2010-11 to FY 2012-13 and FY 2014-15 to FY 2016-17	Tribunal / Commissioner (Appeals)/ Commissioner	407	21

(viii) In our opinion and according to the information and explanations given to us and on the basis of records examined by us, the Company has not defaulted in repayment of loans or borrowings to banks and dues to debenture holders. Further, the Company did not have any outstanding loans or borrowings from financial institutions or government during the year.

(ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, during the current year, the Company has raised money by way of Qualified Institutional Placement (QIP). The proceeds from QIP were ₹ 50,000 lakh. The proceeds of the issue (net of related expense of INR 1,023 lakh) are to augment for growth and expansion, corporate general purpose, working capital requirement and repayment of outstanding loan. The proceeds of ₹ 6,000 lakh pending utilisation for the objects of QIP, have temporarily been invested in interest bearing liquid instrument. The Company did not raise any money by way of further public offer (including debt instruments) during the year and the term loan raised during the year have been applied for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of records of the Company, Managerial Remuneration accrued for the two executive directors of the Company is in excess of the limits specified under Section 197 of the Act read with Schedule V to the Act by ₹ 982 lakh. The Company is in the process of obtaining approval from shareholders at the forthcoming annual general meeting for such excess remuneration (refer note 51 of the standalone financial statements).

(xii) According to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Adhir Kapoor
Partner
Membership No.: 098297
ICAI UDIN.: 20098297AAAABK1997

Place: New Delhi
Date: June 8, 2020

Annexure B to the Independent Auditor's Report on the standalone financial statements of PVR Limited for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (1) (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of PVR Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as 'the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Adhir Kapoor
Partner
Membership No.: 098297
ICAI UDIN.: 20098297AAAABK1997

Place: New Delhi
Date: June 8, 2020

Standalone Balance Sheet

as at March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	159,002	148,485
Capital work-in-progress	3	15,471	21,257
Right-of-use assets	4B	296,910	-
Goodwill	4	104,256	104,383
Other intangible assets	4	16,866	17,990
Financial assets			
Investments in subsidiaries	5A	6,059	4,769
Other investments	5B	50	885
Loans	13	26,682	22,751
Other financial assets	6	2,166	2,239
Deferred tax assets (net)	7	20,197	-
Income tax assets (net)	8A	4,527	3,263
Other non current assets	8B	11,640	18,012
Total non-current assets	A	**663,826**	**344,034**
Current assets			
Inventories	9	2,896	2,888
Financial assets			
Investments	10	117	108
Trade receivables	11	17,122	17,200
Cash and cash equivalents	12A	31,335	2,144
Bank balances other than cash and cash equivalents, above	12B	671	597
Loans	13	5,833	2,908
Other financial assets	6	2,516	2,144
Other current assets	8B	8,924	7,656
Total current assets	B	**69,414**	**35,645**
Total assets [A+B]		**733,240**	**379,679**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	5,135	4,674
Other equity	15	141,187	142,898
Total equity	A	**146,322**	**147,572**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	91,344	101,876
Lease liabilities	17	353,250	-
Other financial liabilities	21	10,347	4,217
Provisions	18	1,257	1,719
Deferred tax liabilities (net)	7	-	2,591
Other non-current liabilities	22	5,709	18,499
Total non-current liabilities	B	**461,907**	**128,902**
Current liabilities			
Financial liabilities			
Borrowings	19	18,556	8,339
Lease liabilities	17	20,190	-
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		29,325	35,632
Other financial liabilities	21	30,158	36,089
Provisions	18	418	310
Other current liabilities	22	26,364	22,835
Total current liabilities	C	**125,011**	**103,205**
Total liabilities [B+C]		**586,918**	**232,107**
Total equity and liabilities [A+B+C]		**733,240**	**379,679**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of **PVR Limited**

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Notes	March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	23	328,436	303,935
Other income	24	4,286	3,150
Total income		**332,722**	**307,085**
EXPENSES			
Movie exhibition cost		77,021	71,165
Consumption of food and beverages		25,927	23,514
Employee benefits expense	25	38,166	32,686
Finance costs	26	47,984	12,775
Depreciation and amortisation expense	27	53,306	18,164
Other operating expenses	28	80,774	118,944
Total expenses		**323,178**	**277,248**
Profit before tax		**9,544**	**29,837**
Tax expense:			
Current tax		2,917	6,654
Adjustment of tax relating to earlier periods		(35)	162
Deferred tax (including MAT credit entitlement)		472	4,012
Tax impact related to change in tax rate and law (refer note 7)		3,174	-
Total tax expense		**6,528**	**10,828**
Profit for the year [A]		**3,016**	**19,009**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period	29	(682)	(1,252)
Items that will be reclassified to profit or loss in subsequent period		-	-
Other comprehensive income for the year (net of tax) [B]		**(682)**	**(1,252)**
Total comprehensive income for the year [A+B] (comprising profit and other comprehensive income for the year)		**2,334**	**17,757**
Earnings per equity share on Net Profit after tax	30		
[Nominal Value of share ₹ 10 each (March 31, 2019: ₹ 10 each)]			
Basic		6.08	39.83
Diluted		6.05	39.58
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of **PVR Limited**

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Place: New Delhi
Date: June 8, 2020

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Place: New Delhi
Date: June 8, 2020

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

A. Equity Share Capital

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the year	4,674	4,674
Changes in equity share capital during the year	461	-
Balance at the end of the year	**5,135**	**4,674**

B. Other Equity

Particulars	Reserves and Surplus							Other comprehensive income		Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share options outstanding account	Share Pending Issuance	Retained earnings	Re-measurement gains/(loss) on defined benefit plans	Gain/(loss) on equity instruments designated at FVTOCI	
As at March 31, 2018	602	47,125	7,285	4,030	305	-	42,718	(234)	(888)	100,943
Profit for the year	-	-	-	-	-	-	19,009	-	-	19,009
Other comprehensive income (net of tax) (refer note 29)	-	-	-	-	-	-	-	(378)	(874)	(1,252)
Total Comprehensive Income	602	47,125	7,285	4,030	305	-	61,727	(612)	(1,762)	118,700
Employee stock compensation for options granted (refer note 32)	-	-	-	-	306	-	-	-	-	306
Adjustment on account of acquisition of business (refer note 43)	-	-	-	-	-	24,999	-	-	-	24,999
Adjustment on adoption of Ind AS 115	-	-	-	-	-	-	20	-	-	20
Transfer to Debenture redemption reserve	-	-	2,895	-	-	-	(2,895)	-	-	-
Transfer from Debenture redemption reserve	-	-	(2,250)	-	-	-	2,250	-	-	-
Dividends (including CDT[1])	-	-	-	-	-	-	(1,127)	-	-	(1,127)
As at March 31, 2019	602	47,125	7,930	4,030	611	24,999	59,975	(612)	(1,762)	142,898
Adjustment on adoption of Ind AS 116 (refer note 17)	-	-	-	-	-	-	(50,866)	-	-	(50,866)
Restated balance as at March 31, 2019	602	47,125	7,930	4,030	611	24,999	9,109	(612)	(1,762)	92,032
Profit for the year	-	-	-	-	-		3,016	-	-	3,016
Other comprehensive income (net of tax) (Refer note 29)	-	-	-	-	-		-	138	(820)	(682)
Total Comprehensive Income	602	47,125	7,930	4,030	611	24,999	12,125	(474)	(2,582)	94,366
Employee stock compensation for options granted	-	1,620	-	-	124	-	-	-	-	1,744
Transferred from stock options outstanding					(203)	-	-	-	-	(203)
Transfer from Debenture redemption reserve [2]	-	-	(7,930)	-	-	-	7,930	-	-	-
Securities premium received on account of QIP [3]	-	49,044	-	-	-	-	-	-	-	49,044
Adjustment on account of issuance of shares to SPI shareholder (refer note 43)	-	24,839	-	-	-	(24,999)	-	-	-	(160)
Dividends (including CDT[1])	-	-	-	-	-	-	(3,604)	-	-	(3,604)
As at March 31, 2020	602	122,628	-	4,030	532	-	16,451	(474)	(2,582)	141,187

1 Corporate Dividend Tax

2 Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019, the requirement with respect to creation of DRR has been done away with accordingly the outstanding balance of DRR is transferred to retained earnings.

3 Securities premium on issues of shares via QIP is net of Share issue expenses amounting to ₹ 665 lakh (net of deferred tax ₹ 358 lakh).

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements

As per report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of **PVR Limited**

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Standalone Statement of Cash Flows

for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2020	March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	9,544	29,837
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	20,346	16,763
Amortisation of intangible assets	1,706	1,401
Amortisation of right-of-use assets	31,254	-
Allowance for doubtful debts and advances	1,457	1,266
Bad debts/advances written off	56	53
Net (gain)/loss on disposal of property, plant and equipment	(42)	143
Interest income	(1,902)	(1,166)
Finance costs	47,118	11,973
Share based payment expense	120	296
Inventories written off	183	-
Convenience fees (Time value of money adjustment)	(2,452)	(1,245)
Liabilities written back	(183)	(119)
Rent expenses (pertaining to deferred rent)	-	1,114
Miscellaneous income	(231)	-
	106,974	**60,316**
Working capital adjustments:		
Increase/(Decrease) in provisions	(143)	61
Increase/(Decrease) in trade and other payables	(16,423)	38,942
Decrease/(Increase) in trade receivables	(985)	(3,145)
Decrease/(Increase) in inventories	(191)	(757)
Decrease/(Increase) in loans and advances and other assets	(4,386)	(3,411)
Cash generated from operations	**84,846**	**92,006**
Direct taxes paid (net of refunds)	(2,977)	(8,095)
Net cash flows from operating activities (A)	**81,869**	**83,910**
Cash flows from investing activities		
Purchase of PPE, intangible assets, CWIP and capital advances	(34,595)	(40,919)
Proceeds from sale of PPE	129	52
Security deposits given to Mall Developers	(784)	(4,493)
Payment towards acquisition of SPI Cinemas Private Limited (refer note 43)	-	(53,560)
Investment in subsidiaries	(1,300)	(1,530)
Loan repaid/(given) - body corporate	-	64
Loans given to subsidiaries	(8,625)	(6,150)
Loans repaid by subsidiaries	2,561	4,400
Interest received on deposits	801	265
Fixed deposits with banks	11	(194)
Net cash flows from/(used in) investing activities (B)	**(41,802)**	**(102,065)**
Cash flows from financing activities		
Proceeds from issue of equity shares	50,405	-
Proceeds from long-term borrowings	26,419	64,413
Repayment of long-term borrowings	(33,163)	(33,165)
Proceeds from short-term borrowings	35,000	40,000
Repayment of short-term borrowings	(35,000)	(45,550)
Repayment of lease liabilities (includes interest on lease liabilities)	(49,621)	-
Payment of dividend and tax thereon	(3,600)	(1,127)
Interest paid on borrowings	(11,488)	(10,319)
Net cash flow from/(used in) financing activities (C)	**(21,048)**	**14,252**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**19,019**	**(3,904)**
Cash and cash equivalents at the beginning of the year	(1,240)	1,746
Add: Cash acquired on acquisition of SPI Cinemas Private Limited (refer note 43)	-	918
Cash and cash equivalents at the end of the year	**17,779**	**(1,240)**

Standalone Statement of Cash Flows

for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2020	March 31, 2019
Components of cash and cash equivalents		
Cash on hand	89	849
Balance with banks:		
On current accounts	10,040	1,219
On deposits with original maturity of less than three months	10,000	76
Investment in Mutual fund	11,206	-
Cash and cash equivalents (refer note 12A)	**31,335**	**2,144**
Less: Secured bank overdraft (refer note 19)	(13,556)	(3,384)
Total cash and cash equivalents	**17,779**	**(1,240)**

Note:

- The Standalone Statement of Cash Flows has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 'Statement of Cash Flows'.
- During the year, the Company paid in cash ₹ 468 lakh (March 31, 2019: ₹ 360 lakh) towards corporate social responsibility (CSR) expenditure (Refer note 38).
- Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities is as below:

Particulars	Non - current borrowings[1]	Current borrowings
Opening balance as at April 1, 2019[2]	**119,866**	**5,000**
Cash flows during the year:		
- Proceeds	26,419	35,000
- Repayments	(33,163)	(35,000)
Changes due to adoption of Ind AS 116:		
- Reclassification of Finance lease obligation due to adoption of Ind AS 116	(2,274)	-
Closing balance as at March 31, 2020[2]	**110,848**	**5,000**

[1]Includes current maturities of non-current borrowings.

[2]Opening and closing balance excludes transaction cost.

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements

As per report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of **PVR Limited**

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

1 Reporting entity

PVR Limited ('the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act with its registered office located at '61, Basant Lok, Vasant Vihar, New Delhi, India – 110057'. The Company's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company is in the business of movie exhibition & production and operates largest cinema circuit across India. The Company earns revenue from sale of movie tickets, in-cinema advertisements/product displays and sale of food and beverages and restaurant business.

2 Significant accounting policies

2.1 Basis of preparation

(a) Statement of compliance

These Standalone Financial Statements comply with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

These Standalone Financial Statements for the year ended March 31, 2020 are approved by the Audit Committee and Board of Directors at its meeting held on June 8, 2020.

(b) Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

(c) Basis of Measurement

These Standalone Financial Statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments, refer note 2.2(v))

(d) Critical accounting estimates and judgements

In preparing these Standalone Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation and judgements in applying accounting policies that have the most significant effect on the Standalone Financial Statements are as follows:

- Note 2.2 (o) (iii) and 31 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2.2 (b),(c), (d), 3 and 4 - measurement of useful life and residual values of property, plant and equipment and intangible assets;
- Note 34 - Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy;
- Note 2.2 (t) - judgement required to determine ESOP assumptions;
- Note 2.2 (p) - judgement required to determine probability of recognition of current tax, deferred tax assets and MAT credit entitlement; and
- Note 2.2 (v)- fair value measurement of financial instruments.
- Note 2.2 (i)(iii) and 4B- Determination of lease term for computation of lease liabilities and right of use assets and discount rate used for discounting the lease payments to compute the present value of lease liabilities.

There are no assumptions and estimation that have a significant risk resulting in a material adjustment within the next financial year.

2.2 Summary of significant accounting policy

(a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of classification of assets and liabilities as current and non-current.

(b) Property, plant and equipment (PPE)

(i) Recognition and measurement:

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of trade discounts, rebates and refundable taxes) and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition or construction of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for their intended use. Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at various cinema locations.

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss. Expenses those are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The Company identifies any particular component embedded in the main asset having significant value to total cost of asset and also a different life as compared to the main asset.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under Capital advances and Capital work in progress respectively.

(ii) Subsequent expenditure:

Subsequent expenditure on additions and betterment of operational properties are capitalised, only if, it is probable that the future economic benefits associated with the expenditure will flow to the Company and expenditures for maintenance and repairs are charged to Statement of Profit and Loss as incurred.

(c) Depreciation on property, plant and equipment (PPE)

Depreciation is calculated on cost of items of PPE less their estimated residual values over their useful lives using straight-line method and is generally recognised in the Statement of Profit and Loss. Estimated useful life of the assets are generally in line with the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 except in the following cases, where the management based on technical and internal assessment considers life to be different than prescribed under Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Particulars	Useful life as per Schedule II (in years)	Management estimate of Useful life (in years)
Concession equipments	15	8
Gaming equipments	15	13.33
Projectors	13	10
Furniture & fixtures	8	5 to 10.53
Vehicles	8	5
LCD's	5	4

The Company has estimated the residual value @ 5% of original cost for all assets except for sound and projections equipment's which are taken @ 10% of original cost based on technical assessment done by management.

Leasehold improvements are amortised on a straight-line basis over the estimated period of lease including renewals or unexpired period of lease, whichever is shorter. The Company has estimated the residual value @ 20% of original cost for leasehold improvement where the lease term considered is shorter than the agreed lease term as per agreement.

Depreciation is not recorded on capital work in progress until construction and installation are complete and the asset is ready for its intended use.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e from (upto) the date on which assets is ready for use (disposed off). Further, depreciation includes accelerated depreciation of ₹ 705 lakh (March 31, 2019 : ₹ 620 lakh) on account of change in estimate of useful lives of property, plant and equipment resulting from Cinema closure earlier than planned or due to renovation.

(d) Intangible assets

(i) Recognition and Measurement:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

(ii) **Subsequent Expenditure:**
Subsequent expenditure is capitalised only when it increase the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit or loss as incurred.

(iii) **The useful life and the basis of amortisation and impairment losses are as under:**

a. Software

Cost relating to purchased software and software licenses are capitalised and amortised on a straight-line basis over their estimated useful lives of 6 years.

b. Goodwill

Goodwill on acquisitions is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses if any. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

c. Film Right's

The intellectual property rights acquired/ created in relation to films are capitalised as film rights. The amortisation policy is as below:

(a) In respect of films which have been co-produced /co owned/ acquired and in which the Company holds rights for a period of 5 years and above as below:

- 60% to 80% of the cost of film rights on first domestic theatrical release of the film based on the management estimates. The said amortisation relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights etc.

In case these rights are not exploited along with or prior to their first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited or at the end of 1 year from the date of first domestic theatrical release, whichever occurs earlier.

- Balance 40% to 20% is amortised over the remaining license period based on an estimate of future revenue potential subject to a maximum period of 10 years.

(b) In respect of films, where the Company holds rights for a limited period of 1 to 5 years, entire cost of movies rights acquired or produced by the Company is amortised on first theatrical release of the movie. The said amortisation relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights and others.

In case these rights are not exploited along with or prior to the first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited or at the end of 1 year from the date of first theatrical release, whichever occurs earlier.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

d. Brands and Beneficial lease rights

Intangible assets resulting from acquisition of SPI Cinemas comprise of 'Beneficial Lease Rights' which are amortised on straight-line basis over remaining lease period and 'Brands' which are amortised on straight-line basis over a period of 20 years and tested for impairment annually.

(e) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the Statement of Profit and Loss as incurred.

(f) Impairment of non-financial assets

The Company assesses at each reporting date whether, there is an indication that an asset may be impaired. If an indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Impairment loss, if any is recognised in the Statement of Profit and Loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine, whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(g) Investment

Investment in subsidiaries are carried at cost less accumulated impairment, if any.

(h) Inventories

Inventories are valued as follows:

(a) Food and beverages

Lower of cost and net realisable value. Cost is determined on weighted average basis.

(b) Stores and spares

Lower of cost and net realisable value. Cost is determined on First In First Out (FIFO) basis.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

The comparison of cost and Net realisable value is made on an item-by-item basis.

(i) Leases

(i) Determining whether an arrangement contains a lease

An arrangement is, or contains, a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) Assets held under lease

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of estimated lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to apply the requirements of Ind AS 116 'Leases' to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(iii) Transition to Ind AS 116 - 'Leases':

Ministry of Corporate Affairs ('MCA') through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, and the revenue can be reliably measured regardless of when the payment is being

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

made. Revenue excludes goods and service tax, sales tax and local body taxes if any which are collected by the Company on behalf of the Government and deposited to the credit of respective Governments.

Effective April 01, 2018, the Company has adopted Ind AS 115 (Revenue from contracts with customers) which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Ind AS 115 'Revenue from contracts with customers' replaces Ind AS 18 'Revenue recognition and related interpretations'. The Company has adopted Ind AS 115 'Revenue from contracts with customers' using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). Under this transition method, the comparative information is not restated – i.e. the comparative information continues to be reported under Ind AS 18 'Revenue recognition and related interpretations'. The adoption of the standard did not have any material impact on the Standalone Financial Statements of the Company. Following table depicts the amount of impact on Standalone Financial Statements:

	As reported at March 31, 2018	Adjustments due to adoption of Ind AS 115	Adjusted opening balance as at April 1, 2018
Retained earnings	42,718	20	42,738

The following specific recognition criteria must also be met before revenue is recognised:

i **Income from sale of movie tickets (Box office revenue)**
Revenue from sale of movie tickets is recognised as and when the film is exhibited.

ii **Sale of food and beverages**
Revenue from sale of food and beverages is recognised upon passage of title to customers, which coincides with their delivery to the customer.

iii **Revenue from gift vouchers and breakage revenue**
Non-refundable Gift cards and vouchers are sold to customers, that give customers the right to receive goods or services in the future. The prepayment amount received from the customer is recognised as unearned revenue liability. If a customer does not exercise their right, this amount is recognised as breakage revenue in proportion to the pattern of rights exercised by the customer as there is an expectation that the Company will be entitled to breakage revenue and that it is considered highly probable and a significant reversal will not occur in the future.

iv **Income from movie production**
Revenues from film produced, co –produced/co -owned are accounted for based on the terms of the agreement.

v **Advertisement revenue**
Advertisement revenue is recognised as and when advertisement are displayed at the cinema halls and in accordance with the term of the agreement.

vi **Management fee**
Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreements.

vii **Convenience fee**
Convenience fee is recognised as and when the movie tickets are sold on digital platforms. Further, in case of fixed contracts with digital ticketing partners, revenue is recognised on accrual basis in accordance with the terms of the agreement.

viii **Rental and food court income**
Rental Income is recognised on accrual basis for the period the space in cinema and food court is let out as per the lease arrangement.

ix **Gaming income**
Revenue from gaming is recognised as and when the games are played by customers.

x **Virtual print fees income**
Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreements.

xi **Interest income**
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

xii **Dividend income**
Dividend Income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

xiii **Loyalty**
The Company operates a loyalty programme 'PVR PRIVILIGE' where a customer earn points as and when the customer transacts with the Company, these points can be redeemed in the future for goods and services. Under Ind AS 115, the loyalty programme gives rise to a separate performance obligation as it provides a material right to the customer. The Company allocates a portion of transaction price to the loyalty programme based on relative standalone selling price, instead of allocating using the fair value of points issued.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

(k) Government grant

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Similarly, where the grant relates to an asset, it is recognised as deferred income and released to income in equal instalments over the expected useful life of the related assets.

(l) Foreign currency transaction and translations

Transactions and balances

Transactions in foreign currencies are initially recorded in functional currency's spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies remaining unsettled are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(m) Business combination and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date;
- Assets (or disposal Company's) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or Other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through Other comprehensive income.

As a result from business combination, the Company as whole has gained synergies relating to increase in revenue, decrease of certain operational cost and effective vendor negotiation. The Company as a whole is considered as a CGU, and there are no other CGU's identifiable to which Goodwill from business combinations is allocated.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuer's are involved for valuation of significant assets, liabilities, such as ESOP, Gratuity etc.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (including those carried at amortised cost) (note 2.2(v))

(o) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

The Company has the following employee benefit plans:

i **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, incentives, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

ii **Defined contribution plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

recognises contribution payable to the provident fund scheme as expenditure, when an employee renders service.

iii **Defined Benefit plan**

Gratuity is a defined benefit obligation. The Company has approved gratuity funds managed with ICICI Prudential Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited, Birla Sunlife Insurance Company Limited and Life Insurance Company for the payment of gratuity to the employees. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognised in other comprehensive income.

iv **Other long term employee benefits**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(p) Income taxes

Income tax comprises current and deferred tax.
Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in OCI.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit entitlement as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, the said asset is created by way of credit to the Statement of Profit and Loss and shown as 'MAT Credit Entitlement.' The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(q) Earnings per share

The Company presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares (unless the effect is anti-dilutive), which includes all stock options granted to employees.

(r) Provisions

General

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best management estimates.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Standalone Financial Statements.

(s) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(t) Share based payments

In accordance, with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and IndAS 102 Share-based Payments, the cost of equity-settled transactions is measured using the fair value method.
The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense, together with a corresponding increase in the 'Employee Stock options outstanding account' in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

(u) Dividend

The Company recognises a liability to make dividend distributions to equity holders when the distribution is approved by the shareholders.

(v) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/

(Rupees in lakhs, except for per share data and if otherwise stated)

losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18;

The Company impairs its trade receivables basis past experience and trend. Other financial asset, are impaired on case to case basis.

(w) Corporate Social Responsibility ('CSR') expenditure:

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

3 Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Total	Capital Work in Progress
As at March 31, 2018	2	-	10	57,631	66,046	17,805	4,008	533	146,035	
Additions	-	-	-	12,174	15,445	3,819	793	41	32,272	
Adjustment on account of Business Combination (refer note 43)	-	797	-	8,208	9,966	1,691	302	37	21,001	
Disposals and discard	-	-	-	(447)	(912)	(1,294)	(116)	-	(2,769)	
As at March 31, 2019	**2**	**797**	**10**	**77,566**	**90,545**	**22,021**	**4,987**	**611**	**196,539**	
Additions	-	-	70	12,884	15,099	5,024	969	894	34,940	
Adjustment on account adoption of Ind AS 116 (refer note 17)	-	(797)	-	-	(4,468)	-	-	-	(5,265)	
Disposals and discard	-	-	-	(402)	(1,916)	(694)	(368)	(320)	(3,700)	
As at March 31, 2020	**2**	**-**	**80**	**90,048**	**99,260**	**26,351**	**5,588**	**1,185**	**222,514**	
Depreciation										
As at March 31, 2018	-	-	-	11,536	14,777	5,456	1,811	286	33,866	
Charge for the year	-	11	-#	5,482	7,650	2,662	847	111	16,763	
Disposals and discard	-	-	-	(446)	(892)	(1,122)	(115)	-	(2,575)	
As at March 31, 2019	**-**	**11**	**-#**	**16,572**	**21,535**	**6,996**	**2,543**	**397**	**48,054**	
Charge for the year	-	-	2	7,267	8,797	3,153	1,005	122	20,346	
Adjustment on account of adoption of Ind AS 116 (refer note 17)	-	(11)	-	-	(1,263)	-	-	-	(1,274)	
Disposals and discard	-	-	-	(400)	(1,863)	(677)	(368)	(306)	(3,614)	
As at March 31, 2020	**-**	**-**	**2**	**23,439**	**27,206**	**9,472**	**3,180**	**213**	**63,512**	
Net Block										
At March 31, 2019	**2**	**786**	**10**	**60,994**	**69,010**	**15,025**	**2,444**	**214**	**148,485**	**21,257**
As at March 31, 2020	**2**	**-**	**78**	**66,609**	**72,054**	**16,879**	**2,408**	**972**	**159,002**	**15,471**

[#] Amount below ₹ 1 lakh

i. Capital Work in progress

Capital work in progress represents leasehold improvements, plant and machinery and other assets under installation and cost relating thereto.

ii. For details regarding charge on property plant and equipment, refer note 16.

iii. Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31,2020 was ₹ 541 lakh (March 31, 2019: ₹ 1,501 lakh).

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

4 Intangible Assets

Particulars	Goodwill	Other intangible assets				
		Software Development	Brand	Beneficial lease rights	Movie Rights	Other Intangible Assets total
	A	B	C	D	E	B+C+D+E
As at March 31, 2018	42,660	2,569	-	-	486	3,055
Additions	-	762	-	-	120	882
Adjustment on account of Business combination (refer note 43)	61,723	315	7,263	9,422	-	17,000
Disposals and discard	-	(12)	-	-	-	(12)
As at March 31, 2019	**104,383**	**3,634**	**7,263**	**9,422**	**606**	**20,925**
Additions	-	582	-	-	-	582
Adjustment on account of Business combination (refer note 43)	(127)	-	-	-	-	-
As at March 31, 2020	**104,256**	**4,216**	**7,263**	**9,422**	**606**	**21,507**
Amortisation						
As at March 31, 2018	-	1,060	-	-	486	1,546
For the year	-	538	298	445	120	1,401
Deductions/ Adjustments	-	(12)	-	-	-	(12)
As at March 31, 2019	**-**	**1,586**	**298**	**445**	**606**	**2,935**
For the year	-	580	405	721	-	1,706
As at March 31, 2020	**-**	**2,166**	**703**	**1,166**	**606**	**4,641**
Net Block						
As at March 31, 2019	**104,383**	**2,048**	**6,965**	**8,977**	**-**	**17,990**
As at March 31, 2020	**104,256**	**2,050**	**6,560**	**8,256**	**-**	**16,866**

Note: Impairment testing of Goodwill

Goodwill represents excess of consideration paid over the net assets acquired. This is monitored by the management at the level of cash generating unit (CGU) and is tested annually for impairment. Cinemax India Limited, Cinema exhibition undertaking of DLF Utilities Limited and SPI Cinemas Private Limited acquired in financial year 2012- 13, 2016-17 and 2018-19 respectively is now completely integrated with the existing cinema business of the Company, and accordingly is monitored together as one CGU. The Company tested goodwill for impairment using a post-tax discounted cash flow methodology with a peer-based, risk-adjusted weighted average cost of capital, using discount rate of 10 to 12.5% p.a. and terminal growth rate of 5% to 10%. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector. We believe use of a discounted cash flow approach is the most reliable indicator of the fair values of the businesses. The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

No impairment of goodwill was identified as of March 31, 2020.

4B Right-of-use assets (refer note 17)

Particulars	Class of assets			
	Cinema properties	Plant and Machinery	Leasehold Land	Right-of-use assets total
	A	B	C	A+B+C
Addition on account of adoption of Ind AS 116	261,312	3,205	786	265,303
Additions	63,213	-	-	63,213
Disposals and discard	(352)	(10)	-	(362)
As at March 31, 2020	**324,173**	**3,195**	**786**	**328,154**
Amortisation				
For the year	30,830	422	2	31,254
Deductions/ Adjustments	-	(10)	-	(10)
As at March 31, 2020	**30,830**	**412**	**2**	**31,244**
Net Block				
As at March 31, 2020	**293,343**	**2,783**	**784**	**296,910**

Leasehold land situated at Chennai, Tamil Nadu amounting to ₹ 797 lakh (March 31, 2019: ₹ 797 lakh) (Gross block), is in the name of SPI Cinemas Private Limited, which was acquired pursuant to the Scheme of Amalgamation approved by the National Company Law Tribunal. Due to the amalgamation, the mutation of name is pending in the favor of the Company.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

5 Non current Investments

5A Investment in subsidiaries (unquoted, valued at cost)

	March 31, 2020	March 31, 2019
PVR Pictures Limited[1]	3,102	2,102
Equity share of ₹ 4 each 67,006,173 (March 31, 2019: 42,006,173)		
P V R Lanka Limited[2]	1,406	1,406
Equity share of LKR 100 each 3,494,030 (March 31, 2019: 3,494,030)		
Zea Maize Private Limited	850	500
Equity share of ₹ 10 each 32,355 (March 31, 2019: 19,033)		
Zea Maize Private Limited[3]	700	750
0.01% Compulsory convertible preference shares of ₹ 10 each 26,198 (March 31, 2019: 28,351)		
PVR Middle East FZ LLC[4]		
Equity share of AED 1,000 each 50 (March 31, 2019: 50)	10	10
Less: Provision against value of investment	(10)	-
SPI Entertainment Project (Tirupati) Private Limited	1	1
Equity share of ₹ 10 each 10,000 (March 31, 2019: 10,000)		
	6,059	**4,769**

[1]During the year ended March 31, 2020, there was an additional capital infusion of ₹ 1,000 lakh in PVR Pictures Limited to subscribe 25,000,000 number of equity shares of ₹ 4/- each.

[2]During the previous year ended March 31,2019, there was an additional capital infusion of ₹ 1,269 lakh in P V R Lanka Limited to subscribe 3,173,461 number of equity shares of LKR (Sri Lankan Rupee) 100 each.

[3]During the year ended March 31, 2020, there was an additional capital infusion of ₹ 300 lakh (March 31,2019: ₹ 250 lakh) in Zea Maize Private Limited through Compulsory convertible preference shares. Further, 13,322 Compulsory convertible equity shares were converted into 13,322 equity shares during the year ended March 31, 2020.

[4]During the previous year ended March 31, 2019, the Company has invested a sum of ₹ 10 lakh in PVR Middle East FZ LLC, a Company incorporated on November 15, 2018 in UAE to subscribe 50 number of equity shares of AED 1,000 each. This Company was deregistered on January 30, 2020. The Company has taken provision against the full investment value during the year ended March 31, 2020.

5B Other Investments

	March 31, 2020	March 31, 2019
Quoted equity shares		
iPic Entertainment Inc.[1]	2,581	2,581
Common membership units of $ 18.13 each 220,629 (March 31, 2019 : 220,629)		
Less: Diminution in the value of investment (refer note 29)	(2,581)	(1,761)
Net value of Investment	**-**	**820**
Unquoted Government securities		
Government Securities- at amortised cost		
National savings certificates[2]	167	173
(Deposited with various tax authorities)		
	167	**993**
Less: Amount disclosed under current investments (refer note 10) (being due for maturity within next 12 month)	117	108
	50	**885**

Aggregate amount of unquoted investments	6,226	4,942
Aggregate amount of quoted investments	2,581	2,581
Aggregate amount of impairment in value of investments	2,591	1,761

[1]During the year ended March 31, 2018, the Company had acquired a minority stake for a value of USD 4 million (equivalent to ₹ 2,581 lakh), in an American luxury restaurant-and-theatre Company 'iPic Entertainment Inc.' (formerly known as iPic-Gold Entertainment LLC). The Company designated this Investment as equity shares at FVTOCI because these equity shares represent investments that the Company intends to hold for long-term strategic purpose. Accordingly, the fair value changes with respect to such investment has been recognised in OCI – 'Equity investments at FVTOCI'. Further, as IPIC has filed for bankruptcy under Chapter XI during FY 2019-20, the Company has created provision against the full investment value.

[2]The following National Saving Certificates held in the interest of the Company are pledged with various Indirect Tax Authorities.

	March 31, 2020	March 31, 2019
Managing Director	20	20
Employees	130	136
Promoters of the erstwhile subsidiary Company	17	17

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

6 Other financial assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Non-current bank balances (refer note 12B)	152	224	-	-
Interest accrued on:				
Fixed deposits	7	8	33	32
National saving certificate	13	13	66	60
Others	-	-	17	12
	172	**245**	**116**	**104**
Revenue earned but not billed	-	-	987	1,077
Government grant receivable[1]	1,994	1,994	1,413	963
Unsecured, considered doubtful	-	65	-	-
	1,994	**2,059**	**1,413**	**963**
Allowance for doubtful Government grant receivable	-	(65)	-	-
	1,994	**1,994**	**1,413**	**963**
Total	**2,166**	**2,239**	**2,516**	**2,144**

[1]The Entertainment tax /GST exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective erstwhile/ current State Government schemes and applications filed with the authorities.

7 Deferred tax assets/liabilities (net) (includes MAT credit entitlement)

	March 31, 2020	March 31, 2019
Deferred tax liabilities		
Impact of differences in depreciation/amortisation in block of tangible and intangible assets as per tax books and financial books	15,665	17,468
Gross deferred tax liabilities	**15,665**	**17,468**
Deferred tax asset[1]		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	777	955
Allowance for doubtful debts and advances	1,169	1,393
Ind AS 116 impact (refer note 17)	22,774	-
Others	1,322	1,786
Gross deferred tax asset	**26,042**	**4,134**
Net deferred tax (liabilities)/Assets	**10,377**	**(13,334)**
Add: MAT credit entitlement[2]	9,820	10,743
Net deferred tax assets/(liabilities) (including MAT Credit entitlement)	**20,197**	**(2,591)**

[1]The Company has not accounted for Deferred tax assets on loss on fair valuation of 'iPic Entertainment Inc.' Investment on account of absence of reasonable certainty.

[2]The MAT credit entitlement recognised by the Company represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of the Income Tax Act, 1961. The management, based on the present trend of profitability and future projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilise MAT credit entitlement.

On September 20, 2019 the Government of India vide the Taxation Laws (Amendment) Ordinance, 2019 inserted Section 115BAA in the Income-tax Act, 1961 which provides domestic companies an option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions therein. The Company has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure until utilisation of accumulated MAT credit as on March 31, 2020.

Further, Ind AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The Company has made estimates, based on its budgets, regarding income anticipated in foreseeable future years when those temporary differences are expected to reverse and measured the same at the New tax rate. The full impact of re-measurement of deferred tax assets/liabilities, including deferred tax assets created on transition to Ind AS 116 as at April 1, 2019, as per Note 17 on account of this change has been recognised in Standalone Statement of Profit and Loss. The tax expense for the year ended March 31, 2020 include one time net charge of ₹ 3,174 lakh on account of re-measurement of deferred tax assets/liabilities.

8A Income tax assets (net)

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Advance income tax (net of provision)	3,468	2,325	-	-
Income tax paid under protest (refer note 34(a))	1,059	938	-	-
	4,527	**3,263**	**-**	**-**

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

8B Other assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Prepaid expenses	2,113	1,684	1,174	2,733
Deferred rent (refer note 17)	-	10,924	-	1,158
	2,113	**12,608**	**1,174**	**3,891**
Capital advances				
Unsecured, considered good	8,681	5,209	-	-
Unsecured, considered doubtful	-	-	-	-
	8,681	**5,209**	**-**	**-**
Allowance for doubtful capital advances	-	-	-	-
	8,681	**5,209**	**-**	**-**
Advances recoverable in cash or kind				
Unsecured, considered good	208	-	3,140	2,842
Unsecured, considered doubtful	-	-	420	17
	208	**-**	**3,560**	**2,859**
Allowance for doubtful advances	-	-	(420)	(17)
	208	**-**	**3,140**	**2,842**
Others				
Balances with statutory authorities	638	195	4,610	923
	638	**195**	**4,610**	**923**
Total	**11,640**	**18,012**	**8,924**	**7,656**

9 Inventories (Valued at lower of cost or net realisable value)

	March 31, 2020	March 31, 2019
Food and beverages	1,634	1,781
Stores and spares	1,262	1,107
	2,896	**2,888**

10 Investments

	March 31, 2020	March 31, 2019
Investments (unquoted)		
National savings certificates (refer note 5B)	117	108
(Deposited with various State tax authorities)		
	117	**108**

11 Trade receivables

	March 31, 2020	March 31, 2019
Secured, considered good	2	171
Unsecured, considered good	17,120	17,029
Unsecured, credit impaired	3,646	2,582
	20,768	**19,782**
Less : Allowance for doubtful debts	(3,646)	(2,582)
	17,122	**17,200**

12A Cash and cash equivalents

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Cash on hand	-	-	89	849
Balances with banks:				
On current accounts	-	-	10,040	1,219
Deposits with original maturity of less than 3 months (refer note (a) below)	-	-	10,000	76
Investment in Mutual fund	-	-	11,206	-
	-	**-**	**31,335**	**2,144**

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

12B Bank balances other than cash and cash equivalent, above

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deposits with remaining maturity for more than 3 months but less than 12 months (refer note (c) below)	-	-	659	593
Deposits with remaining maturity for more than 12 months (refer note (c) below)	152	224	-	-
Unpaid and unclaimed dividend accounts (refer note (b) below)	-	-	12	4
	152	**224**	**671**	**597**
Amount disclosed under non-current other financial assets (refer note 6)	(152)	(224)	-	-
	-	**-**	**671**	**597**

Note:

(a) Deposits with original maturity of less than 3 months are made for varying periods ranging between one day to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

(b) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.

(c) Bank deposits includes deposits under lien as security towards government authorities amounting to ₹ 811 lakh (March 31, 2019: ₹ 706 lakh).

13 Loans

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Loans and advances to related parties				
Unsecured, considered good	2,827	-	5,000	1,763
Unsecured, considered doubtful	-	-	52	52
	2,827		**5,052**	**1,815**
Allowance for doubtful loans	-	-	(52)	(52)
Total	**2,827**	**-**	**5,000**	**1,763**
Loans to others				
Loans to employees				
Unsecured, considered good	**-**	**-**	**346**	**145**
Loans to body corporate				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	187	187
	-	**-**	**533**	**332**
Allowance for doubtful loan	-	-	(187)	(187)
	-	**-**	**346**	**145**
Security deposits				
Unsecured, considered good	23,855	22,751	487	1,000
Unsecured, considered doubtful	223	407	-	-
	24,078	**23,158**	**487**	**1,000**
Allowance for doubtful security deposits	(223)	(407)	-	-
	23,855	**22,751**	**487**	**1,000**
	26,682	**22,751**	**5,833**	**2,908**

a. Loans and advances to related parties include				
PVR Pictures Limited (unsecured loan)	-	-	4,950	1,750
P V R Lanka Limited (unsecured loan)	2,827	-	-	-
Zea Maize Private Limited (unsecured loan)	-	-	50	-

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

b. Loans and advances in the nature of loans given to subsidiaries (refer note 39)				
PVR Pictures Limited				
Balance at the end of the year	-	-	4,950	1,750
Maximum amounts outstanding during the year	-	-	4,950	2,000
P V R Lanka Limited				
Balance at the end of the year	2,827	-	-	-
Maximum amounts outstanding during the year	2,827	-	-	-
Zea Maize Private Limited				
Balance at the end of the year	-	-	50	-
Maximum amounts outstanding during the year	-	-	300	-

There is no repayment schedule in respect of the loans given to PVR Pictures Limited and Zea Maize Private Limited and it is repayable on demand. Further, for loan given to P V R Lanka Limited is repayable on demand after 3 years.

14 Share capital

	March 31, 2020	March 31, 2019
Authorised share capital		
Equity shares of ₹ 10 each	12,370	11,070
0.001% Non-cumulative convertible preference shares of ₹ 341.52 each	2,015	2,015
Total	**14,385**	**13,085**
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 10 each fully paid	5,135	4,674
Total	**5,135**	**4,674**

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

i. Authorised Equity shares

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	110,700,000	11,070	110,700,000	11,070
Increase on account of Business combination	13,000,000	1,300	-	-
Balance at the end of the year	**123,700,000**	**12,370**	**110,700,000**	**11,070**

ii. Authorised Non-cumulative convertible preference shares

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	590,000	2,015	590,000	2,015
Balance at the end of the year	**590,000**	**2,015**	**590,000**	**2,015**

iii. Issued, Subscribed and fully paid up equity shares

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,738,588	4,674	46,738,588	4,674
Shares issued during the year on account of :				
Employee stock options plan (ESOP) (refer note 32)	102,000	10	-	-
Merger of SPI Cinemas Private Limited (refer note 43)	1,599,974	160	-	-
Qualified Institutions Placement (refer note 14(f))	2,908,583	291	-	-
Shares outstanding at the end of the year	**51,349,145**	**5,135**	**46,738,588**	**4,674**

b Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

c Details of shareholders holding more than 5% shares in the Company as on year end

Name of Shareholders	March 31, 2020		March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹ 10 each fully paid				
Mr. Ajay Bijli	5,508,796	10.73	5,410,298	11.58
ICICI Prudential Equity Saving Fund	4,852,883	9.45	-	-
Mr. Sanjeev Kumar	3,740,242	7.28	3,728,892	7.98
Berry Creek Investment Limited	3,582,585	6.98	3,582,585	7.67
Gray Birch Investment Limited	2,958,888	5.76	2,958,888	6.33

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date, wherever applicable is given below:

(Aggregate No. of Shares)

	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Shares issued during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.	-	-	51,650	158,050	422,668

e Shares reserved for issue under option

For details of equity shares reserved for issue under the employees stock option (ESOP) plan of the Company, refer note 32.

f Qualified Institutions Placement

i During the year ended March 31, 2020, the Company has completed the Qualified Institutions Placement ('QIP') under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, pursuant to which 29,08,583 equity shares having a face value of ₹ 10 each were issued and allotted, at an issue price of ₹ 1,719.05 per equity share (including a securities premium of ₹ 1,709.05 per equity share), aggregating to ₹ 50,000 lakh.

ii The proceeds of Qualified Institutions Placement amounts to ₹ 48,977 lakh (net of issue related expenses which has been adjusted against securities premium). As per the placement document, QIP proceeds can be utilised for repayment/ prepayment of a part of our outstanding indebtedness, funding expenditure towards implementation of our strategy on expanding our screen network, general corporate purposes and other corporate exigencies, including but not limited to, funding balance milestone based payments in relation to our acquisition of SPI Cinemas, long and short term working capital requirements, strategic investments/ acquisitions and expenditure towards refurbishment of our existing cinemas. As on March 31, 2020, 12% of QIP proceeds are unutilised and have been temporarily invested in debt highly liquid mutual funds.

15 Other equity (refer Standalone statement of changes in equity)

	March 31, 2020	March 31, 2019
Securities premium		
Amount received (on issue of shares) in excess of the face value has been classified as securities premium.	122,628	47,125
Share option outstanding account (refer note 32)		
The share option outstanding account is used to record value of equity-settled share based payment transactions with employees. The amount recorded in this account are transferred to security premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	532	611
Debenture redemption reserve (DRR)		
The Company had issued secured rated listed Non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), required the Company to create DRR out of profits of the Company available for payment of dividends. DRR was required to be created for an amount equivalent to at least 25% of the value of debentures issued and accordingly the Company had created the same. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019, the requirement with respect to creation of DRR has been done away with accordingly the outstanding balance of DRR is transferred to retained earnings.	-	7,930
Capital reserve		

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

	March 31, 2020	March 31, 2019
Reserve created under the scheme of arrangement (Business Combination). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.	602	602
General reserve		
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to Statement of Profit and Loss.	4,030	4,030
Share pending issuance		
Shares pending allotment to SPI Cinemas shareholder, to be allotted on merger of SPI Cinemas with the Company. Pursuant to merger order received from NCLT on August 23, 2019, equity shares were allotted to SPI Cinemas shareholder on September 3, 2019. (refer note 43)	-	24,999
Retained earnings		
Retained earnings comprise of the Company's accumulated undistributed earning after taxes including Other Comprehensive Income(OCI).	13,395	57,601
Total other equity	**141,187**	**142,898**

15A Distribution made and Proposed Dividend

	March 31, 2020	March 31, 2019
Dividends on equity shares declared, approved and paid during the year		
Final Dividend of ₹ 2 per share for FY 2018-19 (FY 2017-18 : ₹ 2 per share)	935	935
Interim Dividend of ₹ 4 per share for FY 2019-20 (FY 2018-19 :₹ Nil per share) (refer note 49)	2054	-
	2,989	**935**
Proposed dividends on equity shares		
Final Dividend for the year ended March 31, 2020: ₹ Nil per share (March 31, 2019: ₹ 2 per share)	-	935
	-	**935**

16 Long-term borrowings

(at amortised cost)

	Non-current portion		Current maturities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Debentures				
Secured Rated Listed Non-convertible Debentures (net of transaction cost)	26,996	40,957	13,962	10,950
Term loans				
Secured term loans from banks	64,348	59,318	5,429	6,225
Other loans				
Secured Finance lease obligation from body corporate (refer note 17)	-	1,601	-	673
	91,344	**101,876**	**19,391**	**17,848**
Amount disclosed under the head 'Other financial liabilities' (refer note 21)	-	-	(19,391)	(17,848)
	91,344	**101,876**	**-**	**-**

Notes:

a. Secured Rated Listed Non-convertible Debentures (NCD):

Particulars	Effective Interest Rate (p.a.)	Date of Allotment	Repayment Period	Repayment Ratio	Amount
500 (March 31, 2019: 750) of ₹ 1,000,000 each	11.00%	16-Oct-14	4th to 7th year	25:25:25:25	5,000
350 (March 31, 2019: 500) of ₹ 1,000,000 each	11.00%	24-Nov-14	5th to 7th year	30:30:40	3,500
1,000 (March 31, 2019: 1,000) of ₹ 1,000,000 each	10.75%	9-Jan-15	6th and 7th year	50:50	10,000
500 (March 31, 2019: 500) of ₹ 1,000,000 each	7.84%	12-Jan-17	3 years and 6 months	100	5,000
250 (March 31, 2019: 250) of ₹ 1,000,000 each	8.05%	3-Apr-17	4th year	100	2,500
500 (March 31, 2019: 500) of ₹ 1,000,000 each	8.15%	3-Apr-17	5th year	100	5,000
500 (March 31, 2019: 500) of ₹ 1,000,000 each	7.85%	18-Aug-17	5th year	100	5,000
500 (March 31, 2019: 500) of ₹ 1,000,000 each	8.72%	16-Apr-18	3rd,4th and 5th year	20:40:40	5,000
					41,000

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

All Debentures are secured by mortgage on immovable properties (excluding immovable properties at Gujarat, a flat at Bangalore and assets taken on lease) ranking pari passu and secured by first pari passu charge on movable assets of the Company (excluding vehicles hypothecated to banks and assets taken on lease) and all receivables of the Company both present and future.

b. (i) Term loan from banks are secured by first pari passu charge over all movable and immovable property plant & equipment of the Company (excluding immovable properties at Gujarat, a flat at Bangalore, vehicles hypothecated to banks and assets taken on lease) and receivables of the Company both present and future.

(ii) Above loans are repayable in equal/ unequal monthly/ quarterly instalments as follows:

Particulars	March 31, 2020	March 31, 2019
Secured Rated Listed Non-convertible Debentures:		
Repayable within 1 year	14,000	11,000
Repayable within 1 - 3 year	25,000	27,000
Repayable after 3 years	2,000	14,000

Term Loan:

Particulars	March 31, 2020	March 31, 2019
Repayable within 1 year	5,465	6,226
Repayable within 1 - 3 year	22,154	17,330
Repayable after 3 years	42,229	41,987

(iii) Term Loan from banks carries variable interest rate based on respective bank benchmark rate, effective rate of interest varying in between 8.45% p.a to 9.2% p.a.

(iv) The Company has availed the first moratorium tranche announced by Reserve Bank of India and has adjusted the current and non current balance of term loan based on revised repayment schedule agreed with Banks. Further, the Company has also availed the second Moratorium as allowed by the RBI for which the repayment schedule has not been agreed till date of approval of the standalone financial statements.

(v) The Company has satisfied all material debt covenants.

17 Lease liabilities

	Non-current portion		Current maturities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Lease liabilities	353,250	-	20,190	-
	353,250	-	20,190	-

Adoption of Ind AS 116 - 'Leases':

The Company has taken various premises on operating lease for running its movie exhibition business. The leases are typically with a non-cancellable lease term of 5-7 years, with an option to Company to extend the lease term till 15-20 years. The Company exercise right of extension/termination basis economic viability of the property. After non-cancellable period, the Company can exit from the property without any material financial obligations towards the developers/lessors. Further, there are no significant restrictions / covenants imposed by such leases.

With effect from April 1, 2019, the Company has adopted Ind AS 116, 'Leases' using modified retrospective approach with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (April 1, 2019). Accordingly, the Company is not required to restate the comparative information for the year ended March 31, 2019.
As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, On April 1, 2019, the Company has recognised, a lease liabilities amounting to ₹ 327,416 lakh measured at the present value of the remaining lease payments and Right-of-Use (ROU) assets amounting to ₹ 249,229 lakh at its carrying amount as if the standard had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. This has resulted in an adjustment to the opening balance of retained earnings amounting to ₹ 50,866 lakh (net of deferred taxes amounting to ₹ 27,322 lakh).

In the Standalone Statement of Profit and Loss for the year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from rent (other operating expenses), in the previous year ended March 31, 2019, to amortisation on right-of-use assets (depreciation and amortisation expense) and interest on lease liabilities (finance costs).During the year ended March 31, 2020, the Company recognised ₹ 31,254 lakh of amortisation of right-of-use-assets and ₹ 33,035 lakh of interest on lease liabilities in Standalone Statement of Profit and Loss in respect of such leases.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

a. Reconciliation of Lease liabilities :

	Amount
Lease liabilities as on April 1, 2019	329,691
Add : Lease liabilities addition for leases entered during the year	60,335
Add : Finance costs charged on lease liabilities during the year	33,035
Less : Actual rent paid during the year	(49,621)
Lease liabilities as on March 31, 2020	**373,440**

b. Expenses relating to variable lease payments amounting to ₹ 3,984 lakh for the year ended March 31, 2020 has been included under the head other operating expenses (Rent).

c. Expenses relating to short term lease amounting to ₹ 1,183 lakh for the year ended March 31, 2020 has been included under the head other operating expenses (Rent).

d. Income relating to subleasing of right to use assets amounting to ₹ 831 lakh is clubbed in food court income (Other operating revenue) for the year ended March 31, 2020.

e. Maturity analysis of lease liabilities

Particulars	**March 31, 2020**
Lease Liabilities	
Repayable within 1 year	20,190
Repayable within 1 - 3 year	48,464
Repayable after 3 years	304,786

f. As on April 1, 2019, secured finance lease obligation from body corporate amounting to ₹ 2,274 lakh which were classified under long-term borrowings and other financial liabilities as on March 31, 2019 have been reclassified as lease liabilities on adoption of Ind AS 116.

Further, such lease liabilities are secured by hypothecation of plant and machinery taken on lease. The interest rate implicit in the lease is varying between 11.37% p.a. to 13.99% p.a. The payment is scheduled in 28 equal quarterly instalments from the start of lease agreements.'

18 Provisions

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Provision for gratuity (net) (refer note 31)	585	906	-	-
Provision for leave benefits	672	813	418	310
	1,257	**1,719**	**418**	**310**

19 Short-term borrowings (at amortised cost)

	March 31, 2020	March 31, 2019
Short-term loan	5,000	-
Unsecured Commercial paper (net of transaction cost)	-	4,955
Secured bank overdraft	13,556	3,384
	18,556	**8,339**

Notes:

i. Bank overdraft is secured by first pari passu charge on all current assets of the Company including inventories and receivables both present and future. It carries variable interest rate based on respective banks/ body corporate benchmark rate, effective rate of interest varying in between 8.40% p.a. to 9.30% p.a.

ii. In respect of Commercial Paper maximum amount outstanding during the year was ₹ 20,000 lakh (March 31, 2019 : ₹ 15,000 lakh) with a maturity period of 3 months, effective rate of interest varying from 6.60% p.a. to 7.55% p.a.

iii. In respect of Short-term loan from a Bank, maximum amount outstanding during the year was ₹ 5,000 lakh (March 31, 2019 : ₹ Nil lakh) with a maturity period of 6 months, effective rate of interest 8.25% p.a.

iv. As at March 31, 2020, The Company had ₹ 1,344 lakh (March 31, 2019: ₹ 12,516 lakh) of undrawn committed borrowing facilities.

Notes
to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

20 Trade payables

	March 31, 2020	March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	29,325	35,632
	29,325	35,632

21 Other financial liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payables on purchase of property plant and equipment	-	-	6,384	6,838
Payable for acquisition of business - Deferred consideration (refer note 43)	6, 118	-	2,480	10,000
Security deposits	4,229	4,217	1,325	627
Current maturities of long-term borrowings (refer note 16)	-	-	19,391	17,848
Interest accrued but not due on borrowings				
- Debentures and others	-	-	566	769
Unpaid dividends[1]	-	-	12	7
	10,347	4,217	30, 158	36,089

[1]Unclaimed amounts are transferred to Investor Education and Protection Fund after seven years from the due date.

22 Other liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advances from customers[1]	5,709	18,499	19,466	16,994
Employee benefits payables	-	-	3,811	3,556
Statutory dues payable	-	-	3,087	2,285
	5,709	18,499	26,364	22,835

[1]During the previous year ended March 31, 2019 the Company has renewed its non-exclusive agreements with the online ticketing aggregators, for booking and selling Company's ticketing inventory, through their web and app based platforms for a term of 3 years.

23 Revenue from operations

	March 31, 2020	March 31, 2019
Sale of services [refer (a) below]	231,982	217,648
Sale of food and beverages	94,579	84,610
Other operating revenue [refer (b) below]	1,875	1,677
	328,436	303,935

(a) Sale of services

	March 31, 2020	March 31, 2019
Income from sale of movie tickets	172,610	163,565
Advertisement income	37,565	35,352
Convenience fees	17, 193	13,035
Virtual print fees	3,635	2,973
Income from film production and distribution	979	2,723
	231,982	217,648

During the year ended March 31, 2020 ₹ 1,077 lakh (March 31, 2019 : ₹ 192 lakh) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2020, the Company recognised revenue of ₹ 12,251 lakh (March 31, 2019 : ₹ 3,261 lakh) from opening unearned revenue.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

(b) Details of other operating revenue

	March 31, 2020	March 31, 2019
Food court income	1,302	1,141
Gaming income	523	470
Management fees	50	66
	1,875	1,677

24 Other income

	March 31, 2020	March 31, 2019
Government grant	256	918
Net gain on redemption of mutual fund investments	485	290
Interest earned on		
Bank deposits	123	118
NSC's Investments	8	12
Interest Income from financial assets at amortised cost	1,091	822
Others	680	214
Exchange differences (net)	178	-
Net gain on disposal of property, plant and equipment	42	-
Other non-operating income (net) (liabilities written back ₹ 183 lakh (March 31, 2019: ₹ 119 lakh)	1,423	776
	4,286	3,150

25 Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries, wages, allowances and bonus	33,734	28,820
Contribution to provident and other funds	1,835	1,372
Employee stock option scheme (refer note 32)	120	296
Staff welfare expenses	2,477	2,198
	38,166	32,686

26 Finance costs

	March 31, 2020	March 31, 2019
Interest on		
Debentures	4,124	5,341
Term loans	6,000	3,009
Banks and others	621	860
Interest on lease liabilities (refer note 17)	33,035	-
Other financial charges	4,204	3,565
	47,984	12,775

27 Depreciation and amortisation expense

	March 31, 2020	March 31, 2019
Amortisation on right-of-use assets (refer note 17)	31,254	-
Depreciation on tangible assets	20,346	16,763
Amortisation on intangible assets	1,706	1,401
	53,306	18,164

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

28 Other operating expenses

		March 31, 2020		March 31, 2019
Rent (refer note 17)		7,591		50,636
Less: Rental income from sub-lessees		-		(194)
Net rent expenses		**7,591**		**50,442**
Electricity and water charges (net of recovery)		20,477		18,036
Common area maintenance (net of recovery)		15,392		13,011
Repairs and maintenance		14,109		11,720
Movie production, distribution and print charges		813		2,652
Marketing expenses		4,312		4,530
Rates and taxes		1,690		2,074
Security service charges		3,515		2,762
Travelling and conveyance		2,836		3,129
Legal and professional fees[1]		2,820		5,596
Communication costs		1,661		1,426
Net loss on disposal of property, plant and equipment		-		143
Printing and stationery		532		529
Insurance		652		394
CSR expenditure (refer note 38)		468		360
Allowance for doubtful debts and advances		1,457		1,266
Bad debts/advances written off	284		53	
Less: Utilised from provisions	(228)	56	-	53
Inventories written off [2]		183		-
Directors' sitting fees		12		10
Contribution to political parties [3]		1,200		-
Exchange differences (net)		-		13
Miscellaneous expenses		998		798
		80,774		**118,944**

	March 31, 2020	March 31, 2019
[1]Payment to auditors (included in legal and professional fees above)*		
As auditor:		
Audit fees	33	44
Limited Review	31	24
Tax audit fees	3	3
Other Certifications	8	13
Reimbursement of out of pocket expenses	8	8
	83	**92**

*Excludes fees paid to statutory auditors of ₹ 32 lakh (March 31, 2019: ₹ Nil) and out of pocket expenses of ₹ 2 lakh (March 31, 2019: ₹ Nil) for QIP related services.

[2]Due to COVID-19 outbreak, all perishable inventories expiring in short span of time has been written off.

[3]Contribution to political parties represents contribution under Section 182 of the Companies Act, 2013.

29 Other comprehensive income

	March 31, 2020	March 31, 2019
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Items that will not be reclassified to profit or loss in subsequent period:		
Re-measurement gains/(loss) on defined benefit plans	212	(581)
Gain/(loss) on equity instruments designated at FVTOCI (Refer note 5B)	(820)	(874)
Tax impact on re-measurement loss on defined benefit plans	(74)	203
	(682)	**(1,252)**

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

30 Earnings per share (EPS)

	March 31, 2020	March 31, 2019
The following reflects the profit and shares data used in the basic and diluted EPS computations:		
Net Profit after tax	3,016	19,009
Weighted average number of equity shares outstanding during the year for computation of Basic EPS *	49,612,040	47,733,640
Add: Weighted average number of potential equity shares on account of employee stock options	250,352	300,000
Weighted average number of equity shares (including dilutive shares) outstanding during the year for computation of Diluted EPS	49,862,392	48,033,640
Basic earnings per equity share (in ₹) (Face value of ₹ 10 per equity share)	6.08	39.83
Diluted earnings per equity share (in ₹) (Face value of ₹ 10 per equity share)	6.05	39.58

* Includes impact of shares issued pursuant to business combination, refer note 43.

31 Gratuity plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 days last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with two insurance companies in the form of a qualifying insurance policies. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets. Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments and debt instruments. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

As the plan assets include investments in quoted mutual funds, the Company has diversified the market risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in employee cost

Particulars	March 31, 2020	March 31, 2019
Current service cost	440	249
Interest cost on benefit obligation	44	12
Expected return on plan assets	-	10
Net benefit expense	484	271

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Balance sheet

Benefit Assets/ liabilities

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	3,240	3,066
Fair value of plan assets	2,655	2,160
Plan asset/(liability)	(585)	(906)

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	3,066	1,882
Adjustment on account of merger with SPI Cinema Private Limited (refer note 43)	-	368
Interest cost	206	144
Current service cost	440	249
Benefits paid	(203)	(175)
Actuarial losses/(gain) – experience	146	356
Actuarial losses/(gain) – demographic assumptions	(111)	-
Actuarial losses/(gain) – financial assumptions	(305)	242
Past service cost - plan amendments	1	-
Closing defined benefit obligation	**3,240**	**3,066**

Amount routed through OCI ₹ 212 lakh (March 31, 2019 : ₹ (581) lakh)

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Opening fair value of plan assets	2,160	1,365
Adjustment on account of merger with SPI Cinema Private Limited	-	407
Return on plan assets greater/(lesser) than discount rate	(56)	17
Interest income on plan assets	162	122
Benefits paid	(203)	(151)
Contribution by employer	592	400
Closing fair value of plan assets	**2,655**	**2,160**

The Company expects to contribute ₹ 948 lakh (March 31, 2019 ₹ 667 lakh) to gratuity fund in the financial year 2020-21

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Funds managed by Insurer*	98.42	96.82
Bank balances	1.58	3.18

* Plan assets are held by 'ICICI Prudential Life Insurance Company Limited' primarily into Group Balanced fund & Group Debt fund, 'Bajaj Allianz Life Insurance Company Limited' into Bajaj Secure gain fund, 'Birla Sunlife Insurance Company Limited' into Group secure fund and Group bond fund and Life Insurance Company.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate (p.a.)	(%)	(%)
Expected rate of return on plan assets (p.a)	5.80	6.80
Increase in compensation cost (p.a)	5.80	6.80
	0.00 for the first year and 7.50 thereafter	10.50 for first 2 years and 9.00 thereafter
Employee turnover		
Manager Grade		
Executive Grade	14	15
	53	**55**

Demographic assumption

Particulars	March 31, 2020	March 31, 2019
Retirement age	60 Years	60 Years
Mortality rate	IALM (2006 - 08)	IALM (2006 - 08)

The estimates of future salary increases considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Historical information:

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Present value of defined benefit obligation	3,240	3,066	1,882	1,556	1139
Fair value of plan assets	2,655	2,160	1,365	1268	604
Asset / (liability) recognised	(585)	(906)	(517)	(288)	(535)

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

Particulars	March 31, 2020	March 31, 2019
Experience adjustment on plan liabilities	5.80	6.80
Experience adjustment on plan assets	5.80	6.80

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(121.38)	133.32
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	111.38	(103.50)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(67.49)	94.04

A quantitative sensitivity analysis for significant assumptions as at March 31, 2019 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(152.01)	172.33
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	175.96	(158.39)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(96.31)	133.03

Maturity profile of defined benefit obligation:

Expected benefit payments for the year ending March 31, 2020	Amount
March 31, 2021	948
March 31, 2022	689
March 31, 2023	540
March 31, 2024	429
March 31, 2025	393
March 31, 2026 to March 31, 2030	1,769

Expected benefit payments for the year ending March 31, 2019	Amount
March 31, 2020	714
March 31, 2021	555
March 31, 2022	471
March 31, 2023	410
March 31, 2024	401
March 31, 2025 to March 31, 2029	2211

The sensitivity analysis above has been determined on the basis of actuarial certificate.

Defined Contribution Plan:

Particulars	March 31, 2020	March 31, 2019
Charged to Statement of Profit and Loss (including Capital work in progress of ₹ 65 lakh (March 31, 2019: ₹ 62 lakh)	1,351	1,287

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

32 Employee Stock Option Plans

The Company has provided stock options to its employees. During the year 2019-20, the following schemes were in operation:

PVR ESOS 2017:

Particulars	Description
Date of grant	July 26, 2017
Date of Shareholder's approval	July 24, 2017
Date of Board approval	May 30, 2017
Number of options granted	240000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than three years from the date of grant of options.
Exercise Period	Within a period of two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company.
Market value on grant date	₹ 1,381.70
Weighted average fair value of options granted on the date of grant	₹ 252.48

The details of activity under PVR ESOS 2017 have been summarised below:

Particulars	2019-20		2018-19	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	240,000	1,400	240,000	1,400
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	64,000	1,400	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	176,000	1,400	240,000	1,400
Exercisable at the end of the year	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2020	March 31, 2019
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.59%	24.46%
Risk-free interest rate	6.33%	6.23%
Exercise price (₹)	1400	1400
Expected life of option granted in years	3.17	2.17

The Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 1,400. As a result, an expense of ₹ 98 lakh (March 31, 2019 : ₹ 243 lakh) is recorded in Statement of Profit and Loss in current year.

PVR ESOS 2017:

Particulars	Description
Date of grant	August 11, 2017
Date of Shareholder's approval	July 24, 2017
Date of Board approval	May 30, 2017
Number of options granted	60,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than three years from the date of grant of options.
Exercise Period	Within a period of two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company.
Market value on grant date	₹ 1,381.7
Weighted average fair value of options granted on the date of grant	₹ 252.48

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The details of activity under PVR ESOS 2017 have been summarised below:

Particulars	2019-20		2018-19	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	60,000	1,400	60,000	1,400
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	38,000	1,400	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	22,000	1,400	60,000	1,400
Exercisable at the end of the year	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2020	March 31, 2019
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.59%	24.46%
Risk-free interest rate	6.33%	6.23%
Exercise price (₹)	1400	1400
Expected life of option granted in years	3.17	2.17

The Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 1,400. As a result, an expense of ₹ 26 lakh (March 31, 2019 : ₹ 63 lakh) is recorded in financial statements in current year of which ₹ 4 lakh (March 31, 2019 : ₹ 10 lakh) is capitalised under Capital work-in progress and balance ₹ 22 lakh (March 31, 2019 : ₹ 53 lakh) is debited in Statement of Profit and Loss.

33 Capital & Other Commitments

(a) Capital Commitments

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	13,271	11,640

(b) Other Commitments

The Company was availing Entertainment tax/GST exemptions, in respect of certain Multiplexes as per the erstwhile State Government schemes & is under obligation to operate respective Multiplexes for a certain number of years.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

34 Contingent liabilities

Sl. No.	Particulars	March 31, 2020	March 31, 2019
a)	Estimated tax exposure against various appeals filed by the Company against the demand with Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal and High Court with regard to certain expenses disallowed by the assessing officer in respect of financial year ended March 31, 2017, 2016, 2015, 2014, 2013, 2012,2011, 2010, 2009, 2008, 2007, 2006. (The Company has paid an amount of ₹ 1,059 lakh (March 31, 2019: ₹ 938 lakh) which is appearing under Note 8A).	2,734	3,111
b)	Demand of Entertainment tax under Assam Amusement and Betting Tax Act, 1939 where appeal is pending before Supreme Court	334	334
c)	Notice from Entertainment tax department Chennai against short deposit of entertainment tax on regional movies	43	43
d)	Notice from Commercial Tax Department, Indore against alleged collection of Entertainment tax during exemption period.	823	823
e)	Notice from Entertainment tax department Maharashtra in respect of levy of entertainment tax on convenience fees	161	161
f)	Show cause notices raised by Service tax authorities on levy of service tax on 3D glass charges, TM charges, convenience fee, activity of movie distribution/exhibition, admission to alleged bowling alleys (The Company has already deposited under protest an amount of ₹ 249 lakh (March 31,2019: 267 lakh))	5,663	5,055
g)	Demand raised with regard to service tax on food and beverages (The Company has already deposited under protest an amount of ₹185 lakh (March 31,2019 : ₹ 185 lakh))	3,668	3,666
h)	Estimated tax exposure of service tax on sale of food and beverages	6,032	6,032
i)	Demand of VAT under various states VAT Acts where appeal is pending before competent authority (The Company has already deposited under protest an amount of ₹ 21 lakh (March 31, 2019 : ₹ 27 lakh))	407	1,065
j)	Demand from Entertainment tax department of Tamil Nadu in respect of levy of entertainment tax on convenience fees.	2,314	2,314
k)	Demand of Entry tax in the state of Telangana for various material imported into the State (The Company has already deposited under protest an amount of ₹ 25 lakh (March 31, 2019 : ₹ 25 lakh))	101	101
l)	Demand of Entertainment tax under Rule 22 of Punjab Entertainment Tax (Cinematographs shows) Rules, 1954 (The Company has already deposited under protest an amount of ₹ 40 lakh (March 31, 2019: ₹ 40 lakh))	160	144
m)	Demand of Entertainment tax under Andhra Pradesh entertainment tax FY 2011-12 to FY 2014-15	-	99
n)	Demand under Employees Provident Fund Act, 1952 (The Company has already deposited under protest an amount of ₹ 38 lakh (March 31, 2019 : ₹ 38 lakh))	106	106
o)	Tax assessment & Demand bill issued by Superintendent of Tax Kolhapur Municipal Corporation. (The Company has already deposited under protest an amount of ₹ 3 lakh (March 31, 2019: ₹ Nil))	20	-
p)	Labour cases pending*	Amount not ascertainable	Amount not ascertainable

* In view of the several number of cases, pending at various forums/courts, it is not practicable to furnish the details of each case, however as per management estimate, the amount in aggregate is not material. Based on the discussions with the solicitors, the management believes that the Company has strong chances of success in the cases and hence no provision is considered necessary.

During the previous year, pursuant to judgment by the Hon'ble Supreme Court dated February 28, 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgment and period from which the same applies. The Company has estimated the impact of the same from March 1, 2019 to March 31, 2019 based on a prospective approach and has recognised the same in the financial statements.

Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the previous years. Further management also believes that the impact of the same on the Company will not be material.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

35 Un-hedged Foreign Currency exposure

Particulars of un-hedged foreign currency exposure as at the balance sheet date:

Sl. No.	Particulars	Currency	March 31, 2020	March 31, 2019
a)	Cash on Hand	Thai Bhat	0.87	0.49
		Hong Kong Dollar	0.21	0.19
		Korean Won	0.00	-
		UK Pound	0.19	0.19
		Singapore Dollar	0.68	0.63
		US Dollar	4.00	0.66
		Euro	4.01	4.05
		Dirham	1.24	0.59
		Malaysian Ringgit	0.33	-
		LKR	0.25	0.01
	Total		**11.78**	**6.82**
b)	Balances with bank	US Dollar	189	-
c)	Payable for purchase of Property, Plant and Equipment (net of advances)	US Dollar	-	1,353
d)	Loan given to a subsidiary Company	US Dollar	2,827	-
e)	Interest receivable from a subsidiary Company	US Dollar	194	-

36 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprise Development Act, 2006 which comes into force with effect from October 02, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of terms agreed with the suppliers. The Company has sent the confirmation letters to its suppliers at the year end, to identify the supplier registered with the Act. As per the information available with the Company, none of the supplier has confirmed that they have registered with the Act. In view of this, the liability of interest has not been provided nor is required disclosure done.

37 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of international transactions with the associated enterprises during the financial year and expects such records to be in existence latest by the due date of filing the return of income.
The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on these standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

38 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, is required to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, care for destitute women and rehabilitation of under privileged person, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Companies Act, 2013.

During the year, the Company has spent ₹ 450 lakh through PVR Nest (related party) and ₹ 18 lakh through others. PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

Particulars	March 31, 2020	March 31, 2019
Gross amount required to be spent by the Company during the year	468	360
Amount spent during the year (refer note 28)	468	360

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

39 Disclosure required under Section 186(4) of the Companies Act, 2013

Full particulars of loans given, investment made, guarantee given, security provided together with purpose in terms of Section 186(4) of the Companies Act, 2013

Particulars	Rate of Interest (p.a)	Due Date	Secured/ Unsecured	March 31, 2020	March 31, 2019
PVR Pictures Limited[1]	11% p.a.	Repayable on demand, within a period of 14 days from such demand	Unsecured	4,950	1,750
Zea Maize Private Limited[1]	11% p.a.	Repayable on demand, within a period of 14 days from such demand	Unsecured	50	-
P V R Lanka Limited[1]	11% p.a.	Repayable on or after 3 year from the date of disbursement, within a period of 14 days from such demand.	Unsecured	2,827	-
Sandhya Prakash Limited[2]	18% p.a.	13 monthly instalments adjusted with lease rentals till April 2018.	Unsecured	54	54
Evergreen Cine Services Pvt. Ltd.[3]	Nil	Repayable on demand	Unsecured	133	133
SPI Entertainment Projects (Tirupati) Pvt. Ltd.[3]	Nil	Repayable on demand	Unsecured	52	52

[1]The loan had been given to PVR Pictures Limited, Zea Maize Private Limited and P V R Lanka Limited subsidiary companies, for meeting their working capital requirements.

[2]The loan had been given to Sandhya Prakash Limited (Mall Developer) for their capital expenditure requirement, where the Company has an existing operational cinema. The Company is carrying a provision against the outstanding loan amount.

[3]Provision has been created against the outstanding loan amount. These loans were transferred from SPI by virtue of merger.

40 Significant investments in subsidiaries, joint ventures and associates :

The Company has following investments in subsidiaries as at March 31, 2020

Particulars	Nature	Country of Incorporation	Percentage of holding	
			March 31, 2020	March 31, 2019
PVR Pictures Limited	Subsidiary	India	100%	100%
SPI Entertainment Projects (Tirupati) Pvt. Ltd.	Subsidiary	India	99.99%	99.99%
Zea Maize Private Limited	Subsidiary	India	80% (87.8% through compulsory convertible preference share)	70% (85.4% through compulsory convertible preference share)
P V R Lanka Limited (Refer Note 5A)	Subsidiary	Sri Lanka	100%	100%
PVR Middle East FZ LLC (Refer Note 5A)	Subsidiary	UAE	-	100%

41 Fair Value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value.

The carrying value & fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Note	Level of hierarchy	Carrying Amount		
			Amortised Cost	Financial Assets/ liabilities at fair value through profit or loss	Financial Assets/ liabilities at fair value through OCI
Financial Assets					
Investments - FVTOCI	5B	-	-	-	-
Investments - Amortised cost	5B	-	167	-	-
Trade receivables	11	-	17,122	-	-
Cash and cash equivalents	12A	-	31,335	-	-
Bank balances other than cash and cash equivalents, above	12B	-	671	-	-
Loans	13	3	32,515	-	-
Other financial assets	6	-	4,682	-	-
Total			**86,492**	**-**	**-**

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Note	Level of hierarchy	Carrying Amount		
			Amortised Cost	Financial Assets/ liabilities at fair value through profit or loss	Financial Assets/ liabilities at fair value through OCI
Financial Liabilities					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	16	1	40,958	-	-
- Other borrowings	16 and 19	3	88,333	-	-
Trade payables	20	-	29,325	-	-
Lease liabilities	17	-	373,440	-	-
Other financial liabilities - Deferred consideration (Refer note 43)	21	3	8,598	-	-
Other financial liabilities	21	-	12,516	-	-
Total			**553,170**	**-**	**-**

The carrying value & fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Note	Level of hierarchy	Carrying Amount		
			Amortised Cost	Financial Assets/ liabilities at fair value through profit or loss	Financial Assets/ liabilities at fair value through OCI
Financial Assets					
Investments - FVTOCI	5B	1	-	-	820
Investments - Amortised cost	5B	-	173	-	-
Trade receivables	11	-	17,200	-	-
Cash and cash equivalents	12A	-	2,144	-	-
Bank balances other than cash and cash equivalents, above	12B	-	597	-	-
Loans	13	3	25,659	-	-
Other financial assets	6	-	4,383	-	-
Total			**50,156**	**-**	**820**
Financial Liabilities					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	16	1	51,907	-	-
- Other borrowings	16 and 19	3	76,156	-	-
Trade payables	20	-	35,632	-	-
Other financial liabilities - Deferred consideration (Refer note 43)	21	3	10,000	-	-
Other financial liabilities	21	-	12,458	-	-
Total			**186,153**	**-**	**-**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial liabilities and assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Long-term fixed-rate and variable-rate receivables/deposit are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables/deposits.

The fair values of the quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

There is no significant estimate involved in level 3. Further, the deferred consideration is based on the present value of the expected cash outflows discounted using risk adjusted discount rate i.e 9.50% p.a. The estimated fair value of deferred consideration would increase/decrease if the expected cash outflows were higher/lower or the risk adjusted discount rate was higher/lower.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

42 Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The Chairman of the Company has been identified as being the chief operating decision maker to assess the financial performance and position of the Company and make strategic decisions. The Company is engaged primarily in the business of theatrical exhibition and allied activities under the brand 'PVR'. Accordingly, In the context of Indian Accounting Standard 108 – Operating Segments, it is considered to constitute single reportable segment.

43 Business Combination

Acquisition and merger of SPI Cinemas Private Limited:

During the previous year, the Board of Directors in its meeting held on August 12, 2018, approved the acquisition of SPI Cinemas Private Limited ('SPI') via Share Purchase Agreement (SPA) signed on August 12, 2018 by way of acquisition of 71.69% equity shares in SPI for a cash consideration (including deferred consideration) of ₹ 63,560 lakh and for the balance 28.31% stake, through issue of 1,599,974 equity shares of the Company to SPI shareholders in the ratio of 1: 18.19 equity shares in the Company, pursuant to the proposed scheme of amalgamation. Consequent to above, on fulfilment of condition precedent in the said SPA, on August 17, 2018, the Company completed the acquisition of 71.69% shareholding in SPI. The scheme of amalgamation got approved by National Stock Exchange of India Limited, BSE Limited, by the members, secured and unsecured creditors of the Company and unsecured creditors of SPI in the NCLT convened meetings on April 24, 2019.'

Pursuant to an application filed with National Company Law Tribunal for final order on aforesaid matter, the Hon'ble Principal Bench of The National Company Law Tribunal at New Delhi vide its Order dated August 23, 2019 has approved the Scheme of Amalgamation ('Scheme') between the Company, SPI Cinemas Private Limited ('SPI') and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and the rules and regulations framed thereunder, effective from the appointed date of August 17, 2018. With effect from the appointed date and upon the Scheme becoming effective, entire business of SPI including its assets, properties, rights, benefits, interests and liabilities has been transferred to and vested in the Company, as a going concern.

The Company has given effect to the accounting treatment in the books of accounts in accordance with acquisition method as per Indian Accounting Standard (Ind AS) 103 'Business Combinations', as prescribed by Section 133 of the Companies Act, 2013. Consequently, the standalone financial figures for the year ended March 31, 2019 which was earlier approved by the Board of Directors at their meeting held on May 10, 2019 have been represented only to give effect to the Scheme.

The acquisition of SPI is of significant strategic value for the Company and will further cement the Company's market leadership position in India. The acquisition will make the Company leader in the South Indian market and provide an attractive platform for us to expand in that geography, which currently is highly underpenetrated in terms of multiplexes. The Company expects to realise synergies and cost savings related to this acquisition as a result of purchasing and procurement economies of scale and general and administrative expense savings, particularly with respect to the consolidation of corporate related functions and elimination of redundancies.

A Fair value of consideration transferred:-

Particulars	Amount
Cash consideration	53,560
Deferred consideration *	10,000
Value of Equity shares issued **	25,000
Less : Adjustment pursuant to SPA	(310)
Total consideration for business combination	**88,250**

* Deferred Consideration is outstanding and payable to SPI Cinemas shareholders on achievement of certain milestones (opening of cinema hall and getting certain regulatory approvals), where achievement of certain milestones, with regard to opening of new cinema hall and obtaining regulatory approval is more probable. As at March 31, 2020, since the regulatory approvals were still under process, the management has reassessed the classification of the same during the year ended March 31, 2020 and accordingly, accounted for the fair value adjustment in the deferred consideration amount (refer note 41 for fair value disclosure).

** The valuation equity share has been done at the rate of ₹ 1562.5 per share for 1,599,974 equity shares. To arrive at the relative value of SPI and PVR, appropriate weights were given to the value per share determined as per the Income Approach and Market Approach. These equity shares have been issued and allotted on September 3, 2019.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

B Fair value of identifiable assets acquired and liabilities assumed (as adjusted for measurement period adjustment) as on the date of acquisition is as below:

Particulars	Amount
Property, plant and equipment	20,204
Land	797
Capital work-in-progress	3,388
Intangible assets	17,000
Other non-current assets	8,248
Inventories	277
Trade receivables	1,844
Other financial assets	435
Other current assets	1,943
Total assets	**54,136**
Non-current Borrowings	12,993
Current Borrowings	550
Other non-current liabilities #	4,954
Trade payables	2,361
Other financial liabilities	3,629
Other current liabilities	2,995
Total Liabilities	**27,482**
Total Fair Value of the Net Assets **	**26,654**

Includes Deferred tax liabilities of ₹ 1,432 lakh

Note : The adjustment between the measurement period and final valuation was not significant.

C Amount recognised as goodwill

Particulars	Amount
Total consideration for business combination (refer A above)	88,250
Less : Fair value of net assets acquired (refer B above)	26,654
Goodwill **	**61,596**

** Basis purchase price allocation to various identifiable acquired assets and assumed liabilities, Goodwill has been recognised. Goodwill amounting to ₹ 60,164 lakh is deductible for tax purposes.

D As on date of acquisition, gross contractual amount of the acquired Trade Receivables and Other Financial Assets was ₹ 2,279 lakh against which no provision has been considered, since fair value of acquired receivables and other financial assets are equal to carrying value as on date of acquisition.

E Details of Revenue and financial results generated by SPI post acquisition from August 18, 2018 to March 31, 2019 :

Particulars	August 18, 2018 to March 31,2019
Income from sale of movie tickets	12,684
Sale of food and beverages	8,966
Advertisement income	2,450
Convenience fees	2,432
Other operating revenue	3,178
Revenue from operations	**29,710**
Other income	174
Total income	**29,884**
Net profit after tax	**2,301**

If the acquisition had occurred on April 1, 2018, management estimates that the consolidated revenue from operations would have been ₹ 324,607 lakh, and consolidated profit for the year would have been ₹ 19,420 lakh. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2018.

F In respect of this business combination, the acquisition related costs amounting to ₹ 133 lakh has been charged to Statement of Profit or Loss (under the head 'Other operating expenses') of the Company for the year ended March 31, 2019.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

44 Related Party Disclosures

Names of related parties and related party relationship

Subsidiaries	PVR Pictures Limited
	Zea Maize Private Limited
	P V R Lanka Limited
	SPI Entertainment Projects (Tirupati) Private Ltd. (w.e.f. August 17, 2018)
	PVR Middle East FZ-LLC (upto January 30, 2020)
Key management personnel	Mr. Ajay Bijli, Chairman cum Managing Director
	Mr. Sanjeev Kumar, Joint Managing Director
	Ms. Renuka Ramnath, Director
	Mr. Amit Burman – Independent Director (upto July 26, 2019)
	Mr. Sanjai Vohra – Independent Director
	Mr. Vikram Bakshi – Independent Director
	Mr. Sanjay Khanna - Independent Director (upto April 15, 2019)
	Mr. Vishal Mahadevia - Director (upto March 26, 2020)
	Ms. Pallavi Shardul Shroff - Independent Director (w.e.f. October 22,2019)
	Ms. Deepa Misra Harris - Independent Director (w.e.f. March 27,2019)
Relatives of Key Management Personnel	Mrs. Selena Bijli, Wife of Mr. Ajay Bijli
	Ms. Nayana Bijli, Daughter of Mr. Ajay Bijli
	Mr. Aamer Krishan Bijli, Son of Mr. Ajay Bijli
Joint Ventures	Vkaao Entertainment Private Limited (50% each held by PVR Pictures Limited and Big tree Entertainment Private Limited)
Enterprises over which Key management personnel and their relatives are able to exercise significant influence	PVR Nest
	Priya Exhibitors Private Limited

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Joint Ventures		Enterprises owned or significantly influenced by key management personnel or their relatives	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Transactions during the year								
Remuneration paid								
Ajay Bijli	-	-	1,670	1,073	-	-	-	-
Sanjeev Kumar	-	-	1,093	903	-	-	-	-
Nayana Bijli	-	-	21	7	-	-	-	-
Sitting fees and commission								
Amit Burman	-	-	5	5	-	-	-	-
Deepa Misra Harris	-	-	10	-	-	-	-	-
Sanjay Khanna	-	-	-	4	-	-	-	-
Sanjai Vohra	-	-	24	15	-	-	-	-
Vikram Bakshi	-	-	8	9	-	-	-	-
Rent Expense								
Priya Exhibitors Private Limited	-	-	-	-	-	-	-	48
Film Distributors Share expense								
PVR Pictures Limited	3,952	972	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	150	113	-	-
Expenses on Food, Brewerage & Bowling (Staff Welfare etc.)								
Zea Maize Private Limited	13	21	-	-	-	-	-	-
Purchases of Goods								
Zea Maize Private Limited	308	375	-	-	-	-	-	-
Purchases of Capital Goods								
Zea Maize Private Limited	5	-	-	-	-	-	-	-
Income From Film Production								
PVR Pictures Limited	140	39	-	-	-	-	-	-

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Joint Ventures		Enterprises owned or significantly influenced by key management personnel or their relatives	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Income from sale of movie tickets								
PVR Pictures Limited	49	21	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	1	-	-	-
VPF income								
PVR Pictures Limited	156	54	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	4	-	-	-
Interest income								
PVR Pictures Limited	414	75	-	-	-	-	-	-
Zea Maize Private Limited	16	-	-	-	-	-	-	-
P V R Lanka Limited	194	-	-	-	-	-	-	-
Loans given to subsidiaries								
PVR Pictures Limited	5,300	4,100	-	-	-	-	-	-
Zea Maize Private Limited	425	-	-	-	-	-	-	-
SPI Entertainment Projects (Tirupati) Private Ltd	-	11	-	-	-	-	-	-
P V R Lanka Limited	2,900	-	-	-	-	-	-	-
Loans repaid by subsidiaries								
Zea Maize Private Limited	375	-	-	-	-	-	-	-
P V R Lanka Limited	73	-	-	-	-	-	-	-
PVR Pictures Limited	2,100	2,350	-	-	-	-	-	-
Final Dividend Paid								
Ajay Bijli	-	-	108	108	-	-	-	-
Sanjeev Kumar	-	-	75	75	-	-	-	-
Selena Bijli	-	-	4	4	-	-	-	-
Aamer Krishan Bijli	-	-	3	3	-	-	-	-
Interim Dividend Paid								
Ajay Bijli	-	-	219	-	-	-	-	-
Sanjeev Kumar	-	-	149	-	-	-	-	-
Selena Bijli	-	-	8	-	-	-	-	-
Aamer Krishan Bijli	-	-	3	-	-	-	-	-
Security deposit paid								
Priya Exhibitors Private Limited	-	-	-	-	-	-	22	-
Donation given								
PVR Nest	-	-	-	-	-	-	450	360
Investment during the year								
PVR Pictures Limited	1,000	-	-	-	-	-	-	-
P V R Lanka Limited	-	1,269	-	-	-	-	-	-
Zea Maize Private Limited	300	250	-	-	-	-	-	-
PVR Middle East FZ LLC	-	10	-	-	-	-	-	-
Balance outstanding at the end of the year								
Trade Payable								
PVR Pictures Limited	-	62	-	-	-	-	-	-
Zea Maize Private Limited	-	20	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	34	21	-	-
Advance Recoverable Cash or Kind								
PVR Pictures Limited	494	-	-	-	-	-	-	-
Zea Maize Private Limited	84	-	-	-	-	-	-	-
P V R Lanka Limited	194	-	-	-	-	-	-	-
Security Deposits Given								
Priya Exhibitors Private Limited	-	-	-	-	-	-	166	144
Loans to subsidiaries								
PVR Pictures Limited	4,950	1,750	-	-	-	-	-	-
Zea Maize Private Limited	50	-	-	-	-	-	-	-
P V R Lanka Limited	2,827	-	-	-	-	-	-	-

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Joint Ventures		Enterprises owned or significantly influenced by key management personnel or their relatives	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Investment in Equity Share Capital								
P V R Lanka Limited	1,406	1,406	-	-	-	-	-	-
PVR Pictures Limited	3,102	2,102	-	-	-	-	-	-
Zea Maize Private Limited	850	500	-	-	-	-	-	-
SPI Entertainment Project (Tirupati) Private Ltd.	1	1						
PVR Middle East FZ LLC (Provided for)	-	10	-	-	-	-	-	-
Investment in Preference Share Capital								
Zea Maize Private Limited	700	750	-	-	-	-	-	-

Notes:

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(b) The financial figures in above note exclude expenses reimbursed to/by related parties.

(c) The financial figures in above note excludes GST/Sales tax/Local body taxes as applicable.

(d) For Zea Maize share capital movement refer note 5.

(e) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend, subscriptions for new equity shares are on the same terms and conditions that are offered to other shareholders.

45 Financial Risk Management objective and policies

The Company's principal financial liabilities comprise of loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk, legal, taxation and accounting risk and liquidity risk. The Company's treasury team overseas the management of these risks supported by senior management.

Impact of COVID-19 pandemic :

In light of COVID-19 outbreak, the Company has considered the likely impact on its financial risk management policies, refer note 50 for details.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase effect		Decrease effect	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Effect of Increase/ decrease in floating Interest rate by 100 basis points (1%) for term loans	570	505	(566)	(505)

(ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates.

The majority of the Company's revenue and expenses are in Indian Rupees, with the remainder denominated in US Dollars. Management considers currency risk to be low and does not hedge its currency risk. As variations in foreign currency exchange rates are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

(b) Legal, taxation and accounting risk

The Company is presently involved into various judicial, administrative, regulatory and litigation proceedings concerning matters arising in the ordinary course of business operations including but not limited to personal injury claims, landlord-tenant disputes, commercials disputes, tax disputes(including entertainment tax subsidy and other direct and indirect tax matters like GST, Service tax, Sales tax etc.), employment disputes and other contractual disputes. Many of these proceedings seek an indeterminate amount of damages. In situations where management believes that a loss arising from a proceeding is probable and can reasonably be estimated, the Company records the amount of the probable loss. As additional information becomes available, any potential liability related to these proceedings is assessed and the estimates are revised, if necessary.

To mitigate these risks, the Company employs in-house counsel and uses third party tax & legal experts to assist in structuring significant transactions and contracts. PVR also has systems and controls that ensure the timely delivery of financial information in order to meet contractual and regulatory requirements and has implemented disclosure controls and internal controls over financial reporting which are tested for effectiveness on an ongoing basis.

(c) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Standalone Balance Sheet

Particulars	**March 31, 2020**	March 31, 2019
Trade receivables	17,122	17,200
Loans	32,515	25,659
Cash and cash equivalents	31,335	2,144
Other bank balances other than cash and cash equivalents	671	597
Other financial assets	4,682	4,383

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Loans primarily represents security deposits given to Mall Developers/ lessors. Such deposit will be returned to the Company on expiry of lease entered with Mall developers/ lessors. The credit risk associated with such security deposits is relatively low.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Trade receivables also includes receivables from Debit/credit card companies and online movie ticketing partners which are realisable within a period 1 to 3 working days. The Company monitors the economic environment in which it operates. The Company manages its credit risk through establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables (other than Government dues) are in default/doubtful if the payment is outstanding for more than 270 days and more than 365 days in case of government dues. Basis above, as at March 31, 2020, Company has impaired Trade receivables of ₹ 3,646 lakh (March 31, 2019: ₹ 2,582 lakh).

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers.

Movement in the allowance for impairment in respect of trade receivables

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	2,582	1,161
Impairment loss recognised / (reversed)	1,064	1,421
Amount written off	-	-
Balance at the end of the year	3,646	2,582

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, leases liabilities and advance payment terms.

The Company's liquidity management process as monitored by management, includes the following:

- Day to Day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Particulars	Borrowings (including current maturities)*		Trade and other payables	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
On demand	13,556	3,384	-	-
Less than 3 months	414	12,203	37,601	53,865
3 to 12 months	24,051	10,696	2,491	6
1 to 5 years	76,975	94,587	10,347	4,217
More than 5 years	14,408	7,331	-	-
Total	**129,404**	**128,201**	**50,439**	**58,088**

*Borrowing includes Non-convertible Debentures, Term loans, Bank overdraft, Short term borrowings and commercial papers excluding transaction cost.

The Company has also significant contractual obligations in the form of lease liabilities (Note 17) and capital & other commitments (Note 33).

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is long term debts plus amount payable for purchase of property plant and equipment divided by total equity.

Particulars		March 31, 2020	March 31, 2019
Long-term debt		110,735	119,724
Payables on purchase of property plant and equipment		6,384	6,838
Total	**(A)**	**117,119**	**126,562**
Equity	**(B)**	**146,322**	**147,572**
Gearing ratio	**(A/B)**	80%	86%

47 Expenses capitalised

The Company has capitalised following expenses through capital work-in-progress (CWIP) which directly or indirectly relates to setting up of cinemas. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

Particulars	March 31, 2020	March 31, 2019
Salaries, wages, allowances and bonus	1,699	1,109
Contribution to provident and other funds	65	63
Rent	9	760
Electricity and water charges	16	32
Repairs and maintenance	33	319
Rates and taxes	577	723
Travelling and conveyance	-	123
Architects & professional	927	1,178
Insurance	1	8
Communication cost	2	6
Security service charges	275	268
Finance costs	541	1,501
Other miscellaneous expenses	150	46
Total	**4,295**	**6,136**

48 Income tax expense

Particulars	March 31, 2020	March 31, 2019
(a) Income tax expense reported in the Statement of Profit and Loss comprises:		
Current income tax:		
Current tax	2,917	6,654
Adjustments in respect of current income tax of previous years	50	27
Deferred tax:		
Relating to origination and reversal of temporary differences	472	4,012
Tax impact related to change in tax rate and law (refer note 7)	3,174	-
MAT credit (entitlement)/reversal for earlier years	(85)	135
Total deferred tax	**3,561**	**4,147**
Income tax expense reported in the statement of profit and loss	**6,528**	**10,828**
Effective Income tax rate	**68.4%**	**36.3%**
(b) Statement of Other Comprehensive Income		
Net loss/ (gain) on remeasurements of defined benefit plans	(74)	203

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2020	March 31, 2019
(c) Reconciliation of effective tax rate		
Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows:		
Accounting profit before tax	9,544	29,837
Statutory income tax rate	34.94%	34.94%
Computed tax expense	3,335	10,426
Adjustments in respect of current income tax and MAT of previous years	(35)	162
Non-deductible expenses for tax purposes	54	240
Tax impact related to change in tax rate and law	3,174	
Income tax charged to statement of profit and loss	**6,528**	**10,828**
(d) MAT credit entitlement		
Opening Balance	10,743	7,307
Add: MAT credit entitlement/(reversal) for earlier years	85	(135)
Add : Amount adjusted with provision for taxes	(31)	-
Add: MAT credit entitlement for current year	-	3,571
Less: MAT credit utilisation during the year	977	-
Closing Balance	**9,820**	**10,743**
(e) Deferred tax asset /(liability)		
Opening Balance	(13,334)	(5,747)
Less: Impact of differences in W.D.V. block under Income Tax and Books of Accounts	1,803	(10,119)
Add: Tax income / (expenses) on other timing differences	21,908	2,532
Closing balance	**10,377**	**(13,334)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

49 The Board of Directors in its meeting held on February 28, 2020 approved an interim dividend of ₹ 4 per equity share and the same was subsequently paid on March 3, 2020.

50 Estimation of uncertainties relating COVID-19 pandemic:

Due to COVID-19, beginning March 11, 2020, the Company started closing its screens in accordance with the order passed by various regulatory authorities and within a few days most of our cinemas across the country were shut down.

The management has made an assessment of likely impact from the COVID-19 pandemic on business and financial risks based on internal and external sources of information including economic forecasts, measures being under taken by Government and expected GDP growth. The management believes while the COVID-19 may adversely impact the business in the short term, it does not anticipate material medium to long term risks to the business prospects. The Company has made detailed assessment of its liquidity position and has also considered the possible effects of COVID-19 on the carrying amounts of assets using available information, estimates and judgment and has on the basis of evaluation determined that none of the balances require a material adjustment to their carrying values, except with respect to inventories wherein all perishable inventories expiring in short span of time has been written off. Further, the management has taken various decisive actions to mitigate the adverse impact of COVID-19 on the business, which inter alia includes :

a. Reduction in employee costs by reducing the compensation across all levels during the lockdown period and reduction in headcount.

b. Invoked Force Majeure clause in our agreements with landlords seeking waiver of rentals and maintenance charges during lockdown period. We are also in discussion with landlords for reducing the rentals post reopening.

c. Reduction in all other overhead expenses during the period of lockdown.

With these actions management has been able to bring down the cash burn significantly during the lockdown period.

Based on the foregoing, management has carried out an assessment of the appropriateness of going concern, impairment of assets and other related aspects, and believes that there is no impact on the same. There are uncertainties associated with the nature and duration of COVID-19 situation and accordingly, the impact of the pandemic is difficult to predict and actual results may differ from the estimates. The Company will continue to monitor the situation and the impact assessment of the same on the Company's standalone financial statements shall be made and provided as required.

Notes

to the Standalone Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

51 Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company in their meeting dated June 8, 2020 has approved the remuneration for Mr. Ajay Bijli, Chairman & Managing Director and Mr. Sanjeev Kumar, Joint Managing Director as was originally approved by the shareholders vide resolution dated July 3, 2018, by taking into account the net profits of the Company computed under Section 198 of the Companies Act, 2013 after disregarding the adjustments made pursuant to Ind AS 116. Adoption of Ind AS 116 ('Leases') w.e.f. April 1, 2019 and its impact on PBT of the Company has resulted in their overall managerial remuneration exceeding the maximum remuneration permissible under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015. Since such remuneration (individually and overall) is in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 982 lakh, it is subject to the approval of the shareholders in the ensuing general meeting.

52 Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors in its meeting held on June 8, 2020, approved the fund raising of up to ₹ 30,000 lakh through issuance of equity shares of face value of ₹ 10 each via rights issue.

As per report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of **PVR Limited**

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Independent Auditor's Report

To the Members of PVR Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PVR Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), and its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures as at March 31, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures operations in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

S No.	The key audit matter	How the matter was addressed in our audit
1.	**Going concern assumption** See note 53 to the consolidated financial statements Due to the outbreak of COVID-19 pandemic, the Group and joint ventures operations, i.e., the movie exhibition locations & distribution business have been shut since mid of March 2020 and post balance sheet, till date and this necessitates the evaluation of the Group and joint ventures ability to continue as a Going concern and meeting its obligations to the stakeholders, creditors, employees and lenders.	**Audit procedures** In this area our procedures included: • Discussed with the management and Those in charged with Governance regarding the possibility and plan for resumption of operations and the Group and joint ventures ability to meet their obligations during and after the period effected due to COVID-19. Assessed sufficiency of the Group and joint ventures resources/ funds to meet its costs in the foreseeable future. • Evaluated the external inputs and assumptions within the going concern model by comparing them to the assumptions used elsewhere in the preparation of the financial statements. • Assessed the appropriateness and reasonableness of the cash flow forecasts for the foreseeable future taking into account the adverse effects that could arise from the outbreak of COVID-19 pandemic. • Evaluated the mitigation measures taken by the Group's management and Those in Charged with Governance. In particular, we evaluated measures of cost rationalisation, managing the Group's liquidity position and maintaining the facilities for resumption after the lockdown is lifted. • Assessed the adequacy of related disclosures in the consolidated financial statements.

S No.	The key audit matter	How the matter was addressed in our audit
2.	**Impairment of goodwill, other intangible assets, property, plant and equipment, capital work-in-progress and ROU assets** See Notes 3, 4 and 4B to the consolidated financial statements The carrying value of the Group's goodwill is ₹ 105,204 lakh and that of other intangible assets, property, plant and equipment, capital work-in-progress, ROU assets as at March 31, 2020 amounts ₹ 498,870 lakh. Due to the impact of COVID-19 Pandemic, an impairment assessment of these assets is to be performed. The impairment testing of the above requires significant judgements and estimates in assessing the Value in Use ('VIU') regarding assessment and measurement for impairment loss, if any. The risk relates to uncertainties involved in forecasting of cash flows, for key assumptions such as future revenue, margins, overheads, growth rates and weighted average cost of capital for the purpose of determining VIU. We have identified impairment assessment of such assets as a key audit matter because of the significance of the carrying value of such assets and involvement of judgements and estimates.	**Audit procedures** In this area our procedures included: • Tested the design and implementation of key controls with respect to impairment assessment of Goodwill and other intangible assets, property, plant and equipment, capital work-in-progress and ROU Assets and tested operating effectiveness of such controls. • Evaluated the impairment model which is based on discounted cash flows including the adverse effects which could arise from the outbreak of COVID-19 pandemic. This includes evaluation of the assumptions used in key inputs such as forecasted revenue, gross margin and discount rate based on our knowledge of the Group and the industry with the assistance of our subject matter experts. • Performed sensitivity analysis to evaluate whether any foreseeable change in assumptions could lead to a significant change in the VIU. • Assessed the adequacy of related disclosures in the consolidated financial statements.
3.	**First-time adoption of Ind AS 116 'Leases'** See Notes 4B and 19 to the consolidated financial statements Ind AS 116, Leases, is applicable from April 1, 2019 and introduces a new lease accounting model, wherein the Company (lessee) is required to recognise a right-of-use (ROU) asset and a lease liability in their balance sheet in respect of contracts which qualify as a lease. The Group and joint ventures has implemented Ind AS 116 from April 1, 2019 and is required to disclose the impact of implementation Ind AS 116 in the consolidated financial statements. In implementing Ind AS 116, the Group and joint ventures has opted for the modified retrospective approach for transition to Ind AS 116. Therefore, the cumulative effect of implementing Ind AS 116 upto April 1, 2019 is recognised as an adjustment to the opening balance of retained earnings as at that date without restating the comparative information. The assessment of the impact of transition to Ind AS 116 is significant to our audit as it involves selection of the transition option and identification and processing all relevant data associated with the leases which is complex and voluminous. Significant judgement is required in the assumptions and estimates made in the measurement of the ROU asset and lease liability. Such assumptions and estimates include assessment of lease term including termination and renewal options, and determination of appropriate discount rates. In view of the above, the adjustments arising from the first-time adoption of Ind AS 116 are material and are considered as a key audit matter.	**Audit procedures** In this area our procedures included: • Assessed the appropriateness of the accounting policy for leases as per relevant accounting standard with special reference to methodology of the selected transition approach to this standard. • Evaluated and tested Group and joint ventures internal control processes in relation to lease identification, assessment of the terms and conditions of lease contracts and the calculation of the related lease liability and ROU asset. • Evaluated the reasonableness of Group and joint ventures key judgements and estimates made in preparing the transition adjustments, specifically in relation to the lease term and discount rate. • Tested the completeness and accuracy of underlying lease data and Ind AS 116 adjustments by checking its reconciliation with the number of operating lease contracts and relevant records of the Group. • On a sample basis, tested the accuracy and existence of the ROU asset and lease liability recognised on transition by examining the original lease agreements and re-performing the calculations after considering the impact of the variable lease payments, if any. • Assessed the adequacy of the disclosures included in the consolidated financial statements.
4.	**Revenue Recognition** See Note 25 to the consolidated financial statements The Group's significant portion of revenue comes from income from sale of movie tickets and food and beverages ('revenue'). We have identified revenue recognition as a key audit matter, because its significance to the Consolidated Financial Statements and reliance on the Group's IT system. Further, as the revenue comprises of high volumes of individually small transactions, the process of summarising and recording sales revenue is critical.	**Audit procedures** In this area our procedures included: • Evaluated the design and implementation and operating effectiveness of key controls in relation to recognition of revenue • Involvement of our Subject Matter Experts on information technology with respect to testing of key IT system controls which impacts revenue recognition. • Performed substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during and after the year and verifying the underlying documents • Tested the reconciliation between sales recorded and cash / card / online transactions and agreed those reconciliations through underlying documents on sample basis. • Assessed the adequacy of related disclosures in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures is responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 8,387 lakh as at March 31, 2020, total revenues of ₹ 829 lakh and net cash outflows amounting to ₹ 100 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 54 lakh for the year ended March 31, 2020, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group and its joint ventures Refer Note 36 to the consolidated financial statements.

ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2020.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures incorporated in India during the year ended March 31, 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act:

We draw attention to note 54 to the consolidated financial statements, relating to Managerial Remuneration accrued by the Holding Company for the financial year ended March 31, 2020 which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 982 lakh, and hence, is subject to the approval of the shareholders in the General Meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. Our opinion is not modified in respect of this matter.

Further, in case of one subsidiary Company, incorporated in India, where provisions of Section 197 of the Act are applicable, such subsidiary Company has not paid / provided for any remuneration to its directors during the current year.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No :101248W / W-100022

Adhir Kapoor
Partner
Membership No.: 098297
ICAI UDIN: 20098297AAAABL6981

Place: New Delhi
Date: 8 June, 2020

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of PVR Limited for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of PVR Limited (hereinafter referred to as 'the Holding Company') and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as 'the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary Company and one joint venture Company, which are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No :101248W / W-100022

Adhir Kapoor
Partner
Membership No.: 098297
ICAI UDIN: 20098297AAAABL6981

Place: New Delhi
Date: 8 June, 2020

Consolidated Balance Sheet

as at March 31, 2020

(Rupees in lakh, except for per share data and if otherwise stated)

Particulars	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	163,580	148,997
Capital work-in-progress	3	15,471	22,080
Right-of-use assets	4B	300,473	-
Goodwill	4	105,204	105,330
Other intangible assets	4	19,346	19,921
Financial assets			
Equity accounted investees	5A	59	112
Investments	5B	50	885
Loans	14	23,956	23,005
Other financial assets	6	2,169	2,242
Deferred tax assets (net)	7A	20,631	1,068
Income tax assets (net)	8	4,774	3,650
Other non current assets	9	11,846	18,460
Total non-current assets	A	**667,559**	**345,750**
Current Assets			
Inventories	10	3,067	3,034
Financial assets			
Investments	11	117	108
Trade receivables	12	18,926	18,386
Cash and cash equivalents	13A	31,559	2,817
Bank balances other than cash and cash equivalents, above	13B	671	597
Loans	14	867	1,183
Other financial assets	6	2,516	2,145
Other current assets	9	17,638	11,066
Total current assets	B	**75,361**	**39,336**
Total Assets [A+B]		**742,920**	**385,086**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	5,135	4,674
Other equity	16	142,887	144,895
Equity attributable to equity holders of the Parent Company		**148,022**	**149,569**
Non-controlling interests	17	29	46
Total equity	A	**148,051**	**149,615**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	18	91,344	101,876
Lease liabilities	19	356,911	-
Other financial liabilities	23	10,352	4,217
Provisions	20	1,362	1,825
Deferred tax liabilities (net)	7B	143	3,731
Other non-current liabilities	24	5,709	18,499
Total non-current liabilities	B	**465,821**	**130,148**
Current liabilities			
Financial liabilities			
Borrowings	21	18,734	8,515
Lease liabilities	19	20,236	-
Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		215	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		31,028	36,771
Other financial liabilities	23	30,630	36,100
Provisions	20	433	321
Other current liabilities	24	27,772	23,616
Total current liabilities	C	**129,048**	**105,323**
Total liabilities [B+C]		**594,869**	**235,471**
Total equity and liabilities [A+B+C]		**742,920**	**385,086**
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:101248W / W-100022

For and on behalf of the Board of Directors of PVR Limited

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(Rupees in lakh, except for per share data and if otherwise stated)

Particulars	Notes	March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	25	341,444	308,556
Other income	26	3,779	3,314
Total income		**345,223**	**311,870**
EXPENSES			
Movie exhibition cost		73,345	70,193
Consumption of food and beverages		26,369	23,874
Employee benefits expense	27	39,381	33,726
Finance costs	28	48,179	12,801
Depreciation and amortisation expense	29	54,246	19,128
Other operating expenses	30	94,690	122,130
Total expenses		**336,210**	**281,852**
Profit before share of profit/(loss) of equity accounted investees and tax		**9,013**	**30,018**
Share of profit/(loss) of equity accounted investees (net of tax)	5A	(54)	(115)
Profit before tax		**8,959**	**29,903**
Tax expense:			
Current tax		3,023	6,715
Adjustment of tax relating to earlier periods		(35)	162
Deferred tax (including MAT credit entitlement)		112	4,086
Tax impact related to change in tax rate and law (refer note 7A)		3,174	-
Total tax expense		**6,274**	**10,963**
Net profit after tax		**2,685**	**18,940**
Non-controlling interests		45	43
Net profit after tax and after adjustment of non controlling interests [A]		**2,730**	**18,983**
Other comprehensive income	31		
Items that will not be reclassified to profit or loss in subsequent period		(668)	(1,277)
Items that will be reclassified to profit or loss in subsequent period		7	(22)
Other comprehensive income for the year (net of tax) [B]		(661)	(1,299)
Total comprehensive income for the year [A+B] (comprising profit and other comprehensive income)		**2,069**	**17,684**
Net Profit attributable to:			
Owners of the Company		2,730	18,983
Non-controlling interests		(45)	(43)
Other Comprehensive Income attributable to:			
Owners of the Company		(661)	(1,299)
Non-controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		2,069	17,684
Non-controlling interests		(45)	(43)
Earnings per equity share on Net profit after tax	32		
[Nominal Value of share ₹ 10 each (March 31, 2019: ₹10 each)]			
Basic		5.50	39.77
Diluted		5.47	39.52
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:101248W / W-100022

For and on behalf of the Board of Directors of PVR Limited

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Consolidated Statement of Changes in Equity

for year ended March 31, 2020

(Rupees in lakh, except for per share data and if otherwise stated)

A. EQUITY SHARE CAPITAL

	March 31, 2020	March 31, 2019
Balance at the beginning of the year	4,674	4,674
Changes in equity share capital during the year	461	-
Balance at the end of the year	**5,135**	**4,674**

B. OTHER EQUITY

Particulars	Reserves and Surplus							Other comprehensive income			Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share options outstanding account	Share pending issuance	Retained earnings	Re-measurement gains/(loss) on defined benefit plans	Exchange difference in translating foreign subsidiary	Gain/(loss) on equity instruments designated at FVTOCI	
As at March 31, 2018	602	47,124	7,285	4,563	305	-	44,098	(227)	-	(888)	102,862
Profit for the year	-	-	-	-	-	-	18,983	-	-	-	18,983
Other comprehensive income (net of taxes) (refer note 31)	-	-	-	-	-	-	-	(403)	(22)	(874)	(1,299)
Total Comprehensive Income	**602**	**47,124**	**7,285**	**4,563**	**305**	**-**	**63,081**	**(630)**	**(22)**	**(1,762)**	**120,546**
Employee stock compensation for options granted (refer note 34)	-	-	-	-	306	-	-	-	-	-	306
Adjustment on account of acquisition of business (refer note 43)	-	-	-	-	-	24,999	-	-	-	-	24,999
Adjustment on adoption of Ind AS 115	-	-	-	-	-	-	17	-	-	-	17
Transfer to Debenture redemption reserve	-	-	2,895	-	-	-	(2,895)	-	-	-	-
Transfer from Debenture redemption reserve	-	-	(2,250)	-	-	-	2,250	-	-	-	-
Dividends (including CDT [1])	-	-	-	-	-	-	(1,127)	-	-	-	(1,127)
Goodwill created on account of additional investment in Zea Maize Private Limited	-	-	-	153	-	-	-	-	-	-	153
As at March 31, 2019	602	47,124	7,930	4,716	611	24,999	61,327	(630)	(22)	(1,762)	144,895
Adjustment on adoption of Ind AS 116 (refer note 19)	-	-	-	-	-	-	(50,868)	-	-	-	(50,868)
Restated balance as at March 31, 2019	**602**	**47,124**	**7,930**	**4,716**	**611**	**24,999**	**10,459**	**(630)**	**(22)**	**(1,762)**	**94,027**
Profit for the year	-	-	-	-	-	-	2,729	-	-	-	2,729
Other comprehensive income (net of taxes) (refer note 31)	-	-	-	-	-	-	-	152	7	(820)	(661)
Total Comprehensive Income	**602**	**47,124**	**7,930**	**4,716**	**611**	**24,999**	**13,188**	**(478)**	**(15)**	**(2,582)**	**96,095**

(Rupees in lakh, except for per share data and if otherwise stated)

Particulars	Reserves and Surplus							Other comprehensive income			Total
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share options outstanding account	Share pending issuance	Retained earnings	Re-measure-ment gains/ (loss) on de-fined benefit plans	Exchange difference in translating foreign subsidiary	Gain/(loss) on equity instruments designated at FVTOCI	
Employee stock compensation for options granted (refer note 34)	-	1,620	-	-	124	-	-	-	-	-	1,744
Transferred from stock options outstanding	-	-	-	-	(203)	-	-	-	-	-	(203)
Transfer from Debenture redemption reserve [2]	-	-	(7,930)	-	-	-	7,930	-	-	-	-
Dividends (including CDT [1])	-	-	-	-	-	-	(3,604)	-	-	-	(3,604)
Securities premium received on account of QIP [3]	-	49,044	-	-	-	-	-	-	-	-	49,044
Adjustment on account of issuance of shares to SPI shareholder (refer note 43)	-	24,839	-	-	-	(24,999)	-	-	-	-	(160)
Adjustment on account of dissolution of PVR Middle East FZ LLC	-	-	-	-	-	-	10	-	-	-	10
Exchange differences on translation of P V R Lanka Limited	-	-	-	-	-	-	-	-	(10)	-	(10)
Adjustment on account of change in ownership in Zea Maize Private Limited	-	-	-	(29)	-		-	-	-	-	(29)
As at March 31, 2020	**602**	**122,627**	**-**	**4,687**	**532**	**-**	**17,524**	**(478)**	**(25)**	**(2,582)**	**142,887**

1 Corporate Dividend Tax

2 Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019, the requirement with respect to creation of DRR has been done away with accordingly the outstanding balance of DRR is transferred to retained earnings.

3 Securities premium on issues of shares via QIP is net of Share issue expenses amounting to ₹ 665 lakh (net of deferred tax ₹ 358 lakh).

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:101248W / W-100022

For and on behalf of the Board of Directors of PVR Limited

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Consolidated Statement of Cash Flows

for year ended March 31, 2020

(Rupees in lakh, except for per share data and if otherwise stated)

Particulars	March 31, 2020	March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,959	29,903
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	20,499	16,843
Amortisation of intangible assets	2,321	2,285
Amortisation of right-of-use assets	31,426	-
Net loss/(gain) on disposal of property, plant and equipment	(43)	143
Interest income	(1,367)	(1,219)
Allowance for doubtful debts and advances	1,483	1,273
Bad debts/advances written off	56	53
Finance costs	47,297	11,983
Share based payment expense	120	296
Liabilities written back	(183)	(119)
Miscellaneous income	(231)	-
Rent expenses (pertaining to deferred rent)	-	1,149
Share of loss of equity accounted investees	54	115
Inventories written off	183	-
Convenience fees (Time value of money adjustment)	(2,452)	(1,245)
	108,122	**61,460**
Working capital adjustments:		
Increase/(Decrease) in provisions	(128)	86
Increase/(Decrease) in trade & other payables	(15,016)	37,109
Decrease/(Increase) in trade receivables	(1,501)	(2,159)
Decrease/(Increase) in inventories	(216)	(777)
Decrease/(Increase) in loans and advances and other assets	(9,612)	(4,416)
Cash generated from operations	**81,649**	**91,303**
Direct taxes paid (net of refunds)	(2,945)	(8,339)
Net cash flows from operating activities (A)	**78,704**	**82,964**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE, Intangible assets, CWIP and Capital advances	(38,505)	(43,619)
Payment towards acquisition of SPI Cinemas Private Limited (refer note 43)	-	(53,560)
Security deposits given to Mall Developers	(929)	(4,686)
Proceeds from sale of PPE	129	133
Loan repaid by body corporate	-	114
Interest received	260	271
Fixed deposits with banks	12	(197)
Net cash flows from/(used in) investing activities (B)	**(39,033)**	**(101,544)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	50,405	-
Proceeds from long term borrowings	26,419	64,413
Repayment of long-term borrowings	(33,163)	(33,165)
Proceeds from short-term borrowings	35,000	40,000
Repayment of short-term borrowings	(35,000)	(45,550)
Repayment of lease liabilities (includes interest on lease liabilities)	(49,654)	-
Payment of dividend and tax thereon	(3,600)	(1,127)
Interest paid on borrowings	(11,510)	(10,328)
Net cash flows from/(used in) financing activities (C)	**(21,103)**	**14,243**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**18,568**	**(4,337)**
Cash and cash equivalents at the beginning of the year	(743)	2,676
Add: Cash acquired on acquisition of SPI Cinemas Private Limited (refer note 43)	-	918
Cash and cash equivalents at the end of the year	**17,825**	**(743)**

(Rupees in lakh, except for per share data and if otherwise stated)

Particulars	March 31, 2020	March 31, 2019
CASH AND CASH EQUIVALENTS		
Cash on hand	91	852
Balance with banks:		
On current accounts	10,262	1,889
On deposits with original maturity of less than three months	10,000	76
Investment in Mutual fund	11,206	-
Cash and cash equivalents (refer note 13A)	**31,559**	**2,817**
Less: Secured bank overdraft (refer note 21)	(13,734)	(3,560)
Total cash and cash equivalents	**17,825**	**(743)**

Note:

- The Consolidated Statement of Cash Flows has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 'Statement of Cash Flows'.
- During the year, the Group paid in cash ₹ 468 lakh (March 31, 2019: ₹ 360 lakh) towards corporate social responsibility (CSR) expenditure (Refer note 40).
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities is as below:

Particulars		Non - current borrowings[1]	Current borrowings
Opening balance as at April 1, 2019[2]		**119,866**	**5,000**
Cash flows during the year:			
- Proceeds		26,419	35,000
- Repayments		(33,163)	(35,000)
Changes due to adoption of Ind AS 116:			
- Reclassification of Finance lease obligation due to adoption of Ind AS 116		(2,274)	-
Closing balance as at March 31, 2020[2]		**110,848**	**5,000**
[1]Includes current maturities of non-current borrowings.			
[2]Opening and closing balance excludes transaction cost.			
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:101248W / W-100022

For and on behalf of the Board of Directors of PVR Limited

Adhir Kapoor
Partner
ICAI Membership Number: 098297

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

Pankaj Dhawan
Company Secretary
ICSI M. No.: F3170

Nitin Sood
Chief Financial Officer

Place: New Delhi
Date: June 8, 2020

Place: New Delhi
Date: June 8, 2020

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

1 Reporting entity

PVR Limited ('the Company' or the 'Parent Company' is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The Consolidated Financial Statements of the Company as at and for the year ended on March 31, 2020 comprise the Company and its subsidiaries (collectively referred to as 'the Group') and the group interest in joint ventures. The Group is engaged in the business of Movie exhibition, distribution & production and also earns revenue from in-house advertisement, sale of food & beverages, gaming and restaurant business.

(i) The Subsidiaries which are considered in the consolidation and the Group's holdings therein is as under:

Sl. No.	Subsidiary Company	Country of Incorporation	Parent Company	Percentage of ownership as on March 31, 2020
1	PVR Pictures Limited	India	PVR Limited	100%
2	Zea Maize Private Limited	India	PVR Limited	80% (87.8% through compulsory convertible preference shares)
3	P V R Lanka Limited	Sri Lanka	PVR Limited	100%
4	SPI Entertainment Projects (Tirupati) Private Limited (w.e.f August 17,2018)	India	PVR Limited	100%
5	PVR Middle East FZ-LLC[1] (upto January 30, 2020)	UAE	PVR Limited	-

1 During the previous year ended March 31, 2019, the Parent Company had invested a sum of ₹ 10 lakh in PVR Middle East FZ LLC, a Company incorporated on November 15, 2018 in UAE to subscribe 50 number of equity shares of AED 1,000 each. This Company was deregistered on January 30, 2020. The Parent Company has taken provision against the full investment value during the year ended March 31, 2020.

(ii) The joint ventures which are considered in the consolidation and the Group's holdings therein is as under:

Sl. No.	Joint Venture	Country of Incorporation	Shareholder	Percentage of ownership as on March 31, 2020
1	Vkaao Entertainment Private Limited (refer note 5A)	India	PVR Pictures Limited	50%
2	PVR Pictures International Pte. Limited (refer note 5A) (Upto September 17, 2019)[1]	Singapore	PVR Pictures Limited	-

1 During the year ended March 31, 2018, PVR Pictures Ltd. (wholly-owned subsidiary of the Parent Company) had invested through a Joint Venture with M/s Cinestar Limited in M/s PVR Pictures International PTE Limited, Singapore (incorporated on February 23, 2018) wherein both the ventures have subscribed equally for SGD 500 equity shares each and SGD 49,500 towards share application money pending allotment. The share application money (SGD 49,500) has been credited on July 26, 2018 and the balance SGD 500 equity shares has been sold and funds credited in our bank account on September 18, 2019.

The audited financial statements of the subsidiary companies and joint ventures which are included in the consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2020.

2.1 Basis of preparation

(a) Statement of compliance

These Consolidated Financial Statements of Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These Consolidated Financial Statements for the year ended March 31, 2020 are approved by the Audit Committee and Board of Directors at its meeting held on June 8, 2020.

(b) Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

(c) Basis of Measurement

These Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments, refer note 2.3 (x))

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

(d) Critical accounting estimates and judgements

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, Income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Information about significant areas of estimation and judgements in applying accounting policies that have the most significant effect on the Consolidated Financial Statements are as follows:

- Note 2.3 (p) (iii) and 33 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2.3 (b), (c), (d), 3 and 4- measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets;
- Note 36 - Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy;
- Note 2.3 (u) - judgement required to determine ESOP assumptions;
- Note 2.3 (q) - judgement required to determine probability of recognition of current tax, deferred tax assets and MAT credit entitlement; and
- Note 2.3 (x)- fair value measurement of financial instruments.
- Note 2.3 (i)(iii) and 4B- Determination of lease term for computation of lease liabilities and right of use assets and discount rate used for discounting the lease payments to compute the present value of lease liabilities.

There are no assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year.

2.2 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

(iii) Loss of control

When the Group loses control over subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date of control is lost. Any resulting gain or loss is recognised in the statement of profit or loss.

(iv) Equity accounted investees

The Group's interest in equity accounted investees comprise interests in joint ventures. A Joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangements, rather than rights to its assets and obligations for its liabilities.
Interest in Joint Venture is accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and OCI of equity-accounted investees untill the date on which significant influence or joint control ceases.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Summary of Significant accounting policy

(a) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Group classifies all other assets as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Group classifies all other liabilities as non-current.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of classification of assets and liabilities as current and non-current.

(b) Property, plant and equipment (PPE)

(i) Recognition and Measurement:

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of trade discounts, rebates and refundable taxes) and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition or construction of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for their intended use. Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at various cinema locations.

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss. Expenses those are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Group identifies any particular component embedded in the main asset having significant value to total cost of asset and also a different life as compared to the main asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under Capital advances and Capital work in progress respectively.

(ii) Subsequent expenditure:

Subsequent expenditure on additions and betterment of operational properties are capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and expenditures for maintenance and repairs are charged to statement of profit & loss as incurred.

(c) Depreciation on Property, plant and equipment

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their useful lives using Straight-line method. Estimated useful life of the assets are generally in line with the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 except in the following cases, where the management based on technical and internal assessment considers life to be different than prescribed under Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Particulars	Useful life as per Schedule II (in years)	Management estimate of Useful life (in years)
Concession equipments	15	8
Gaming equipments	15	13.33
Projectors	13	10
Furniture & fixtures	8	5 to 10.53
Vehicles	8	5
LCD's	5	4

The Parent Company has estimated the residual value @ 5% of original cost for all assets except for sound and projections equipment's which are taken @ 10% of original cost based on technical assessment done by management.

Leasehold improvements are amortised on a straight-line basis over the estimated period of lease including renewals or unexpired period of lease, whichever is shorter. The Group has estimated the residual value @ 20% of original cost for leasehold improvement where the lease term considered is shorter than the agreed lease term as per agreement.

Depreciation is not recorded on capital work in progress until construction and installation are complete and the asset is ready for its intended use.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which assets is ready for use (disposed of). Further, depreciation includes accelerated depreciation of ₹ 705 lakh (March 31, 2019 : ₹ 620 lakh on account of change in estimate of useful lives of property, plant and equipment resulting from Cinema closure earlier than planned or due to renovation.

(d) Intangible assets

(i) Recognition and Measurement:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

(ii) **Subsequent Expenditure:**
Subsequent expenditure is capitalised only when it increase the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit or loss as incurred.

(iii) **The useful life and the basis of amortisation and impairment losses are as under:**

a. Software

Cost relating to purchased software and software licenses are capitalised and amortised on a straight-line basis over their estimated useful lives of 6 years.

b. Goodwill

Goodwill on acquisitions is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses if any. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

c. Trademarks and copyrights

Trademark and copyrights for the brand name acquired and registered by the Group are capitalised and are amortised over an estimated life of five years.

d. Film Right's

The intellectual property rights acquired/ created in relation to films are capitalised as film rights. The amortisation policy is as below:

(a) In respect of films which have been co-produced /co owned/ acquired and in which the Group holds rights for a period of 5 years and above as below:

- 60% to 80% of the cost of film rights on first domestic theatrical release of the film based on the management estimates. The said amortisation relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights etc.

  In case these rights are not exploited along with or prior to their first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited or at the end of 1 year from the date of first domestic theatrical release, whichever occurs earlier.

- Balance 40% to 20% is amortised over the remaining license period based on an estimate of future revenue potential subject to a maximum period of 10 years.

(b) In respect of films, where the Group holds rights for a limited period of 1 to 5 years, entire cost of movies rights acquired or produced by the Group is amortised on first theatrical release of the movie. The said amortisation relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights and others.

In case these rights are not exploited along with or prior to the first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited or at the end of 1 year from the date of first theatrical release, whichever occurs earlier.

(c) In one of the subsidiary Company, PVR Pictures Limited, acquiring films and associated rights are recorded at their acquisition costs less accumulated amortisation and impairment losses, if any. Cost includes acquisition cost. When ready for exploitation, advances granted to secure rights are transferred to film rights. These rights are amortised over the period of useful life of the content rights. Amortisation of film rights is presented under line item 'Depreciation and amortisation expense' in the statement of profit and loss.

The intellectual property rights acquired in relation to films are capitalised as Film rights. The amortisation policy is as below:

- In case where theatrical rights/ satellite rights/ home video rights are acquired (primarily for foreign films)
  - Cost of theatrical rights is amortised on domestic theatrical release of the movie as per allocation mentioned in the agreement, in cases where allocation is not mentioned then 25% of the cost is amortised.
  - 40% of the cost amortised on the sale of Satellite rights. In cases where there is no theatrical release, 65% of the cost is amortised at time of sale of satellite rights.
  - 10% of the cost is amortised on the outright sale of Home Video rights.
  - balance 25% cost is amortised on the second sale of satellite rights.

  a. In cases where the sale is on Minimum Guarantee Basis, such 10% is amortised at the time of sale.

  b. In cases where the sale is on Consignment basis, an estimate of future revenue potential is expected up to 3 years from the date of release on Home Video. In such cases 7.5% of the total cost (75% of 10% cost) is amortised in the First year of sale and balance 1.25% (12.5% of 10%) is amortised equally for Second and Third year.

- (b) In case where theatrical rights/ satellite rights/ home video rights are acquired for a limited period of 1 to 5 years entire cost of movie rights acquired is amortised on first theatrical release of the movie. The said amortisation relates to domestic theatrical rights, international theatrical rights, television rights, music rights, video rights and others.

  In case these rights are not exploited along with or prior to the first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

commercially exploited or at the end of 1 year from the date of first theatrical release, whichever occurs earlier.

In case circumstances indicate that the realisable value of a right is less than its unamortised cost, an impairment loss is recognised for the excess of unamortised cost over the management estimate of film rights realisable value.

In respect of unreleased films, payments towards film rights are classified under 'Long-term loans and advances' as Capital advances.

(e) Brands and Beneficial Lease Rights

Intangible assets resulting from acquisition of SPI Cinemas comprise of 'Beneficial Lease Rights' which are amortised on straight-line basis over remaining lease period and 'Brands' which are amortised on straight-line basis over a period of 20 years and tested for impairment annually.

(f) Borrowing Costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

(g) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, if any are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(h) Inventories

Inventories are valued as follows:

(a) Food and beverages

Lower of cost and net realisable value. Cost is determined on weighted average basis.

(b) Stores and spares

Lower of cost and net realisable value. Cost is determined on First In First Out (FIFO) basis.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition;

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

The comparison of cost and Net realisable value is made on an item-by-item basis.

(i) Leases

(i) Determining whether an arrangement contains a lease

An arrangement is, or contains, a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) Assets held under lease

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the Right-of-use assets measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of estimated lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(iii) Transition to Ind AS 116 - 'Leases':

Ministry of Corporate Affairs ('MCA') through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, and the revenue can be reliably measured regardless of when the payment is being made. Revenue excludes goods and service tax, sales tax and local body tax which are collected by the Group on behalf of the Government and deposited to the credit of respective Governments.

Effective April 01, 2018, the Group has adopted Ind AS 115 (Revenue from contracts with customers) which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Ind AS 115 'Revenue from contracts with customers' replaces Ind AS 18 'Revenue recognition and related interpretations'. The Group has adopted Ind AS 115 'Revenue from contracts with customers' using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). Under this transition method, the comparative information is not restated – i.e. the comparative information continues to be reported under Ind AS 18 'Revenue recognition and related interpretations'. The adoption of the standard did not have any material impact on the Consolidated Financial Statements of the Group. Following table depicts the amount of impact on Consolidated Financial Statements:

	As reported at March 31, 2018	Adjustments due to adoption of Ind AS 115	Adjusted opening balance as at April 1, 2018
Retained earnings	44,098	17	44,115

The following specific recognition criteria must also be met before revenue is recognised:

i **Income from sale of movie tickets (Box office revenue)**
Revenue from sale of movie tickets is recognised as and when the film is exhibited.

ii **Sale of food and beverages**
Revenue from sale of food and beverages is recognised upon passage of title to customers, which coincides with their delivery to the customer.

iii **Revenue from Gift vouchers and Breakage revenue**
Non-refundable Gift cards and vouchers are sold to customers, that give customers the right to receive goods or services in the future. The prepayment amount received from the customer is recognised as unearned revenue liability. If a customer does not exercise their right, this amount is recognised as breakage revenue in proportion to the pattern of rights exercised by the customer as there is an expectation that the Group will be entitled to breakage revenue and that it is considered highly probably a significant reversal will not occur in the future.

iv **Advertisement revenue**
Advertisement revenue is recognised as and when advertisement are displayed at the cinema halls and in accordance with the term of the agreement.

v **Income from movie production and distribution**
Revenues from film produced, co –produced/co -owned are accounted for based on the terms of the agreement.

vi **Convenience Fee**
Convenience fee is recognised as and when the movie tickets are sold on digital platforms. Further, in case of fixed contracts with digital ticketing partners, revenue is recognised on accrual basis in accordance with the terms of the agreement.

vii **Virtual Print fees (VPF)**
Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreements.

viii **Gaming Income**
Revenue from bowling games is recognised as and when the games are played by patrons.

ix **Management fee**
Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreements.

x **Rental and food court income**
Rental Income is recognised on accrual basis for the period the space in cinema and food court is let out under the operating lease arrangement.

xi **Interest income**
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

xii **Dividend income**
Dividend Income is recognised when the Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

xiii **Loyalty**
The Group operates a loyalty programme 'PVR PRIVILIGE' where a customer earn points as and when the customer transacts with the Group, these points can be redeemed in the future for goods and services. Under Ind AS 115, the loyalty programme gives rise to a separate performance obligation as it provides a material right to the customer. The Group allocates a portion of transaction price to the loyalty programme based on relative standalone selling price, instead of allocating using the fair value of points issued.

(k) **Government grants**
Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Similarly, where the grant relates to an asset, it is recognised as deferred income and released to income in equal instalments over the expected useful life of the related assets.

(l) **Cost Recognition**
Cost and expenses are recognised when incurred and have been classified according to their nature.
The costs of the Group are broadly categorised in Movie exhibition, distribution cost, consumption of food and beverages, Employee benefit expenses, depreciation and amortisation expenses, finance cost and other operating expenses. Other operating expense mainly includes, Rent, common area maintenance, Electricity, legal and professional fees, travel expenses, Repair and Maintenance and other expenses. Other expenses is an aggregation of costs which are individually not material.

(m) **Business Combination and Goodwill**
Business combinations are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date;
- Assets (or disposal Group's) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or Other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through Other comprehensive income.

As a result from business combination the Group as whole has gained synergies relating to increase in revenue, decrease of certain operational cost and effective vendor negotiation. The Group as a whole is considered as a CGU, and there are no other CGU's identifiable to which Goodwill from business combinations is allocated, unless mentioned separately.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(n) Foreign currency

i Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group Companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

ii Foreign operations

The assets and liabilities of foreign operations (subsidiaries and joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The Income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

(o) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuer's are involved for valuation of significant assets, liabilities, such as ESOP, Gratuity etc.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (including those carried at amortised cost) (note 2.2(x))

(p) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

The Company has the following employee benefit plans:

i Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, incentives, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

ii Defined contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders service.

iii Defined Benefit Plan

Gratuity is a defined benefit obligation. The Company has approved gratuity funds managed with ICICI Prudential Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited, Birla Sunlife Insurance Company Limited and Life Insurance Company for the payment of gratuity to the employees. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognised in other comprehensive income.

iv Other long term Employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the statement of profit and loss.

(q) Income taxes

Income Tax comprises current and deferred tax.
Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in OCI.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit entitlement as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement.' The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(r) Earnings Per share

The Company presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares (unless the effect is anti-dilutive), which includes all stock options granted to employees.

(s) Provisions

General

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best management estimates.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Consolidated Financial Statements.

(t) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(u) Share based payments

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and IndAS 102 Share-based Payments, the cost of equity-settled transactions is measured using the fair value method.
The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense, together with a corresponding increase in the 'Employee Stock options outstanding account' in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

(v) Dividend

The Company recognise a liability to make dividend distributions to equity holders when the distribution is approved by the shareholders.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as 'unallocated revenues/ expenses/ assets/ liabilities', as the case may be.

(x) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit & Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18;

The Company impairs its trade receivables basis past experience and trend. Other financial asset, are impaired on case to case basis.

(y) Corporate Social Responsibility ('CSR') expenditure:

CSR expenditure incurred by the group is charged to the statement of the profit and loss.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

3 Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Building	Plant and Machinery	Furniture and Fittings	Office Equipments	Vehicles	Leasehold Improvements	Total	Capital work in progress
As at March 31, 2018	**2**	**-**	**10**	**66,336**	**17,896**	**4,054**	**553**	**57,817**	**146,668**	
Additions	-	-	-	15,503	3,822	797	41	12,175	32,338	
Adjustment on account of Business Combination (refer note 43)	-	797	-	9,966	1,691	302	37	8,208	21,001	
Disposals and discard	-	-	-	(912)	(1,294)	(116)	-	(447)	(2,769)	
As at March 31, 2019	**2**	**797**	**10**	**90,893**	**22,115**	**5,037**	**631**	**77,753**	**197,238**	
Additions	-	-	70	16,914	5,413	1,051	900	14,874	39,222	
Adjustment on account adoption of Ind AS 116 (refer note 19)	-	(797)	-	(4,468)	-	-	-	-	(5,265)	
Disposals and discard	-	-	-	(1,935)	(698)	(368)	(320)	(402)	(3,723)	
Translation difference	-	-	-	10	2	-	-	11	23	
As at March 31, 2020	**2**	**-**	**80**	**101,414**	**26,832**	**5,720**	**1,211**	**92,236**	**227,495**	
Depreciation										
As at March 31, 2018	**-**	**-**	**-**	**14,816**	**5,485**	**1,826**	**290**	**11,556**	**33,973**	
Charge for the year	-	11	-	7,683	2,677	857	115	5,500	16,843	
Disposals and discard	-	-	-	(892)	(1,122)	(115)	-	(446)	(2,575)	
As at March 31, 2019	**-**	**11**	**-**	**21,607**	**7,040**	**2,568**	**405**	**16,610**	**48,241**	
Charge for the year	-	-	2	8,896	3,186	1,022	126	7,350	20,582	
Adjustment on account of adoption of Ind AS 116 (refer note 19)	-	(11)	-	(1,263)	-	-	-	-	(1,274)	
Disposals and discard	-	-	-	(1,881)	(679)	(368)	(306)	(400)	(3,634)	
As at March 31, 2020	**-**	**-**	**2**	**27,359**	**9,547**	**3,222**	**225**	**23,560**	**63,915**	
Net Block										
As at March 31, 2019	**2**	**786**	**10**	**69,286**	**15,075**	**2,469**	**226**	**61,143**	**148,997**	**22,080**
As at March 31, 2020	**2**	**-**	**78**	**74,055**	**17,285**	**2,498**	**986**	**68,676**	**163,580**	**15,471**

Note:

i. **Capital work in progress**
Capital work in progress represents leasehold improvements, plant and machinery and other assets under installation and cost relating thereto.

ii. For details regarding charge on property plant and equipment, refer note 18.

iii. **Capitalised borrowing cost**
The amount of borrowing costs capitalised was ₹ 624 lakh (March 31, 2019: ₹ 1,501 lakh).

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

4 Intangible assets

Particulars	Goodwill* (Including Goodwill on consolidation)	Other Intangible assets				
		Software Development	Brand	Beneficial Lease Rights	Film Rights	Other Intangible Assets total
	A	B	C	D	E	B+C+D+E
As at March 31, 2018	**43,447**	**2,566**	**-**	**-**	**3,907**	**6,473**
Additions	160	763	-	-	1,600	2,363
Adjustment on account of Business combination (refer note 43)	61,723	315	7,263	9,422	-	17,000
Disposals and discard	-	(12)	-	-	(183)	(195)
As at March 31, 2019	**105,330**	**3,632**	**7,263**	**9,422**	**5,324**	**25,641**
Additions	-	598	-	-	1,148	1,746
Adjustment on account of Business combination (refer note 43)	(127)	-	-	-	-	-
Disposals and discard	-	(1)	-	-	(233)	(234)
As at March 31, 2020	**105,204**	**4,229**	**7,263**	**9,422**	**6,239**	**27,153**
Amortisation						
As at March 31, 2018	**-**	**1,064**	**-**	**-**	**2,566**	**3,630**
For the year	-	537	298	445	1,005	2,285
Deductions/ Adjustments	-	(12)	-	-	(183)	(195)
As at March 31, 2019	**-**	**1,589**	**298**	**445**	**3,388**	**5,720**
For the year	-	581	405	721	614	2,321
Deductions/ Adjustments	-	(1)	-	-	(233)	(234)
As at March 31, 2020	**-**	**2,169**	**703**	**1,166**	**3,769**	**7,807**
Net Block						
As at March 31, 2019	**105,330**	**2,043**	**6,965**	**8,977**	**1,936**	**19,921**
As at March 31, 2020	**105,204**	**2,060**	**6,560**	**8,256**	**2,470**	**19,346**

*Includes Goodwill on consolidation amounting to ₹ 947 lakh (March 31, 2019 : ₹ 947 lakh).

Note:

Impairment testing of Goodwill:

Goodwill represents excess of consideration paid over the net assets acquired. This is monitored by the management at the level of cash generating unit (CGU) and is tested annually for impairment. Cinemax India Limited, Cinema exhibition undertaking of DLF Utilities Limited and SPI Cinemas Private Limited acquired in financial year 2012- 13, 2016-17 and 2018-19 respectively is now completely integrated with the existing cinema business of the Parent Company, and accordingly is monitored together as one CGU. The Parent Company tested goodwill for impairment using a post-tax discounted cash flow methodology with a peer-based, risk-adjusted weighted average cost of capital, using discount rate of 10% to 12.5% p.a. and terminal growth rate of 5% to 10%. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector. We believe use of a discounted cash flow approach is the most reliable indicator of the fair values of the businesses. The Parent Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

No impairment of goodwill was identified as of March 31, 2020.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

4B Right-of-use assets (refer note 19)

Particulars	Class of assets			
	Cinema properties	Plant and Machinery	Leasehold Land	Right-of-use assets total
	A	B	C	A+B+C
Addition on account of adoption of Ind AS 116	261,347	3,205	786	265,338
Additions	66,894	-	-	66,894
Disposals and discard	(352)	(10)	-	(362)
Translation difference	20	-	-	20
As at March 31, 2020	**327,909**	**3,195**	**786**	**331,890**
For the year	31,002	422	2	31,426
Deductions/ Adjustments	-	(10)	-	(10)
Translation difference	1	-	-	1
As at March 31, 2020	**31,003**	**412**	**2**	**31,417**
Net Block				
As at March 31, 2020	**296,906**	**2,783**	**784**	**300,473**

Leasehold land situated at Chennai, Tamil Nadu amounting to ₹ 797 lakh (March 31, 2019: ₹ 797 lakh) (Gross block), is in the name of SPI Cinemas Private Limited, which was acquired pursuant to the Scheme of Amalgamation approved by the National Company Law Tribunal. Due to the amalgamation, the mutation of name is pending in the favor of the Parent Company.

5A Equity accounted investees

		March 31, 2020	March 31, 2019
Investment in joint ventures (unquoted)			
(i)	Vkaao Entertainment Private Limited	59	112
	Equity share of ₹ 10 each 3,000,000 (March 31, 2019: 3,000,000)		
(ii)	PVR Pictures International Pte Limited [#] [1]	-	0
	Equity share of SGD 1 each 500 (March 31, 2019: 500)		
		59	**112**

[#] amount below ₹ 1 lakh

The following table summarise the financial information of Vkaao Entertainment Private Limited and the carrying amount of Group's interest therein:

	March 31, 2020	March 31, 2019
Percentage ownership interest	50%	50%
Non current assets	24	119
Current assets (including cash and cash equivalents ₹ 65 lakh (March 31, 2019: ₹ 30 lakhs)	194	184
Current liabilities	(101)	(79)
Net assets	**117**	**224**
Group's share of net assets (50%)	59	112
Carrying amount of interest in joint ventures	**59**	**112**

	March 31, 2020	March 31, 2019
Statement of Profit and Loss		
Revenue	252	184
Employee benefits expense	(56)	(83)
Depreciation and amortisation expense	(95)	(137)
Other expenses	(208)	(194)
Profit	(107)	(230)
Other comprehensive income	-	-
Total comprehensive income	(107)	(230)
Group's share of profit (50%)	(54)	(115)
Group's share of OCI (50%)	-	-
Group's share of Total Comprehensive Income (50%)	**(54)**	**(115)**

[1] During the year ended March 31, 2018, PVR Pictures Ltd. (wholly-owned subsidiary of the Parent Company) had invested through Joint Venture with M/s Cinestar Limited in M/s PVR Pictures International PTE Limited, Singapore (incorporated on February 23, 2018) wherein both the ventures have subscribed equally for SGD 500 equity shares each and SGD 49,500 towards share application money pending allotment. The share application money (SGD 49,500) has been credited on July 26, 2018 and the balance SGD 500 equity shares has been sold and funds credited in our bank account on September 18, 2019.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

5B Investments

		March 31, 2020	March 31, 2019
(i)	Quoted equity shares		
	Equity shares at FVTOCI		
	iPic Entertainment Inc.[1]	2,581	2,581
	Common membership units of $ 18.13 each 220,629 (March 31, 2019 : 220,629)		
	Less: Diminution in the value of investment (refer note 31)	(2,581)	(1,761)
	Net value of Investment	-	820
(ii)	Unquoted Government securities		
	Government Securities- at amortised cost		
	National savings certificates [2]	167	173
	(Deposited with various tax authorities)		
		167	**173**
	Less: Amount disclosed under current investment (refer note 11)	117	108
	(being due for maturity within next 12 month)		
		50	**885**
	Aggregate amount of unquoted investments	226	285
	Aggregate amount of quoted investments	2,581	2,581
	Aggregate amount of impairment in value of investments	2,581	1,761

[1] During the year ended March 31, 2018, the Parent Company had acquired a minority stake for a value of USD 4 million (equivalent to ₹ 2,581 lakh), in an American luxury restaurant-and-theatre Company 'iPic Entertainment Inc.' (formerly known as iPic-Gold Entertainment LLC). The Parent Company designated this investment as equity shares at FVTOCI because these equity shares represent investments that the Parent Company intends to hold for long-term strategic purpose. Accordingly, the fair value changes with respect to such investment has been recognised in OCI – 'Equity investments at FVTOCI'. Further, as 'iPic Entertainment Inc' has filed for bankruptcy under Chapter XI during FY 2019-20, the Parent Company has created provision against the full investment value.

[2] National saving certificates are held in various names in the Interest of the Parent Company as follows:

	March 31, 2020	March 31, 2019
Managing Director	20	20
Employees	130	136
Promoters of the erstwhile subsidiary Company	17	17

6 Other financial assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Non-current bank balances (refer note 13B)	154	227	-	-
Interest accrued on:				
Fixed deposits	8	8	33	32
National saving certificate	13	13	66	60
Others	-	-	17	12
	175	**248**	**116**	**104**
Revenue earned but not billed	-	-	987	1,077
Government grant receivable[1]				
Unsecured, considered good	1,994	1,994	1,413	964
Unsecured, considered doubtful	-	65	-	-
	1,994	**2,059**	**1,413**	**964**
Allowance for doubtful Government grant receivable	-	(65)	-	-
	1,994	1,994	1,413	964
Total	**2,169**	**2,242**	**2,516**	**2,145**

[1]The Entertainment tax /GST exemption in respect of some of the Multiplexes of the Parent Company has been accounted on the basis of eligibility criteria as laid down in the respective erstwhile/current State Government schemes and applications filed with the authorities, but is subject to final orders yet to be received from the respective State authorities for some of the exempted Multiplexes.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

7 Deferred tax assets/ liabilities (net) (includes MAT credit entitlement)

7A Deferred tax assets (net)

		March 31, 2020	March 31, 2019
Deferred tax assets[1]			
Impact of expenditure charged to the statement of profit and loss in the current year but allowable		778	115
for tax purposes on payment basis			
Allowance for doubtful debts and advances		1,169	236
Ind AS 116 impact (refer note 19)		22,860	-
Translation difference		2	-
Others		1,781	202
Gross deferred tax assets		**26,590**	**553**
Less: Deferred tax liabilities			
Impact of differences in depreciation/amortisation in block of tangible and intangible assets		15,779	(515)
as per tax books and financial books			
Gross deferred tax liabilities		**15,779**	**(515)**
Net deferred tax assets	A	**10,811**	**1,068**
Add: MAT credit entitlement[2]	B	9,820	-
Net deferred tax assets (includes MAT credit entitlement)	A+B	**20,631**	**1,068**

[1] The Parent Company has not accounted for Deferred tax assets on loss on fair valuation of 'iPic Entertainment Inc.' Investment on account of absence of reasonable certainty.

[2] The MAT credit entitlement recognised by the Group represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of the Income-tax Act, 1961. The management, based on the present trend of profitability and future projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Group to utilise MAT credit entitlement.

On September 20, 2019 the Government of India vide the Taxation Laws (Amendment) Ordinance, 2019 inserted Section 115BAA in the Income-tax Act, 1961 which provides domestic companies an option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions therein. The Parent Company has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure until utilisation of accumulated MAT credit as on March 31, 2020.

Further, Ind AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The Parent Company has made estimates, based on its budgets, regarding income anticipated in foreseeable future years when those temporary differences are expected to reverse and measured the same at the New tax rate. The full impact of re-measurement of deferred tax assets/liabilities, including deferred tax assets created on transition to Ind AS 116 as at April 1, 2019, as per Note 19 on account of this change has been recognised in Consolidated Statement of Profit and Loss. The tax expense for the year ended March 31, 2020 include one time net charge of ₹ 3,174 lakh on account of re-measurement of deferred tax assets/liabilities.

7B Deferred tax liabilities (net) (includes MAT credit entitlement)

		March 31, 2020	March 31, 2019
Deferred tax liabilities			
Impact of differences in depreciation/amortisation in block of tangible and intangible assets		437	9,555
as per tax books and financial books			
Gross deferred tax liabilities		**437**	**9,555**
Deferred tax assets			
Impact of expenditure charged to the statement of profit and loss in the current year but allowable		26	(7,400)
for tax purposes on payment basis			
Allowance for doubtful debts and advances		11	920
Others		-	1,365
Gross deferred tax assets		**37**	**(5,115)**
Net deferred tax liabilities	A	**400**	**14,670**
Less: MAT credit entitlement[2]	B	257	10,939
Deferred tax Liabilities (net) (includes MAT credit entitlement)	A-B	**143**	**3,731**

[2] The MAT credit entitlement recognised by the Group represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of the Income Tax Act, 1961. The management, based on the present trend of profitability and future projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Group to utilise MAT credit entitlement.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

8 Income tax assets (net)

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Advance income tax (net of provision)	3,693	2,712	-	-
Income tax paid under protest (refer note 36(a))	1,081	938	-	-
	4,774	**3,650**	**-**	**-**

9 Other assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Prepaid expenses	2, 113	1,750	1, 194	2,756
Deferred rent (refer note 19)	-	10,925	-	1, 159
	2, 113	**12,675**	**1, 194**	**3,915**
Capital advances				
Unsecured, considered good	8,887	5,590	-	-
Unsecured, considered doubtful	6	6	-	-
	8,893	**5,596**	**-**	**-**
Allowance for doubtful capital advances	(6)	(6)	-	-
	8,887	**5,590**	**-**	**-**
Advances recoverable in cash or kind				
Unsecured, considered good	208	-	11,218	5,687
Unsecured, considered doubtful	-	-	420	17
	208	**-**	**11,638**	**5,704**
Allowance for doubtful advances	-	-	(420)	(17)
	208	**-**	**11,218**	**5,687**
Others				
Balances with statutory authorities	638	195	5,226	1,464
	638	**195**	**5,226**	**1,464**
Total	**11,846**	**18,460**	**17,638**	**11,066**

10 Inventories (Valued at lower of cost or net realisable value)

	March 31, 2020	March 31, 2019
Food and beverages	1,793	1,927
Stores and spares	1,274	1,107
	3,067	**3,034**

11 Current investments

	March 31, 2020	March 31, 2019
Unquoted debt securities (Government Securities- at amortised cost)		
National Savings Certificates (refer note 5B)	117	108
(Deposited with various State tax authorities)		
	117	**108**

12 Trade receivables

	March 31, 2020	March 31, 2019
Secured, considered good	2	171
Unsecured, considered good	18,924	18,215
Unsecured, credit impaired	3,684	2,619
	22,610	**21,005**
Less: Allowance for doubtful debts	(3,684)	(2,619)
	18,926	**18,386**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

13A Cash and cash equivalents

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash on hand	-	-	91	852
Balances with banks:				
On current accounts	-	-	10,262	1,889
Deposits with original maturity of less than 3 months (refer note a below)	-	-	10,000	76
Investment in Mutual fund	-	-	11,206	-
	-	**-**	**31,559**	**2,817**

13B Bank balances other than cash and cash equivalents, above

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deposits with remaining maturity for more than 3 months but less than 12 months (refer note (c) below)	-	-	659	593
Deposits with remaining maturity for more than 12 months (refer note (c) below)	154	227	-	-
Unpaid and unclaimed dividend accounts (refer note (b) below)	-	-	12	4
	154	**227**	**671**	**597**
Amount disclosed under non-current assets (refer note 6)	(154)	(227)	-	-
	-	**-**	**671**	**597**

(a) Deposits with original maturity of less than 3 months are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(b) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.

(c) Bank deposits includes deposits under lien as security towards government authorities amounting to ₹ 813 lakh (March 31, 2019 : ₹ 706 lakh)

14 Loans

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Loans and advances to related parties				
Unsecured, considered good	-	-	-	13
	-	**-**	**-**	**13**
Loans to others				
Loans to employees				
Unsecured, considered good	-	-	346	145
Loans to body corporate				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	187	187
	-	**-**	**533**	**332**
Allowance for doubtful loans	-		(187)	(187)
	-	**-**	**346**	**145**
Security deposits				
Unsecured, considered good	23,956	23,005	521	1,025
Unsecured, considered doubtful	223	407	-	-
	24,179	**23,412**	**521**	**1,025**
Allowance for doubtful security deposits	(223)	(407)	-	-
	23,956	**23,005**	**521**	**1,025**
Total	**23,956**	**23,005**	**867**	**1,183**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

15 Share capital

	March 31, 2020	March 31, 2019
Authorised share capital		
Equity shares of ₹ 10 each	12,370	11,070
0.001% Non-cumulative convertible preference shares of ₹ 341.52 each	2,015	2,015
Total	**14,385**	**13,085**
Issued, subscribed and fully paid-up share capital		
Equity shares of ₹ 10 each fully paid	5,135	4,674
Total	**5,135**	**4,674**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

i. Authorised equity shares

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	110,700,000	11,070	110,700,000	11,070
Increase on account of Business combination	13,000,000	1,300	-	-
Balance at the end of the year	**123,700,000**	**12,370**	**110,700,000**	**11,070**

ii. Authorised Non-cumulative convertible preference shares

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Balance at the beginning of the year	590,000	2,015	590,000	2,015
Balance at the end of the year	**590,000**	**2,015**	**590,000**	**2,015**

iii. Issued, subscribed and fully paid-up equity shares

	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,738,588	4,674	46,738,588	4,674
Shares issued during the year on account of :				
Employee stock options plan (refer note 34)	102,000	10	-	-
Merger of SPI Cinemas Private Limited (refer note 43)	1,599,974	160	-	-
Qualified Institutions Placement (refer note 15(f))	2,908,583	291	-	-
Shares outstanding at the end of the year	**51,349,145**	**5,135**	**46,738,588**	**4,674**

b) Terms and rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Parent Company as on year end

Name of Shareholders	March 31, 2020		March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹ 10 each fully paid				
Mr. Ajay Bijli	5,508,796	10.73	5,410,298	11.58
ICICI Prudential Equity Saving Fund	4,852,883	9.45	-	-
Mr. Sanjeev Kumar	3,740,242	7.28	3,728,892	7.98
Berry Creek Investment Limited	3,582,585	6.98	3,582,585	7.67
Gray Birch Investment Limited	2,958,888	5.76	2,958,888	6.33

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

d) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date, wherever applicable is given below:

	(Aggregate No. of Shares)				
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
The Parent Company issued shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services	-	-	51,650	158,050	422,668

e) Shares reserved for issue under option

For details of equity shares reserved for issue under the employees stock option (ESOP) plan of the Parent Company, refer note 34.

f) Qualified Institutions Placement

i During the year ended March 31, 2020, the Parent Company has completed the Qualified Institutions Placement ('QIP') under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, pursuant to which 29,08,583 equity shares having a face value of ₹ 10 each were issued and allotted, at an issue price of ₹ 1,719.05 per equity share (including a securities premium of ₹ 1,709.05 per equity share), aggregating to ₹ 50,000 lakh.

ii The proceeds of Qualified Institutions Placement amounts to ₹ 48,977 lakh (net of issue related expenses which has been adjusted against securities premium). As per the placement document, QIP proceeds can be utilised for repayment/ prepayment of a part of our outstanding indebtedness, funding expenditure towards implementation of our strategy on expanding our screen network, general corporate purposes and other corporate exigencies, including but not limited to, funding balance milestone based payments in relation to our acquisition of SPI Cinemas, long and short term working capital requirements, strategic investments/ acquisitions and expenditure towards refurbishment of our existing cinemas. As on March 31, 2020, 12% of QIP proceeds are unutilised and have been temporarily invested in debt highly liquid mutual funds.

16 Other equity (refer Consolidated Statement of Changes in Equity)

	March 31, 2020	March 31, 2019
Securities premium	122,627	47,124
The amount received (on issue of shares) in excess of the face value has been classified as securities premium.		
Share option outstanding account (Refer note 34)	532	611
The share option outstanding account is used to record value of equity-settled share based payment transactions with employees. The amount recorded in this account are transferred to securities premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.		
Share pending issuance	-	24,999
Shares pending allotment to SPI Cinemas shareholder, to be alloted on merger of SPI Cinemas with the Parent Company. Pursuant to merger order received from NCLT on August 23, 2019, equity shares were alloted to SPI Cinemas shareholder on September 3, 2019. (refer note 43)		
Debenture redemption reserve (DDR)	-	7,930
The Parent Company had issued secured rated listed Non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), required the Parent Company to create DRR out of profits of the Parent Company available for payment of dividends. DRR was required to be created for an amount equivalent to at least 25% of the value of debentures issued and accordingly the Parent Company had created the same. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019, the requirement with respect to creation of DRR has been done away with accordingly the outstanding balance of DRR is transferred to retained earnings.		
Capital reserve	602	602
Reserve created under the scheme of arrangement (Business Combination). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
General reserve	4,687	4,716
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to Statement of Profit and Loss.		
Retained earnings	14,439	58,913
Retained earnings comprise of the Group's accumulated undistributed earning after taxes including Other Comprehensive Income (OCI).		
Total other equity	**142,887**	**144,895**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

16A Distribution made and Proposed

	March 31, 2020	March 31, 2019
Dividends on equity shares declared, approved and paid during the year		
Final Dividend of ₹ 2 per share for FY 2018-19 (FY 2017-18 : ₹ 2 per share)	935	935
Interim Dividend of ₹ 4 per share for FY 2019-20 (FY 2018-19 :₹ Nil per share) (refer note 46)	2,054	-
	2,989	**935**
Proposed dividends on equity shares:		
Final Dividend for the year ended March 31, 2020: ₹ Nil per share (March 31, 2019: ₹ 2 per share)	-	935
	-	**935**

17 Non-controlling interest (NCI)

	March 31, 2020	March 31, 2019
Zea Maize Private Limited		
Non-controlling Interest in Equity	1	1
Non-controlling Interest in Securities premium	175	175
Non-controlling Interest in Non-Equity		
Share of profit/(loss) brought forward	(130)	(87)
Impact of change in share of profit/(loss) pertaining to earlier years due to change in ownership percentage	29	-
Share of profit/(loss) of the current year	(46)	(43)
	29	**46**
Note:		
Non-controlling Interest in Equity of subsidiaries	1	1
Non-controlling Interest in Securities premium of a subsidiaries	175	175
Non-controlling Interest in Non-Equity of subsidiaries	(147)	(130)
	29	**46**

18 Long-term borrowings

(at amortised cost)

	Non-current portion		Current maturities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Debentures				
Secured Rated Listed Non-convertible Debentures	26,996	40,957	13,962	10,950
(net of transaction cost)				
Term loans				
Secured term loans from banks	64,348	59,318	5,429	6,225
Other loans				
Secured finance lease obligation from body corporate (refer note 19)	-	1,601	-	673
	91,344	**101,876**	**19,391**	**17,848**
Amount disclosed under the head 'Other financial liabilities' (refer note 23)	-	-	(19,391)	(17,848)
	91,344	**101,876**	**-**	**-**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Notes:

a. Secured Rated Listed Non-convertible Debentures (NCD):

Particulars	Effective Interest Rate (p.a.)	Date of Allotment	Repayment Period	Repayment Ratio	Amount
500 (March 31, 2019: 750) of ₹ 1,000,000 each	11.00%	16/Oct/14	4th to 7th year	25:25:25:25	5,000
350 (March 31, 2019: 500) of ₹ 1,000,000 each	11.00%	24/Nov/14	5th to 7th year	30:30:40	3,500
1,000 (March 31, 2019: 1,000) of ₹ 1,000,000 each	10.75%	9/Jan/15	6th and 7th year	50:50	10,000
500 (March 31, 2019: 500) of ₹ 1,000,000 each	7.84%	12/Jan/17	3 years and 6 months	100	5,000
250 (March 31, 2019: 250) of ₹ 1,000,000 each	8.05%	3/Apr/17	4th year	100	2,500
500 (March 31, 2019: 500) of ₹ 1,000,000 each	8.15%	3/Apr/17	5th year	100	5,000
500 (March 31, 2019: 500) of ₹ 1,000,000 each	7.85%	18/Aug/17	5th year	100	5,000
500 (March 31, 2019: 500) of ₹ 1,000,000 each	8.72%	16/Apr/18	3rd,4th and 5th year	20:40:40	5,000
					41,000

All Debentures are secured by mortgage on immovable properties (excluding immovable properties at Gujarat, a flat at Bangalore and assets taken on lease) ranking pari passu and secured by first pari passu charge on movable assets of the Parent Company (excluding vehicles hypothecated to banks and assets taken on lease) and all receivables of the Parent Company both present and future.

b. (i) Term loan from banks are secured by first pari passu charge over all movable and immovable fixed assets of the Parent Company (excluding immovable properties at Gujarat, a flat at Bangalore, vehicles hypothecated to banks and assets taken on lease) and receivables of the Parent Company both present and future.

(ii) Above loans are repayable in equal/ unequal monthly/ quarterly instalments as follows:

Particulars	March 31, 2020	March 31, 2019
Secured Rated Listed Non-convertible Debentures:		
Repayable within 1 year	14,000	11,000
Repayable within 1 - 3 year	25,000	27,000
Repayable after 3 years	2,000	14,000
Term Loan:		
Repayable within 1 year	5,465	6,226
Repayable within 1 - 3 year	22,154	17,330
Repayable after 3 years	42,229	41,987

(iii) Term Loan from banks carries variable interest rate based on respective bank benchmark rate, effective rate of interest varying in between 8.45% p.a to 9.2% p.a.

(iv) The Parent Company has availed the first moratorium tranche announced by Reserve Bank of India and has adjusted the current and non current balance of term loan based on revised repayment schedule agreed with Banks. Further, the Parent Company has also availed the second Moratorium as allowed by the RBI for which the repayment schedule has not been agreed till date of approval of the consolidated financial statements.

(v) The Group has satisfied all material debt covenants.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

19 Lease liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Lease liabilities	356,911	-	20,236	-;
	356,911	**-**	**20,236**	**-**

Adoption of Ind AS 116 - 'Leases':

The Group has taken various premises on operating lease for running its movie exhibition business. The leases are typically with a non-cancellable lease term of 5-7 years, with an option to Group to extend the lease term till 15-20 years. The Group exercise right of extension/termination basis economic viability of the property. After non-cancellable period, the Group can exit from the property without any material financial obligations towards the developers/lessors. Further, there are no significant restrictions / covenants imposed by such leases.

With effect from April 1, 2019, the Group has adopted Ind AS 116, 'Leases' using modified retrospective approach with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (April 1, 2019). Accordingly, the Group is not required to restate the comparative information for the year ended March 31, 2019.

As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, On April 1, 2019, the Group has recognised, a lease liabilities amounting to ₹ 327,453 lakh measured at the present value of the remaining lease payments and Right-of-Use (ROU) assets amounting to ₹ 249,262 lakh at its carrying amount as if the standard had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. This has resulted in an adjustment to the opening balance of retained earnings amounting to ₹ 50,868 lakh (net of deferred taxes amounting to ₹ 27,323 lakh).

In the Consolidated Statement of Profit and Loss for the year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from rent (other operating expenses), in the previous year ended March 31, 2019, to amortisation on right-of-use assets (depreciation and amortisation expense) and interest on lease liabilities (finance costs). During the year ended March 31, 2020, the Group recognised ₹ 31,426 lakh of amortisation of right-of-use-assets and ₹ 33,194 lakh of interest on lease liabilities in Consolidated Statement of Profit and Loss in respect of such leases.

a. Reconciliation of Lease liabilities:

	Amount
Lease liabilities as on April 1, 2019	329,731
Add : Lease liabilities addition for leases entered during the year	63,876
Add : Finance costs charged on lease liabilities during the year	33,194
Less : Actual rent paid during the year	(49,654)
Lease liabilities as on March 31, 2020	**377,147**

b. Expenses relating to variable lease payments amounting to ₹ 3,984 lakh for the year ended March 31, 2020 has been included under the head other operating expenses (Rent).

c. Expenses relating to short term lease amounting to ₹ 1,261 lakh for the year ended March 31, 2020 has been included under the head other operating expenses (Rent).

d. Income relating to subleasing of Right to use assets amounting to ₹ 831 lakh is clubbed in food court income (Other operating revenue) for the year ended March 31, 2020.

e. Maturity analysis of lease liabilities

Particulars	**March 31, 2020**
Lease liabilities	
Repayable within 1 year	20,236
Repayable within 1 - 3 year	48,765
Repayable after 3 years	308,146

f. As on April 1, 2019, secured finance lease obligation from body corporate amounting to ₹ 2,274 lakh which were classified under long-term borrowings and other financial liabilities as on March 31, 2019 have been reclassified as lease liabilities on adoption of Ind AS 116.

Further, such lease liabilities are secured by hypothecation of plant and machinery taken on lease. The interest rate implicit in the lease is varying between 11.37% p.a. to 13.99% p.a. The payment is scheduled in 28 equal quarterly instalments from the start of lease agreements.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

20 Provisions

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Provision for gratuity (net) (refer note 33)	668	983	8	6
Provision for leave benefits	694	842	425	315
	1,362	**1,825**	**433**	**321**

21 Short-term borrowings (at amortised cost)

	March 31, 2020	March 31, 2019
Short-term loan	5,000	-
Unsecured commercial paper (net of transaction cost)	-	4,955
Secured bank overdraft	13,734	3,560
	18,734	**8,515**

Notes:

i. Bank overdraft is secured by first pari passu charge on all current assets of the Parent Company including inventories and receivables both present and future. It carries variable interest rate based on respective banks benchmark rate, effective rate of interest varying in between 8.40% p.a. to 9.30% p.a. In one of the subsidiary, the Bank overdrafts facility from a bank is secured by way of hypothecation of current and movable property, plant and equipment of the subsidiary Company and carries interest rate @ 11% per annum.

ii. In respect of Commercial Paper maximum amount outstanding during the year was ₹ 20,000 lakh (March 31, 2019 : ₹ 15,000 lakh) with a maturity period of 3 months, effective rate of interest varying from 6.60% p.a. to 7.55% p.a.

iii. In respect of Short-term loan from a Bank, maximum amount outstanding during the year was ₹ 5,000 lakh (March 31, 2019 : ₹ Nil) with a maturity period of 6 months, effective rate of interest 8.25% p.a.

iv. As at March 31, 2020, the Group had available ₹ 1,366 lakh (March 31, 2019: ₹ 13,140 lakh) of undrawn committed borrowing facilities.

22 Trade payables

	March 31, 2020	March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	215	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	31,028	36,771
	31,243	**36,771**

23 Other financial liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Payables on purchase of property plant and equipment	-	-	6,855	6,844
Payable for acquisition of business - Deferred consideration (refer note 43)	6,118	-	2,480	10,000
Security deposits	4,234	4,217	1,325	632
Current maturities of long-term borrowings (refer note 18)	-	-	19,391	17,848
Interest accrued but not due on borrowings				
- Debentures and others	-	-	567	769
Unpaid dividends[1]	-	-	12	7
	10,352	**4,217**	**30,630**	**36,100**

[1] Unclaimed amounts are transferred to Investor Education and Protection Fund after seven years from the due date.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

24 Other liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Advances from customers[1]	5,709	18,499	20,747	17,620
Employee benefits payables	-	-	3,897	3,642
Statutory dues payable	-	-	3,128	2,354
	5,709	**18,499**	**27,772**	**23,616**

[1] During the previous year ended March 31, 2019 the Parent Company has renewed its non-exclusive agreements with the online ticketing aggregators, for booking and selling Parent Company's ticketing inventory, through their web and app based platforms for a term of 3 years.

25 Revenue from operations

	March 31, 2020	March 31, 2019
Sale of services [refer (a) below]	243,523	221,040
Sale of food and beverages [refer (b) below]	96,046	85,839
Other operating revenue [refer (c) below]	1,875	1,677
	341,444	**308,556**

(a) Details of services rendered

	March 31, 2020	March 31, 2019
Income from sale of movie tickets	173,115	163,543
Advertisement income	37,588	35,352
Income from movie production and distribution	12,149	6,192
Convenience fees	17,193	13,035
Virtual print fees	3,478	2,918
	243,523	**221,040**

During the year ended March 31, 2020, ₹ 1,077 lakh (March 31, 2019 : ₹ 192 lakh) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2020, the Group has recognised revenue of ₹ 12,871 lakh (March 31, 2019 : ₹ 4,608 lakh) from opening unearned revenue.

(b) Details of products sold

	March 31, 2020	March 31, 2019
Sale of food and beverages	96,046	85,839
	96,046	**85,839**

(c) Details of other operating revenue

	March 31, 2020	March 31, 2019
Food court income	1,302	1,141
Gaming income	523	470
Management fees	50	66
	1,875	**1,677**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

26 Other income

	March 31, 2020	March 31, 2019
Government grant	256	918
Net gain on redemption of mutual fund investments	485	300
Interest earned on		
Bank deposits	123	118
NSC's Investments	8	12
Interest Income from financial assets at amortised cost	1,096	824
Others	140	265
Exchange differences	189	75
Net gain on disposal of property, plant and equipment	43	-
Other non-operating income (net) (liabilities written back ₹ 183 lakh (March 31, 2019: ₹ 119 lakh))	1,439	802
	3,779	**3,314**

27 Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries, wages, allowances and bonus	34,870	29,804
Contribution to provident and other funds	1,875	1,423
Employee stock option scheme (refer note 34)	120	296
Gratuity expense (unfunded) (refer note 33)	26	13
Staff welfare expenses	2,490	2,190
	39,381	**33,726**

28 Finance costs

	March 31, 2020	March 31, 2019
Interest on		
Debentures	4,124	5,341
Term loans	6,000	3,009
Banks and others	643	858
Interest on lease liabilities (refer note 19)	33,194	-
Other financial charges	4,218	3,593
	48,179	**12,801**

29 Depreciation and amortisation expense

	March 31, 2020	March 31, 2019
Amortisation on right-of-use assets (refer note 19)	31,426	-
Depreciation on tangible assets	20,499	16,843
Amortisation on intangible assets	2,321	2,285
	54,246	**19,128**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

30 Other operating expenses

		March 31, 2020		March 31, 2019
Rent (refer note 19)		7,698		50,785
Less: Rental income from sub-lessees		-		(194)
Net rent expenses		**7,698**		**50,591**
Electricity and water charges (net of recovery)		20,560		18,107
Common area maintenance (net of recovery)		15,478		13,016
Repairs and maintenance		14,199		11,739
Movie production, distribution and print charges		12,708		4,406
Marketing expenses		4,866		4,833
Rates and taxes		1,701		2,083
Security service charges		3,525		2,764
Travelling and conveyance		3,032		3,263
Legal and professional fees[1]		3,243		6,006
Communication costs		1,680		1,439
Net loss on disposal of property, plant and equipment		-		143
Printing and stationery		540		534
Insurance		660		394
CSR Expenditure (refer note 40)		468		360
Allowance for doubtful debts and advances		1,483		1,273
Bad Debts/advances written off	284		53	
Less: Utilised from provisions	(228)	56	-	53
Inventories written off [2]		183		-
Directors' sitting fees		12		10
Contribution to political parties [3]		1,200		-
Exchange differences		142		13
Miscellaneous expenses		1,256		1,103
		94,690		**122,130**

1 Payment to auditors (included in legal and professional fees above) *

As auditor:	March 31, 2020	March 31, 2019
Audit fees	45	54
Limited reviews	31	24
Tax audit fees	5	5
Other certifications	8	13
Reimbursement of out of pocket expenses	9	8
	98	**104**

* Excludes fees paid to statutory auditors of ₹ 32 lakh (March 31, 2019: ₹ Nil) and out of pocket expenses of ₹ 2 lakh (March 31, 2019:₹ Nil) for QIP related services.
2 Due to COVID-19 outbreak, all perishable inventories expiring in short span of time has been written off.
3 Contribution to political parties represents contribution under Section 182 of the Companies Act, 2013.

31 Other comprehensive income

	March 31, 2020	March 31, 2019
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Items that will not be reclassified to profit or loss in subsequent period:		
Re-measurement gains/(loss) on defined benefit plans	226	(606)
Gain/(loss) on equity instruments designated at FVTOCI (refer note 5B)	(820)	(874)
Income tax on re-measurement loss on defined benefit plans	(74)	203
	(668)	**(1,277)**
Items that will be reclassified to profit or loss in subsequent period:		
Exchange difference in translating foreign subsidiary	7	(22)
	(661)	**(1,299)**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

32 Earnings per share (EPS)

	March 31, 2020	March 31, 2019
The following reflects the profit and shares data used in the basic and diluted EPS computations:		
Net Profit after tax	2,730	18,983
Weighted average number of equity shares outstanding during the year for computation of Basic EPS *	49,612,040	47,733,640
Add: Weighted average number of potential equity shares on account of employee stock options	250,352	300,000
Weighted average number of equity shares (including dilutive shares) outstanding during the year for computation of Diluted EPS	49,862,392	48,033,640
Basic earnings per equity share (in ₹) (Face value of ₹ 10 per equity share)	5.50	39.77
Diluted earnings per equity share (in ₹) (Face value of ₹ 10 per equity share)	5.47	39.52

* Includes impact of shares issued pursuant to business combination, refer note 43.

33 Gratuity:

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 days last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The Parent Company Gratuity scheme is funded with two insurance companies in the form of a qualifying insurance policies. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets. Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments and debt instruments. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise. Gratuity scheme of subsidiaries is unfunded.

As the plan assets include investments in quoted mutual funds, the Group has diversified the market risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in employee cost

Particulars	Funded		Unfunded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current service cost	440	249	20	9
Interest cost on benefit obligation	44	12	6	4
Expected return on plan assets	-	10	-	-
Net benefit expense	**484**	**271**	**26**	**13**

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Balance sheet

Benefit Assets/ liabilities

Particulars	Funded		Unfunded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Defined benefit obligation	3,240	3,066	91	83
Fair value of plan assets	2,655	2,160	-	-
Plan asset/(liability)	(585)	(906)	(91)	(83)

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Funded		Unfunded	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening defined benefit obligation	3,066	1,882	83	46
Adjustment on account of amalgamation with SPI Cinema Private Limited	-	368	-	-
Interest cost	206	144	6	4
Past service cost	1	-	-	-
Current service cost	440	249	20	9
Benefits paid	(203)	(175)	(5)	(1)
Actuarial losses/(gain) – experience	146	356	(9)	23
Actuarial losses/(gain) – demographic assumptions	(111)	-	-	-
Actuarial losses/(gain) – financial assumptions	(305)	242	(4)	2
Closing defined benefit obligation	**3,240**	**3,066**	**91**	**83**

Amount routed through OCI ₹ 226 lakh (March 31, 2019 : ₹ (606) lakh)

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Opening fair value of plan assets	2,160	1,365
Adjustment on account of merger with SPI Cinema Private Limited (refer note 43)	-	407
Return on plan assets greater/(lesser) than discount rate	(56)	17
Interest income on plan assets	162	122
Benefits paid	(203)	(151)
Contribution by employer	592	400
Closing fair value of plan assets	**2,655**	**2,160**

The Parent Company expects to contribute ₹ 948 lakh (March 31, 2019 ₹ 667 lakh) to gratuity fund in the financial year 2020-21.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Funds managed by Insurer*	98.42	96.82
Bank balances	1.58	3.18

* Plan assets are held by 'ICICI Prudential Life Insurance Company Limited' primarily into Group Balanced fund & Group Debt fund, 'Bajaj Allianz Life Insurance Company Limited' into Bajaj Secure gain fund, 'Birla Sunlife Insurance Company Limited' into Group secure fund and Group bond fund and Life Insurance Company.

The principal assumptions used in determining gratuity obligations for the Parent Company's plans are shown below:

Particulars	March 31, 2020 (%)	March 31, 2019 (%)
Discount rate (p.a.)	5.80	6.80
Expected rate of return on plan assets (p.a)	5.80	6.80
Increase in compensation cost (p.a)	0.00 for the first year and 7.50 thereafter	10.50 for first 2 years and 9.00 thereafter
Employee turnover		
Manager Grade	14	15
Executive Grade	53	55

The estimates of future salary increases considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.

Demographic assumption

Particulars	March 31, 2020	March 31, 2019
Retirement age	60 Years	60 Years
Mortality rate	IALM (2006 - 08)	IALM (2006 - 08)

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Historical information: Funded

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Present value of defined benefit obligation	3,240	3,066	1,882	1556	1139
Fair value of plan assets	2,655	2,160	1365	1268	604
Asset / (liability) recognised	(585)	(906)	(517)	(288)	(535)

Historical information: Non Funded

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Present value of defined benefit obligation	91	83	46	70	59
Fair value of plan assets	-	-	-	-	-
Asset / (liability) recognised	(91)	(83)	(46)	(70)	(59)

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations for the Parent Company are as follows:

Particulars	March 31, 2020	March 31, 2019
Experience adjustment on plan liabilities	5.80	6.80
Experience adjustment on plan assets	5.80	6.80

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions of the Parent Company as at March 31, 2020 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(121.38)	133.32
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	111.38	(103.50)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(67.49)	94.04

A quantitative sensitivity analysis for significant assumptions of the Parent Company as at March 31, 2019 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(152.01)	172.33
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	175.96	(158.39)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(96.31)	133.03

The sensitivity analysis above has been determined on the basis of actuarial certificate.

Maturity profile of defined benefit obligation of the Group :

Expected benefit payments for the year ending March 31, 2020	Amount
March 31, 2021	956
March 31, 2022	698
March 31, 2023	550
March 31, 2024	441
March 31, 2025	408
March 31, 2026 to March 31, 2030	1860

Expected benefit payments for the year ending March 31, 2019	Amount
March 31, 2020	720
March 31, 2021	563
March 31, 2022	481
March 31, 2023	421
March 31, 2024	416
March 31, 2025 to March 31, 2029	2316

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The sensitivity analysis above has been determined on the basis of actuarial certificate.

Defined Contribution Plan:

Particulars	March 31, 2020	March 31, 2019
Charged to Statement of Profit and Loss (including Capital work in progress of ₹ 65 lakh (March 31, 2019: ₹ 62 lakh)	1,453	1,357

34 Employee Stock Option Plans

The Parent Company has provided stock options to its employees. During the year 2019-20, the following schemes were in operation:

PVR ESOS 2017:	
Date of grant	July 26, 2017
Date of Shareholder's approval	July 24, 2017
Date of Board approval	May 30, 2017
Number of options granted	240,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than three years from the date of grant of options.
Exercise Period	Within a period of two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Parent Company.
Market value on grant date	₹ 1,381.7
Weighted average fair value of options granted on the date of grant	₹ 252.48

The details of activity under PVR ESOS 2017 have been summarised below:

Particulars	2019-20		2018-19	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	240,000	1,400	240,000	1,400
Granted during the year	-	-	-	-
Forfeited/Expired during the year	-	-	-	-
Exercised during the year	64,000	1,400	-	-
Outstanding at the end of the year	176,000	1,400	240,000	1,400
Exercisable at the end of the year	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2020	March 31, 2019
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.59%	24.46%
Risk-free interest rate	6.33%	6.23%
Exercise price (₹)	1400	1400
Expected life of option granted in years	3.17	2.17

The Parent Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 1,400. As a result, an expense of ₹ 98 lakh (March 31, 2019 : ₹ 243 lakh) is recorded in Statement of Profit and Loss in current year.

PVR ESOS 2017:	
Date of grant	August 11, 2017
Date of Shareholder's approval	July 24, 2017
Date of Board approval	May 30, 2017
Number of options granted	60,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than three years from the date of grant of options.
Exercise Period	Within a period of two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Parent Company.
Market value on grant date	₹ 1,381.70
Weighted average fair value of options granted on the date of grant	₹ 252.48

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The details of activity under PVR ESOS 2017 have been summarised below:

Particulars	2019-20		2018-19	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	60,000	1,400	60,000	1,400
Granted during the year	-	-	-	-
Forfeited/Expired during the year	-	-	-	-
Exercised during the year	38,000	1,400	-	-
Outstanding at the end of the year	22,000	1,400	60,000	1,400
Exercisable at the end of the year	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2020	March 31, 2019
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.59%	24.46%
Risk-free interest rate	6.33%	6.23%
Exercise price (₹)	1400	1400
Expected life of option granted in years	3.17	2.17

The Parent Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 1,400. As a result, an expense of ₹ 26 lakh (March 31, 2019 : ₹ 63 lakh) is recorded in financial statements in current year of which ₹ 4 lakh (March 31, 2019 : ₹ 10 lakh) is capitalised under Capital work-in progress and balance ₹ 22 lakh (March 31, 2019 : ₹ 53 lakh) is debited in Statement of Profit and Loss.

35 Capital & Other Commitments

(a) Capital Commitments

Particulars	2019-20	2018-19
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	14,288	15,440

(b) Other Commitments

The Group was availing Entertainment tax/ GST exemptions, in respect of certain Multiplexes as per the erstwhile State Government schemes & is under obligation to operate respective Multiplexes for a certain number of years.

36 Contingent Liabilities

Sl. No.	Particulars	March 31, 2020	March 31, 2019
a)	Estimated tax exposure against various appeals filed by the Group against the demand with Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal and High Court with regard to certain expenses disallowed by the assessing officer in respect of financial year ended March 31, 2017, 2016, 2015, 2014, 2013, 2012,2011, 2010, 2009, 2008, 2007, 2006. (The Group has paid an amount of ₹ 1,081 lakh (March 31, 2019: ₹ 938 lakh) which is appearing under Note 8).	2,769	3,111
b)	Demand of entertainment tax under Assam Amusement and Betting Tax Act, 1939 where appeal is pending before Supreme Court.	334	334
c)	Notice from Entertainment Tax Department Chennai against short deposit of Entertainment Tax on regional movies.	43	43
d)	Notice from Commercial Tax Department, Indore against alleged collection of Entertainment tax during exemption period.	823	823
e)	Notice from Entertainment Tax Department Maharashtra in respect of levy of Entertainment tax on Convenience fees.	161	161
f)	Show cause notices raised by Service tax authorities on levy of service tax on 3D glass charges, TM charges, convenience fee, activity of movie distribution/exhibition, admission to alleged bowling alleys (The Group has already deposited under protest an amount of ₹ 249 lakh (March 31, 2019: ₹ 267 lakh))	5,663	5,055
g)	Demand raised with regard to service tax on food and beverages (The Group has already deposited under protest an amount of ₹185 lakh (March 31, 2019 : ₹ 185 lakh))	3,668	3,666

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Sl. No.	Particulars	March 31, 2020	March 31, 2019
h)	Estimated tax exposure of Service tax on sale of food and beverages.	6,032	6,032
i)	Demand of VAT under various states VAT Acts where appeal is pending before competent authority (The Group has already deposited under protest an amount of ₹ 28 lakh (March 31, 2019 : ₹ 27 lakh))	717	1,367
j)	Demand from Entertainment Tax Department of Tamil Nadu in respect of levy of Entertainment tax on Convenience fees.	2,314	2,314
k)	Demand of entry tax in the state of Telangana for various material imported into the State. The Group has already deposited under protest an amount of ₹ 25 lakh (March 31, 2019 : ₹ 25 lakh)	101	101
l)	Demand of Entertainment tax under Rule 22 of Punjab Entertainment Tax (Cinematographs shows) Rules, 1954 (The Group has already deposited under protest an amount of ₹ 40 lakh (March 31, 2019: ₹ 40 lakh))	160	144
m)	Demand of entertainment tax under Andhra Pradesh Entertainment tax FY 2011-12 to 2014-15	-	99
n)	Demand under Employees Provident Fund Act, 1952 (The Group has already deposited under protest an amount of ₹ 38 lakh (March 31, 2019 : ₹ 38 lakh))	106	106
o)	Tax assessment & Demand bill issued by Superintendent of Tax Kolhapur Municipal Corporation. (The Group has already deposited under protest an amount of ₹ 3 lakh (March 31, 2019: ₹ Nil))	20	-
p)	Labour cases pending *	Amount not ascertainable	Amount not ascertainable

* In view of the several number of cases, pending at various forums/courts, it is not practicable to furnish the details of each case, however, as per management estimate, the amount in aggregate is not material. Based on the discussions with the solicitors, the management believes that the Group has strong chances of success in the cases and hence no provision is considered necessary.

During the previous year, pursuant to judgment by the Hon'ble Supreme Court dated February 28, 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgment and period from which the same applies. The Group has estimated the impact of the same from March 1, 2019 to March 31, 2019 based on a prospective approach and has recognised the same in the financial statements.

Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Group has not recognised any provision for the previous years. Further management also believes that the impact of the same on the Group will not be material.

37 Un-hedged Foreign Currency exposure

Particulars of un-hedged foreign currency exposure as at the balance sheet date:

Particulars	Currency	March 31, 2020	March 31, 2019
a) Cash on Hand	Thai Bhat	0.87	0.49
	Hong Kong Dollar	0.21	0.19
	Korean Won	0.00	-
	UK Pound	0.19	0.19
	Singapore Dollar	0.68	0.63
	US Dollar	4.00	0.66
	LKR	0.25	0.01
	Malaysian Ringgit	0.33	-
	Euro	4.01	4.05
	Dirham	1.24	0.59
Total		**11.78**	**6.82**
b) Balances with bank	US Dollar	189	-
c) Payable for purchase of Property, Plant and Equipment (net of advances)	US Dollar	-	1,353

38 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

The Government of India has promulgated an Act namely The Micro, Small and Medium Enterprise Development Act, 2006 which comes into force with effect from October 02, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of terms agreed with the suppliers. The Parent Company has sent the confirmation letters to its suppliers at the year end, to identify the supplier registered with the act. As per the information available with the Parent Company, none of the supplier has confirmed that they have registered with the Act. In view of this, the liability of interest has not been provided nor is required disclosure done.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Dues to Micro and Small Enterprises (In Subsidiaries)

Particulars		March 31, 2020	March 31, 2019
i.	Amount remaining unpaid to micro and small suppliers as at end of the year		
	Principal	215	-
	Interest	-	-
ii.	The amount of interest paid by the buyer as per Micro and Small Enterprise Development Act, 2006	-	
iii.	The amount of payments made to Micro and Small Suppliers beyond the appointed day during each accounting year	11	-
iv.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT 2006.	0	-
v.	The amount of interest accrued and remaining unpaid at the end of each accounting year;	0	-
vi.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED ACT 2006.	-	-

39 The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation of international transactions with the associated enterprises during the financial year and expects such records to be in existence latest by the due date of filing the return of income. The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on these consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

40 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the Parent Company, meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, care for destitute women and rehabilitation of under privileged person, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Parent Company as per the Act.

During the year, the Parent Company has spent ₹ 450 lakh through PVR Nest (related party) and ₹ 18 lakh through others. PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

Particulars	March 31, 2020	March 31, 2019
Gross amount required to be spent by the Parent Company during the year	468	360
Amount spent during the year (refer note 30)	468	360

41 Disclosure required under Sec 186(4) of the Companies Act 2013

Full particulars of loans given, investment made, guarantee given, security provided together with purpose in terms of Section 186(4) of the Companies Act, 2013

Investment made

Particulars	Full particulars	Purpose	March 31, 2020	March 31, 2019
Vkaao Entertainment Private Limited	Equity share of ₹ 10 each 3,000,000 (March 31, 2019: Equity share of ₹ 10 each 3,000,000)	Vkaao is engaged in the business of private screening of movies (Movie on Demand) for its consumers through theatres	59	112
PVR Pictures International Pte. Limited[1]	Equity share of SGD 1 each Nil (March 31, 2019: Equity share of SGD 1 each 500)	Movie distribution business outside of India	-	0

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Loan given

Particulars	Rate of Interest (p.a)	Due Date	Secured/ Unsecured	March 31, 2020	March 31, 2019
Sandhya Prakash Limited[2]	18%	13 monthly instalments adjusted with lease rentals till April 2018.	Unsecured	54	54
Evergreen Cine Services Pvt. Ltd. [3]	Nil	Repayable on demand	Unsecured	133	133

1 During the year ended March 31, 2018, PVR Pictures Ltd. (wholly-owned subsidiary of the Parent Company) had invested through Joint Venture with M/s Cinestar Limited in M/s PVR Pictures International PTE Limited, Singapore (incorporated on February 23, 2018) wherein both the ventures have subscribed equally for SGD 500 equity shares each and SGD 49,500 towards share application money pending allotment. The share application money (SGD 49,500) has been credited on July 26, 2018 and the balance SGD 500 equity shares has been surrendered and funds were credited in our bank account on September 18, 2019.

2 The loan had been given to Sandhya Prakash Ltd. (Mall Developer) for their capital expenditure requirement, where the Parent Company has an existing operational cinema. During the year, the Parent Company has created a provision against the outstanding loan amount.

3 Provision has been created against the outstanding loan amount. These loans were transferred from SPI by virtue of merger.

42 Fair Value

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value.

The carrying value & fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Note	Level of hierarchy	Carrying Amount		
			Amortised Cost	Financial Assets/ liabilities at fair value through profit or loss	Financial Assets/ liabilities at fair value through OCI
Financial Assets:					
Investments - FVTOCI	5B	-	-	-	-
Investments - Amortised cost	5B	-	167	-	-
Loans	14	3	24,823	-	-
Trade receivables	12	-	18,926	-	-
Cash and cash equivalents	13A	-	31,559	-	-
Bank balances other than cash and cash equivalents, above	13B	-	671	-	-
Other financial assets	6	-	4,685	-	-
Total			**80,831**	**-**	**-**
Financial Liabilities:					
Borrowings (including current maturities)					
- Secured Rated Listed Non-convertible Debentures	18	1	40,958	-	-
- Other borrowings	18 and 21	3	88,511	-	-
Lease Liabilities	19	3	377,147		
Trade payables	22	-	31,243	-	-
Other financial liabilities - Deferred consideration (Refer note 43)	23	3	8,598	-	-
Other payables	23	-	12,993	-	-
Total			**559,450**	**-**	**-**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The carrying value & fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Note	Carrying Amount			
		Level of hierarchy	Amortised Cost	Financial Assets/ liabilities at fair value through profit or loss	Financial Assets/ liabilities at fair value through OCI
Financial Assets:					
Investments - FVTOCI	5B	1	-	-	820
Investments - Amortised cost	5B	-	173	-	-
Loans	14	3	24,188	-	-
Trade receivables	12	-	18,386	-	-
Cash and cash equivalent	13A	-	2,817	-	-
Bank balances other than cash and cash equivalents, above	13B	-	597	-	-
Other financial assets	6	-	4,387	-	-
Total			**50,548**	**-**	**820**
Financial Liabilities:					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	18	1	51,907	-	-
- Other borrowings	18 and 21	3	76,332	-	-
Trade payables	22	-	36,771	-	-
Other financial liabilities - Deferred consideration (Refer note 43)	23	3	10,000	-	-
Other payables	23	-	12,469	-	-
Total			**187,479**	**-**	**-**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial liabilities and assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

- Long-term fixed-rate and variable-rate receivables/deposit are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables/deposits.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- There is no significant estimate involved in level 3. Further, the deferred consideration is based on the present value of the expected cash outflows discounted using risk adjusted discount rate i.e 9.50% p.a. The estimated fair value of deferred consideration would increase/ decrease if the expected cash outflows were higher/lower or the risk adjusted discount rate was higher/lower.

43 Business Combinations

Acquisition and merger of SPI Cinemas Private Limited:

During the previous year, the Board of Directors in its meeting held on August 12, 2018, approved the acquisition of SPI Cinemas Private Limited ('SPI') via Share Purchase Agreement (SPA) signed on August 12, 2018 by way of acquisition of 71.69% equity shares in SPI for a cash consideration (including deferred consideration) of ₹ 63,560 lakh and for the balance 28.31% stake, through issue of 1,599,974 equity shares of the Parent Company to SPI shareholders in the ratio of 1: 18.19 equity shares in the Parent Company, pursuant to the proposed scheme of amalgamation. Consequent to above, on fulfilment of condition precedent in the said SPA, on August 17, 2018, the Parent Company completed the acquisition of 71.69% shareholding in SPI. The scheme of amalgamation got approved by National Stock Exchange of India Limited, BSE Limited, by the members, secured and unsecured creditors of the Parent Company and unsecured creditors of SPI in the NCLT convened meetings on April 24, 2019.

Pursuant to an application filed with National Company Law Tribunal for final order on aforesaid matter, the Hon'ble Principal Bench of The National Company Law Tribunal at New Delhi vide its Order dated August 23, 2019 has approved the Scheme of Amalgamation ('Scheme') between the Parent Company, SPI Cinemas Private Limited ('SPI') and their respective shareholders and creditors, under

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and the rules and regulations framed thereunder, effective from the appointed date of August 17, 2018. With effect from the appointed date and upon the Scheme becoming effective, entire business of SPI including its assets, properties, rights, benefits, interests and liabilities has been transferred to and vested in the Company, as a going concern.

The Parent Company has given effect to the accounting treatment in the books of accounts in accordance with acquisition method as per Indian Accounting Standard (Ind AS) 103 'Business Combinations', as prescribed by Section 133 of the Companies Act, 2013. Consequently, the consolidated financial figures for the year ended March 31, 2019 which was earlier approved by the Board of Directors at their meeting held on May 10, 2019 have been represented only to give effect to the Scheme.

The Parent Company during the previous year ended March 31, 2019 had accounted for 71.69% acquisition of equity stake in SPI. Further, during the current year, the Parent Company in lieu of 28.31% stake has issued and allotted 15,99,974 equity shares to S S Theatres LLP (i.e. the shareholder of SPI) in accordance with the Scheme, as explained above.

The acquisition of SPI is of significant strategic value for the Parent Company and will further cement the Parent Company's market leadership position in India. The acquisition will make the Parent Company leader in the South Indian market and provide an attractive platform for us to expand in that geography, which currently is highly underpenetrated in terms of multiplexes. The Parent Company expects to realise synergies and cost savings related to this acquisition as a result of purchasing and procurement economies of scale and general and administrative expense savings, particularly with respect to the consolidation of corporate related functions and elimination of redundancies.

A. Fair value of consideration transferred:-

Particulars	Amount
Cash consideration	53,560
Deferred consideration *	10,000
Value of Equity shares issued **	25,000
Less : Adjustment pursuant to SPA	(310)
Total consideration for business combination	**88,250**

* Deferred Consideration is outstanding and payable to SPI Cinemas shareholders on achievement of certain milestones (opening of cinema hall and getting certain regulatory approvals), where achievement of certain milestones, with regard to opening of new cinema hall and obtaining regulatory approval is more probable. As at March 31, 2020, since the regulatory approvals were still under process, the management has reassessed the classification of the same during the year ended March 31, 2020 and accordingly, accounted for the fair value adjustment in the deferred consideration amount (refer note 42 for fair value disclosure).

** The valuation equity share has been done at the rate of ₹ 1562.5 per share for 1,599,974 equity shares. To arrive at the relative value of SPI and PVR, appropriate weights were given to the value per share determined as per the Income Approach and Market Approach. These equity shares have been issued and allotted on September 3, 2019.

B. Fair value of identifiable assets acquired and liabilities assumed (as adjusted for measurement period adjustment) as on the date of acquisition is as below:

Particulars	Amount
Property, plant and equipment	20,204
Land	797
Capital work-in-progress	3,388
Intangible assets	17,000
Other non-current assets	8,248
Inventories	277
Trade receivables	1,844
Other financial assets	435
Other current assets	1,943
Total assets	**54,136**
Non-current Borrowings	12,993
Current Borrowings	550
Other non-current liabilities #	4,954
Trade payables	2,361
Other financial liabilities	3,629
Other current liabilities	2,995
Total Liabilities	**27,482**
Total Fair Value of the Net Assets **	**26,654**

Includes Deferred tax liabilities of ₹ 1,432 lakh
Note :The adjustment between the measurement period and final valuation was not significant.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

C. Amount recognised as goodwill

Particulars	Amount
Total consideration for business combination (refer A above)	88,250
Less : Fair value of net assets acquired (refer B above)	26,654
Goodwill **	**61,596**

** Basis purchase price allocation to various identifiable acquired assets and assumed liabilities, Goodwill has been recognised. Goodwill amounting to ₹ 60,164 lakh is deductible for tax purposes.

D. As on date of acquisition, gross contractual amount of the acquired Trade Receivables and Other Financial Assets was ₹ 2,279 lakh against which no provision has been considered, since fair value of acquired receivables and other financial assets are equal to carrying value as on date of acquisition.

E. Details of Revenue and financial results generated by SPI post acquisition:

Particulars	August 18, 2018 to March 31, 2019
Income from sale of movie tickets	12,684
Sale of food and beverages	8,966
Advertisement income	2,450
Convenience fees	2,432
Other operating revenue	3,178
Revenue from operations	**29,710**
Other income	174
Total income	**29,884**
Net profit after tax	2,301

If the acquisition had occurred on April 1, 2018, management estimates that the consolidated revenue from operations would have been ₹ 324,607 lakh, and consolidated profit for the year would have been ₹ 19,420 lakh. In determining these amounts, management has assumed that the fair value adjustments, determined, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2018.

F. In respect of this business combination, the acquisition related costs amounting to ₹ 133 lakh has been charged to Statement of Profit and Loss (under the head 'Other operating expenses') of the Parent Company for the year ended March 31, 2019.

44 Financial risk Management objective and policies

The Group's financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. Group's financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk, legal, taxation and accounting risk and liquidity risk. The Group's Treasury teams overseas the management of these risks supported by senior management.

Impact of COVID-19 pandemic :

In light of COVID-19 outbreak, the Group has assessed the likely impact on its financial risk management policies, refer note 53 for details.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with floating interest rates.

Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Interest Rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Parent Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase effect		Decrease effect	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Effect of Increase/ decrease in floating Interest rate by 100 basis points (1%) for term loans	570	505	(566)	(505)

(ii) **Currency risk**

Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates.

The Majority of Group's revenue and expenses are in Indian Rupees, with the remainder denominated in US Dollars. Management considers currency risk to be low and does not hedge its currency risk. As variations in foreign currency exchange rates are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

(b) Legal, taxation and Accounting risk

Group is presently involved into various judicial, administrative, regulatory and litigation proceedings concerning matters arising in the ordinary course of business operations including but not limited to personal injury claims, landlord-tenant disputes, commercials disputes, tax disputes(including entertainment tax subsidy and other direct and indirect tax matters like GST, service tax, sales tax etc.), employment disputes and other contractual disputes. Many of these proceedings seek an indeterminate amount of damages. In situations where management believes that a loss arising from a proceeding is probable and can reasonably be estimated, Group records the amount of the probable loss. As additional information becomes available, any potential liability related to these proceedings is assessed and the estimates are revised, if necessary.

To mitigate these risks, Group employs in-house counsel and uses third party tax & legal experts to assist in structuring significant transactions and contracts. Group also has systems and controls that ensure the timely delivery of financial information in order to meet contractual and regulatory requirements and has implemented disclosure controls and Internal controls over financial reporting which are tested for effectiveness on an ongoing basis.

(c) Credit Risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet

Particulars	March 31, 2020	March 31, 2019
Trade Receivables	18,926	18,386
Cash and cash equivalents	31,559	2,817
Other bank balances	671	597
Loans	24,823	24,188
Other financial assets	4,685	4,387

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Other financial assets primarily represents security deposits given to Developers/lessors. Such deposits will be returned to the Group on expiry of lease entered with developers/lessors. The credit risk associated with such security deposits is relatively low.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Trade receivables also includes receivables from Debit/credit card companies and online movie ticketing partners which are realisable within a period 1 to 3 working days. The Group monitors the economic environment in which it operates. The Group manages its credit risk through establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers. Based on the business environment in which the Group operates, management considers that the trade receivables (other than Government dues) are in default/doubtful if the payment is outstanding for more than 270 days and more than 365 days in case of government dues. Basis above, as at March 31, 2020, Group has impaired Trade receivables of ₹ 3,684 lakh (March 31, 2019: ₹ 2,619 lakh).

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers.

Movement in the allowance for impairment in respect of trade receivables

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	2,619	1,211
Impairment loss recognised / (reversed)	1,065	1,408
Amount written off	-	-
Balance at the end of the year	**3,684**	**2,619**

d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, finance leases and advance payment terms.

The Group's liquidity management process as monitored by management, includes the following:

- Day to Day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Particulars	Borrowings (including current maturities)*		Trade and other payables	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
On demand	13,734	3,560	-	-
Less than 3 months	414	12,206	39,310	54,285
3 to 12 months	24,051	10,703	3,203	556
1 to 5 years	76,975	94,627	10,501	4,399
More than 5 years	14,409	7,331	-	-
Total	**129,583**	**128,427**	**53,014**	**59,240**

*Borrowing includes Non-convertible Debentures, Term loans, Bank overdraft and commercial papers excluding transaction cost.

The Group has also significant contractual obligations in the form of lease liabilities (Note 19) and capital & other commitments (Note 35).

45 Capital Management

For the purpose of Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is long term debts plus amount payable for purchase of property plant and equipment divided by total equity.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars		March 31, 2020	March 31, 2019
Long-term debt		110,735	119,724
Payable for purchase of property plant and equipment		6,855	6,844
Total	(A)	**117,590**	**126,568**
Equity	(B)	148,022	149,569
Gearing ratio	(A/B)	79%	85%

46 The Board of Directors of the Parent Company in its meeting held on February 28, 2020 approved an interim dividend of ₹ 4 per equity share and the same was subsequently paid on March 3, 2020.

47 Expenses capitalised

The Group has capitalised following expenses through capital work-in-progress (CWIP) which directly or indirectly relates to setting up of cinemas. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

Particulars	March 31, 2020	March 31, 2019
Salary, allowance and bonus	1,723	1,109
Contribution to provident and other funds	65	63
Rent	12	760
Electricity and water charges	22	32
Repairs and maintenance	33	319
Rates and taxes	577	723
Travelling and conveyance	3	127
Architects & professional	1,195	1,427
Insurance	5	21
Communication cost	2	6
Security service charges	275	268
Finance costs	624	1,501
Other miscellaneous expenses	179	46
Total	**4,715**	**6,402**

48 Income tax expense

Particulars	March 31, 2020	March 31, 2019
(a) Income tax expense reported in the Statement of Profit and Loss comprises:		
Current income tax:		
Current tax	3,023	6,715
Income tax for earlier years	50	27
Total current tax	**3,073**	**6,742**
Deferred tax:		
Relating to origination and reversal of temporary differences	112	4,086
Tax impact related to change in tax rate and law (refer note 7A)	3,174	-
MAT credit (entitlement)/reversal for earlier years	(85)	135
Total deferred tax	**3,201**	**4,221**
Income tax expense reported in the statement of profit and loss	**6,274**	**10,963**
Effective Income tax rate	**70.0%**	**36.7%**
(b) Statement of Other Comprehensive Income		
Net loss/ (gain) on re-measurements of defined benefit plans	(74)	203
(c) Reconciliation of effective tax rate		
Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows:		
Accounting profit before tax	8,959	29,903
Statutory income tax rate	34.94%	34.61%
Computed tax expense	3,131	10,349

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2020	March 31, 2019
Adjustments in respect of current income tax of previous years	(35)	162
Non-deductible expenses for tax purposes	4	452
Tax impact related to change in tax rate and law (refer note 7A)	3,174	-
Income tax charged to statement of profit and loss	**6,274**	**10,963**
(d) MAT credit entitlement		
Opening Balance	10,939	7,441
Add: MAT credit entitlement/(reversal) for earlier years	85	(135)
Add: MAT credit entitlement for current year	-	62
Less: MAT credit entitlement/ (utilisation) for the year	(947)	3,571
Closing Balance	**10,077**	**10,939**
(e) Deferred tax asset/(Liability)		
Opening Balance	(13,602)	(5,940)
Add: Adjustment on account of acquisition of SPI Cinemas Private Limited (refer note 43)	-	(1,432)
Impact of differences in W.D.V. block under Income tax and Books of accounts	(7,176)	(6,198)
Tax income / (expenses) on other timing differences	31,189	(32)
Closing balance	**10,411**	**(13,602)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

49 Related Party Disclosures

Names of related parties and related party relationship

Subsidiaries	PVR Pictures Limited
	Zea Maize Private Limited
	P V R Lanka Limited
	SPI Entertainment Projects (Tirupati) Private Ltd. (w.e.f. August 17, 2018)
	PVR Middle East FZ LLC (upto January 30, 2020)
Key management personnel	Mr. Ajay Bijli, Chairman cum Managing Director
	Mr. Sanjeev Kumar, Joint Managing Director
	Ms. Renuka Ramnath, Director
	Mr. Amit Burman, Independent Director (upto July 26, 2019)
	Mr. Sanjai Vohra, Independent Director
	Mr. Vikram Bakshi, Independent Director
	Mr. Sanjay Khanna, Independent Director (upto April 15, 2019)
	Mr. Vishal Mahadevia, Director (upto March 26, 2020)
	Ms. Pallavi Shardul Shroff, Independent Director (w.e.f. October 22,2019)
	Ms. Deepa Misra Harris, Independent Director (w.e.f. March 27,2019)
	Mr. Chirag Gupta, Director of a Subsidiary
	Mr. Ankur Gupta, Director of a Subsidiary
Relatives of Key Management Personnel	Mrs. Selena Bijli, Wife of Mr. Ajay Bijli
	Ms. Nayana Bijli, Daughter of Mr. Ajay Bijli
	Mr. Aamer Krishan Bijli, Son of Mr. Ajay Bijli
	Mr. Satya Narain, Father of Mr. Ankur Gupta
Joint Ventures	Vkaao Entertainment Private Limited (50% each held by PVR Pictures Limited and Big tree Entertainment Private Limited)
	PVR Pictures International Pte. Limited (upto September 17, 2019)
Enterprises over which Key management personnel and their relatives are able to exercise significant influence	PVR Nest
	Priya Exhibitors Private Limited

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Key Management Personnel and their relatives		Joint Ventures		Enterprises owned or significantly influenced by key management personnel or their relatives	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
TRANSACTIONS DURING THE YEAR						
Remuneration paid						
Ajay Bijli	1,670	1,073	-	-	-	-
Sanjeev Kumar	1,093	903	-	-	-	-
Nayana Bijli	21	7	-	-	-	-
Chirag Gupta	22	27	-	-	-	-
Ankur Gupta	13	15	-	-	-	-
Sitting fees and commission						
Amit Burman	5	5	-	-	-	-
Deepa Misra Harris	10	-	-	-	-	-
Sanjay Khanna	-	4	-	-	-	-
Sanjai Vohra	24	15	-	-	-	-
Vikram Bakshi	8	9	-	-	-	-
Rent Expense						
Priya Exhibitors Private Limited	-	-	-	-	-	48
Satya Narain	35	30	-	-	-	-
Sale of Goods						
Chirag Gupta #	0	0	-	-	-	-
Film Distributors Share expense						
Vkaao Entertainment Private Limited	-	-	150	113	-	-
Income from sale of movie tickets						
Vkaao Entertainment Private Limited	-	-	1	-	-	-
VPF income						
Vkaao Entertainment Private Limited	-	-	4	-	-	-
Income from movie production and distribution						
Vkaao Entertainment Private Limited	-	-	34	-	-	-
Final Dividend Paid						
Ajay Bijli	108	108	-	-	-	-
Sanjeev Kumar	75	75	-	-	-	-
Selena Bijli	4	4	-	-	-	-
Aamer Krishan Bijli	3	3	-	-	-	-
Interim Dividend Paid						
Ajay Bijli	219	-	-	-	-	-
Sanjeev Kumar	149	-	-	-	-	-
Selena Bijli	8	-	-	-	-	-
Aamer Krishan Bijli	3	-	-	-	-	-
Loan repaid						
Chirag Gupta	-	10	-	-	-	-
Security Deposit Paid						
Priya Exhibitors Private Limited	-	-	-	-	22	-
Donation given						
PVR Nest	-	-	-	-	450	360
Balance outstanding at the end of the year						
Trade Payable						
Vkaao Entertainment Private Limited	-	-	34	21	-	-
Satya Narain	3	-	-	-	-	-
Chirag Gupta	4	11	-	-	-	-

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Key Management Personnel and their relatives		Joint Ventures		Enterprises owned or significantly influenced by key management personnel or their relatives	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Ankur Gupta	9	6	-	-	-	-
Trade Receivable						
Chirag Gupta	1	0	-	-	-	-
Vkaao Entertainment Private Limited	-	-	13	13	-	-
Security Deposits Given						
Priya Exhibitors Private Limited	-	-	-	-	166	144
Satya Narain	-	6	-	-	-	-
Investment in Equity Share Capital						
Vkaao Entertainment Private Limited	-	-	300	300	-	-
PVR Pictures International Pte. Limited (Refer note (e))	-	-	-	0	-	-

Amount below ₹ 1 lakh

Notes:

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.

(b) The financial figures in above note exclude expenses reimbursed to/by related parties.

(c) No amount has been provided as doubtful debts or advance/ written off or written back in the year in respect of debts due from/to above related parties.

(d) The financial figures in above note excludes GST, sales tax and Local body taxes, as applicable.

(e) SGD 500 equity share capital money credited back on September 18, 2019.

(f) All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend, subscriptions for new equity shares are on the same terms and conditions that are offered to other shareholders.

50 Segment Information

Operating Segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company has been identified as being the chief operating decision maker to assess the financial performance and position of the Group and make strategic decisions. The Group is engaged primarily in the business Movie exhibition and Others allied activities (includes Movie production, distribution & gaming etc.).

Chief operating decision maker does not review assets and liabilities at reportable segments level, hence segment disclosure relating to total assets and liabilities have not been provided.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.
Movie exhibition is primarily the main segment and movie production, distribution & gaming etc. are less than 10% and hence aggregated under 'Others'.
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue/ expenses/ assets/ liabilities'.
Finance costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Company basis.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Movie exhibition *		Others (includes Movie production, distribution & gaming etc.) **		Elimination		Total	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Revenue								
Revenue from operations	325,676	299,579	15,768	8,977	-	-	341,444	308,556
Inter segment sales	205	76	4,413	1,864	(4,618)	(1,940)	-	-
Other income	4,289	3,188	114	238	(624)	(112)	3,779	3,314
Total Revenue	**330,170**	**302,843**	**20,295**	**11,079**	**(5,242)**	**(2,052)**	**345,223**	**311,870**
Segment Results								
Operating profit	8,569	29,160	390	743	-	-	8,959	29,903
Income tax							(6,274)	(10,963)
Net Profit before NCI	**-**	**-**	**-**	**-**	**-**	**-**	**2,685**	**18,940**

Other information	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Total assets	726,972	375,610	15,948	9,476	-	-	742,920	385,086
Unallocated assets	57,730	11,870	1,369	2,298	-	-	59,099	14,168
Total Allocated Assets	**669,242**	**363,740**	**14,579**	**7,178**	**-**	**-**	**683,821**	**370,918**
Total liabilities	591,305	233,145	3,564	2,325	-	-	594,869	235,470
Unallocated liabilities	129,857	132,491	322	246	-	-	130,179	132,737
Total allocated liabilities	**461,448**	**100,654**	**3,242**	**2,079**	**-**	**-**	**464,690**	**102,733**
Capital Employed (allocable)	207,794	263,086	11,337	5,099	-	-	219,131	268,185
Capital Employed (unallocable)							(71,080)	(118,569)
Capital expenditure	37,312	42,055	1,193	1,564	-	-	38,505	43,619
Depreciation/ amortisation on tangible and Intangible assets	22,123	18,165	697	963	-	-	22,820	19,128
Provision for doubtful debts and advances	1,456	1,266	27	7	-	-	1,483	1,273

* Revenue from operations include Income from sale of movie tickets - ₹ 1,73,115 lakh (March 31, 2019: ₹ 1,63,543 lakh), Advertisement income - ₹ 37,588 lakh (March 31, 2019: ₹ 35,352 lakh), Convenience fees - ₹ 17,193 lakh (March 31, 2019: ₹ 13,035 lakh), Virtual print fees - ₹ 3,478 lakh (March 31, 2019: ₹ 2,918 lakh), Movie exhibition portion of Sale of food and beverages - ₹ 94,252 lakh (March 31, 2019: ₹ 84,665 lakh) and Management fees - ₹ 50 lakh (March 31, 2019 - ₹ 66 lakh).

** Revenue from operations include Income from movie production and distribution - ₹ 12,149 lakh (March 31, 2019: ₹ 6,192 lakh), Gaming Income - ₹ 523 lakh (March 31, 2019: ₹ 470 lakh), Food court income - ₹ 1,302 lakh (March 31, 2019: ₹ 1,141 lakh) and remaining portion of Sale of food and beverages - ₹ 1,794 lakh (March 31, 2019: ₹ 1,174 lakh)

- Secondary Segment - Geographical Segment: Group mainly caters to the needs of the domestic market and the export turnover is less than 10% of the total revenue. Hence no Geographical segment is disclosed.

- The Group does not have revenue more than 10% of total revenue from a single customer.

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

51 Additional Information pursuant to Schedule III of Companies Act 2013 -

General Instructions for the preparation of consolidated financial statements for the year ended March 31, 2020:

Name of the Entity	Net assets i.e. Total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income (OCI)		Share in Total comprehensive income (OCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent Company:								
PVR Limited	98.83	146,323	110.46	3,016	103.18	(682)	112.81	2,334
Indian Subsidiaries:								
PVR Pictures Limited	3.96	5,863	16.77	458	(0.30)	2	22.23	460
Zea Maize Private Limited	0.16	237	(13.99)	(382)	(1.82)	12	(17.93)	(371)
SPI Entertainment Projects (Tirupati) Pvt. Ltd.	(0.01)	(8)	-	-	-	-	-	-
Foreign Subsidiaries:								
P V R Lanka Limited	0.67	997	(12.75)	(348)	(1.06)	7	(16.43)	(340)
PVR Middle East FZ LLC	0	-	(0.18)	(5)	-	-	(0.24)	(5)
Share of Non Controlling interest								
Zea Maize Private Limited			1.65	45	-	-	2.17	45
Elimination	(3.46)	(5,120)	-	-	-	-	-	-
Share of profit/(loss) of Joint ventures	(0.15)	(241)	(1.96)	(54)	-	-	(2.61)	(54)
Total	**100**	**148,051**	**100**	**2,730**	**100**	**(661)**	**100**	**2,069**

General Instructions for the preparation of consolidated financial statements for the year ended March 31, 2019:

Name of the Entity	Net assets i.e. Total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income (OCI)		Share in Total comprehensive income (OCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent Company:								
PVR Limited	98.63	147,572	100.14	19,009	96.38	(1,252)	100.41	17,757
Indian Subsidiaries:								
PVR Pictures Limited	2.94	4,403	2.53	480	1.18	(16)	2.62	464
Zea Maize Private Limited	0.21	314	(2.03)	(385)	0.69	(9)	(2.23)	(394)
SPI Entertainment Projects (Tirupati) Pvt. Ltd.	(0.01)	(8)	(0.03)	(6)	-	-	(0.03)	(6)
Foreign Subsidiaries:								
P V R Lanka Limited	0.89	1,337	(0.21)	(39)	1.70	(22)	(0.34)	(61)
PVR Middle East FZ LLC	-	5	(0.02)	(4)	0.01	-	(0.02)	(4)
Share of Non Controlling interest								
Zea Maize Private Limited	-	-	0.23	43	-	-	0.25	43
Elimination	(2.55)	(3,820)	-	-			-	-
Share of profit/(loss) of Joint ventures	(0.12)	(188)	(0.60)	(115)	-	-	(0.64)	(115)
Total	**100**	**149,615**	**100**	**18,983**	**100**	**(1,299)**	**100**	**17,684**

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Note:
There are no subsidiaries which have not been considered in the Consolidated financial statements.

52 (a) During the year ended March 31, 2020, there was an additional capital infusion of ₹ 1,000 lakh in PVR Pictures Limited (one of the subsidiary) to subscribe 25,000,000 number of equity shares of ₹ 4/- each by the Parent Company.

(b) During the year ended March 31, 2020, there was an additional capital infusion of ₹ 300 lakh (March 31, 2019: ₹ 250 lakh) in Zea Maize Private Limited (one of the subsidiary) through Compulsory convertible preference shares by the Parent Company. Further, 13,322 Compulsory convertible equity shares were converted into 13,322 equity shares during the year ended March 31, 2020.

53 Estimation of uncertainties relating COVID-19 pandemic:

Due to COVID-19, beginning March 11, 2020, the Group started closing its screens in accordance with the order passed by various regulatory authorities and within a few days most of our cinemas across the country were shut down.

The management has made an assessment of likely impact from the COVID-19 pandemic on business and financial risks based on internal and external sources of information including economic forecasts, measures being under taken by Government and expected GDP growth. The management believes while the COVID-19 may adversely impact the business in the short term, it does not anticipate material medium to long term risks to the business prospects. The Group has made detailed assessment of its liquidity position and has also considered the possible effects of COVID-19 on the carrying amounts of assets using available information, estimates and judgment and has on the basis of evaluation determined that none of the balances require a material adjustment to their carrying values, except with respect to inventories wherein all perishable inventories expiring in short span of time has been written off. Further, the management has taken various decisive actions to mitigate the adverse impact of COVID-19 on the business, which inter alia includes:

a. Reduction in employee costs by reducing the compensation across all levels during the lockdown period and reduction in headcount.

b. Invoked Force Majeure clause in our agreements with landlords seeking waiver of rentals and maintenance charges during lockdown period. We are also in discussion with landlords for reducing the rentals post reopening.

c. Reduction in all other overhead expenses during the period of lockdown.
With these actions management has been able to bring down the cash burn significantly during the lockdown period.

Based on the foregoing, management has carried out an assessment of the appropriateness of going concern, impairment of assets and other related aspects, and believes that there is no impact on the same. There are uncertainties associated with the nature and duration of COVID-19 situation and accordingly, the impact of the pandemic is difficult to predict and actual results may differ from the estimates. The Group will continue to monitor the situation and the impact assessment analysis of the same on the Group's consolidated financial statements shall be made and provided as required.

54 Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Parent Company in their meeting dated June 8, 2020 has approved the remuneration for Mr. Ajay Bijli, Chairman & Managing Director and Mr. Sanjeev Kumar, Joint Managing Director as was originally approved by the shareholders vide resolution dated July 3, 2018, by taking into account the net profits of the Company computed under Section 198 of the Companies Act, 2013 after disregarding the adjustments made pursuant to Ind AS 116. Adoption of Ind AS 116 ('Leases') w.e.f. April 1, 2019 and its impact on PBT of the Parent Company has resulted in their overall managerial remuneration exceeding the maximum remuneration permissible under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), 2015. Since such remuneration (individually and overall) is in excess of the limits prescribed under

Notes

to the Consolidated Financial Statements for year ended March 31, 2020

(Rupees in lakhs, except for per share data and if otherwise stated)

Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 982 lakh, it is subject to the approval of the shareholders in the ensuing general meeting.

55 Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors in its meeting held on June 8, 2020, approved the fund raising of up to ₹ 30,000 lakh through issuance of equity shares of face value of ₹ 10 each via rights issue.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:101248W / W-100022

For and on behalf of the Board of Directors of PVR Limited

Adhir Kapoor	**Ajay Bijli**	**Sanjeev Kumar**	**Pankaj Dhawan**	**Nitin Sood**
Partner	Chairman cum Managing Director	Joint Managing Director	Company Secretary	Chief Financial Officer
ICAI Membership Number: 098297	DIN: 00531142	DIN: 00208173	ICSI M. No.: F3170	
Place: New Delhi	Place: New Delhi			
Date: June 8, 2020	Date: June 8, 2020			

WE CARE FOR THOSE WHO CARE FOR YOU

We care for our guests and we care for our cinema staff with all safety precautions and health checks in place.

PRE-WORK

- ONLINE TRAINING ON NEW PROTOCOL & PROCEDURES.
- ONLY THOSE WHO CLEAR THE TRAINING CAN RESUME WORK. MANDATORY SELF DECLARATION VIA AAROGYA SETU APP.
- MEDICAL FITNESS CERTIFICATE

DURING WORK

- SAFETY MEASURES ARE ADHERED TO WHILE TRAVELLING TO WORK AND BACK
- WEARING OF PPE IS MANDATORY AT ALL TIMES – BOTH INSIDE AND OUTSIDE THE CINEMA
- 1 M
- SOCIAL DISTANCING WHILE ENTERING AND EXITING THE CINEMA
- DAILY HEALTH MONITORING VIA AAROGYA SETU APP & TEMPERATE CHECK OF EACH STAFF MEMBER WHEN THEY ARRIVE AT WORK
- NO PAT DOWN FRISKING OR BIO-METRIC ATTENDANCE WILL BE DONE
- LOCKER ROOM IS PROVIDED FOR CHANGING AND KEEPING PERSONAL BELONGINGS
- UNIFORMS TO BE WORN ONLY AT THE LOCATION TO AVOID CONTAMINATION
- STAFF ADVISED TO CARRY HOME COOKED FOOD, FRUITS OR PRE-PACKED SNACKS
- SOCIAL DISTANCING IS ALSO FOLLOWED DURING TEAM BRIEFING AND SAFETY REVIEWS BY CINEMA MANAGER
- OPERATING WITH LIMITED STAFF
- CASHIER SAFETY SHIELD FOR ADDED PROTECTION
- MODIFIED PROCESSES TO MINIMIZE HUMAN CONTACT
- SOCIAL DISTANCING IS MAINTAINED BY STAFF – BEHIND THE COUNTERS, KITCHEN, LOBBY AS WELL AS BACK OF THE HOUSE
- STAGGERED LUNCH BREAKS, FREQUENT HAND WASH ROUTINE AND OTHER SAFETY PRACTICES ARE STRICTLY FOLLOWED
- FORTNIGHTLY HEALTH CHECK BY CERTIFIED MEDICAL PRACTITIONER
- REGULAR SANITIZATION OF THE HEART OF THE HOUSE AREA

PVR CARES

PVR Limited

Registered Office: 61, Basant Lok, Vasant Vihar, New Delhi 110 057, India

Corporate Office: Block A, 4th Floor, Building No. 9A, DLF Cyber City,

Phase - III, Gurugram 122 002, Haryana, India

Tel: +91 124 4708 100

E-mail: cosec@pvrcinemas.com; Website: www.pvrcinemas.com

Corporate Identity Number: L74899DL1995PLC067827

concept, content and design at AICL (hello@aicl.in)