



# LIFTING THE BAR OF CINEMA HOSPITALITY & DESIGN FOR 100 MILLION CUSTOMERS

ANNUAL REPORT 2018-19





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## 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.



## Consolidated financial & operational highlights FY 2018-19

Admissions  
**9.9 Crore**

31% YOY GROWTH  
▲

Occupancy  
**36.2%**

490 BPS  
▲

Screens  
**763**

22% YOY GROWTH  
▲

Revenue  
**3,119 Crore**

32% YOY GROWTH  
▲

EBITDA  
**619 Crore**

43% YOY GROWTH  
▲

EPS  
**₹39.04**

47% YOY GROWTH  
▲

## OUR JOURNEY



Opened first cinema

1997



Launched India's largest multiplex and India's first Gold class cinema

2003



Crossed 100 screens

2004



Launched PVR Director's cut, a 7 star movie viewing experience

2006



Acquired DT Cinemas, crossed 500 screens

2008



Acquired SPI Cinemas and crossed 700 screens

2011



Raised first PE investment



Listed on NSE/ BSE



Acquired Cinemax and crossed 200 screens



Completes 20 years and crossed 600 screens

2012

2016

2017

2018



FY 2018-19

# SCREENS

**166**  
FY 2011-12

**351**  
FY 2012-13

**421**  
FY 2013-14

**464**  
FY 2014-15

**516**  
FY 2015-16

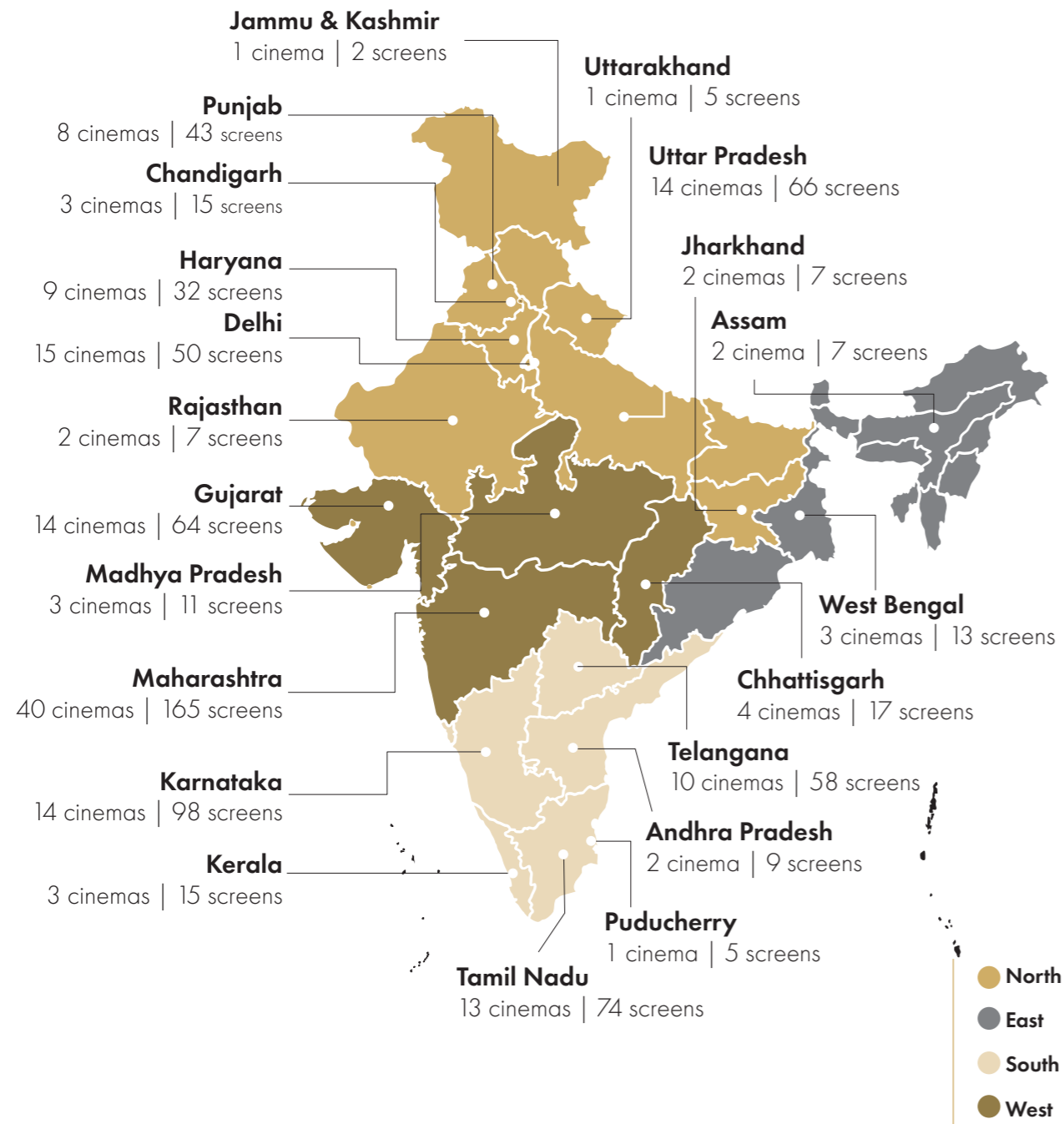
**579**  
FY 2016-17

**625**  
FY 2017-18





# Growing our Pan-India PROMINENCE



Note: Map not to scale



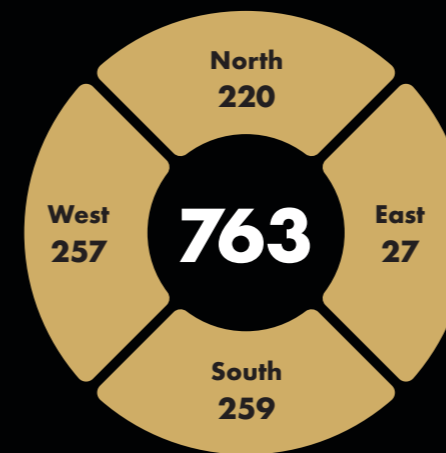
## LEADER in Indian multiplex industry in terms of

- No. of screens
- Operating revenues
- Admits

## HIGHEST in Indian multiplex industry in terms of

- Average ticket price
- Spend per head
- Advertising revenue

REGION WISE SCREENS (No.)



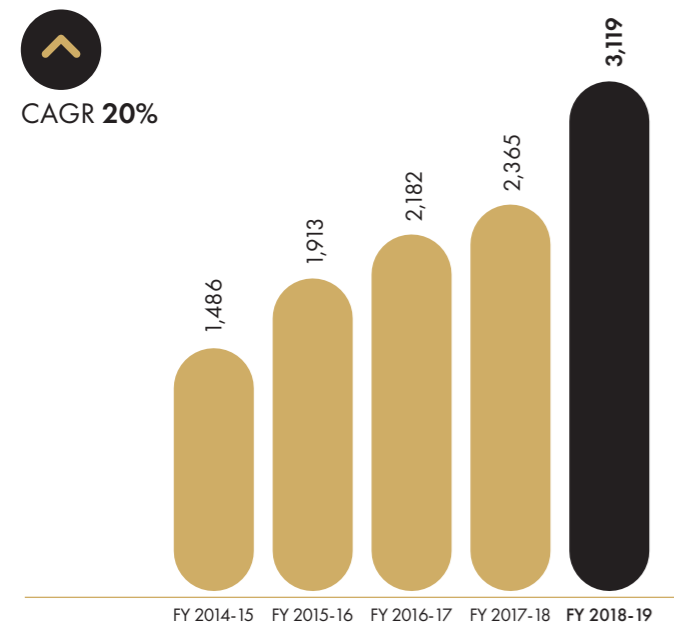


Key performance indicators

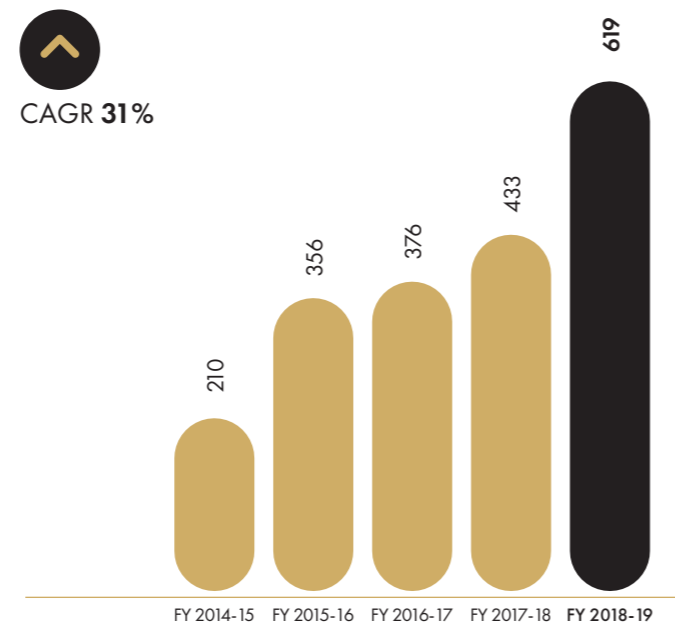
# FINANCIAL PERFORMANCE



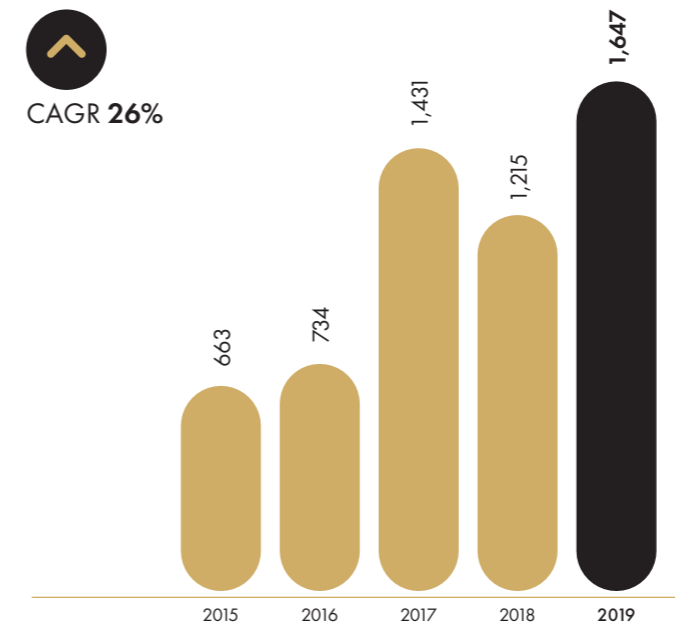
REVENUE ₹ (in Crore)



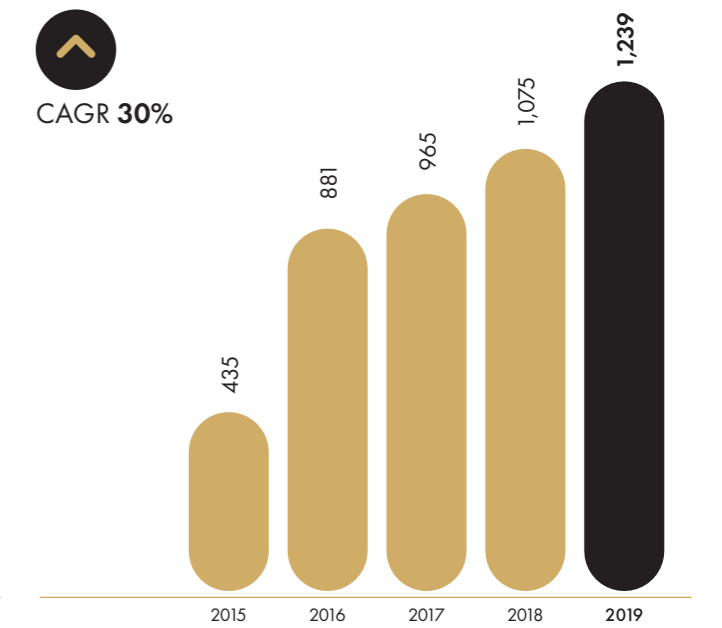
EBITDA ₹ (in Crore)



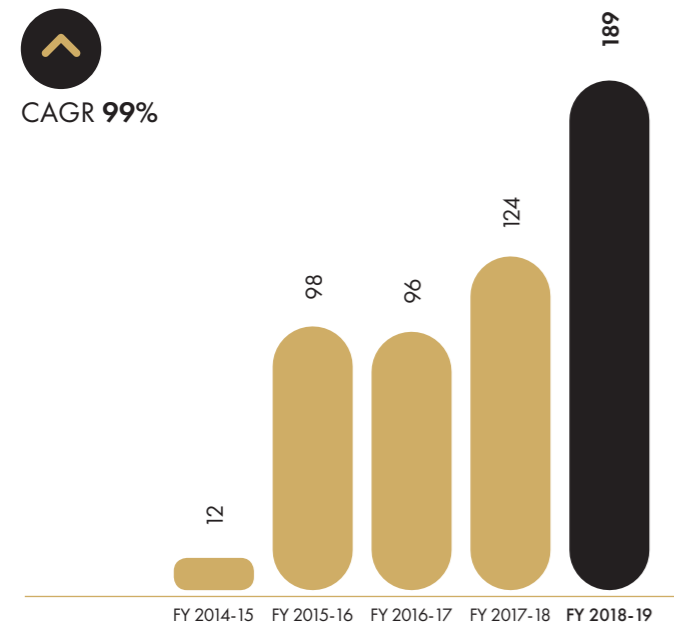
SHARE PRICE ON NSE AS ON MARCH 31, ₹



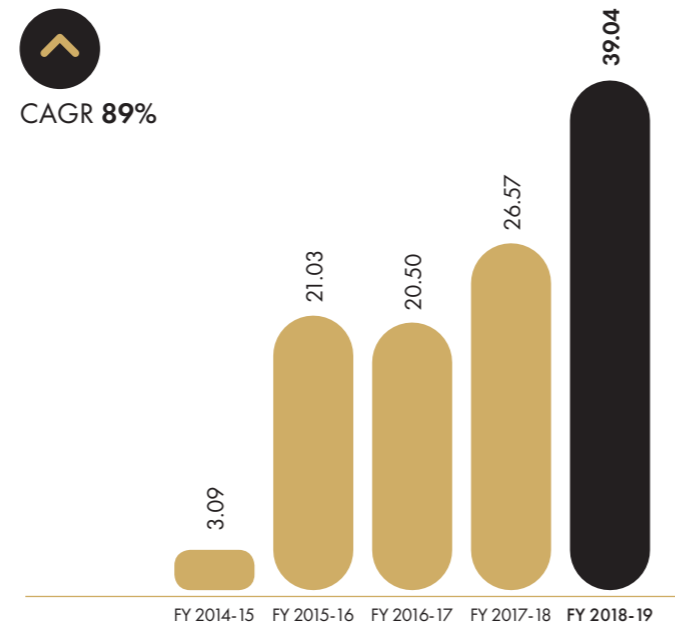
NET WORTH AS ON MARCH 31, ₹ (in Crore)



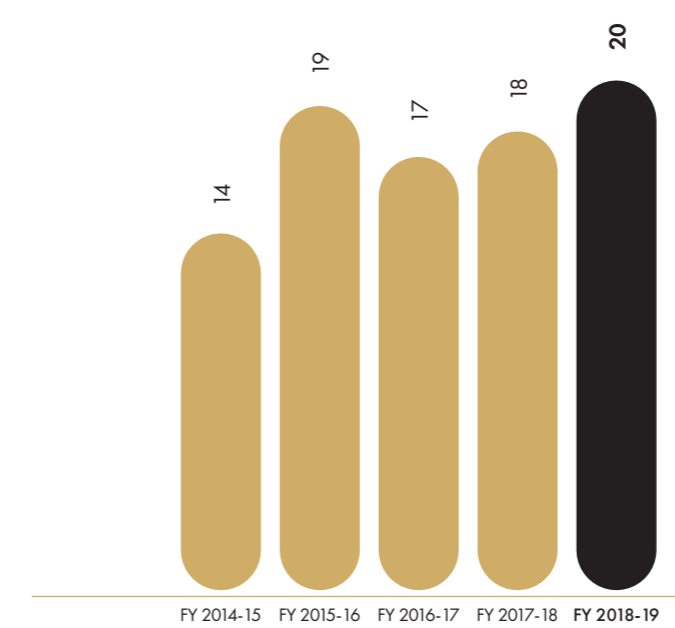
PAT ₹ (in Crore)



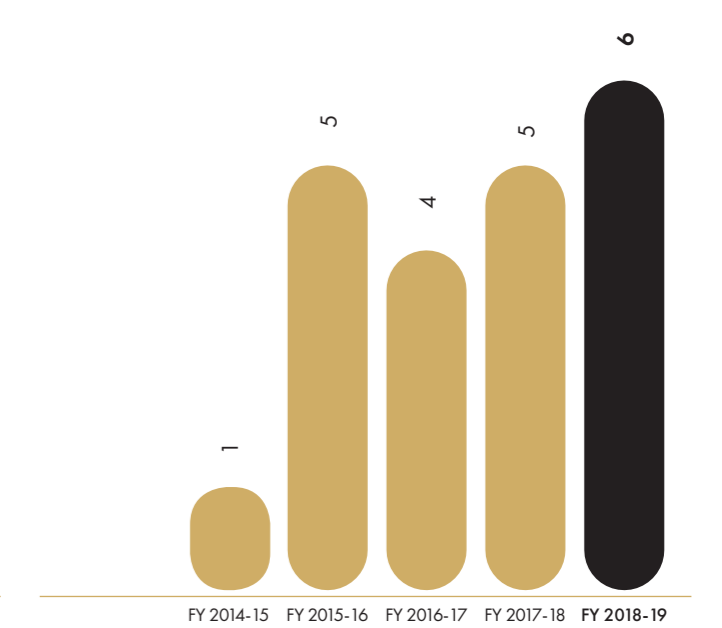
DILUTED EPS ₹



EBITDA MARGIN %



PAT MARGIN %





REEL LIFE...  
...KING SIZE

CONCESSIONNAIRE

EXPERIENCE

On our way to realise our dream  
of 'movies for all'

**Ajay Bijli**  
Chairman and Managing Director



# LETTER FROM THE CMD



## Dear Shareholders,

As I write this letter, I am both humbled and honoured to share the story of another year's journey with you. It has been a historic year for PVR and we have been able to achieve greater heights in our operating and financial performance. We crossed the landmark of 750 screens and served almost 100 Million patrons, a feat which places us amongst top 10 cinema chains globally in terms of admits. These landmarks provide us with greater impetus to take the business to the next level.

This year is also special as we successfully completed the acquisition of SPI Cinemas, south India's largest cinema chain with presence in key markets of Tamil Nadu, Telangana, Andhra Pradesh, Karnataka, Kerala and Mumbai. The acquisition, largest so far in the Indian cinema industry, is strategic for us and I believe will create tremendous value for all the stakeholders. South India has been a focus area for us, given the low penetration of the multiplexes in that region. SPI acquisition provides us an unparalleled platform to get deeper presence in that region. The acquisition not only cements our leadership position in the South Indian market but also gives us deeper inroads into the attractive regional movie industry, further diversifying the content risk of the business. The integration process is going on well and we are very excited to welcome the talented SPI team into the PVR family.

During the year, PVR continued to aggressively expand presence by adding 138 screens including the screen additions due to acquisition of SPI Cinemas. Our network is well diversified across regions with 34% screens in South, 34% screens in West, 29% screens in North and 3% screens in East. We closed the year with 164 properties with 763 screens across 65 cities across India. The year gone by has given us tremendous confidence about reaching our target of 1000 screens in next couple of years.

Last year we also made significant investments towards digital transformation of the business and innovative customer engagement programs. Our PVR Privilege Programme has started to take shape and we now have more than 4.5 Million members, making it one of the leading loyalty programs in the country. This program is central to our initiatives of personalisation whereby we would deliver to our customer an experience which is specific for his consumption behaviour instead of 'one size fits all' approach. Our other customer engagement initiatives include ticket



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We continue to innovate and remain a leader in bringing in latest technologies and formats for our discerning consumers. Our cinema formats such as Director's Cut, Gold Class, 4DX, IMAX, Playhouse, P [XL] and recently added PVR Onyx are all designed to provide an unparalleled and luxurious movie watching experience to our consumers looking for holistic out of home entertainment experience.

cancellation, Accessible Cinema program and innovative premium seating, all designed to provide convenience to our consumers.

We continue to innovate and remain a leader in bringing latest technologies and formats for our discerning consumers. Our cinema formats such as Director's Cut, Gold Class, 4DX, IMAX, Playhouse, P [XL] and recently added PVR Onyx are all designed to provide an unparalleled and luxurious movie watching experience to our consumers looking for holistic out of home entertainment experience. Expansion of these premium screen formats is core to our expansion strategy and I expect that their proportion to our overall portfolio will increase quite significantly over the course of next five years.

This year also witnessed the reduction of GST rate from 28% to 18% on movie tickets above ₹100 and from 18% to 12% for movie tickets up to ₹100. This was a long pending demand from the industry which I believe will help to make the movie watching experience accessible to the larger population. I am personally thankful to the Government of India, GST Council and all the state governments in supporting this decision.

I believe that we are on fast track of growth through well-planned, focused strategic approach and regulatory tailwinds. Our consolidated revenues for the year grew by 32% to ₹ 3,119 Crore from ₹ 2,365 Crore. Our EBITDA witnessed a growth of 43% from ₹433 Crore to ₹ 619 Crore and EBITDA margins for the year were approx. ~20% which was higher by 160 bps as compared with FY 2017-18.

I strongly believe there is tremendous growth opportunity ahead of us before we realise our dream of 'Movies for all'.

I take this opportunity to thank our employees as well as our business associates, for their hard work and commitment over the past year. On behalf of the Board, I would like to extend my gratitude to all of you, our shareholders, for your consistent support. Your constant support helps us grow and excel every year.

Thank you

**Ajay Bijli**  
Chairman and Managing Director



**IMMERSIVE AND...  
...PIONEERING**



**TECHNOLOGY**

In line with our business strategy, we aim to meet the demands of our discerning audience through innovation.

**Gautam Dutta**  
Chief Executive Officer



# LETTER FROM THE CEO



## Dear Shareholders,

The financial year 2018-19 unfolded a series of opportunities and dynamics for the Indian movie theatre business. With growing propensity to spend on leisure and entertainment among consumers, multiplex chains in India continued to grow at a progressive rate.

In an age of vibrant changes in technology, consumer expectations and a highly commoditised environment, experience has become the true differentiator in the movie theatre business with the need to transcend beyond the basic physical attributes of a cinema – sound, projection, seat and food to a ‘out-of-home entertainment’ medium. The movie exhibition industry is constantly innovating by changing the way audiences are consuming movies, be it relaxing on a recliner or on a front row lounger, watching immersive content through IMAX or 4DX or relishing exceptional delicacies created by the finest chefs. Cinema is now seen as a social engagement and a shared experience rather than just an object of entertainment.

## Our revenue growth strategy

### Better market penetration

While India produces the highest number of films in a year, its screen density (no. of screens/capita) is amongst the lowest in the world. Your Company will capitalise on this opportunity by opening premium format and luxury screens to provide differentiated experience to patrons and expanding in Tier 2/3 markets through PVR Utsav to benefit from rising urbanisation and disposable incomes. During the year under review, we expanded our presence in South India which has very low multiplex penetration (14%) through acquisition of SPI Cinemas. We plan to further add 80-100 screens this year across India, a significant step in our pursuit to leverage the untapped potential in the under screened market.

### Enhanced user experience

Providing unparalleled user experience lies at the heart of our business ethos. We undertook sustained efforts to provide an enhanced cinema viewing experience to our patrons. We have increased premium format screens in the last 12 months to reach 76 which comprise 10% of our total portfolio. We plan to increase our premium screen portfolio to 15% in the next few years.

We also introduced luxury seating in our cinemas to provide audience with unrivalled comfort and aesthetics. We redefined the neglected front row as the ‘best row’ inside the auditorium by introducing ‘front row loungers’. We also introduced recliners at the end row to



We redefined the neglected front row as the ‘best row’ inside the auditorium by introducing ‘front row loungers’. We also introduced recliners at the end row to re-draw the rules of experiential film watching.

re-draw the rules of experiential film watching. These seats feature newly developed smart swivel tables with gold coloured cup holders and waiter-service call buttons.

We were first to introduce Onyx Cinema LED screens in our cinemas which eliminates the need for projection-based systems. Another technological advancement came in the form of association with global cinema technology leaders for latest 2K, 4K and RGB laser projectors.

### Frontrunners in value-added services

Movie-viewing experience today is not just limited to the cinema screen. It is the consolidated experience derived from value-added services offered. We have introduced the PVR Privilege Programme, rewarding loyal patrons for their visits to our cinemas. It has earned the patronage of our audiences and in just 18 months from its inception, we have become one of the leading loyalty programs in the country. The vision of the loyalty program is to drive up customer frequency. We want to create personalised offers for our consumers through data insights on their buying behaviour.

Keeping in mind the fast-paced lifestyle of our patrons, we became the first Indian multiplex chain to introduce the ticket cancellation policy for online ticket booking on PVR and BookMyShow platforms. With the aim to make movie-going an inclusive experience, we introduced ‘Accessible Cinema Programme’ wherein we have started equipping our cinemas with assistive devices to welcome patrons with mobility issues. In addition, we addressed the needs of the hearing-impaired through subtitled shows and of visual-impaired through audio description provided through a mobile app. We are also live on Amazon’s AI-powered voice assistant, Alexa which enables our patrons to get information about the latest movies and show timings at our cinemas.

## Holistic F&B offering

PVR Cinemas introduced a delectable and palate pleasing menu curated by the internationally recognised celebrity chef, Sarah Todd for its Gold Class Cinemas. We are redesigning and realigning the F&B Packaging to Go Green by introducing biodegradable straws taking responsibility for a greener tomorrow. To add to our healthy eating options, we have onboarded master mixologists to develop fruit-based beverages. We have put in place a centralised logistics management for our F&B portfolio to reduce operational cost and for better inventory management and resource utilisation. We introduced QR Code food ordering from seats in select cinemas for the convenience of customers.

## Cinemas as a lucrative medium of advertising

Brands have now started to recognise the potential of a captive audience by advertising in movie theatres and have partnered with PVR cinemas for dedicated advertising campaigns for their new product launches. Our premium audience profile is inducing advertisers to choose PVR as an experiential marketing medium. Sponsorship at PVR is an attractive proposition for advertisers to enhance their brand identity and credibility among niche audiences in key locations. Media spending in cinema is on a constant rise and it is expected to grow at a rate of 20%, next only to digital (as projected by GroupM in its TNY report).

Overall, our business remained strong in fiscal 2019 and we continued to maintain and grow our leadership position in the industry. Our operating platform is stronger than ever, and our workforce remains aligned with the tenets of our business. Our client base continues to expand and loyalty to our brand is ever improving. We believe change is the only constant, what is brilliant today, can become totally obsolete and irrelevant tomorrow. Hence our constant hunger is to keep innovating, re-inventing ourselves and setting new benchmarks. In whatever we do, we choose to be ‘Led by the consumer’ than ‘Lead the consumer’. We are grateful to our shareholders and clients for investing their confidence in our vision and mission. Our journey of success would not have been as glorious without your support. On this positive note, I am confident we will cross many more milestones of success in the years ahead.

Thank you

**Gautam Dutta**  
Chief Executive Officer





# GLAMOUR AND... ...GLORY

# PERFORMANCE

A historic year that put content firmly in the spotlight

**Nitin Sood**  
Chief Financial Officer



# LETTER FROM THE CFO



In FY 2019-20, we will focus on investing in innovation, creating property pipeline and premiumising screens. We continue to focus aggressively on enhancing our screen rollout and expect to open 80-100 screens in the current financial year.



FY 2018-19 was a historical year and all parts of the business delivered robust results led by strong box office performance. The content performance was strong with 13 movies crossing the ₹ 1 Billion collection which is a record performance.

## Dear Shareholders,

India's media and entertainment industry reached ₹ 1.7 Trillion in CY 2018, a growth of over 13% from CY 2017. It employs more than four million people, emerging as a key driver of India's economic growth. The filmed entertainment sector grew by over 12% in CY 2018 and is further expected to grow from ₹ 175 Billion in CY 2018 to ₹ 236 Billion by FY 2023 – a CAGR of 10.6% as per FICCI-EY March 2019 report on the back of India's insatiable demand for content in entertainment. With the advent of technology and growing desire of audiences for versatile and relevant content, the film exhibition segment is expected to show robust growth.

For your Company, FY 2018-19 was a historical year and all parts of the business delivered robust results led by strong box office performance. The content performance was strong with 13 movies crossing the ₹ 1 Billion collection which is a record performance. It was heartening to see movies across genres, small budget movies, and content focused movies leading the box office performance and delivering strong footfalls.

Your Company's consolidated revenue grew from ₹ 2,365 Crore to ₹ 3,119 Crore, delivering a growth of 32% led by strong footfall growth of 31% and aided by our recent acquisition of SPI Cinemas. Revenue growth was backed by double-digit growth in income from sale of movie tickets 31%, sale of food and beverages 37% and advertisement income 19%. Our same store growth in admits was 9% and same store growth of revenue from operations was 15%. Our EBITDA margin expanded by 160 bps to almost 20%, highest in last five years. The net PAT after adjusting non-controlling interest increased by 47% from ₹ 125 Crore to ₹ 184 Crore. This growth in earnings is attributed to our diverse initiatives and synergies formed over years. The benefit of economies of scale and brand reputation is visible in our revenues. We have been able to create new monetisation avenues and our non-box office revenue contribution has increased to 48% in FY 2018-19 from 42% in FY 2013-14.

During the year, we acquired SPI Cinemas Private Ltd. ('SPI Cinemas'), one of the largest cinema exhibition player in Southern India with presence in key markets of Tamil Nadu, Telangana, Andhra Pradesh, Karnataka, Kerala, as well as Mumbai to further strengthen our presence as India's leading cinema exhibitor. Under the terms of the acquisition, we acquired 71.7% of the paid up equity share capital of SPI for a cash consideration of ₹ 636 Crore; for the balance 28.31% stake, we will issue 1.6 Million equity shares of PVR Ltd. constituting 3.3% of the diluted paid up equity share capital of PVR pursuant to a scheme of amalgamation between SPI and PVR. The merger process is under regulatory approval process and should get consummated during FY 2019-20.

The Gross Debt in the Company as at end of FY 2018-19 was at ₹ 1,282 Crore, an increase of ₹ 452 Crore due to the acquisition of SPI Cinemas. Our Gross Debt to EBITDA ratio at 2.1:1 is reasonable for a business of our size and we are fairly comfortable with the existing leverage.

The performance of the mature screen portfolio continues to remain robust with properties delivering pre-tax Return on Capital Employed in excess of 20% on a continuous basis. In FY 2019-20, we will focus on investing in innovation, creation of property pipeline and premiumisation of screens. We continue to focus aggressively on enhancing our screen rollout and expect to open 80-100 screens in the current financial year.

My colleagues and I deeply appreciate the steadfast support of all our stakeholders who stood by us and I am extremely excited about the growth opportunities that lie ahead of us. Your Company is positioned strongly to capture a significant portion of this growth opportunity.

Thank you

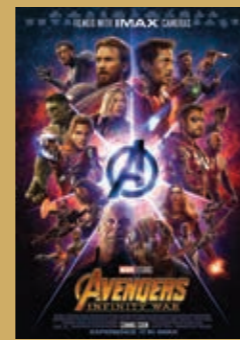
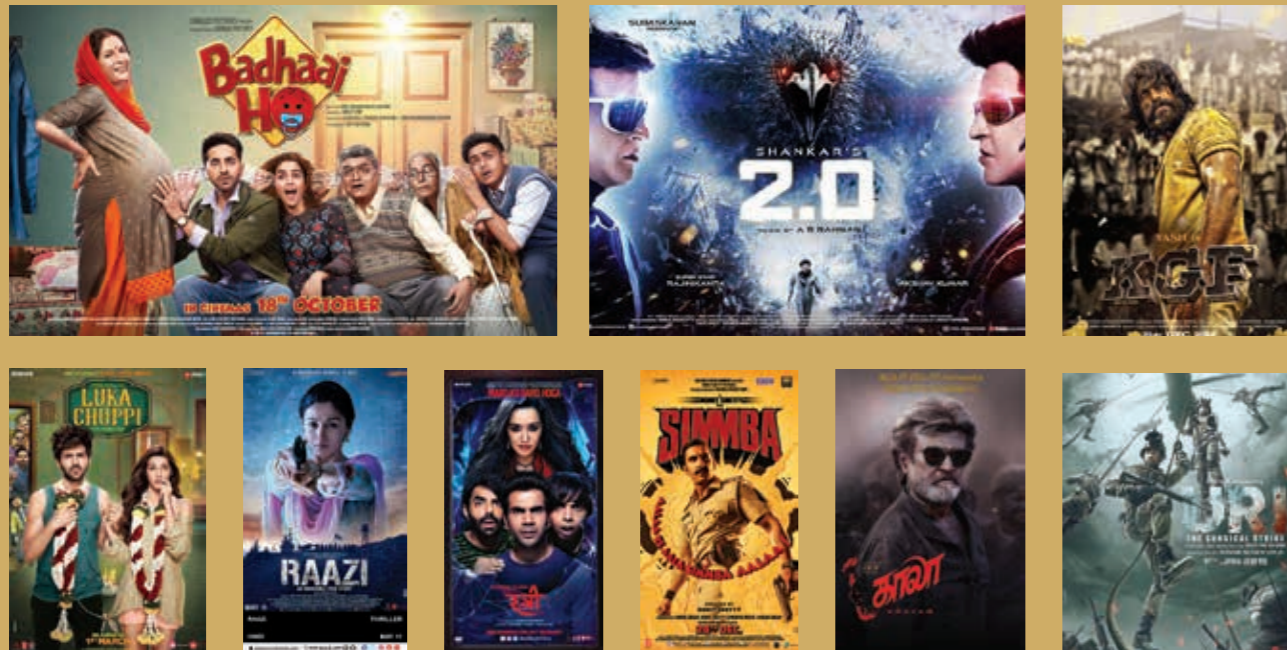
**Nitin Sood**  
Chief Financial Officer

	FY 2017-18	FY 2018-19	Growth
Revenue ₹ (in Crore)	2365	3119	32%
EBITDA ₹ (in Crore)	433	619	43%
EBITDA Margin (%)	18%	20%	160 bps



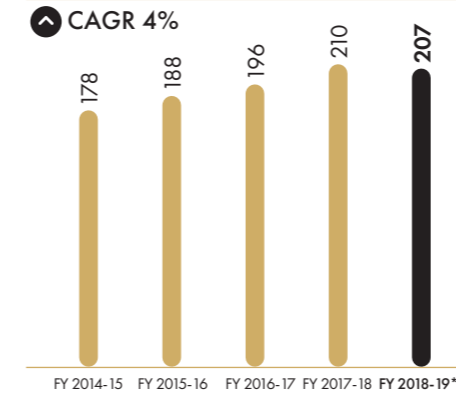
# Operational review BOX OFFICE

Fiscal 2019 was a historical year for Indian box office with movies across genres performing exceedingly well. Movies such as *Sanju*, *Avengers: Infinity War*, *Uri: the Surgical Strike*, *2.0*, *Simmba*, *Badhaai ho*, *Raazi*, *Gully boy*, *Stree* were some of the movies loved by customers. Small budget, better scripted movies or movies with female lead protagonist also witnessed high footfalls. This trend reflected an evolution in Indian movie consumers who are inclined towards differentiated content and are willing to experiment. Good content with comfortable and luxury experience of our cinemas which includes recliner seats, premium screens such as IMAX, 4DX, P[XL], innovative Food & Beverages offering and customer engagement programs enabled us to achieve historical admit count of 9.9 Crore. Our goal is to offer something unique and specific to our target customer group depending on their preferences and consumption patterns.



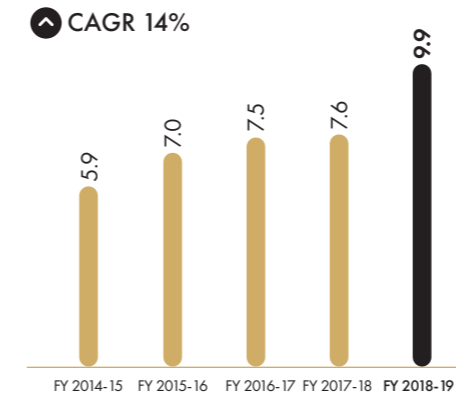
## KEY OPERATIONAL PARAMETERS

### AVERAGE TICKET PRICE (₹)

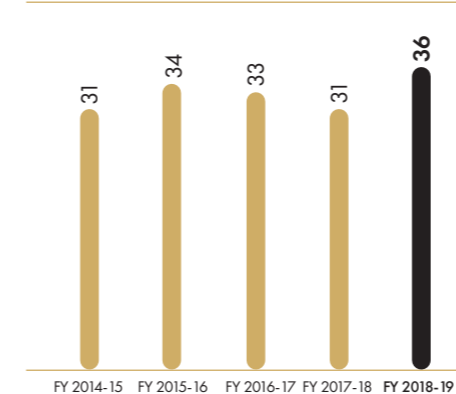


\* ATP is lower due to reduction in GST rates w.e.f January 01, 2019

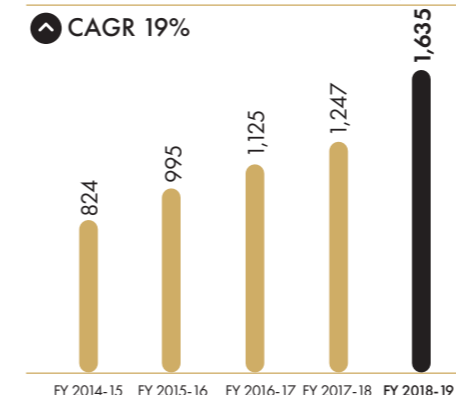
### ADMITS (No. in Crore)



### OCCUPANCY (%)



### BOX OFFICE (₹ in Crore)

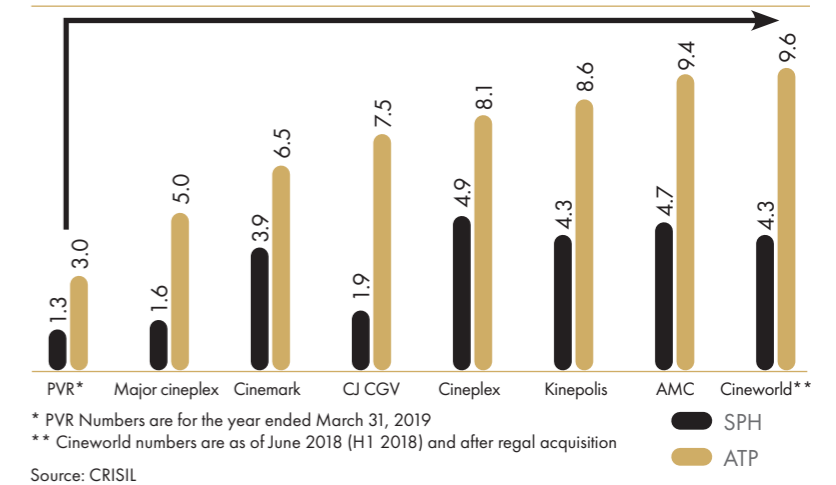


## Outlook: The best is yet to come

### Low ATP and SPH as compared with global peers

PVR is amongst the top 10 global multiplex chain operators in terms of number of admits (Source: CRISIL). However, in terms of Spend Per Head (SPH) and Average Ticket Price (ATP), PVR's numbers are significantly lower than that of its global peers, which indicates significant headroom for Box Office and F&B revenue growth by continuing premiumisation of screens and improving customer experience.

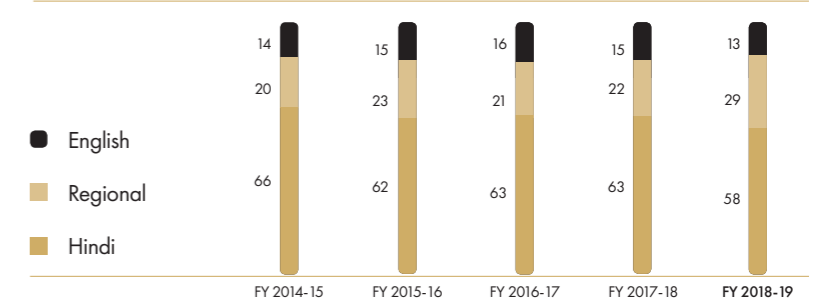
### AVERAGE TICKET PRICE (ATP) AND SPEND PER HEAD (SPH) COMPARED WITH GLOBAL PEERS (for the period ended Dec '18) (\$)



### Content diversification

Indians have always been fond of movies. A few years back, multiplex revenues were largely dependent on Bollywood movies. However, it's no longer the case with regional movies like Tamil, Telegu, Malayalam and Marathi, among others, that are increasingly made with a pan-India appeal. This trend stands to benefit the multiplex industry by diversifying box office revenue source into Bollywood, Hollywood and regional language movies.

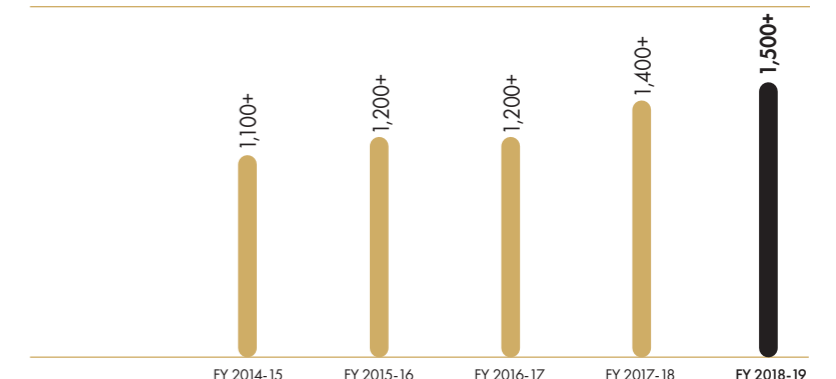
### CONTENT DIVERSIFICATION (%)



### Rise in number of movie releases

India continues to be the largest movie market with more than 2,000 movies released per year. In PVR alone, more than 1500 movies were released in FY 2018-19. There has been a steady rise in the number of low budget movies with concept based scripts. Many producers are showing a gradual trend to accept new talents rather than established names.

### NUMBER OF MOVIE RELEASES IN PVR





# Operational review FOOD AND BEVERAGE



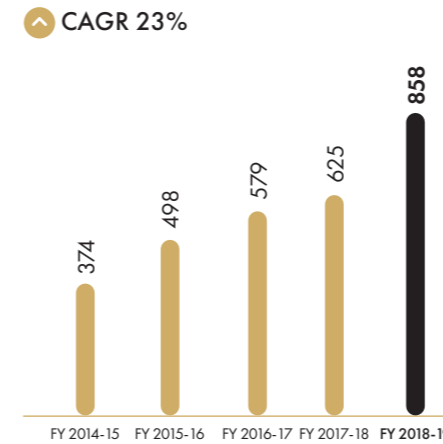
Our F&B segment offers a wide variety of food and drinks to our customers. We have undertaken numerous initiatives in this segment which includes offering our customers gourmet selection not traditionally found in cinemas, such as artisanal pizzas, delifrance viennoiseries, edamame, chicken hotdogs and mocktails. Further, we are providing innovative and convenient ways for our consumers to order food and augment that with highest possible service standard. Our well researched and popular F&B offerings have resulted in achieving highest F&B spend per patron in the Indian industry. Our revenue from this segment is also the highest as compared with our peers. Revenues from this F&B business function have increased by 37% in FY 2018-19 as compared with that of the previous fiscal, driven by continuous innovation in products and services.

To further enhance food and beverages revenue, we have also rolled out a number of initiatives to drive consumption such as Happy Hours, Deal's day, discounted prices in morning shows and loyalty points on each F&B spend, among others.

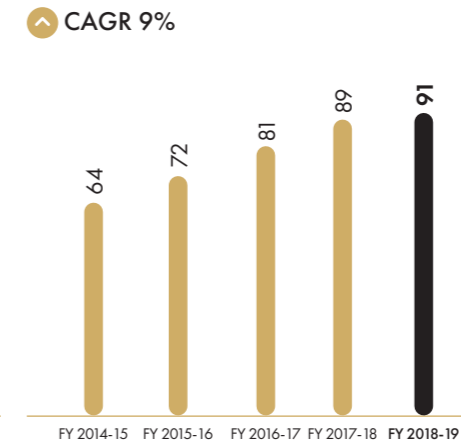


## KEY OPERATIONAL PARAMETERS

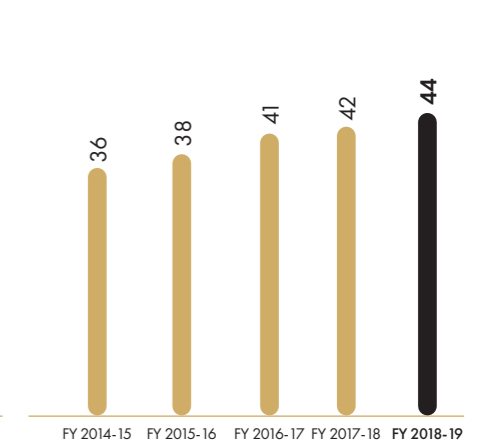
### REVENUES FROM THE SALE OF F&B PRODUCTS (₹ in Crore)



### SPEND PER HEAD (₹)



### SPH TO ATP RATIO (%)



### F&B initiatives

#### Chefs/Mixologists

- **Sarah Todd** – A celebrity chef, cookbook author, and host of television food and travel programs, has designed the Luxe and Gold Class Dining Menu
- **Yangdup Lama** – A mixologist, bartender, entrepreneur, author and known one of India's finest mixologist, has curated mocktails for PVR Cinemas
- **Yutaka Saito**, who introduced gourmet Japanese cuisine at Director's Cut and Gold Class in Delhi NCR.

#### Food

- We offer discounted products during 'Happy Hours', 'Deal Day'
- Introduced various healthy food options in our menu in some locations under the 'PVR Indulgence' category
- We came up with special combo meals during festivals such as Navratri and Durga Puja
- Introduced muffins, brownies and lava cakes under 'Sweet Temptations'

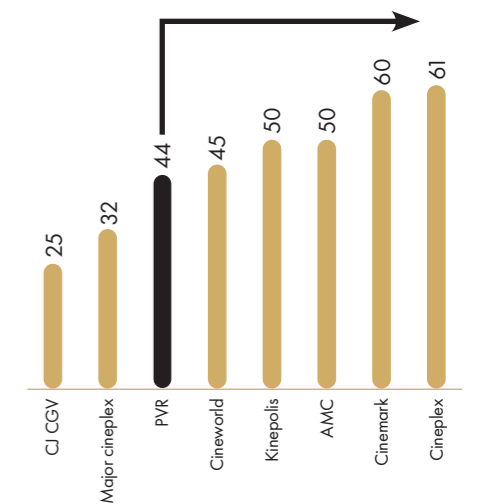
#### Beverages

- Launched various beverages during the year under review such as Zago Cold Coffee, SPI Cold Coffee and Donuts
- Began developing gourmet coffee, tea and infusions as a concept with pioneers in the industry for all premium properties
- Introduced Lavazza coffee at some of our cinemas

### Other initiatives

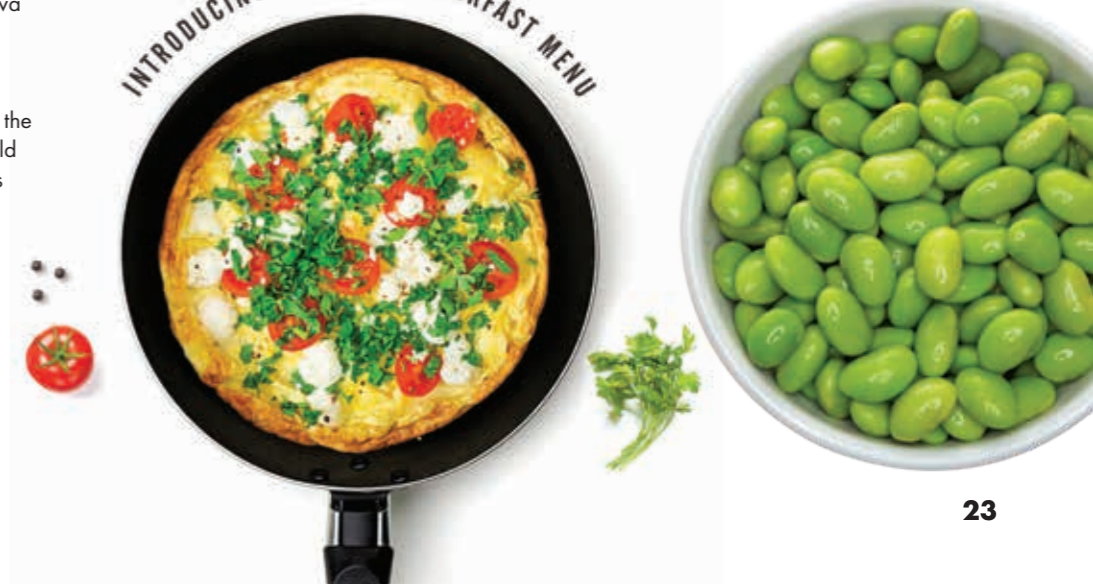
- Service on Seat (SoS) - Introduced QR-based convenience for ordering from seats
- Centralised our logistics management to reduce operational costs, better manage inventory, improve resource utilisation and ease invoicing for majority of products
- Documented our standardised recipes
- Started a new brand 'Wok and Grill' which consists of creative, casual cuisine, serving all-time favourite dishes
- Introduced home-grown brand, 'Local' jointly developed with local partners, using local ingredients and creating culinary marvels capturing the essence of the region
- Started a world-class Boulangerie, serving hot freshly baked breads for signature gourmet sandwiches and burgers. Product listing also includes the best of Viennoiseries, cakes and other desserts

### SPH TO ATP RATIO COMPARED WITH GLOBAL PEERS (%)



Source: CRISIL

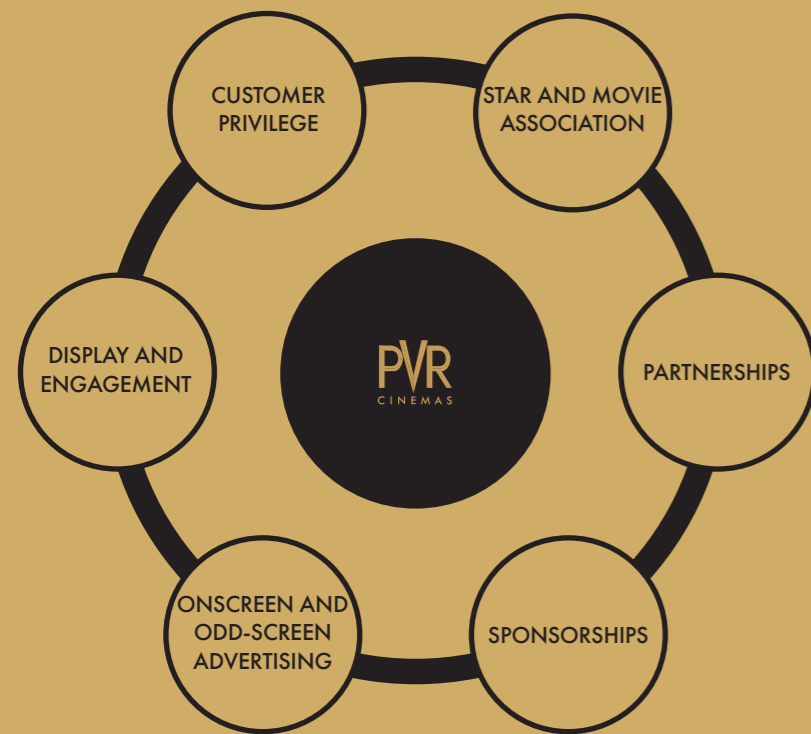
### INTRODUCING WEEKEND BREAKFAST MENU





# Operational review ADVERTISING PERFORMANCE

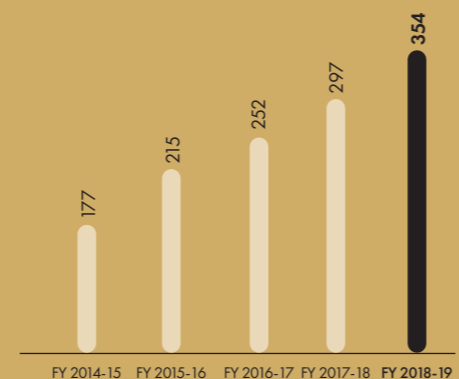
We effectively utilise our cinema infrastructure to display advertisements both on-screen and off-screen. Advertising has become an important source of revenue for us without incurring any additional costs. The share of in-cinema advertising is expected to reach ~ ₹ 16 Billion by fiscal 2023, from ~ ₹ 11 Billion in fiscal 2019, growing at a CAGR of ~10% (Source: CRISIL). Cinema advertising has become an effective medium of advertisement as it attracts undivided attention from the audience.



Advertising Opportunities at PVR

ADVERTISING INCOME ₹ (in Crore)

CAGR 19%



**MAKE YOUR BRAND CONVERSE WITH OVER 100 MILLION CAPTIVE AUDIENCE**

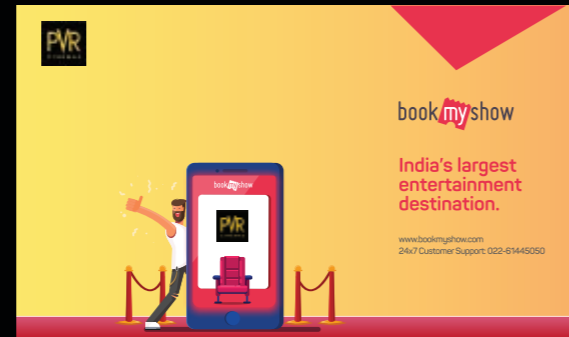
ADVERTISE WITH US AT **PVR CINEMAS** MAKE YOUR BRAND A SUPERSTAR



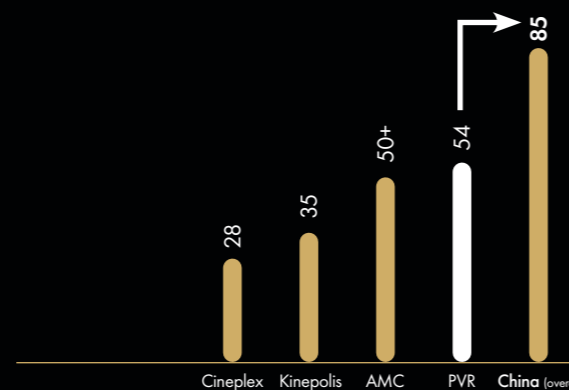
# Operational review REVENUE FROM CONVENIENCE FEES

With the Government's focus on Digital India initiatives, the multiplex industry in association with online ticketing aggregators, has also taken initiatives to drive greater digital penetration. The Company is focussing on increasing the share of online Gross Box Office Collection through its partner Paytm and Bookmyshow and through its own website and mobile app. Audience preference for booking online movie tickets is increasing, driven by its benefits such as elimination of ticket buying queue, discounts and offers available on online bookings, easy selection of seats, eliminating the need to carry cash; option for ticket cancellation, loyalty rewards and pre-booking of F&B. In addition, online data collected enables us to understand the behaviour and preferences of our customers in terms of movies, actors, offers, timings and F&B, helping us to customise offerings.

The graph on the right depicts percentage of online movie ticket sales in different geographies. PVR is already ahead of various developed countries and sees potential for further growth.



## ONLINE TICKET SALE GLOBALLY %



Source: Investor presentations and other research reports

## Multiple steps to increase online ticket sales

Made our ticket inventory available on India's largest aggregator platforms, Bookmyshow and Paytm

Revamped our website and mobile app to make them more consumer friendly

Provide offers, discounts and cashbacks to encourage more patrons to book tickets online

Introduced QR code-based paperless ticketing facility

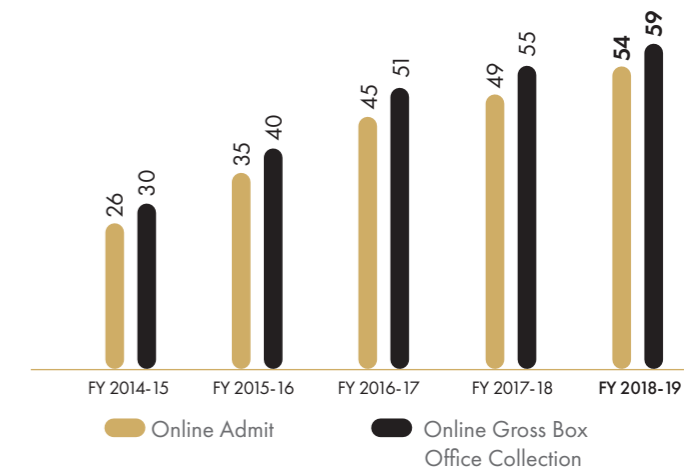
Introduced ticket cancellation and ticket booking through Alexa feature during the year

Introduced gift cards/e-cards for special occasions such as birthdays, anniversaries and corporate gifting



Renewal of ticketing agreement with Paytm (L-R) Mr. Kamal Gianchandani, Mr. Sanjeev Kumar, Mr. Vijay Shekhar Sharma and Ms. Renu Satti

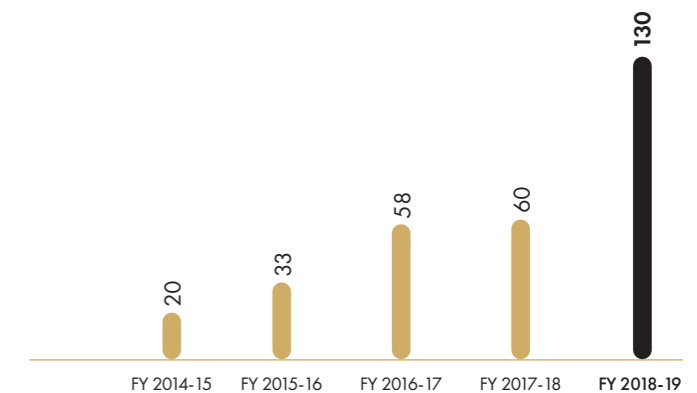
## ONLINE MOVIE TICKET SALE %



Renewal of ticketing agreement with Bookmyshow (L-R) Mr. Nitiin Sood and Mr. Ashish Saxena

## CONVENIENCE FEE INCOME ₹ (in Crore)

CAGR 60%





# Operational review

# DISTRIBUTION

# BUSINESS

# PERFORMANCE

PVR Pictures Ltd. ('PVR Pictures') is our wholly owned subsidiary engaged in the business of movie distribution.

PVR Pictures aims to be the preferred distributor for Hollywood production houses that do not have a base in India for distributing movies. We are also into the business of acquiring and distributing Bollywood movies in certain territories. Through the acquisition of SPI Cinemas, this Company will now explore distribution of regional movies as well.

Long-standing relationship with independent content creators, exhibitors, TV and digital platforms

Fundamental strengths of PVR Pictures

Diversified revenue segments – Hollywood, Bollywood and Regional Films

Largest Indian distributor for independent Hollywood films



	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19*	CAGR
Revenue ₹ (in Crore)	52	82	89	80	76	▲ 10%
EBITDA ₹ (in Crore)	9	10	13	17	19	▲ 21%
EBITDA Margin (%)	17	12	15	21	25	

\* 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 the Company was the first to introduce premium popcorn in the Indian market. The brand is built on highly innovative products with unique flavours. Their products are available at 1,400 retail stores, e-commerce sites such as Flipkart and Amazon, mini bars of prominent hotels such as the Taj and Oberoi, as well as in airlines, Indian Railways and PVR Cinemas.



	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	CAGR
Revenue ₹ (in Crore)	2	2	5	10	17	71%



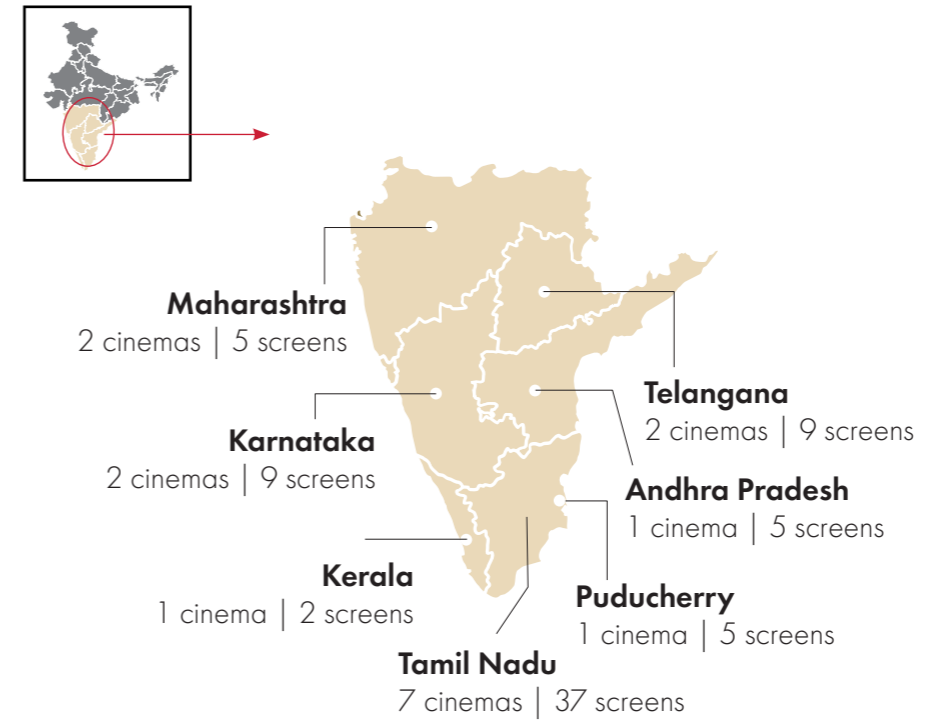
# Inorganic growth ANOTHER STEP TOWARDS EXPANDING LEADERSHIP



The Company completed acquisition of SPI Cinemas on August 17, 2018. This acquisition will provide Company the leadership position in all key markets of South India. South India is the largest contributor to regional box office market and customers in this region have deep affinity to movies. It is also marked with significant under penetration in terms of multiplex screens, providing us an unparalleled platform to achieve presence in this under penetrated region. The acquisition is in line with the PVR's continual growth and expansion strategy. SPI Cinemas has a network of 72 screens across 16 properties. The Company also has a signed pipeline of over 100 screens which are expected to be rolled out over the next five years. This transaction is a significant step to help Company achieve vision of having 1,000 screens in next couple of years.

## SCREEN NETWORK

### CITY-WISE CINEMAS and SCREENS — SPI CINEMAS



Note: Map not to scale

### What the SPI acquisition means for PVR

PVR will become the largest player in all key cities of South India

PVR's leadership is expected to strengthen in India; combined revenues are likely to be two times higher than that of our competitors

Scope to enhance revenues by integrating strategy, operations and management

SPI to act as a platform for future expansion in the underpenetrated South India market

Content diversification







	Revenue ₹ (in Crore)	EBITDA ₹ (in Crore)	EBITDA Margin (%)	Admit (No. in Crore)	ATP (₹)	SPH (₹)
<b>FY 2018-19</b>	<b>459</b>	<b>87</b>	<b>18.9</b>	<b>1.6</b>	<b>160</b>	<b>91</b>



# Customer engagement PVR PRIVILEGE

**46 lakh+**  
Members

## PVR'S 'COMPLETELY DIGITAL' LOYALTY PROGRAMME

The PVR Privilege Club unveiled a customer loyalty programme to reward patrons for their continued support and engagement. The programme is completely digital and requires no cards; it uses the patron's mobile number to identify the member. The fully digital programme uses analytics to better understand the customer's usage preferences.

Members can earn points on their spends on both the movie tickets as well as food and beverages purchases, which they can later use to redeem a part of the cost on future purchases. The programme rewards 5 points (equal to ₹ 5) on every ₹100 spent by the customer, and automatically generates a voucher at every ₹50 reached. To make the programme even more attractive, there is no upper limit to redeem points thus collected.

The programme is live and can be used across multiple channels and platforms while interacting with PVR's customer touchpoints, be it website or app or at the box office. To facility is made seamless and transparent, giving the members the ability to track their usage and data through the app.

**DON'T FORGET TO REDEEM POINTS**

**ENROL NOW**

EARN 5% POINTS ON EVERY TICKET AND F&B PURCHASE

PVR  
*Privilege*

QUOTE YOUR MOBILE NUMBER ON EVERY PURCHASE

### PVR PRIVILEGE A ONE-OF-A-KIND LOYALTY PROGRAMME



**an active loyalty programme**



**simple, easy-to-use**



**phone number to be the membership id (no physical card)**



**rewards and benefits to accrue from 1<sup>st</sup> visit onwards**

# VKAAO

Patrons have access to  
**500+**  
Movies

VkAAo is an online platform which uses a crowdsourcing model to enable customers to plan exclusive screenings of movies of their choice from our collection of movies at a cinema of their choice. Once the customer confirms the movie, cinema and timing, the screening is made available on VkAAo for other customers to join, and if a certain number of tickets are sold, the screening is confirmed. VkAAo gives our customers access to several movies, including Bollywood, Hollywood and regional movies, and even offers recommendations. VkAAo also provides a bulk booking option for special occasions.



*Singham ka, DDLJ ka, Vicky Donor ka, sabka VkAAo karega re tera ye Phaizal!*



A JOINT INITIATIVE OF

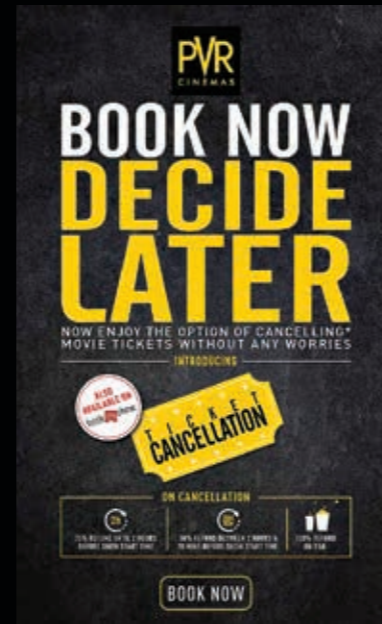
**PVR PICTURES** & **book my show**



# INNOVATIONS

## Ticket cancellations

We allow patrons to cancel booked movie tickets even 20 minutes prior the start of a show. This has ensured our patrons can book tickets in advance without worry, knowing they can cancel their tickets online and get a refund whenever they want to.

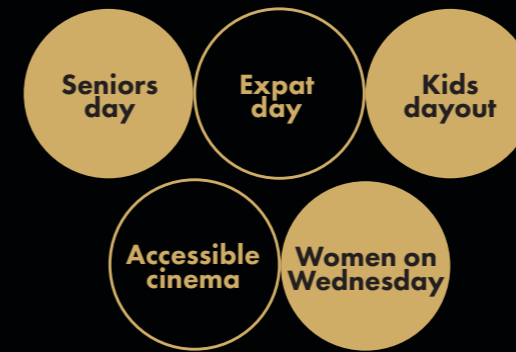


## Offers and schemes

We continually keep launching attractive offers and schemes for our patrons. Our deals include cash backs, discounts on F&B, special offers during milestone celebrations, coupons on movie tickets and flat discounts on specific days on ticket bookings among others to keep our viewers engaged.

# SHOWS FOR ALL

At PVR, there is always something for everyone. As a player who caters to multiple geographies and customer segments, we have innovated varied offerings through diverse formats, all leading to different experiences in their own ways.



## Alexa! Skill for hands-free ticket booking

Company launched an Alexa Skill to help customers book tickets, get instant information about the latest releases, show timings, and nearest cinema theatres, among other tasks.



# EVENTS

We screen exclusive premiers of various Bollywood and regional movies and through this platform, actors and directors also promote their films among audiences.





# Our employees OUR HUMAN CAPITAL

At PVR, we meticulously nurture a competent and engaged workforce that can shoulder the responsibilities of today and provide leadership for the future. We believe today's wow is tomorrow's ordinary.

Our focus is to build and sustain excellence at every step, across all facets of the business, driven by people with commitment and capability. We are focussed on attracting the right talent, upskilling our people, recognising and rewarding team efforts, and encouraging them to

embrace excellence in their professional and personal lives.

In FY 2018-19, we rolled out several employee engagement initiatives aimed at elevating their career paths at PVR, strengthening their capabilities, and deriving more value.

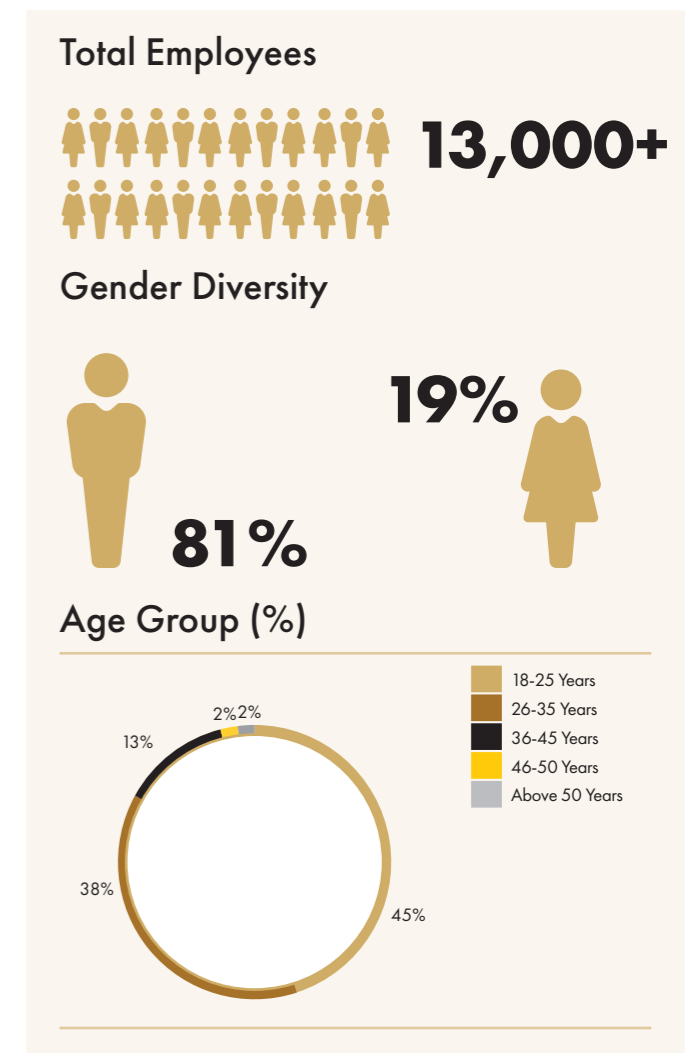


Our people are our most valuable assets. Our people are the ones who translate our strategy into action, our vision into reality and our aspirations into achievements.

Integrity is both a value as well as a character that is embedded in every PVR employee, manifesting itself in every thought and action, every day with everyone.

PVR has an ideal mix of youthful energy guided by mature leadership. Guided by core values and glued by a dynamic culture, we value diversity and respect excellence. As a learning organisation, we invest in upgrading and upskilling our people.

We endeavour to become a preferred employer offering not just a job, but a lasting and rewarding career.





# Corporate social initiatives OUR SOCIAL CONNECT

At PVR, we seek to integrate ethical business values in our operations to fulfil our social responsibilities along with consolidating our business practices to create a positive impact on the society. For this, we have structured and framed our Corporate Social Responsibility policy to be in compliance with the applicable laws. Through our CSR arm, PVR NEST, we aim to provide support and address the issues which impact destitute children in urban societies; and also to develop community based programs that help them gain a holistic understanding of their circumstances, support their initiatives and provide a platform to voice their ideas. We seek to provide financial aid and volunteering services for vulnerable sections of the society, partnering with the Government and various other organisations.

**Childscapes** is a rehabilitation programme designed to identify, engage, educate and rehabilitate children at risks by providing them non-formal education. The larger purpose of this programme is to place these children into mainstream schooling and steer them towards the path of overall well-being and development.

**Project Eklavya** is another initiative aimed at installing an effective, sustainable model to enable increased access to Right to Education. The technology based campaign aims to achieve equitable opportunity for every child in the country by enabling them to have access to their legislative right of Right to Education. Through an engaging innovative app, it promotes the largest employee volunteering program at PVR Cinemas.

**Fellowship programme to identify influencers**  
Started a fellowship programme to identify influencers and leaders with PPP (Public-Private Partnership) for persons with disabilities.

## Verticals and initiatives of PVR NEST

### Education of children of risk

- Providing non-formal education through Childscapes
- Provision of academic scholarship and facilitating admissions for deserving children with the Right to Education

### Women, community and health

- Pink Toilets is a unique initiative to provide safe public rest rooms exclusively for women, adolescent girls and children. The toilets are equipped with sanitary napkin vending machines, incinerators and breast feeding area. This partnership aims to educate the communities about the possible hazards of open defecation and provide hygienic infrastructure to women. We have developed 3 such toilets in Delhi.
- Maitri Meals provides an alternate means of livelihood to the women living in difficult circumstances.
- Rehabilitation of women to address the issues of homeless women with mental illness.
- Shiksha Sehyogis to create sustainable livelihoods through Childscapes Sub – Center initiative
- Free Breast Prosthesis with Pocket Bra initiative provides scientifically designed & medically approved breast prosthesis and pocket bra to breast cancer survivor women for free.

Through another memorandum, PVR NEST has initiated the “Eco Grants- Incubating Youth Ideas” program which aims to develop an innovative and inclusive approach to foster environment sustainability through citizen action. In addition PVR NEST through ‘Pink Toilets’ has partnered with the National Commission for Protection of Child Rights, and the South Delhi Municipal corporation to provide safe public restrooms exclusively for women, adolescent girls and children.



### Infrastructure

- Initiatives under this vertical include maintenance of Africa Avenue under flyover Park
- Aesthetic beautification of schools with safe drinking and sanitation facilities with play area.

### CSR Highlights (Impact 2018-19)

<b>70,000</b> Project Eklavya Admissions for the academic year 2019-20	<b>3,000</b> Childscapes Non-formal education sports, cognitive and non-cognitive	<b>630+</b> Rehab & shelter support Yamuna Pusta initiative	<b>1219</b> Direct school going children	<b>18</b> Development centres Childscapes and 6 sub-centres
<b>16</b> Passionate members	<b>3,000</b> Collective of homeless women outreach	<b>43</b> Scholarships Under SEA initiative	<b>06</b> Maitri Meals Alternate Livelihood	<b>04</b> Collective of leaders of PwD – PPP model 4 leaders identified
<b>10,000</b> ECO-Grants Youth across 5 cities 11 innovative projects	<b>408</b> Prosthetic & Bras to cancer patients	<b>95</b> mothers and youth champions	<b>3500+</b> Children watched special screenings at PVR	<b>200</b> Cataract Surgeries for children in Bihar
<b>350</b> Children will use improved toilets and drinking water facility, Play area at LOPS	<b>1</b> Green Belt Park maintenance (PPP)	<b>50+</b> Programme partners with expertise	<b>1,00,375</b> Facility used by 03 Pink Toilets (PPP)	





# Leadership Profiles

## BOARD OF DIRECTORS



**Ajay Bijli**  
Promoter and Founder  
Chairman and Managing Director

- Has over two decades of experience in the movie exhibition industry.
- Recognised as pioneer of the multiplex industry in India.
- Completed the 28<sup>th</sup> 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 ALIFF 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

- 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.



**Sanjai Vohra**  
Independent Director

- Holds a Bachelors degree in science from the University of Delhi and a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.
- Over 30 years of experience in the banking industry, private finance and risk management.
- He is also a Director on the board of Tivass Strategies (India) Private Ltd.



**Renuka Ramnath**  
Non-executive Director

- 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 156<sup>th</sup> 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 Board of Indian Energy Exchange Ltd., Ultratech Cement Ltd. Tata Communications Ltd., and L&T Technology Services Ltd., among others.



**Vishal Mahadevia**  
Non-executive Director

- Managing Director of Warburg Pincus India Private Ltd.
- Also a Director on the Board of Airtel Africa Ltd., Biba Apparels Private Ltd. Stellar Value Chain Solutions Private Ltd. and ICICI Lombard General Insurance Company Ltd., among others.



**Vikram Bakshi**  
Independent Director

- Managing Director of Connaught Plaza Restaurants Private Ltd.
- Also a Director on the Board of Ascot Estates (Manesar) Private Ltd., Brite India Private Ltd. and PVR Pictures, among others.
- Successfully established McDonald's in North India.
- Over 30 years of experience



**Deepa Misra Harris**  
Independent Director

- Has a proven track record of delivering double-digit growth and escalating brands to leadership positions.
- With an experience of over 30 years in the high-end hospitality category, she has contributed significantly to the success of the Taj Group of Hotels.



**Amit Burman**  
Independent Director

- Holds a Masters degree in Business Administration from the University of Cambridge.
- Also a Director on the board of Dabur India Ltd., Micromax Informatics Ltd., Dabur Securities Private Ltd. and Talbros Automotive Components Ltd., among others.



# Leadership Profiles

## KEY MANAGEMENT TEAM



**Gautam Dutta**  
Chief Executive Officer

- Associated with the Company for over 13 years.
- Involved in enhancing revenue and profitability, technology adoption, innovation and growth as an organization.
- 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 19 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 17 years.
- Played a key role in our growth and expansion.
- Oversees the finance function and legal compliance
- Also responsible for managing all activities relating to mergers and acquisitions, fund raising 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 and Development Officer

- Overall association with the Company for over 20 years.
- Responsible for overseeing growth and development of new screen portfolio and execution and fitouts of new screens.
- Also a Director on the board of Star Shopping Centres Private Ltd., Future Market Networks Ltd. and Pan India Food Solutions Private Ltd., among others.



**Pankaj Dhawan**  
Company Secretary cum Compliance Officer

- Associated with the Company for over 10 years.
- Responsible for our overall secretarial and corporate governance compliance.
- Was admitted as a fellow of the Institute of Company Secretaries of India in 1997.



**Rajat Tyagi**  
Chief Information Officer

- Associated with the Company for over 3 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.



**Rahul Singh**  
Chief Operating Officer

- Associated with the Company for over 10 years.
- Oversees cinema operations and procedures and is responsible for the 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 and beverages function from the strategic and operational perspective.



**Sunil Kumar**  
Chief Human Resource Officer

- Associated with the Company for over 3 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 recognitions

## FEATHERS IN OUR CAP



Mr. Nitin Sood receiving Best CFO Award



Mr. Lakshya Dhawan receiving Best tech award supporting Energy efficiency



Mr. Rajat Tyagi along with his team receiving The Kotler Award of Excellence for Digital Transformation.

- Best CFO (Excellence in Mergers & Acquisitions) to Mr. Nitin Sood by ET Now
- Most Innovative Mid-Sized Company by ET Now
- The Kotler Award of Excellence for Digital Transformation, World Marketing Summit
- Best Tech Award Supporting Energy Efficiency at the Future of Energy Management Summit & Awards 2018
- '4700BC Popcorn' received the 'Food & Grocery Brand of the year (Snacks)' award by the Global Awards for Retail Excellence
- '4700BC Popcorn' received the 'Most Talented Food Industry Leaders' award by the Asia Food Congress and Awards
- National Best Employer Brand 2018 by Employer Branding Institute – India
- Best Leadership Development Programme for Middle Management by the World Training and Development Congress

## Corporate information

**Ajay Bijli**  
Promoter and Founder,  
Chairman and Managing Director

**Sanjeev Kumar**  
Promoter and Co-Founder,  
Joint Managing Director

**Renuka Ramnath**  
Director

**Amit Burman**  
Director

**Sanjai Vohra**  
Director

**Vikram Bakshi**  
Director

**Sanjay Khanna (Resigned w.e.f. April 15, 2019)**  
Director

**Vishal Mahadevia**  
Director

**Deepa Misra (Appointed w.e.f. March 27, 2019)**  
Director

**Nitin Sood**  
Chief Financial Officer

**Pankaj Dhawan**  
Company Secretary cum Compliance officer

**Statutory Auditors**  
BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

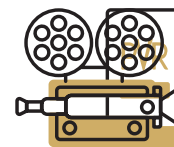
**Internal Auditors**  
Ernst & Young LLP

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

**Registered Office**  
61, Basant Lok, Vasant Vihar, New Delhi -110 057  
CIN : L74899DL1995PLC067827  
Tel. : 011-47604302  
Website : www.pvrcinemas.com  
Email Id : cosec@pvrcinemas.com

**Corporate Office**  
Block A, 4<sup>th</sup> Floor, Building No. 9,  
DLF Cyber City, Phase – III,  
Gurugram – 122 002,  
Haryana, India





# Directors' Report

## Dear Shareholders,

Your Directors have immense pleasure in presenting the Twenty-fourth Board Report on the business and operations of your Company along with standalone and consolidated financial statements for the year ended March 31, 2019.

## 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") the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS) for the financial year 2018-19. The Standalone and consolidated financial highlights of the Company's operations are as follows:

(₹ in Lacs.)

Particulars	Standalone		Growth	Consolidation		Growth
	2018-19	2017-18		2018-19	2017-18	
Revenue	2,77,684	2,27,565	22%	3,11,870	2,36,545	32%
Expenses	2,50,444	2,08,508	20%	2,81,852	2,16,967	30%
Profit before tax	27,240	18,998	43%	29,903	19,446	54%
Profit after tax	17,275	12,142	42%	18,937	12,402	53%
Earning per share	36.73	25.86	42%	39.04	26.57	47%

The financial results have been discussed in detail in the Management discussion and Analysis report forming part of this report.

## 2. Dividend and Dividend Distribution Policy

Your Directors have recommended a Final dividend of ₹ 2/- (Two Rupees) per Equity Share of face value ₹ 10 each fully paid-up (20 % of face value) for the financial year ended March 31, 2019 for your approval. The Dividend outgo will amount to ₹ 1,127 lakhs approx including Dividend Distribution Tax.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a formal policy on Dividend Distribution. The policy on dividend distribution is annexed as Annexure '1' to this report.

## 3. Transfer within Reserves

Your Company has transferred ₹ 2,895 lakhs to the Debenture Redemption Reserve from Retained Earnings. Further, Company has utilised ₹ 1,127 lakhs of retained earnings for payment of Dividend and Dividend Distribution tax. There is no change in General Reserve during the year.

## 4. Major events occurred during the year

### Acquisition of SPI Cinemas Private Limited ("SPI"):

The Board of Directors in its meeting held on August 12, 2018, approved the acquisition of SPI via Share Purchase Agreement (SPA) by way of acquisition of 71.69% equity shares in SPI for a cash consideration of ₹ 63,560 lakhs (including ₹ 10,000 lakhs of Deferred consideration) 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 ("Scheme"). 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. As per the process, the proposed scheme has been approved by National Stock Exchange of India Limited & BSE Limited vide their letter dated January 21, 2019

and January 22, 2019 respectively. Subsequent to these approvals, the Company has filed an application with Hon'ble National Company Law Tribunal ("NCLT") for the proposed merger of SPI with the Company. As per order of the NCLT, Meeting of Equity Shareholders, secured and unsecured creditors of the Company and unsecured creditors of SPI were held on April 24, 2019 and approvals were obtained for the proposed merger of SPI with the Company. The Company has filed an application with NCLT for final order in the matter. NCLT vide order dated May 8, 2019 has fixed July 10, 2019 as the next date of hearing of the Petition for the consideration of the approval of the Scheme of Amalgamation between the Petitioner Companies.

The acquisition of SPI is of significant strategic value for the Company and will further strengthen 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.

SPI had following cinemas in its portfolio:

Sr. No.	Cinema	State	Screens
1	Palazzo, The Forum Vijaya Mall, Chennai	Tamil Nadu	9
2	Sathyam, Royapettah, Chennai	Tamil Nadu	6
3	Escape, Express Avenue Mall, Chennai	Tamil Nadu	8
4	The Cinema, Brookefields Mall, Coimbatore	Tamil Nadu	6
5	S2 Perambur, Spectrum Mall, Chennai	Tamil Nadu	5
6	S2 Theyagaraja, Thiruvanniyur, Chennai	Tamil Nadu	2
7	Le Reve, Globus Mall, Bandra, Mumbai	Maharashtra	1



Sr. No.	Cinema	State	Screens
8	Casino, Chennai*	Tamil Nadu	1
9	Kripa, Mahathma Gandhi Road, Trivandrum	Kerala	2
10	S2 Warangal, Maddox Mall, Warrangal	Telangana	5
11	The Cinema, GT World Mall, Bengaluru	Karnataka	5
12	The Cinema, Providence Mall, Puducherry	Tamil Nadu	5
13	The Cinema, Guntur	Andhra Pradesh	5
14	S2 Mallapur, Noma Talkies, Hyderabad	Telangana	4
15	S2 Haseen, Bhiwandi	Maharashtra	4
16	Aura Cinema, Bengaluru**	Bengaluru	4
<b>Total</b>			<b>72</b>

\* Company has shut down operations of Casino, Chennai w.e.f. April 1, 2019;  
\*\* Aura Cinema, Bengaluru was under construction at the time of acquisition.

For further detail on the transaction please refer financial statements.

## 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 Annual Report.

## 9. Credit rating of Securities

As on March 31, 2019, the Company was rated by two domestic rating agencies, namely CRISIL and ICRA which is as follows.

Sr. No.	Name of Agency	Rating	Name of Instrument	Date of Rating	Amount (₹ Cr)
1	ICRA	AA-/stable	Non-Convertible Debenture	8.3.2019	360.00
		AA-/stable	Bank Loan Facilities	8.3.2019	219.00
		A1+	Commercial Paper	8.3.2019	200.00
2	CRISIL	AA-/stable	Non-Convertible Debenture	10.1.2019	685.00
		AA-/stable	Bank Loan Facilities (Including Working Capital Facilities)	10.1.2019	648.33

## 10. Transfer to Investor Education and Protection Fund

The Company has transferred a sum of ₹ 6.35 lakhs during the year to the Investor Education and Protection Fund established by the Central Government, in compliance with the Companies Act, 2013. The said amount represents unclaimed dividends which were lying with the Company for a period of seven years from their respective due dates. Further, the Company has transferred 397 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 has been transferred to the Fund, may claim the shares under provision to sub-section Section 124(6) or apply for refund under Section 125(3)(a) or under proviso to Section 125(3), as the case may

## 6. Capital Structure

During the year, there was no change in the Company's authorised, issued, subscribed and paid-up equity share capital.

## 7. Details of Employee Stock options

At present, the Company has one Employee Stock Options Schemes (ESOS), namely, "PVR Employee Stock options schemes 2017". The Nomination committee administers and monitors the Company's ESOS Scheme.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), a disclosure with respect to ESOS Schemes of the Company as on March 31, 2019, is available on Company's website [www.pvrcinemas.com](http://www.pvrcinemas.com). The scheme is in compliance with ESOP Regulations.

Refer financial statements forming part of this annual report for further details on Scheme.

## 8. Issue of Debentures

During the year, your Company raised 5,000 lakhs through issuance of Secured rated listed Non-Convertible Debentures (NCD) at face value of 10 lakhs each on private placement basis.

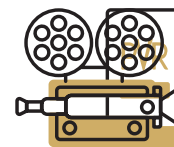
Refer financial statements forming part of this annual report for further details on Debentures.

be, to the Authority by making an application in Form IEPF- 5 online available on website [www.iepf.gov.in](http://www.iepf.gov.in) along with fees.

## 11. Directors

On March 27, 2019 the Company has appointed Ms. Deepa Misra Harris as an Independent Women Director on the Board of the Company as per Regulation 17 of SEBI (Listing Obligations and Obligations Disclosure) Requirements, 2015. Ms. Deepa holds master's degree from LSR College, Delhi University and has been part of Impact's 50 most influential women in marketing for three years and is on the Business Today list of most powerful business women for two years. Currently, she is Sales and marketing head for Taj Hotels, Palaces, Resorts and Safaris. She has led a team of 600 professionals, fuelling robust sales performance, fine-tuning processes and managing worldwide reservations, revenue and distribution across all





channels. She has a work experience of more than 30 years in high end luxury hospitality category.

Mr. Sanjay Khanna an Independent Director of the Company resigned from the Board and various committees of the Board, effective from April 15, 2019 due to his pre-occupancy and personal reasons.

Pursuant to Section 149 read with Section 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of the retireable Directors shall retire every year and, if eligible, may offer for re-appointment. Consequently, Ms. Renuka Ramnath who retires by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Mr. Sanjai Vohra, Mr. Amit Burman and Mr. Vikram Bakshi who are Independent Director's and whose terms of appointments cease on the ensuing Annual General Meeting have been recommended by the Board for the reappointment for another term of 5 years from the date of the ensuing Annual General Meeting on July 25, 2019. Their brief resume, the nature of expertise in specific functional areas, name of Companies in which they hold directorship, committee membership/ Chairmanships, his shareholding in the Company etc. are furnished in the explanatory statement to the notice of the ensuing AGM.

The Company has received necessary declaration from each Independent Directors of the Company under Section 149 (7) of the Companies Act, 2013 and LODR Regulations, confirming that they meet the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and that of LODR Regulations.

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 has been posted 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.

## 12. Key Managerial Personnel

The Key Managerial Personnel (KMP) in 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. Niitin Sood	Chief Financial Officer

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

## 13. Meetings of the Board of Directors

During the Financial Year 2018-19, Board of Directors have met six times. The details of Board Meetings and Committee Meetings are given in the Corporate Governance Report.

## 14. Recommendations of Audit Committee

Audit Committee as on March 31, 2019 was comprised of the following independent directors:

- Mr. Sanjai Vohra;
- Mr. Amit Burman;
- Mr. Vikram Bakshi; and
- Mr. Sanjay Khanna.

All recommendations of Audit Committee were accepted by the Board of Directors.

## 15. Policy on Directors appointment and Remuneration

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 the policy on remuneration of directors, KMP and other employees is annexed as Annexure '2', which forms part of this report.

## 16. Performance Evaluation of the Board, its Committees and Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges, 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 such as adequacy of the Constitution and Composition of the Board and its Committees, 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 Directors 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 after taking into account the views of Executive and Non-Executive Directors.

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.

## 17. 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 up to the date of ensuing Annual General Meeting. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company and the same will be furnished on request.

## 18. 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, 2019 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.

## 19. 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 interact 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. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2018-19.

Refer Statutory Auditor report on internal financial controls forming part of this annual report for Auditors opinion on internal financial controls.

## 20. 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.

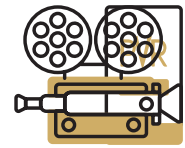
## 21. Report on the Performance & Financial Position of Subsidiaries

As on March 31, 2019, following are the list of subsidiaries of the Company:

Sr. No.	Name of the Company
1	SPI Cinemas Private Limited
2	PVR Pictures Limited
3	Zea Maize Private Limited
4	P V R Lanka Limited
5	SPI Entertainment Projects (Tirupati) Private Limited (Step down subsidiary of SPI Cinemas Private Limited)
6	PVR Middle East FZ-LLC

During the year, on August 17, 2018, your Company acquired 71.69% stake in SPI Cinemas Private Limited. Further, Company has incorporated PVR Middle East FZ-LLC in UAE region.





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 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 its website at [www.pvr cinemas.com](http://www.pvr cinemas.com).

The Company will make available physical copies of these documents upon request by any shareholder of the Company. These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of Annual General Meeting.

## 22. Disclosure on Deposit under Chapter V

The Company has neither accepted nor renewed any deposits during the year in terms of Chapter V of the Companies Act, 2013.

## 23. Particulars of Loans, Guarantee or Investment under Section 186 of the Companies

Pursuant to Section 134(3)(g) of the Companies Act, 2013 (Act) a statement containing of loans, guarantee or investment under Section 186 of the Act as at end of the Financial Year 2018-19 is annexed as **Annexure '5'** which forms part of this report.

## 24. 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 (Act), all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the year, were either in the ordinary course of business or on an arm's length basis.

During the year, 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 drawn to the Related Party Disclosures set out in the Financial Statements.

## 25. 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 '6A & 6B'** which forms part of this report.

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

Pursuant to provisions of Section 134 of the 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 '7'** which forms part of this report.

## 27. 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 process in place to identify key risk 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.

Detailed discussion on Risk management forms part of Management Discussion & Analysis 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.

## 28. 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 high 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. With effect from April 1, 2019 the Company has revised its



Whistle Bowler Policy as approved by its Board of Directors in the meeting held on May 10, 2019 in line with changes mandated by the SEBI.

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.

### 29. Material orders of Judicial Bodies/Regulators

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 30. 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, subject to annual ratification by members at every Annual General meeting, is required under the Act.

Pursuant to Sections 139 and 141 of the Companies Act, 2013 and relevant rules prescribed there under, the Company has received certificate from the Auditors to the effect, that their appointment would be within the limits laid down by the Act, shall be 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 2018-19, which forms part of this Report. They have issued an unmodified Audit opinion without any qualification, reservation, adverse remark.

### 31. Secretarial Auditors and their Report

M/s. Arun Gupta & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2018-19 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 '8'** to this report.

There are no qualifications or observations or other adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the Financial Year 2018-19 which call for any explanation from the Board of Directors.

### 32. Compliance with Secretarial Standard

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

### 33. 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, 2019 in the prescribed Form No. MGT-9 is annexed as Annexure '9' and forms part of this report.

### 34. 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.

### 35. 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 total number of complaints filed during the financial year 2018-19 was 21 and total numbers of complaints disposed were 21 and the total numbers of complaints pending during at the end of the financial year 2018-19 is Nil.

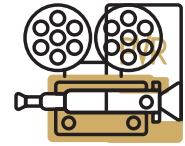
### 36. Business Responsibility Report

As stipulated under the listing regulations, the Business Responsibility Report, describing the initiatives taken by the Company from Environment, Social and governance perspective is presented in a separate Section, forming part of the Annual Report.

### 37. 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.





### 38. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 revised from time to time.

A report on Corporate Governance along with a certificate received from a Practicing Company Secretary is attached and forms integral part of the Annual 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also attached and forms part of this report.

### 39. 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 Agents 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**

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
Chairman cum Managing Director



## ANNEXURE '1'

### 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 day of March 31, 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 realized 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.

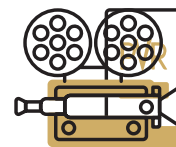
##### Product/market expansion plan

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

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
Chairman cum Managing Director



## ANNEXURE '2'

### POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

#### 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

<b>Directors:</b>	Directors (other than Managing Director(s) and Whole-time Director(s)) appointed under the provisions of the Companies Act, 2013 and rules made thereunder.
<b>Key Managerial Personnel:</b>	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.
<b>Senior Management Personnel:</b>	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 and 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.

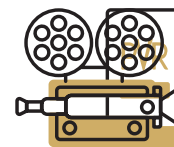
#### E. Eligibility Criteria & Remuneration of Key Managerial Personnel, Senior Management Personnel

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**

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
Chairman cum Managing Director



## ANNEXURE '3'

**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**

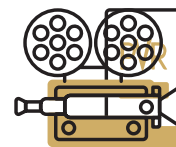
Rule	Particulars		
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	A	Mr. Ajay Bijli, Chairman Cum Managing Director 1:225
		B	Mr. Sanjeev Kumar, Joint Managing Director 1:156
			<b>Median Salary - (in INR)</b> 2,43,672
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	A	Mr. Ajay Bijli, Chairman cum Managing Director 69%
		B	Mr. Sanjeev Kumar, Joint Managing Director 69%
		C	Mr. Nitin Sood, CFO 35%
		D	Mr. Pankaj Dhawan, CS 8%
(iii)	The number of permanent employees on the rolls of company;		3,320
(iv)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company		% increase in Net Sales in 2018-19 as compared to 2017-18 22%
(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% (M5 & below)
			: - Average Percentage increase in Salaries of Managerial Personnel: 13% (M4 & Above)
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.		It is hereby affirmed that the remuneration is as per remuneration policy of the Company

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

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
Chairman cum Managing Director





## ANNEXURE '4'

### 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 subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

##### FY 2018-19

(₹ in lakhs)

Sl. No.	Particulars	Details	Details	Details	Details	Details
1	Name of the Subsidiary	PVR Pictures Ltd.	Zea Maize Private Limited	P V R Lanka Ltd.	PVR Middle East FZ-LLC	SPI Cinemas Private Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-Apr-18 to 31-Mar-19	01-Apr-18 to 31-Mar-19	01-Apr-18 to 31-Mar-19	01-Apr-18 to 31-Mar-19	01-Apr-18 to 31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹	₹	₹
4	Share Capital	1,680	6	1,406	10	31
5	Reserves & surplus	2,723	308	(69)	(5)	9,847
6	Total assets	7,835	957	1,356	9	35,272
7	Total liabilities	3,432	643	19	4	25,395
8	Investments	300				
9	Turnover	4,696	1,660	-	-	29,884
10	Profit before taxation	616	(385)	(39)	(4)	3,479
11	Provision for taxation	135	-	-	-	1,178
12	Profit after taxation	480	(385)	(39)	(4)	2,301
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	100%	70% (85.4% through compulsory convertible preference shares)	100%	100%	SPI Cinemas Private Limited (w.e.f August 17,2018)- 71.69%

##### FY 2017-18

(₹ in lakhs)

Sl. No.	Particulars	Details	Details	Details
1	Name of the Subsidiary	PVR Pictures Ltd.	Zea Maize Private Limited	P V R Lanka Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-Apr-18 to 31-Mar-19	01-Apr-18 to 31-Mar-19	01-Apr-18 to 31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹
4	Share Capital	1,680	5	136
5	Reserves & surplus	2,258	453	(8)
6	Total assets	7,713	793	129
7	Total liabilities	3,775	336	1
8	Investments	325	-	-
9	Turnover	7,971	967	-
10	Profit before taxation	614	210	(5)
11	Provision for taxation	206	-	-
12	Profit after taxation	408	210	(5)
13	Proposed Dividend	-	-	-
14	% of shareholding	100%	70%	100%

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

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
Chairman cum Managing Director

**ANNEXURE '5'****Particulars of Loans, Guarantee or Investment under Section 186 of the Companies as on 31.03.2019**

		(₹ in Lacs.)
Sl. No.	Name of the Entity	March 31, 2019
<b>LOAN MADE TO:</b>		
1	Loan to wholly owned Subsidiary Company	-
2	Loan to Body Corporate	55
<b>TOTAL</b>		<b>55</b>

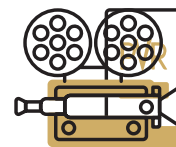
		Amount (₹ in Lacs.)
Sl. No.	Name of the Entity	March 31, 2019
<b>INVESTMENTS MADE INTO:</b>		
1	PVR Pictures Limited	2,102
2	Zea Maize Private Limited	1,250
3	P V R Lanka Limited	1,406
4	SPI Cinemas Private Limited	63,774
5	PVR Middle East FZ LLC	10
<b>TOTAL</b>		<b>68,542</b>

For and on behalf of the Board  
For PVR Limited

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
Chairman cum Managing Director





## ANNEXURE '6A'

### CSR 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 Programmes:	<p>PVR Limited CSR activities, approved by the CSR committee, through:</p> <ol style="list-style-type: none"> <li>1. PVR Nest Foundation</li> <li>2. PVR Nest foundation works for Children at Risk (Childscapes) on their complete rehabilitation, education, nutrition, healthcare and employability, additionally; through its infrastructure - business enterprise - PVR Cinemas.</li> </ol> <p>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 <a href="http://www.pvrcinemas.com">www.pvrcinemas.com</a></p>						
2	The Composition of the CSR Committee:	<ol style="list-style-type: none"> <li>1. Ajay Bijli - Chairman and Managing Director, PVR Limited</li> <li>2. Sanjeev Kumar - Joint Managing Director, PVR Limited</li> <li>3. Sanjai Vohra - Independent Director</li> <li>4. Sanjay Khanna – Independent Director</li> </ol>						
3	Average net profit of the company for last three financial years.	₹ 17,978 lakhs						
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 360 lakhs						
5	Details of CSR spent during the financial year.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="151 893 794 922">(1) Total amount to be spent for the financial year;</td> <td data-bbox="805 893 1444 922">₹ 360 lakhs</td> </tr> <tr> <td data-bbox="151 927 794 956">(2) Amount unspent, if any;</td> <td data-bbox="805 927 1444 956">NIL</td> </tr> <tr> <td data-bbox="151 960 794 1001">(3) Manner in which the amount spent during the financial year is detailed below.</td> <td data-bbox="805 960 1444 1001">The manner in which the amount is spent is detailed in the Annexure A1.</td> </tr> </table>	(1) Total amount to be spent for the financial year;	₹ 360 lakhs	(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 A1.
(1) Total amount to be spent for the financial year;	₹ 360 lakhs							
(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 A1.							

## ANNEXURE '6B'

### Utilisation of fund for the year 2018-19

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 Programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
<b>1</b>	<b>Children at Risk</b>			<b>31,955,481</b>			
	(Childscopes)	Education and social development of the most vulnerable Sections of our society:	Delhi		1 Direct Expenses - 4,22,14,119	45,713,199	Direct - 3,65,72,243
	a) Promoting education, healthcare, nutrition and rehabilitation to Children at risks (Street Children).				2 Overhead - 34,99,080*		Implementing Agency - 91,40,956
<b>2</b>	<b>Collective of Leaders PwD</b>			<b>4,000,000</b>			
		Development of capabilities of organisations and individuals to build solutions to the benefit Persons with Disabilities			1 Direct Expenses - 39,02,488		Direct - 1,54,788
	<b>TOTAL</b>			<b>35,955,481</b>			Implementing Agency - 23,55,000

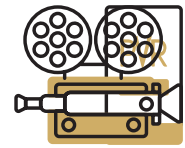
\* The Overhead cost includes the donations forwarded to:

- Savitri Waney Charitable Foundation
- Lal Bahadur Shastri Memorial Foundation
- Salaam Balak Trust
- Indian Red Cross Society Tamil Nadu Branch
- Win Over Cancer
- Chintan Environmental Research and Action Group
- The live Laugh Foundation
- United Way of Mumbai
- The Earth Saviours Foundation
- Emmanuel Hospital Association

\* PVR Nest Centres are near PVR cinemas Complexes namely

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





## ANNEXURE '7'

### 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.
- On board Certified Energy Auditor and Manager to supervise and implement energy conservation measures. Outside consultants have 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 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 3<sup>rd</sup> party to identify inefficiencies at their end though at the cost born 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 Chiller 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 2018-19 on all sites having Chiller high side under PVR scope.
- 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 corp. Office to ensure optimal utilization 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 in -2019-20.
- Water Conservation across PVR sites in India is facilitated by Installation of water flow restrictors in wash basin taps across PVR has help reduce tap water consumption by 60% thus reducing the energy consumed in pumping and helping in water conservation. Some of the mall 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, and 48 Sites in west under Phase II, 28 sites in phase III in 2018-19 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 Utilization for energy conservation by using rooftop solar photovoltaic grid connected system will be -implemented in 2019-20 at sites available with space on roof.
- We have taken a proactive step towards Indoor air quality by introducing clean air auditoriums ("Audit-Air-lum") 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 implemented at 9 locations in 2019-20 and will be implemented across sites in a phased manner. It serves two fold benefit:
  - Provides Bacteria Free Air, improved air quality and odor 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****Expenditure in foreign currency (on accrual basis)**

Particulars	(₹ in Lacs.)	
	March 31, 2019	March 31, 2018
Travelling	207	162
Professional fees (including expenses, net of withholding tax)	1,071	579
Others	274	154
<b>Total</b>	<b>1,553</b>	<b>895</b>

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

Particulars	(₹ in Lacs.)	
	March 31, 2019	March 31, 2018
Advertisement Income	6	6
Income from sale of tickets and food and beverages	282	366

**(iii) CIF value of imports**

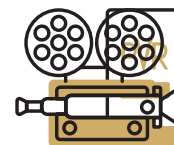
Particulars	(₹ in Lacs.)	
	March 31, 2019	March 31, 2018
Capital Goods	3,293	4,171
Store and spares	33	315

For and on behalf of the Board  
For PVR Limited

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
Chairman cum Managing Director





## ANNEXURE '8'

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2019

[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 – 110 057

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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 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 31<sup>st</sup> March, 2019 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 ('SCRA') and the rules 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**); and
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**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
- (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.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India
- (ii) The 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.

#### **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 Listed/ Unlisted Non-Convertible Debentures for an aggregate amount not exceeding ₹ 1,000 Crores on private placement basis.
- (ii) The Company has allotted 500, 8.72% Secured, Senior, Redeemable Non-Convertible Debentures amounting to ₹ 50 crores and redeemed 165, 8.90% Secured Redeemable Non-Convertible Debentures and 30, 11.40% Secured Redeemable Non-Convertible Debentures during the period under review.

- (iii) The Members has authorised the Board of Directors to borrow funds in excess of aggregate of the Company's paid up Share Capital, Free Reserves and Securities Premium (Apart from Temporary Loans obtained from Company's Bankers in the Ordinary Course of Business) which shall not exceed the sum of ₹ 2,000 crores.
- (iv) The Members has authorised the Board of Directors to Mortgage or create a Charge, Sell, Lease or otherwise dispose of the whole or Substantially the whole of the Undertaking of the Company for a sum not exceeding ₹ 2,000 crores.
- (v) The Company has increased the Foreign Portfolio Investors ("FPI") and the Foreign Institutional Investors ("FII") and NRI Shareholding limit under Foreign Exchange Management Act, 1999 to acquire and hold equity shares of the Company upto an aggregate limit of 74% of the paid up equity share capital of the Company.
- (vi) The Members has authorised the Board of Directors to make offer or invitation for subscription of equity shares or securities convertible into equity shares or NCDs with warrant for a sum not exceeding ₹ 750 crores including premium by way of a qualified institutional placement.
- (vii) The Board in its meeting held on 12<sup>th</sup> August, 2018 has decided to acquired 71.69% equity shares of SPI Cinemas Private Limited for an amount not exceeding ₹ 633 crores and accorded its approval for amalgamation of SPI Cinemas Private Limited with the Company and their respective shareholders and creditors pursuant to scheme of Amalgamation.

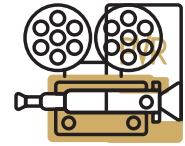
For Arun Gupta & Associates

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

Place: New Delhi  
 Date: May 10, 2019

Note: 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 Accounts 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  
C.P. No. 8003

Place: New Delhi  
Date: May 10, 2019

**ANNEXURE '9'****FORM No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2019

[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:**

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
6	Whether listed company (Yes/No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel: +91-40-23420 815-824 Fax: +91-40-23420 814 Website: www.kcpl.karvy.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%

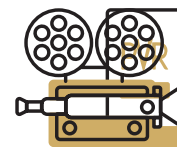
**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PVR Pictures Limited	U74899DL2001PLC111997	Subsidiary	100%	2(87)(ii)
2	Zea Maize Private Limited	U15494DL2013PTC255802	Subsidiary	70%	2(87)(ii)
3	P V R Lanka Limited	PB5347	Subsidiary	100%	2(87)(ii)
4	SPI Cinemas Private Limited	U92111DL1991PTC346125	Subsidiary	71.69%	2(87)(ii)
5	SPI Entertainment Projects (Tirupati) Private Limited	U74999TN2017PTC116291	Subsidiary	71.69%	2(87)(ii)
6	PVR Middle East FZ-LLC	95254	Subsidiary	100%	2(87)(ii)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise ShareHolding**

Category of Shareholder	No. of Shares held at the Beginning of the year April 01, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
<b>(A) PROMOTER AND PROMOTER GROUP</b>									
(1) INDIAN									
(a) Individual /HUF	9,315,305	-	9,315,305	19.93	9,465,305	-	9,465,305	20.25	0.32
(b) Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1):</b>	<b>9,315,305</b>	<b>-</b>	<b>9,315,305</b>	<b>19.93</b>	<b>9,465,305</b>	<b>-</b>	<b>9,465,305</b>	<b>20.25</b>	<b>0.32</b>
(2) FOREIGN									
(a) Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-





Category of Shareholder	No. of Shares held at the Beginning of the year April 01, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total A=A(1)+A(2)</b>	<b>9,315,305</b>	<b>-</b>	<b>9,315,305</b>	<b>19.93</b>	<b>9,465,305</b>	<b>-</b>	<b>9,465,305</b>	<b>20.25</b>	<b>0.32</b>
<b>(B) PUBLIC SHAREHOLDING</b>									
<b>(1) INSTITUTIONS</b>									
(a) Mutual Funds /UTI	4,631,949	-	4,631,949	9.91	5,839,218	-	5,839,218	12.49	2.58
(b) Financial Institutions /Banks	8,867	-	8,867	0.02	15,116	-	15,116	0.03	0
(c) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(f) Foreign Institutional Investors	20,475,945	-	20,475,945	43.81	19,649,772	-	19,649,772	42.04	(1.77)
(g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total B(1):</b>	<b>25,116,761</b>	<b>-</b>	<b>25,116,761</b>	<b>53.74</b>	<b>25,504,106</b>	<b>-</b>	<b>25,504,106</b>	<b>54.57</b>	<b>0.83</b>
<b>(2) NON-INSTITUTIONS</b>									
(a) Bodies Corporate	1,982,424	-	1,982,424	4.24	1,439,097	-	1,439,097	3.08	(1.16)
(b) Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 lakh	1,877,793	1,220	1,879,013	4.02	1,655,918	1,045	1,656,963	3.55	(0.48)
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	694,393	-	694,393	1.49	660,393	-	660,393	1.41	(0.07)
(c) Others									
CLEARING MEMBERS	132,914	-	132,914	0.28	242,243	-	242,243	0.52	0.23
FOREIGN BODIES	7,461,030	-	7,461,030	15.96	7,461,030	-	7,461,030	15.96	-
I E P F	974	-	974	0.00	1,757	-	1,757	0.00	0.00
NBFC	2,848	-	2,848	0.01	2,849	-	2,849	0.01	0.00
NON-RESIDENT INDIANS	103,994	-	103,994	0.22	119,974	-	119,974	0.26	0.03
NRI NON-REPATRIATION	47,680	-	47,680	0.10	49,314	-	49,314	0.11	0.00
TRUSTS	1,252	-	1,252	0.00	135,557	-	135,557	0.29	0.29
(d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total B(2):</b>	<b>12,305,302</b>	<b>1,220</b>	<b>12,306,522</b>	<b>26.33</b>	<b>11,768,132</b>	<b>1,045</b>	<b>11,769,177</b>	<b>25.18</b>	<b>(1.15)</b>
<b>Total B=B(1)+B(2):</b>	<b>37,422,063</b>	<b>1,220</b>	<b>37,423,283</b>	<b>80.07</b>	<b>37,272,238</b>	<b>1,045</b>	<b>37,273,283</b>	<b>79.75</b>	<b>(0.32)</b>
<b>Total (A+B):</b>	<b>46,737,368</b>	<b>1,220</b>	<b>46,738,588</b>	<b>100.00</b>	<b>46,737,543</b>	<b>1,045</b>	<b>46,738,588</b>	<b>100.00</b>	<b>(0.00)</b>
<b>(C) Shares held by custodians, against which Depository Receipts have been issued</b>									
(1) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C):</b>	<b>46,737,368</b>	<b>1,220</b>	<b>46,738,588</b>	<b>100</b>	<b>46,737,543</b>	<b>1,045</b>	<b>46,738,588</b>	<b>100</b>	

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in 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	-	5,410,298	11.58	-	-
2	AAMER KRISHAN BIJLI	129,115	0.28	-	129,115	0.28	-	-
3	SANJEEV KUMAR	3,728,892	7.98	-	3,728,892	7.98	-	-
4	SELENA BIJLI	197,000	0.42	-	197,000	0.42	-	-
	<b>Total</b>	<b>9,465,305</b>	<b>20.25</b>	<b>-</b>	<b>9,465,305</b>	<b>20.25</b>	<b>-</b>	<b>-</b>

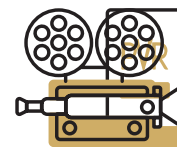
**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Name of Promoters'	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>AJAY BIJLI</b>				
	01-04-2018	5,410,298	11.58	5,410,298	11.58
	During the year	-	-	-	-
	31-03-2019	5,410,298	11.58	5,410,298	11.58
<b>2</b>	<b>AAMER KRISHAN BIJLI</b>				
	01-04-2018	129,115	0.28	129,115	0.28
	During the year	-	-	-	-
	31-03-2019	129,115	0.28	129,115	0.28
<b>3</b>	<b>SANJEEV KUMAR</b>				
	01-04-2018	3,728,892	7.98	3,728,892	7.98
	During the year	-	-	-	-
	31-03-2019	3,728,892	7.98	3,728,892	7.98
<b>4</b>	<b>SELENA BIJLI</b>				
	01-04-2018	197,000	0.42	197,000	0.42
	During the year	-	-	-	-
	31-03-2019	197,000	0.42	197,000	0.42

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>BERRY CREEK INVESTMENT LTD.</b>				
	01/04/2018	3,582,585	7.67	3,582,585	7.67
	During the year	-	-	-	-
	31/03/2019	3,582,585	7.67	3,582,585	7.67
<b>2</b>	<b>GRAY BIRCH INVESTMENT LTD.</b>				
	01/04/2018	2,958,888	6.33	2,958,888	6.33
	During the year	-	-	-	-
	31/03/2019	2,958,888	6.33	2,958,888	6.33
<b>3</b>	<b>ICICI PRUDENTIAL VALUE FUND - SERIES 11</b>				
	01/04/2018	2,104,995	4.50	2,104,995	4.50
	06/04/2018	12,618	0.03	2,117,613	4.53
	11/05/2018	63	0.00	2,117,676	4.53
	25/05/2018	(19)	(0.00)	2,117,657	4.53
	01/06/2018	30,300	0.06	2,147,957	4.60
	01/06/2018	(38,100)	(0.08)	2,109,857	4.51
	22/06/2018	(1)	(0.00)	2,109,856	4.51
	06/07/2018	(4,400)	(0.01)	2,105,456	4.50
	27/07/2018	(19)	(0.00)	2,105,437	4.50
	24/08/2018	78,092	0.17	2,183,529	4.67
	31/08/2018	23,017	0.05	2,206,546	4.72
	07/09/2018	1,189	0.00	2,207,735	4.72
	28/09/2018	(5)	(0.00)	2,207,730	4.72
	25/01/2019	(19,852)	(0.04)	2,187,878	4.68
	01/02/2019	(90,751)	(0.19)	2,097,127	4.49
	08/02/2019	(7,747)	(0.02)	2,089,380	4.47
	29/03/2019	(19,376)	(0.04)	2,070,004	4.43
	31/03/2019	2,070,004	4.43	2,070,004	4.43
<b>4</b>	<b>PLENTY PRIVATE EQUITY FUND I LIMITED</b>				
	01/04/2018	1,965,507	4.21	1,965,507	4.21
	During the year	-	-	-	-
	31/03/2019	1,965,507	4.21	1,965,507	4.21
<b>5</b>	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C</b>				





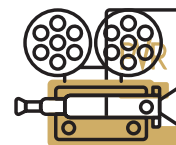
Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
01/04/2018		-	-	-	-
27/04/2018		330,000	0.71	330,000	0.71
04/05/2018		308,300	0.66	638,300	1.37
11/05/2018		149,000	0.32	787,300	1.68
18/05/2018		392,240	0.84	1,179,540	2.52
08/06/2018		150,000	0.32	1,329,540	2.84
15/06/2018		26,500	0.06	1,356,040	2.90
29/06/2018		50,000	0.11	1,406,040	3.01
06/07/2018		100,000	0.21	1,506,040	3.22
20/07/2018		200,000	0.43	1,706,040	3.65
27/07/2018		100,000	0.21	1,806,040	3.86
03/08/2018		15,000	0.03	1,821,040	3.90
10/08/2018		87,500	0.19	1,908,540	4.08
24/08/2018		12,500	0.03	1,921,040	4.11
31/08/2018		110,600	0.24	2,031,640	4.35
07/09/2018		200,000	0.43	2,231,640	4.77
14/09/2018		50,000	0.11	2,281,640	4.88
21/09/2018		20,000	0.04	2,301,640	4.92
05/10/2018		(33,000)	(0.07)	2,268,640	4.85
12/10/2018		(8,600)	(0.02)	2,260,040	4.84
02/11/2018		10,000	0.02	2,270,040	4.86
09/11/2018		4,600	0.01	2,274,640	4.87
04/01/2019		(1,000)	(0.00)	2,273,640	4.86
11/01/2019		(85,000)	(0.18)	2,188,640	4.68
18/01/2019		(10,000)	(0.02)	2,178,640	4.66
25/01/2019		(33,200)	(0.07)	2,145,440	4.59
01/02/2019		(13,000)	(0.03)	2,132,440	4.56
08/02/2019		(11,000)	(0.02)	2,121,440	4.54
15/03/2019		(27,200)	(0.06)	2,094,240	4.48
22/03/2019		(99,000)	(0.21)	1,995,240	4.27
29/03/2019		(78,262)	(0.17)	1,916,978	4.10
31/03/2019		1,916,978	4.10	1,916,978	4.10
<b>6</b>	<b>MULTIPLES PRIVATE EQUITY FUND I LIMITED</b>				
01/04/2018		1,771,598	3.79	1,771,598	3.79
During the year		-	-	-	-
31/03/2019		1,771,598	3.79	1,771,598	3.79
<b>7</b>	<b>PLENTY PRIVATE EQUITY FII I LIMITED</b>				
01/04/2018		1,392,508	2.98	1,392,508	2.98
During the year		-	-	-	-
31/03/2019		1,392,508	2.98	1,392,508	2.98
<b>8</b>	<b>ARTISAN DEVELOPING WORLD FUND</b>				
01/04/2018		1,257,510	2.69	1,257,510	2.69
13/04/2018		20,794	0.04	1,278,304	2.74
11/05/2018		(8,070)	(0.02)	1,270,234	2.72
15/06/2018		(36,564)	(0.08)	1,233,670	2.64
06/07/2018		(19,461)	(0.04)	1,214,209	2.60
13/07/2018		(17,948)	(0.04)	1,196,261	2.56
20/07/2018		168,945	0.36	1,365,206	2.92
27/07/2018		46,454	0.10	1,411,660	3.02
10/08/2018		(141,206)	(0.30)	1,270,454	2.72
17/08/2018		(74,467)	(0.16)	1,195,987	2.56
21/09/2018		(66,097)	(0.14)	1,129,890	2.42
05/10/2018		1,129,890	2.42	2,259,780	4.83

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	05/10/2018	(1,129,890)	(2.42)	1,129,890	2.42
	02/11/2018	(32,237)	(0.07)	1,097,653	2.35
	09/11/2018	(22,586)	(0.05)	1,075,067	2.30
	23/11/2018	(12,484)	(0.03)	1,062,583	2.27
	07/12/2018	(61,152)	(0.13)	1,001,431	2.14
	14/12/2018	(172,554)	(0.37)	828,877	1.77
	21/12/2018	(83,955)	(0.18)	744,922	1.59
	28/12/2018	(29,158)	(0.06)	715,764	1.53
	31/03/2019	715,764	1.53	715,764	1.53
<b>9</b>	<b>MFS INTERNATIONAL NEW DISCOVERY FUND</b>				
	01/04/2018	606,999	1.30	606,999	1.30
	27/04/2018	346,371	0.74	953,370	2.04
	04/05/2018	32,232	0.07	985,602	2.11
	20/07/2018	361,283	0.77	1,346,885	2.88
	18/01/2019	(46,984)	(0.10)	1,299,901	2.78
	25/01/2019	(298,035)	(0.64)	1,001,866	2.14
	01/02/2019	(90,447)	(0.19)	911,419	1.95
	31/03/2019	911,419	1.95	911,419	1.95
<b>10</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SERVICES FUND</b>				
	01/04/2018	852,220	1.82	852,220	1.82
	06/04/2018	64,102	0.14	916,322	1.96
	06/04/2018	(64,102)	(0.14)	852,220	1.82
	20/07/2018	23,278	0.05	875,498	1.87
	03/08/2018	(31,297)	(0.07)	844,201	1.81
	17/08/2018	(36,677)	(0.08)	807,524	1.73
	24/08/2018	(18,072)	(0.04)	789,452	1.69
	02/11/2018	7,949	0.02	797,401	1.71
	09/11/2018	7,594	0.02	804,995	1.72
	14/12/2018	27,868	0.06	832,863	1.78
	21/12/2018	9,073	0.02	841,936	1.80
	25/01/2019	(12,153)	(0.03)	829,783	1.78
	29/03/2019	16,529	0.04	846,312	1.81
	31/03/2019	846,312	1.81	846,312	1.81

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>AJAY BIJLI</b>				
	01/04/2018	5,410,298	11.58	5,410,298	11.58
	During the year	-	-	-	-
	31/03/2019	5,410,298	11.58	5,410,298	11.58
<b>2</b>	<b>SANJEEV KUMAR</b>				
	01/04/2018	3,728,892	7.98	3,728,892	7.98
	During the year	-	-	-	-
	31/03/2019	3,728,892	7.98	3,728,892	7.98
<b>3</b>	<b>SANJAI VOHRA</b>				
	01/04/2018	8,000	0.02	8,000	0.02
	27/04/2018	(750)	(0.00)	7,250	0.02
	28/09/2018	600	0.00	7,850	0.02
	18/01/2019	(2850)	(0.01)	5,000	0.01
	31/03/2019	5,000	0.01	5,000	0.01





Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>4</b>	<b>PANKAJ DHAWAN</b>				
	01/04/2018	-	-	-	-
	During the year	-	-	-	-
	31/03/2019	-	-	-	-
<b>5</b>	<b>NITIN SOOD</b>				
	01/04/2018	127,000	0.27	127,000	0.27
	14/12/2018	(7000)	(0.01)	120,000	0.26
	31/03/2019	120,000	0.26	120,000	0.26

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in Lacs.) Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	73,225	10,000	-	83,225
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	179	-	-	179
<b>Total(i+ii+iii)</b>	<b>73,404</b>	<b>10,000</b>	<b>-</b>	<b>83,404</b>
<b>Change in Indebtedness during the financial year:</b>				
Addition	48,500	40,000	-	88,500
Reduction	19,522	45,000	-	64,522
<b>Net Change</b>	<b>28,978</b>	<b>(5,000)</b>	<b>-</b>	<b>23,978</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	102,204	5,000	-	107,204
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	646	-	-	646
<b>Total(i+ii+iii)</b>	<b>102,850</b>	<b>5,000</b>	<b>-</b>	<b>107,204</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount in ₹
		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	5,49,99,600	3,79,99,200	9,29,98,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income - tax Act, 1961	39,600	39,600	79,200
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - at 2.5 % of profit (Paid during FY 2018-19)	5,22,69,335	5,22,69,335	10,45,38,670
5.	Others, please specify			
	<b>Total(A)</b>	<b>10,73,08,535</b>	<b>9,03,08,135</b>	<b>19,76,16,670</b>
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount in ₹
		Amit Burman	Vikram Bakshi	Sanjai Vohra	Sanjay Khanna	Deepa Misra Harris	
	Independent Directors						
	● Fee for attending board committee meetings	2,50,000	6,00,000	-	1,50,000	-	10,00,000
	● Commission	2,50,000	2,50,000	24,00,000	-	-	29,00,000
	● Others, please specify						
	<b>Total(1)</b>	<b>5,00,000</b>	<b>8,50,000</b>	<b>24,00,000</b>	<b>1,50,000</b>	<b>-</b>	<b>39,00,000</b>
	Other Non-Executive Directors	Renuka Ramnath	Vishal Mahadevia				
	● Fee for attending board committee meetings	-	-				
	● Commission	-	-				
	● Others, please specify	-	-				
	<b>Total(2)</b>	<b>-</b>	<b>-</b>				
	<b>Total(B)=(1+2)</b>	<b>-</b>	<b>-</b>				
	<b>Total Managerial Remuneration</b>	<b>5,00,000</b>	<b>8,50,000</b>	<b>24,00,000</b>	<b>1,50,000</b>	<b>-</b>	<b>39,00,000</b>
	Overall Ceiling as per the Act	-	-				

**C. Remuneration to key Managerial Personnel Other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total in ₹
		Company Secretary - Pankaj Dhawan	CFO - Nitin Sood	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	50,84,776	5,54,78,149	6,05,62,925
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	37,278	71,345	1,08,623
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act,1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission- as% of profit-others, specify...			
5.	Others, please specify			
	<b>Total</b>	<b>51,22,045</b>	<b>5,55,49,494</b>	<b>6,06,71,548</b>

**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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board  
For PVR LimitedPlace: Mumbai  
Date: May 10, 2019Ajay Bijli  
Chairman cum Managing Director



# Management Discussion and Analysis

## 1. Company overview

Your Company is India's largest and most premium multiplex film exhibition company and an industry leader in innovation and operational excellence. Your Company transformed the way India watches movies in theatres by pioneering the multiplex revolution in the country. With its rich portfolio of cinema formats, ranging from mainstream to Gold Class, Director's Cut to PVR ICON and PVR Superplex, your Company is leveraging the latest technology to give its customers the best movie-viewing experience. It has embarked on an exciting path of using technology to engage with consumers in a differentiated manner and cater to their requirements better. With initiatives such as PVR Privilege, Ticket Cancellation and 'Accessible Cinemas Programme', your Company is leading the industry in terms of making movie-watching a more convenient and rewarding experience for its patrons.

As of March 31, 2019, your Company operated 763 screens through 164 properties across 65 cities in India. Your Company served 993 lakhs customers in FY 2018-19, which placed it among the Top 10 players globally.

### PVR's presence in India

Total cinemas	Total screens	Total seats	States / Union Territories	Cities of presence
164	763	169,976	21	65

## 2. Indian macroeconomic environment

The Indian economy continued its steady growth momentum and retained the tag of the fastest growing major economy in FY 2018-19. The country's GDP has been growing at a 6-year CAGR of 7.1% till FY 2017-18. According to CSO estimates, the estimated GDP growth in FY19 was 7.0%, driven by strong income and consumption trends and continued investment in infrastructure.

Controlled inflation, improving fiscal condition and foreign investment flows have contributed to making India the fastest emerging economy in the world. Moreover, during the last few years, the government has rolled out various reforms such as GST and the Insolvency and Bankruptcy Code, which will aid in sustainable development of the economy in the long-term.

### India's GDP growth (%)

FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20(P)
8.0	8.2	7.2	7.0	7.3

(P) = Projection

Source: Central Statistics Office (CSO), February 2019

## 3. Media and Entertainment (M&E)

### Industry overview

The Indian M&E industry presents a myriad of opportunities to grow across multiple types of media. With over 850 TV channels and 17,000 newspapers, the nation is one of the most diverse media industries in the world. Emerging opportunities in India in wireless broadband connectivity and infrastructure, coupled with favourable economic growth and young demographics, are expected to present new growth prospects to the industry.

### Contributions made by different industries in the M&E sector (in ₹ billion)

	2017	2018	2019E	2021E	CAGR 2018-21
Television	660	740	815	955	8.8%
Print	303	306	317	338	3.4%
Filmed entertainment	156	175	194	236	10.6%
Digital media	119	169	223	354	28.0%
Animation and VFX	67	79	93	128	17.4%
Live events	65	75	86	112	14.0%
Online gaming	30	49	68	120	35.4%
Out Of Home media	34	37	41	49	9.2%
Radio	29	31	34	39	8.0%
Music	13	14	16	19	10.8%
<b>Total</b>	<b>1,476</b>	<b>1,674</b>	<b>1,887</b>	<b>2,349</b>	<b>12.0%</b>

Source: FICCI Report, March 2019

As per the FICCI report of March 2019, India's M&E sector grew by 13.4% over 2017 to ₹ 1.67 trillion in 2018. Judging by the sector's growth trajectory, it is expected to further grow to ₹ 2.35 trillion by 2023. The sector continued to outgrow the nominal GDP, which grew by 10.24%, due to the continuous economic growth and rising per capita incomes.

### Outlook

The M&E sector is expected to show great potential and grow robustly in the next three years. Growth is expected in retail advertisement as several players are entering the food and beverages segment, e-commerce is gaining more popularity and domestic companies are making a foray in the M&E sector. The rural region is also a potential profitable target for the sector. Growth in digital consumption and monetisation avenues will pave way for great innovation to cater to the demands of the new Indian customer segments. Investors interested in this space are expected to adopt multiple strategies to reach out to Indian consumers, thereby propelling growth in the sector.

## 4. Film industry

### Industry overview

The Indian film industry is characterised by a high number of movie certifications and releases and has maintained a dominant position among peers, with the total number of movies certified amounting to more than 2,000 each year. Despite being a leader in terms of releases, Indian box-office lags behind countries such as the US and Canada due to cheap ticket prices and low screen count.

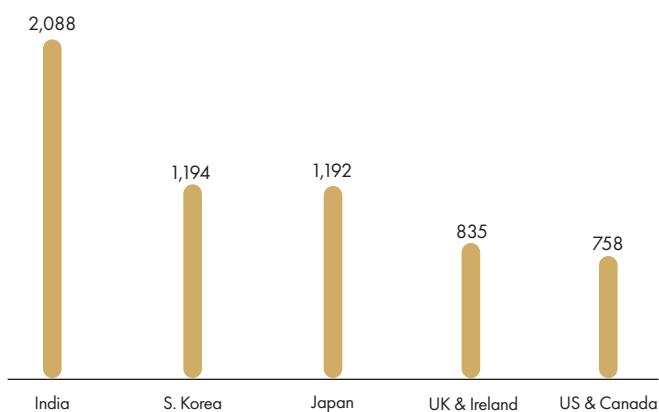
### 2018 Top 10 international box office markets - All films (in US\$ billion)

1. US/Canada	11.9
2. China	9.0
3. Japan	2.0
4. U.K.	1.7
5. South Korea	1.6
6. France	1.6
7. India	1.5
8. Germany	1.0
9. Australia	0.9
10. Mexico	0.9

Source: MPAA 2018 Theme Report

### NO. OF MOVIE RELEASED / CERTIFIED ACROSS KEY COUNTRIES (CY18)

#### Amongst largest film markets in the world



Source: Film Federation of India for India, Motion Picture Association of America (MPAA), Motion Picture Producers Association of Japan, British Film Institute (BFI), Korean Film Council (KOFIC)

### Performance and projections

The Indian film industry grew in 2018 at a rate of 12% to reach ₹ 174.5 billion.

Revenues (In ₹ billion)	2017	2018	2019E	2021E
Domestic theatricals	96.3	102.1	110.0	130.0
Overseas theatricals	25.0	30.0	35.0	45.0
Broadcast rights	19.0	21.2	23.0	26.0
Digital / OTT rights	8.5	13.5	17.0	24.0
In-cinema advertising	6.4	7.5	9.0	11.0
Home video	0.3	0.2	0.2	0.1
<b>Total</b>	<b>155.5</b>	<b>174.5</b>	<b>194.2</b>	<b>236.1</b>

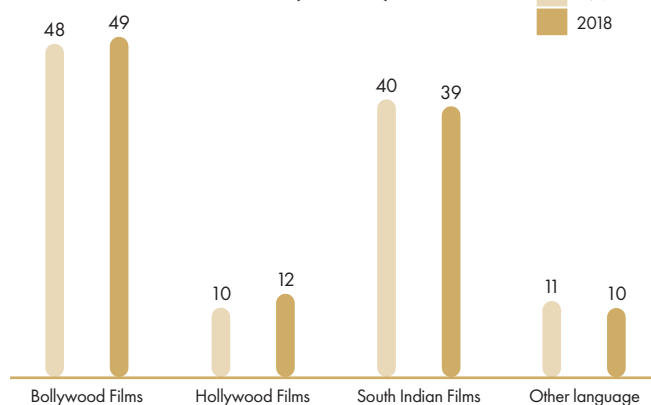
Source: FICCI Report, March 2019

Domestic theatrical revenues crossed ₹ 100 billion and growth was driven by digital and Over-the-Top (OTT) movie rights. Domestic theatricals continued to remain a significant growth driver to the overall movie revenue and contributed ₹ 58.5% billion of the total film industry revenue.

The Net Box Office Collection (NBOC) for Hindi movies witnessed a record of ₹ 35.2 billion, with 13 movies joining the ₹ 1 billion club. The NBOC of Hollywood films in India was ₹ 9.21 billion. The regional film industry has gained prominence in recent years and contributed 40-45% to the total revenue. Among the regional films that were released in 2018, the maximum were in Kannada.

### BOLLYWOOD AND HOLLYWOOD FILM COLLECTIONS INCREASED

#### Gross Box Office Collection (₹ billion)



Source: FICCI Report, March 2019

The Indian overseas theatrical market grew from ₹ 25 billion in 2017 to ₹ 30 billion in 2018. The highest number of Indian films was exported to the Gulf region, though China, the US and Canada generated the highest revenues. China became the largest international market for Indian films, with 10 Indian



films released in the nation in 2018, accounting for the highest collection in the overseas region at \$ 272.3 million.

### Growth drivers

- **Regulatory tailwinds supporting growth:** The reduction in the GST rate from 18% to 12% on tickets costing upto ₹ 100 and from 28% to 18% on tickets costing more than ₹ 100 with effect from January 1, 2019 has provided an impetus to the Indian film industry. This is expected to make movie-watching an even more affordable form of entertainment and would support footfall growth.
- **Ease of filming in India:** The Indian government is playing an active role in highlighting India's film production capabilities to position it as an ideal filming destination in the global market. Initiatives such as single-window facilitation, clearance through the Film Facilitation Office (FFO), ease of obtaining film visas (F-Visa) and setting up of a single portal to view all filming-related information are all facilitators to this end.
- **Opportunities in film tourism:** Cinema has emerged as an influential tool to develop and promote destinations. As per the FICCI Report, March 2019, India has the potential to cater to up to a million film tourists, which could result in revenues of up to \$ 3 billion by 2022. This can emerge as a strong growth driver for the M&E industry.
- **Rise in small budget films:** 2018 saw numerous Indian filmmakers releasing small budget films on digital platforms such as Netflix and Amazon. With the wide reach and strong marketing of digital platforms across all age groups, especially the youth, digital releases ensure producers don't need to invest large amounts for film distribution and marketing.
- **Rise in unconventional movies:** 2018 was proof that unconventional and experimental movies packed with good content and powerful performances can also achieve success without the backing of big actors. The success of such films prove movie goers are looking for a fresh plot and rejecting mediocre content.
- **Sale of digital rights:** There is improvement of the economics of film producers due to increased digital rights. This is expected to remain a strong contributor in driving the industry's growth. The video-streaming service Amazon Prime is leading the race in buying digital rights for blockbuster Bollywood films.

### Outlook

Global OTT platforms are expected to take Indian content (dubbed and subtitled) to a wider international audience. Until there is a consolidation in the OTT space, content production houses are expected to continue to benefit from the dual tailwinds of increased demand and higher rates. Strong demand from digital platforms and growing overseas revenues are expected to

drive the industry. With the rise in the number of movie-goers, the demand for multiplexes is also expected to rise to fulfil the needs of the growing movie-watching population.

## 5. Exhibition infrastructure

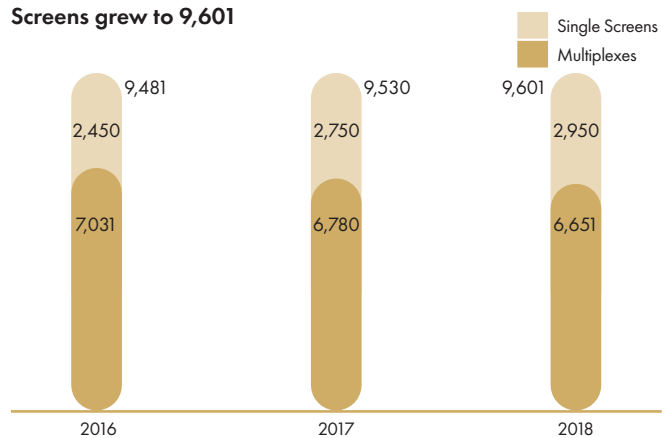
### Industry overview

The Indian exhibition infrastructure is undergoing a steady change over the past few years and exercises influence on a large segment of the population. The experience of going to watch a movie in a movie theatre with family is still considered as one the most popular and affordable option for entertainment in India. The average spending per household on movies in India has grown from between ₹ 368-388 per household in FY 2014-15 to approximately between ₹ 433 - ₹ 453 per household in FY 2017-18. The average spending on movies is expected to reach between ₹ 589-609 per household in FY 2022-23.

The exhibition sector can be broadly divided into two segments, namely, single-screen cinemas and multiplex cinemas. Approximately 70% of the cinema screens in India are still single-screen owned by individual entrepreneurs, operating in a mostly unorganised market. In comparison, in most of the developed countries, multiplexes account for approximately 70-80% of the total screens. Multiplex cinemas are quickly gaining prominence and are changing the manner in which movies are viewed, particularly in big cities in India. Characterised by limited seating capacity of 250-400 seats per screen, better ambience, quality viewing with high-end sound systems, comfortable seating arrangements, good quality service as well as food and beverages, multiplexes have succeeded in attracting family audiences back to movie theatres. They are contributing around 55% of the domestic box office collections (as per FICCI Report, March 2019) even though they account for only 30% of the total screen count in the India.

### NUMBER OF SCREENS

Screens grew to 9,601



Source: FICCI Report, March 2019

## Growth drivers

The multiplex boom will have a direct impact on the Indian exhibition infrastructure space. The number of multiplexes in India is on the rise on the back of the following factors:

- **Regulatory tailwinds supporting growth:** The reduction in the rate of GST on ticket prices has provided an impetus to the Indian exhibition industry. Further, this reform has freed the exhibition industry from the shackles of inspector-raj under the erstwhile Entertainment Tax regime.
- **Rising incomes:** Growing incomes are fuelling discretionary spending, which is leading to increased spending on entertainment.
- **Convenience of ticket booking:** Rise in online platforms has made ticket booking very convenient, aiding growth in footfalls.
- **Offers and discounts:** Online platforms offer various schemes and discounts on specific days, for specific events and for unique bank account or card holders. Customers can avail attractive deals on ticket prices, which drives ticket sales.
- **Ticket cancellation:** To encourage customers to book more tickets online, multiplex chains and ticket aggregators are offering cancellation services with minimal cancellation fees. This is encouraging customers to book movie tickets without hesitation, knowing they can cancel them without having to worry losing money.
- **Revenue-earning potential:** Multiplex cinemas can shift movies across multiple screens depending on the audience's response to a particular movie. This can aid in earning the maximum revenue from a movie release by ensuring maximum possible footfalls.
- **Higher occupancy rates and better realisations:** Occupancy levels and revenue realisations are higher for multiplexes. The average occupancy of multiplexes is estimated to be between 25-30%, while that of single-screen cinemas is estimated to be between 20-25%.
- **Diversified revenue stream:** In a multiplex, the revenue stream is diversified across areas such as sale of tickets, food and beverages and advertising, sponsorship and renting out the retail space.

## 6. Business review

The year under review has witnessed robust growth driven by strong performance of content. Your Company has been able to maintain its position in the industry across all operating parameters due to the following characteristics:

- Pan-India presence
- Highest occupancy among all leading multiplexes in the country

- Highest Average Ticket Price (ATP) and Spend Per Head (SPH)
- Highest Revenue and EBITDA per screen
- Leader in terms of screen count, admission and operating revenues

Some of the key operational highlights are as follows:

- Your Company acquired 71.69% stake in SPI Cinemas, which is a leading multiplex chain in South India. For details on SPI Cinemas acquisition, please refer to the Director's Report and Financial Statements.
- Your Company has operationalised the following cinemas during FY 2018-19:

Sl. No.	Cinema	Date of opening	Screens
1	PVR Velocity Vellore	June 7, 2018	5
2	PVR Garuda Mysore	July 25, 2018	4
3	PVR Phoenix United Mall Bareilly	August 8, 2018	4
4	PVR Red Hills Chennai	August 17, 2018	5
5	SPI Aura Cinema, Bangalore*	October 10, 2018	4
6	PVR VR Chennai	October 13, 2018	10
7	PVR KC Jammu	October 14, 2018	2
8	PVR Kirti Mall Jalgaon	November 2, 2018	3
9	PVR Maruti Anand	November 18, 2018	4
10	PVR Erramanzil Hyderabad	November 30, 2018	7
11	PVR Ansal Plaza Greater Noida	December 21, 2018	4
12	PVR Harsha K3C Karnal	December 21, 2018	3
13	PVR Musarambagh Hyderabad	March 22, 2019	6
14	PVR Celebration Mall Khanna	March 31, 2019	4
15	PVR City Centre Guwahati	March 31, 2019	5
<b>Total</b>			<b>70</b>

\*SPI Aura Cinema, Bangalore was part of the SPI Cinemas portfolio

- During the year, your Company entertained around 993 lakhs customers, which catapulted it to among the Top 10 players globally in terms of admits.
- Your Company has renewed arrangements with Bookmyshow and Paytm, online ticketing aggregators, for booking and selling ticketing inventory, through their web and app based platforms.
- Your Company continued premiumising its network by adding premium screens/seats. The following are the premium screens as on March 31, 2019:



Particulars	Screens
Gold Class & Director's cut	35
4DX	14
Play House	8
IMAX	8
P[XL]	6
Onyx	1
<b>Total</b>	<b>72</b>

- Your Company introduced the world's first cinema LED 'Onyx' for Indian patrons at PVR Promenade, New Delhi.
- The financial year gone by was also historic as the long impending demand for reduction of GST on movie tickets was accepted by the GST council. With effect from January 1, 2019, GST was reduced on movie tickets from 28% to 18% for tickets priced more than ₹ 100 and from 18% to 12% for tickets priced upto ₹ 100. This we believe will have a catalysing effect on the cinema industry and will make the product accessible to a larger share of our population.
- Your Company continued on its path of revolutionising the cinema industry by introducing innovative customer engagement initiative such as:
  - **Ticket cancellation:** During the year, your Company introduced the 'Ticket cancellation' feature for its valued customers for a specified cancellation fee.
  - **Accessible Cinema Program (Movies4All):** Your Company rolled out its 'Accessible Cinema Programme' for people with mobility, hearing and visual impairment. It aims at making movie-going an inclusive experience for everyone.
  - **Tie-up with Alexa:** Your Company is the first Indian multiplex chain to tie-up with Alexa Skill to ensures a seamless pre-visit experience to the customer. With this digital initiative, the Company has enabled its customers to get information about the latest movies, show timings, locations, book tickets, etc. via Alexa.
- **Revamped app:** Your Company revamped the 'PVR Cinemas' app for Android, iPad, tablet and iPhone users. With this revamp, customers can book tickets with just a few taps on their mobiles. Through the app, users can choose desired seats from the available ones and even locate the closest cinema hall, in addition to availing exclusive deals and offers. Further, they can get information on the latest and upcoming releases, along with a movie synopsis, posters and even high-quality trailers.
- With effect from April 1, 2018, Your Company has adopted Ind AS 115, 'Revenue from contracts with customers'. There is no significant impact of the applicability of this Standard on the Company.
- PVR PRIVILEGE, our flagship loyalty programme continues to gain scale. As on March 31, 2019 we had over 46 Lakhs members since its launch, which is a significant jump from a base of 12 Lakhs as on March 31, 2018. Your Company would continue to invest behind this programme and will work towards making this programme the most admired loyalty programme in the country.
- Your Company received following awards during the year:
  - The Kotler Award of Excellence for Digital Transformation, World Marketing Summit (India)
  - Best CFO (Excellence in Mergers & Acquisitions) presented to Mr. Nitin Sood, CFO of the Company by ET Now
  - Best Tech Award Supporting Energy Efficiency by Future of Energy Management Summit & Awards 2018

## 7. SCOT analysis

### Strengths

- Young demographics of India ideal for consumption of films
- Experienced promoters and senior management team with an established track record
- 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
- Usage of technologically updated systems such as Dolby stereo sound system, digital cinema technology and Xenon technology
- High entry barriers

### Challenges

- Dependency on development of malls for growth
- Continuous technology evolution
- Dependency on movie performance
- Controlled ticket price in some states
- Regulatory changes

### SCOT analysis

### Opportunities

- 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 2,000 films released each year
- Diversified content (Bollywood, Hollywood and Regional)
- Success of smaller budget movies

### Threats

- 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

## 8. Finance performance and analysis

The discussion in this section relate to the consolidated financial results pertaining to the year ended March 31, 2019. The financial statements of PVR Limited and its subsidiaries and Joint Ventures 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 consolidated financial statements. Further, the consolidated financial results for the year ended March 31, 2019 are not strictly comparable with corresponding results for the year ended March 31, 2018 on account of consolidations of financials of SPI Cinemas Private Limited from August 17, 2018 onwards.

The table below gives an overview of the consolidated financial and operating results for FY 2018-19 and FY 2017-18:



## Financial results

Particulars	March 31, 2019 (₹ in Lakh)	% of Revenue	March 31, 2018 (₹ in Lakh)	% of Revenue	Growth %
<b>Income</b>					
Revenue from operations	308556	99%	233411	99%	32%
Other income	3314	1%	3134	1%	6%
<b>Total Income</b>	<b>311870</b>	<b>100%</b>	<b>236545</b>	<b>100%</b>	<b>32%</b>
<b>Expenses</b>					
Movie exhibition cost	70193	23%	53766	23%	31%
Consumption of food and beverages	23874	8%	15907	7%	50%
Employee benefits expense	33726	11%	25407	11%	33%
Finance costs	12801	4%	8371	4%	53%
Depreciation and amortisation expense	19128	6%	15369	6%	24%
Other operating expenses	122130	39%	98147	41%	24%
<b>Total expenses</b>	<b>281852</b>	<b>90%</b>	<b>216967</b>	<b>92%</b>	<b>30%</b>
<b>Profit before share of profit of equity accounted investees, exceptional item and tax</b>	<b>30018</b>	<b>10%</b>	<b>19578</b>	<b>8%</b>	<b>53%</b>
Share of profit/(loss) of equity accounted investees (net of tax)	(115)	0%	(73)	0%	58%
<b>Profit before exceptional items and tax</b>	<b>29903</b>	<b>10%</b>	<b>19505</b>	<b>8%</b>	<b>53%</b>
Exceptional items	0	0%	59	0%	-100%
<b>Profit before tax</b>	<b>29903</b>	<b>10%</b>	<b>19446</b>	<b>8%</b>	<b>54%</b>
<b>Total tax expenses</b>	<b>10966</b>	<b>4%</b>	<b>7044</b>	<b>3%</b>	<b>56%</b>
<b>Net profit after tax</b>	<b>18937</b>	<b>6%</b>	<b>12402</b>	<b>5%</b>	<b>53%</b>
Non-controlling interests	(574)	0%	68	0%	-944%
<b>Net profit after tax and after adjustment of non controlling interests</b>	<b>18363</b>	<b>6%</b>	<b>12470</b>	<b>5%</b>	<b>47%</b>
<b>Other comprehensive income for the year (net of tax)</b>	<b>(1299)</b>	<b>0%</b>	<b>(987)</b>	<b>0%</b>	<b>32%</b>
<b>Total comprehensive income for the year (comprising profit and other comprehensive income)</b>	<b>17064</b>	<b>5%</b>	<b>11483</b>	<b>5%</b>	<b>49%</b>

## Operating results

Particulars	March 31, 2019	March 31, 2018	Growth %
Locations (No.)	164	134	22%
Screens (No.)	763	625	22%
Admits (Lacs)	993	761	31%
Gross ATP (₹)	207	210	-1%
Gross SPH (₹)	91	89	2%
Occupancy %	36.2%	31.3%	490 bps

Financial Performance of SPI Cinemas from August 18, 2018 to March 31, 2019 included in above consolidated financial and operating results is as follows:

Particulars (₹ in Lacs)	18 Aug'18 - 31 Mar'19
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
<b>Revenue from Operations</b>	<b>29,710</b>
Other Income	174
<b>Total Income</b>	<b>29,884</b>
<b>EBITDA</b>	<b>6,168</b>
<b>EBITDA Margin</b>	<b>20.6%</b>

Operating Numbers of SPI Cinemas (Post August 17, 2018)

Particulars	March 31, 2019
Locations (No.)	16
Screens (No.)	72
Admits (Lacs)	102
Gross ATP (₹)	164
Gross SPH (₹)	89
Occupancy %	54.2%

## I. REVENUE:

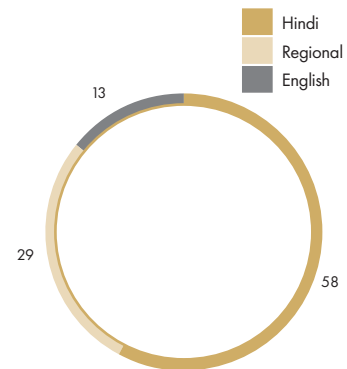
Total Revenue increased from 32% or ₹ 75,325 Lakh during the year ended March 31, 2019 compared to the year ended March 31, 2018. The revenue from operations on same store basis grew by a healthy rate of 15% during the financial year led by strong footfall growth. Total revenue comprise of following:

**A. Income from sale of movie tickets** increased by 31% or ₹ 38,836 Lakh during the year ended March 31, 2019 compared to the year ended March 31, 2018. Apart from acquisition of SPI Cinemas, the primary reasons for increase includes

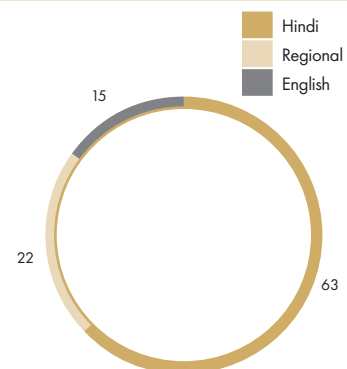
- Same store revenue grew by 13%, with ATP grew by 2% and admits by 9%; the growth in footfalls was led by strong content performance especially by smaller budget movies such Raazi, Badhai Ho, Stree, Uri, Andhadhun. The top 20 movies contributed 44% of the overall Gross box office collection (GBOC) in FY19 as compared 49% in FY18 reflecting robust performance of content across genre.

## (ii) Content Diversification

2018-19 (%)



2017-18 (%)



(iii) Opening of 70 new screens during the year.

**B. Revenue from sale of food and beverages** increased by 37%, or ₹ 23,344 Lakh, during the year ended March 31, 2019 compared to the year ended March 31, 2018. Apart from acquisition of SPI Cinemas and opening of new screens, the primary reasons for increase include same store growth of 16%, with increase in SPH by 2%.

**C. Advertisement Revenue** increased by 19%, or ₹ 5,659 Lakh, during the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to acquisition of SPI Cinemas and opening of new screens during the year. Same store AD revenue grew by 8%.

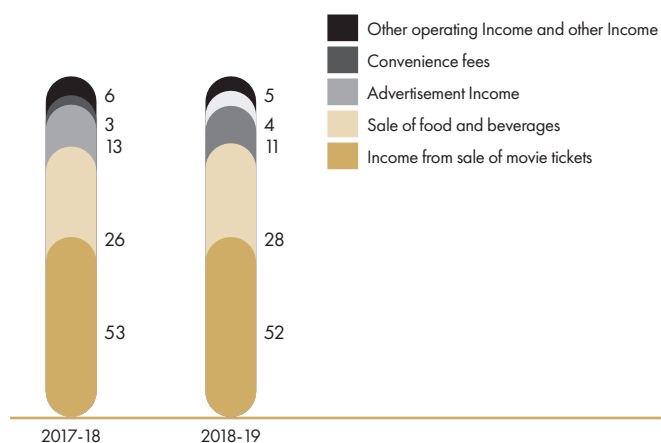


**D. Convenience fees** increased by 118 %, or ₹ 7,064 Lakh, during the year ended March 31, 2019 compared to the year ended March 31, 2018. The increase is on account of renewal of ticketing agreement with Bookmyshow and Paytm and also on account of acquisition of SPI Cinemas.

**E. Other operating Income and Other Income** increased by 3 % or ₹ 422 Lakh, during the year ended March 31, 2019 compared to the year ended March 31, 2018. It includes Income from movie production and distribution, Virtual print fees, Food court Income, Gaming Income, Management fees, Government grant, Interest Income and other non-operating Income.

A Graphical presentation of revenue analysis based on revenue mix is presented below.

**REVENUE MIX** (%)



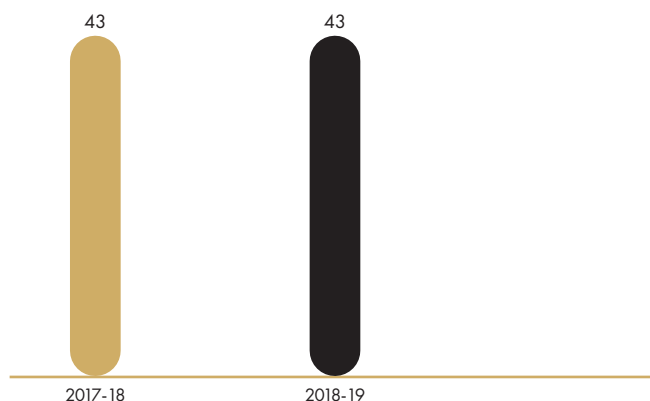
**II. EXPENSES**

Overall expenses increased from 30 % or ₹ 64,885 Lakh during the year ended March 31, 2019 compared to the year ended March 31, 2018. Expenses comprise of following:

**A. Movie Exhibition cost**

Movie Exhibition cost increased 31 %, or ₹ 16,427 Lakh, during the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to increase in Revenue from sale of movie tickets. There is no change during the year in Movie exhibition cost as a percentage to Income from sale of movie tickets as compared to previous year.

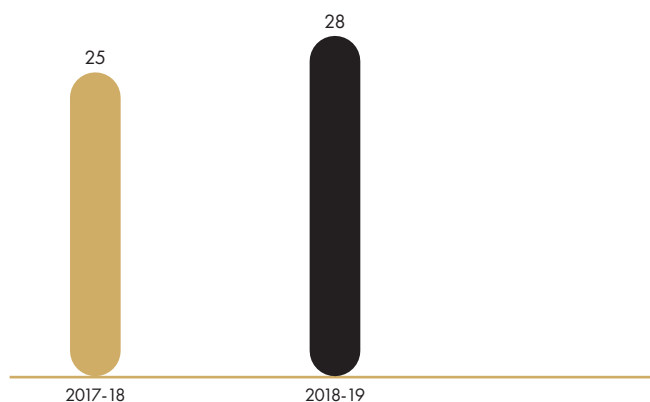
**MOVIE EXHIBITION COST** (%)



**B. Consumption of food and beverages**

Consumption of food and beverages increased 50 %, or ₹ 7,967 Lakh during the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to increase in Revenue from sale of food and beverages.

**COGS** (%)



**C. Employees Benefit expenses**

Employee benefit expenses increased 33 %, or ₹ 8,319 Lakh, during the year ended March 31, 2019 compared to the year ended March 31, 2018 primarily due to increase in number of employees on account of acquisition of SPI Cinemas and opening of new screens and annual increment. There is no change during the year in Employee benefit expense as a percentage to Revenue as compared to previous year.

**D. Finance cost**

At 4 % of total revenue, Finance cost is an important expense. It includes Interest on Debentures, Term loan, Banks and other financial charges.

The expenses increased 53 % or ₹ 4,430 Lakh, primarily on account of Interest cost accounted as per Indian Accounting Standards on advance received from ticketing partners during the year and also on account of acquisition of SPI Cinemas.

**E. Depreciation and amortisation expense**

Depreciation and amortisation expenses account 6 % of total revenue. The expenses increased 24 % or ₹ 3,759 Lakh, primarily on account of increase in depreciable assets resulting from acquisition and accounting of SPI Cinemas and capital expenditure incurred on opening of new cinemas.

**F. Other operating expenses**

Other operating expenses primarily includes Rent, Electricity and water charges, Common area maintenance, 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 and are in line with industry trend. The expense increased 24% or ₹ 23,983 Lakh for the year ended March 31, 2019 as compared to March 31, 2018.

**III. Tax Expense**

Our effective tax rate is 37 % as compared to 36 % in the previous year.

**Balance sheet**

The following table sets forth selected items from the consolidated Balance sheet:

Particulars	March 31, 2019	March 31, 2018
Non-current assets	3,51,560	2,05,109
Current assets	39,336	29,775
<b>Total Assets</b>	<b>3,90,896</b>	<b>2,34,884</b>
Equity	1,49,611	1,07,617
Non-Current liability	1,35,962	57,216
Current liability	1,05,323	70,051
<b>Total Equity and liability</b>	<b>3,90,896</b>	<b>2,34,884</b>

**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. Primarily the increase is due capital expenditure incurred on operational and under construction cinemas, Goodwill and other Intangible assets accounted on acquisition of SPI Cinemas, 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. Primarily the increase is on account of increase in Trade receivables and Inventories which is in line with increase in business.

**I. Equity**

Equity comprises of Equity capital, Reserves and surplus and Non-Controlling Interest. Reserves and surplus and Non-controlling Interest have undergone change due to

- Profit earned during the year amounting to ₹ 17,064 Lakh, which is offset by payment of Dividend (including dividend distribution tax) during the year of ₹ 1,127 Lakh;
- Non-controlling Interest accounted for balance 28.31% stake of SPI Cinemas Promoters as per Indian Accounting Standards amounting to ₹ 25,000 Lakh.

**II. 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. Primarily the increase is due advance received from Bookmyshow and Paytm on renewal of ticketing agreement (Non-current portion), increase in net debt and security deposit payable.

**III. Current liability**

Current liability includes Short term Borrowings, Trade payables, other financial liabilities, current portion of Gratuity and leave encashment, and other current liability. Primarily the increase is due advance received from Bookmyshow and Paytm on renewal of ticketing agreement (current portion) and Deferred consideration payable for SPI Cinemas acquisition and increase in trade payable and other dues in line with increase in overall business.



## Cash flow

The following table sets forth selected items from the consolidated cash flow statements:

Particulars	2018-19	2017-18
Opening cash	2,676	903
Cash flow from operating activities	82,964	44,626
Cash flows (used in) investing activities	(1,01,544)	(40,539)
Cash flow (used in)/from financing activities	14,243	(6,595)
Cash acquired on acquisition of subsidiary	918	-
Cash and cash equivalent received on sale of investment in PVR BluO Entertainment Limited (erstwhile subsidiary of the Company)	-	4,281
<b>Closing cash</b>	<b>(743)</b>	<b>2,676</b>

### I. Operating Activities:

Net cash inflow from operating activities increased mainly due to net cash generated from operations including SPI cinemas operations and increase in current liabilities.

### II. Investing Activities:

Net cash outflow from investing activities increased mainly owing to acquisition, expansion and renovations.

### III. Financing Activities:

Net cash inflow from financing activities increased mainly due to additional debt taken by the Company during the year.

## Return on Net worth (RONW)

Particulars	Unit	2018-19	2017-18	Growth
Return on Net worth	%	13	12	1

(RONW = PAT / TOTAL EQUITY)

There is increase in shareholder's return by 1% on account of increase in current year profits.

## 9. Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") has vide notification dated March 30, 2019 notified 'Ind AS 116 – Leases' and accordingly we are required to adopt IndAS 116 from April 1, 2019. Under new Accounting Standard, there will be significant increase in asset as Present value of future rental will be recognised in balance sheet ('Right to use') and corresponding liability ('lease liability') will reflect under liability side. Further, the 'Right to use' asset will be amortised on a straight-line basis over the lease period. Lease payments will be apportioned between finance charge and reduction of the lease liability. Earlier, the Company recognised operating lease expense on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase in accordance with Ind AS 17.

The impact of this standard is non-cash in nature and therefore, it will not affect the Company's cash flows.

The group plans to apply Ind AS 116 on April 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019, with no restatement of comparative information. The group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before April 1, 2019 and identified as leases in accordance with Ind AS 17.

The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present. However the impact on transition will be significant.

## 10. 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 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. 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.

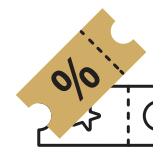
Based on its evaluation (as defined in Section 177 of Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), our Audit Committee has concluded that as at March 31, 2019, our internal financial controls were adequate and operating effectively. The same is also confirmed by auditors through their report on Internal Financial Control.

## 11. Risk management

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

Key risk and uncertainty	Description	Mitigation strategy
Political and economic risk scenario	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.	<ul style="list-style-type: none"> <li>The Company monitors political and economic environment closely.</li> <li>Through promotions, offers and other value propositions, the Company can mitigate this risk</li> </ul>
Risk to reputation	In the consumer-focussed industry, brand is key. Bad customer experience could lead to negative publicity, resulting in boycotts and declining sales.	<ul style="list-style-type: none"> <li>We believe that customer service is our core value and take stringent steps that adhere to our service policies such as enhancing the F&amp;B menu, bringing global cinema technology for Indian customers such as IMAX and 4DX, customer care, employing trained manpower at our theatres, and offering attractive incentives and discounts for our patrons.</li> </ul>
Business model changes	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.	<ul style="list-style-type: none"> <li>At PVR, we understand the dynamics of the evolving M&amp;E sector and accordingly invest in innovations such as 4DX, Playhouse, IMAX Screens, Ticket cancellation, Alexa etc.</li> <li>We conduct regular market surveys to stay on top of the upcoming and current market trends.</li> <li>Adding to our expertise is our senior management team with an average rich experience of over 10 years in the sector.</li> </ul>
Property	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	The Company faces the risk of being unable to adapt to the evolving technologies.	<ul style="list-style-type: none"> <li>All our cinema theatres are equipped with state-of-the-art technology and offer premium visual and sound experience in a luxurious ambience. We also offer other facilities such as QR code based paperless ticketing and ticket cancellations. Moreover, we will continue to adopt the latest technology to provide premium movie-watching experience to our customers.</li> </ul>
Litigation risk	Given the scale of the Company's operations, litigation risks can arise from commercial disputes, employee-related matters and tax-related disputes. Our rising profile and scale also makes us 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.	<ul style="list-style-type: none"> <li>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.</li> <li>The Company has a team of in-house counsels. Further, it also uses services of highly reputed law firms to advise on legal matter.</li> <li>There is a robust mechanism to track and respond to notices as well as defend the Company's position in all claims and litigations.</li> </ul>
Non-compliance to complex and changing regulations	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.	<ul style="list-style-type: none"> <li>Internal processes and controls adequately ensure compliance with tax and other regulations.</li> </ul>





# Report on Corporate Governance

## Company's philosophy on Corporate Governance

PVR'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 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.

## 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 our operation;
- Follow openness in our communication to all our stakeholders.

The corporate Governance Structure of PVR can be described through three layers namely:

- Shareholders appoint Board of Directors and entrust them necessary powers
- Board leads strategic management and appoints various committees to handle specific areas of responsibility
- 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 its pursuit of achieving 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. 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, 2019, the Company had Nine Directors on the Board. The Board is comprised of two Executive Directors and Seven Non-Executive Directors out of which five are Independent Directors, including two Women Directors. The composition of the Board was in accordance with SEBI (LODR) Regulations, 2015 (hereinafter referred as "Listing Regulations") and Companies Act, 2013.

Mr. Ajay Bijli, the Promoter and Executive Director is the Chairman of the Board.

The composition of the Board of Directors during the financial year 2018-19, the details regarding directorship/membership in Committees of public companies, attendance in last Annual General Meeting & Board Meetings held during the financial year 2018-19 are as under:

Name of the Directors	Category	Shareholding in the Company (No. of shares)	No. of Board Meetings attended during the financial year.	Attendance at the last AGM held on September 27, 2018.	Number of other Directorships* as on 31.3.2019	Number of Committee Memberships and Chairmanship in all Companies including PVR Limited		
						Memberships	Chairmanships	Name of Listed Entity
Ajay Bijli	Promoter, Chairman cum Managing Director	54,10,298	6	No	2	5	1	PVR Limited
Sanjeev Kumar	Promoter, Joint Managing Director	37,28,892	6	Yes	2	2	-	
Renuka Ramnath	Non-Executive, Non-Independent, Women Director	0	3	No	8	5	2	L&T Technology Services Limited, Tata Communications Limited and Ultratech Cement Limited
Vishal Mahadevia	Non-Executive, Non-Independent	0	4	No	5	6	-	
Vikram Bakshi	Non-Executive, Independent	0	5	No	2	4	1	PVR Limited
Sanjai Vohra	Non-Executive, Independent	5,000	5	Yes	-	2	2	PVR Limited
Amit Burman	Non-Executive, Independent	0	2	No	4	12	1	Dabour India Limited and Talbros Automotive Components Limited
Sanjay Khanna*	Non-Executive, Independent	0	2	No	1	5	-	PVR Limited
Deepa Misra Harris**	Non-Executive, Independent, Women Director	0	0	0	3	6	1	Prozone Intu Properties Limited

\* (Excluding Directorship in Private Company, Foreign Companies & companies under Section 6 of the Companies Act, 2013).

\* Mr. Sanjay Khanna has resigned from the office w.e.f. April 15, 2019 due to his pre-occupation and personal reasons.

\*\* Ms. Deepa Misra was appointed as Independent Women Director w.e.f. March 27, 2019.

## Meetings, agenda and proceedings etc. of the Board Meeting

**The Board of Directors met six times during the year as follows**

- May 4, 2018
- July 25, 2018
- August 12, 2018
- October 25, 2018
- December 21, 2018
- January 24, 2019

### Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on January 24, 2019 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 its Committees which is necessary to effectively and reasonably perform and discharge their duties.

None of the Directors of the Company is inter-se related to each other.

The details of the familiarisation programme of the Independent Directors is available on the website of the Company at the link [www.pvrcinemas.com](http://www.pvrcinemas.com).

### Limit on the number of Directorships

In compliance with Regulation 25(1) of SEBI (LODR) Regulations, 2015, none of the Directors on the Board of the Company serve as Independent Directors in more than 7 listed companies or if serving as a Whole Time Director in any 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. 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 (CEO) 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, 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.

In case of urgent business needs, the Board's approval is obtained by way of circular resolutions in accordance with the Companies Act, 2013.

### Post Meeting Action

Post meetings, 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

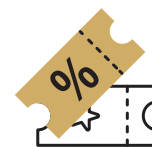
The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required information and documents etc.

### Induction and Training of Board Members

On appointment, the concerned 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 include interactive sessions with Executive Committee Members, Business and Functional Heads, Cinema visit etc.

### 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 was 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](http://www.pvrcinemas.com). All Board members and senior management that includes Company's executives' one level below the Board have affirmed compliance with the said Code as per Regulation 26(3) of SEBI (LODR) Regulations, 2015. A declaration signed by the Chairman to this effect is annexed as annexure to this report.

## Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading. All the Directors, Senior Management and other employees who have access to the unpublished price sensitive information of the Company are governed by this code.

The trading window is closed from time to time including during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. Pankaj Dhawan, Company Secretary cum Compliance Officer, who 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 a thorough knowledge of the organisation and its mission.

Stable boards with long serving, committed members will have the advantage of a 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;
- Understanding of government legislation/ legislative process

### B. Technical skills/experience:

- Technical and professional Qualification and expertise
- Public relations
- CEO/senior management experience
- Strategy development and implementation

### C. Governance competencies:

- Director in large organisation
- Financial Literacy
- Strategic thinking/planning from a governance perspective
- Compliance focus
- 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
- Willingness and ability to devote time and energy to the role

## Declaration from Independent Directors

Declaration under Section 149 of the Companies Act, 2013 and as per Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 received from the Independent Directors, confirming their independency fulfills the conditions specified in these regulations.

## Fund raising during the year

There has been no fund raising through preferential allotment or qualified Institutions placement as specified under Regulation 32 (7A) during the financial year 2018-19.

## Committee recommendation

Board had accepted all recommendation of committees of the Board in the financial year 2018-19 therefore no disclosure is required.



## Governance by the Committees of the Board

Your Board has constituted following 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:

Sr. No.	Name of Committee
1	Audit Committee
2	Nomination and Remuneration Committee
3	Stakeholder's Relationship Committee
4	Corporate Social Responsibility Committee

## Composition of various committees

As on March 31, 2019, the composition of various committees is as under:

Name of the Director	Category of Directors	Audit Committee	Nomination and Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee
Mr. Sanjai Vohra	Independent Non-Executive	Chairman	Chairman	-	Member
Mr. Amit Burman	Independent Non-Executive	Member	Member	-	-
Mr. Sanjay Khanna	Independent Non-Executive	Member	-	Member	Member
Mr. Vikram Bakshi	Independent Non-Executive	Member	-	Chairman	-
Mr. Ajay Bijli	Executive	-	Member	Member	Chairman
Ms. Renuka Ramnath	Non-Executive	-	Member	-	-
Mr. Sanjeev Kumar	Executive	-	-	Member	Member

## Attendance at Committee meetings

Name of the Director	Category of Directors	Audit Committee	Nomination and Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee
Mr. Sanjai Vohra	Independent Non-Executive	5 of 5	1 of 1	-	1 of 1
Mr. Amit Burman	Independent Non-Executive	1 of 5	0 of 1	-	NA
Mr. Sanjay Khanna	Independent Non-Executive	1 of 5	NA	-	0 of 1
Mr. Vikram Bakshi	Independent Non-Executive	4 of 5	NA	-	NA
Mr. Ajay Bijli	Executive	NA	1 of 1	-	1 of 1
Ms. Renuka Ramnath	Non-Executive	NA	1 of 1	-	-
Mr. Sanjeev Kumar	Executive	NA	NA	-	1 of 1

## Audit Committee

The terms of reference of the Audit Committee are as per the guidelines set out in the SEBI (LODR) Regulations, 2015 with the stock exchanges read with Section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (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.

The Board has constituted an Audit Committee, comprised of four Independent Non-Executive Directors. The Chief Financial Officer, the Statutory Auditors and the Internal Auditors are the invitees in the Committee meetings.

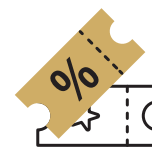
The Company Secretary acts as the secretary of the Audit Committee.

The composition of the Audit Committee is in accordance with those specified in Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four members comprised of half of Independent Directors. The Nomination and Remuneration Committee is empowered to:

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- 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's.



- iii. Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- iv. Conduct Annual performance review of MD and CEO and Senior Management Employees;
- v. Administer Employee Stock Option Scheme (ESOS);
- vi. Formulate a policy relating to remuneration for the Directors and also the Senior Management.

### 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 is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the subsequent approval by the shareholders. Detailed Remuneration Policy is provided on the Company's website [www.pvrcinemas.com](http://www.pvrcinemas.com).

### Remuneration paid / payable to Directors

#### 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:

Remuneration	Mr. Ajay Bijli	Mr. Sanjeev Kumar
Salary	3,69,12,000	2,55,00,000
Perquisites (HRA)	1,80,87,600	1,24,99,200
Commission (payable for FY 2018-19)	10,75,73,510	6,82,80,706
<b>Total</b>	<b>16,25,73,110</b>	<b>10,62,79,906</b>

#### Non-Executive Directors

Further, the remuneration including sitting fees, and commission paid/payable to the Non-Executive Director for the Company's are as follows:

Name of the Directors	Sitting Fees (₹)	Commission (₹)	No. of Shares held
Mr. Sanjay Khanna	1,50,000	-	-
Ms. Renuka Ramnath	-	-	-
Mr. Vishal Mahadevia	-	-	-
Mr. Amit Burman	2,50,000	2,50,000	-
Mr. Vikram Bakshi	6,00,000	2,50,000	-
Mr. Sanjai Vohra	-	24,00,000	5,000
Ms. Deepa Misra Harris	-	-	-
<b>Total</b>	<b>10,00,000</b>	<b>29,00,000</b>	<b>5,000</b>

The Company does not have any direct pecuniary relationship/ transaction with any of its Non-Executive Directors.

### 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.

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 year are as under:

Particular	Number
Opening Complaints	0
Complaints received	54
Complaints redressed	54
Closing Complaints	0

The transfer/ transmission/ split etc. of physical share certificates is approved on the basis of recommendations received from the Company's Registrars and Share Transfer Agent M/s. Karvy Fintech Private Limited. The Investors may lodge their grievances through e-mails at [cosec@pvrcinemas.com](mailto:cosec@pvrcinemas.com) or through letters addressed to Mr. P A Varghese, General Manager, Unit PVR Ltd., Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032.

### 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.

Detailed CSR Policy is provided on the Company's Website [www.pvrcinemas.com](http://www.pvrcinemas.com).

### 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 SEBI (LODR) Regulations, 2015 for the year under review as placed before the Board is annexed as annexure to this report.

### Reappointment of a Director Retiring by Rotation

Ms. Renuka Ramnath will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer herself for re-appointment. A brief resume of the Ms. Renuka Ramnath, the nature of her expertise in specific functions areas, name of companies in which she has directorships, her shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM. Your directors recommend reappointment of Ms. Renuka Ramnath at the ensuing AGM.

### 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
2015-16	Thursday, September 29, 2016	10:30 a.m..	The Mapple Emerald, Rajokri, NH-8, Delhi -110 038	Yes
2016-17	Monday, July 24, 2017	10.30 a.m.	The Mapple Emerald, Rajokri, NH-8, Delhi -110 038	Yes
2017-18	Thursday, September 27, 2018	10:30 a.m.	The Mapple Emerald, Rajokri, NH-8, Delhi -110 038	No

### Postal Ballot

#### Resolutions passed during the year through Postal Ballot are as follows

Resolution	Date of Postal Ballot	Type of resolution	Mode of Voting
To authorise the Board of Directors of the Company to borrow funds in excess of aggregate of the Company's paid up share capital, free reserves and securities premium (apart from temporary loans obtained from company's bankers in the ordinary course of business)*	May 4, 2018	Special	Postal Ballot + E-Voting
To authorise the Board of Directors to mortgage or create a charge, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company*	May 4, 2018	Special	Postal Ballot + E-Voting
To authorise the Board of Directors of the company to make offer(s) or invitation for subscription of Non-Convertible Debentures on Private Placement*	May 4, 2018	Special	Postal Ballot + E-Voting
To increase the FPI / FII and NRI shareholding limit under Foreign Exchange Management Act, 1999*	May 4, 2018	Special	Postal Ballot + E-Voting
Re-appointment of Mr. Ajay Bijli as Chairman & Managing Director and fixation of his remuneration*	May 4, 2018	Ordinary	Postal Ballot + E-Voting
Re-appointment of Mr. Sanjeev Kumar as Joint Managing Director and fixation of his remuneration*	May 4, 2018	Ordinary	Postal Ballot + E-Voting
To authorise the Board of Directors of the Company to make offer(s) or invitation for subscription of equity shares or securities convertible into equity shares or NCDs with warrants for a sum not exceeding 750 crores including premium by way of Qualified Institutions Placement **	December 21, 2018	Special	Postal Ballot + E-Voting

\*Procedure followed for Resolutions passed on July 3, 2018.

- i. The Board of Directors of the Company, vide a resolution dated May 4, 2018 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 May 31, 2018, 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 May 18, 2018;
- iii. The voting under the postal ballot was kept open from June 4, 2018 to July 3, 2018 (either physically or through electronic mode);
- iv. Particulars of postal ballot forms received from the Members using the electronic platform of Karvy were entered in a register separately maintained for the purpose;
- v. The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;
- vi. All postal ballot forms received/receivable up to the close of working hours on July 3, 2018 the last date and 05:00 p.m fixed by the Company for receipt of the forms, had been considered for his scrutiny;
- vii. Envelopes containing postal ballot forms received after close of business hours on July 3, 2018 had not been considered for his scrutiny;

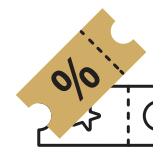
viii. On July 4, 2018 Mr. Ajay Bijli, CMD announced the following results of the postal ballot as per the Scrutiniser's Report; and

- ix. The result of the postal ballot along with the scrutiniser's report displayed on notice board at the registered office/corporate office of the Company, hosted at the Company's website at [www.pvrcinemas.com](http://www.pvrcinemas.com) and will be communicated to the stock exchanges where the Company's shares are listed.

\*\*Procedure followed for Resolutions passed on January 29, 2019

- i. The Board of Directors of the Company, vide a resolution dated December 21, 2018 had appointed M/s. Arun Gupta & Associates, Company Secretaries as the Scrutiniser for conducting the postal ballot and e-voting process;
- ii. The Company had completed the dispatch of the Postal Ballot Notice together with the Explanatory Statement on December 27, 2018, 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 December 14, 2018;
- iii. The voting under the postal ballot was kept open from December 31, 2018 to January 29, 2019 (either physically or through electronic mode);
- iv. Particulars of postal ballot forms received from the Members using the electronic platform of Karvy were entered in a register separately maintained for the purpose;
- v. The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;





- vi. All postal ballot forms received/receivable up to the close of working hours on January 29, 2019 the last date and 05:00 p.m. fixed by the Company for receipt of the forms, had been considered for his scrutiny;
- vii. Envelopes containing postal ballot forms received after close of business hours on January 29, 2019 had not been considered for his scrutiny;
- viii. On January 30, 2019 Mr. Pankaj Dhawan, Authorised Signatory announced the following 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 displayed on notice board at the registered office/corporate office of the Company, hosted at the Company's website at [www.pvrcinemas.com](http://www.pvrcinemas.com) and will be communicated to the stock exchanges where the Company's shares are listed.

### 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 and media releases. The financial results are also made available at Company's website [www.pvrcinemas.com](http://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 a company for his 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](mailto: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](http://www.pvrcinemas.com) and on BSE and NSE Website:

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, Bhubnashewar, Kolkata, Chandigarh, Cochin, Hyderabad, Lucknow, Chennai and Pune.

### General Shareholders' Information

<b>1. Annual General Meeting</b>	Thursday, the July 25, 2019 10.30 a.m. at The Mapple Emerald Rajokri, National Highway-8 New Delhi – 110 038
<b>2. Financial Calendar</b>	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	July, 2019
Second quarterly / Half yearly results	October, 2019
Third quarterly results	January, 2020
Annual results for the year ending on March 31, 2020 :	May, 2020
Annual General Meeting for the year ending on March 31, 2020	on or before September, 2020.
<b>3. Book Closure Date</b>	18.7.2019 to 25.7.2019 (both days inclusive)
<b>4. Dividend Payment</b>	on or before August 5, 2019
<b>5. Listing on Stock Exchanges</b>	National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Bombay Stock Exchange(BSE) 1 <sup>st</sup> Floor, New Trading Ring, PJ Towers, Dalal Street, Fort, Mumbai - 400 001
<b>6. Stock Code</b>	NSE Symbol: PVR; BSE Script Code: 532689 ISIN: INE 191H01014
Listing fees has been paid to both the Stock Exchanges where the securities of the Company are listed.	

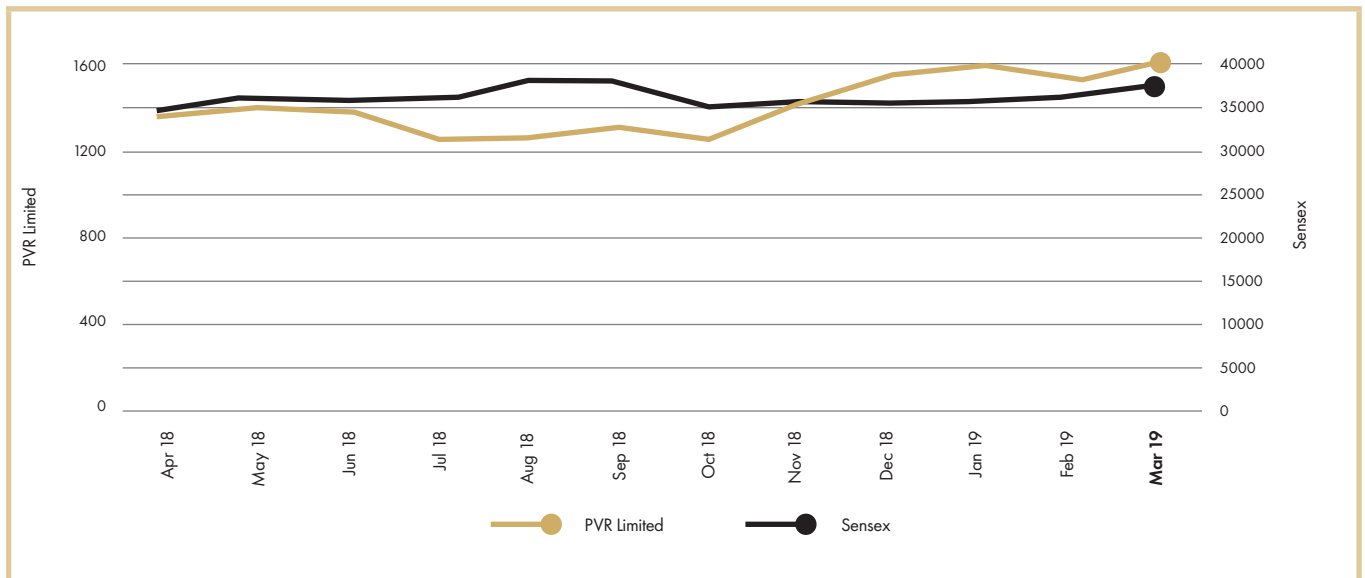
7. Market Price Data

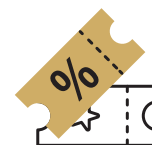
Monthly High Low for the year under review

Month	NSE		BSE	
	High	Low	High	Low
Apr-18	1465.00	1220.30	1464.95	1221.95
May-18	1492.00	1303.70	1488.85	1307.10
Jun-18	1463.00	1265.00	1463.00	1264.45
Jul-18	1425.00	1062.80	1424.75	1064.55
Aug-18	1401.00	1098.00	1399.00	1097.45
Sep-18	1423.00	1190.00	1423.20	1188.05
Oct-18	1386.60	1098.90	1384.20	1102.00
Nov-18	1493.25	1355.55	1506.35	1356.45
Dec-18	1611.70	1441.05	1632.70	1440.00
Jan-19	1665.00	1501.10	1665.70	1502.00
Feb-19	1645.00	1431.30	1646.75	1433.00
Mar-19	1708.70	1484.40	1707.00	1487.05

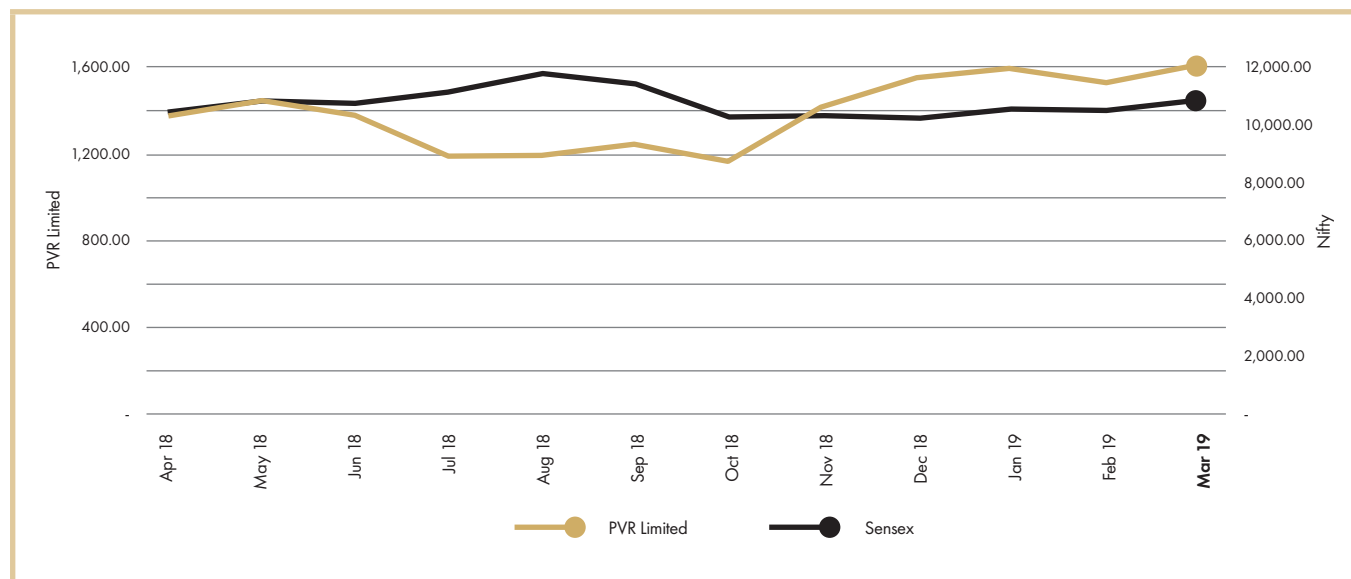
8. Performance of PVR Share price in Comparison to

BSE SENSEX





## NSE NIFTY INDEX



### 9. Registrar and

Karvy Fintech Private Limited (KFPL),  
Transfer Agents Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032  
Tel: +91-40-23420 815-824  
Fax: +91-40-23420 814  
Website: www.kfpl.karvy.com

### 10. Share Transfer System

Shares in physical form can be lodged with KFPL at the above-mentioned address.

### 11. a) Distribution Schedule

#### Distribution Schedule - Consolidated As on 31-3-2019

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	33,254	97.739764	1,338,203	13,382,030	2.863165
5001- 10000	296	0.870000	222,498	2,224,980	0.476048
10001- 20000	147	0.432061	207,876	2,078,760	0.444763
20001- 30000	35	0.102872	89,148	891,480	0.190737
30001- 40000	28	0.082297	99,379	993,790	0.212627
40001- 50000	15	0.044088	68,287	682,870	0.146104
50001- 100000	38	0.111689	275,880	2,758,800	0.590262
100001 & Above	210	0.617230	44,437,317	444,373,170	95.076293
<b>Total</b>	<b>34,023</b>	<b>100.00</b>	<b>46,738,588</b>	<b>467,385,880</b>	<b>100.00</b>



**11 (b) Shareholding Pattern**
**Consolidated Shareholding Pattern As on 31-3-2019**

Category	No. of Holders	Total Shares	% To Equity
FOREIGN PORTFOLIO - CORP	194	19,567,604	41.866057
PROMOTERS	2	9,139,190	19.553843
FOREIGN CORPORATE BODIES	4	7,461,030	15.963319
MUTUAL FUNDS	41	5,751,944	12.306628
RESIDENT INDIVIDUALS	31,322	2,051,356	4.388999
BODIES CORPORATES	460	1,439,097	3.079034
PROMOTER GROUP	2	326,115	0.697743
CLEARING MEMBERS	144	242,243	0.518293
EMPLOYEES	8	220,765	0.472340
TRUSTS	3	135,557	0.290032
NON-RESIDENT INDIANS	673	119,974	0.256692
ALTERNATIVE INVESTMENT FUND	5	87,274	0.186728
FOREIGN INSTITUTIONAL INVESTORS	3	82,168	0.175803
NON-RESIDENT INDIAN NON REPATRIABLE	378	49,314	0.105510
H U F	775	45,235	0.096783
BANKS	5	15,116	0.032342
NBFC	3	2,849	0.006096
I E P F	1	1,757	0.003759
<b>Total</b>	<b>34,023</b>	<b>46,738,588</b>	<b>100.00</b>

**12. Dematerialisation of shares and liquidity**

Our Equity Shares are traded in dematerialised form since its listing. We have entered into agreement with both the depositories vid. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate trading in dematerialised form in India.

The breakup of Equity Share capital in dematerialised form held with depositories and in physical form as on March 31, 2019 is as follows:

**Summary of Shareholding As on 31-03-2019**

Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	66	1,045	0.002236
N S D L	23,192	46,239,676	98.932548
C D S L	10,765	497,867	1.065216
<b>Total</b>	<b>34,023</b>	<b>46,738,588</b>	<b>100.00</b>

**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 e-mail 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.

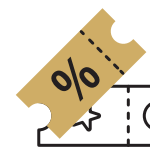
**Share Transfer System**

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar and Transfer Agents.

Share Transfer Committee is authorised to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers may take place on weekly basis when required. A summary of all the transfers/transmissions etc. so approved by officers of the Company is placed at every Committee Meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

**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 complied with each one of them.

## Compliance with Regulations 17 to 27 and 46 of SEBI (LODR) Regulations, 2015

The Company has complied with all the requirements of provisions of Regulation 17 to 27 and 46 of SEBI (LODR) Regulations, 2015.

## Plant Locations

In view of the nature of the Company's business i.e. Movie exhibition Business, the Company operates through various locations on pan India basis.

## List of all Credit Ratings

The Company has received the credit ratings from the agencies for the financial year 2018-19:

Sr. No.	Name of Agency	Rating	Name of Instrument	Date of Rating	Amount (₹ Cr)
1	ICRA	AA-/stable	Non-Convertible Debenture	8.3.2019	360.00
		AA-/stable	Bank Loan Facilities	8.3.2019	219.00
		A1+	Commercial Paper	8.3.2019	200.00
2	CRISIL	AA-/stable	Non-Convertible Debenture	10.1.2019	685.00
		AA-/stable	Bank Loan Facilities (Including Working Capital Facilities)	10.1.2019	648.33

## Certificate on Corporate Governance

A certificate from Practicing Company Secretary on compliance of Regulation 34(3) of SEBI (LODR) Regulations, 2015 relating to corporate governance is published as an Annexure to the Director's Report.

## Total fees paid to Statutory Auditor

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is ₹ 104 lakhs.

## 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 total number of complaints filed during the financial year 2018-19 was 21 and total numbers of complaints disposed were 21 and the total numbers of complaints pending during at the end of the financial year 2018-19 is Nil.

## 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.

Address for correspondence	Mr. Pankaj Dhawan Company Secretary & Compliance Officer PVR Limited
Registered Office:	61, Basant Lok, Vasant Vihar, New Delhi – 110 057
Corporate Office:	Block A, 4 <sup>th</sup> Floor, Building No. 9A, DLF Cyber City, Phase-III, Gurugram, Haryana – 122 002
Investor grievance email:	cosec@pvr cinemas.com Tel: + 91 -124-4708100 Fax: + 91 -124-4708101 Website: www.pvr cinemas.com

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.pvr cinemas.com.

The Company has followed the Indian Accounting Standards 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to related party transactions.

Vigil Mechanism Policy: Section 177(9) of the Companies Act 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 requires that a 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 and make provisions for direct access to any member of the Whistle-Blower Investigation Committee. Detailed Whistle-Blower Policy is provided on the Company's website www.pvr cinemas.com.

During the year under review, the Company does not have any material listed/unlisted subsidiary company as defined in Regulation 24 of SEBI (LODR) Regulations, 2015.

## CERTIFICATION BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Ajay Bijli, Chief Executive Officer and Nitin Sood, CFO 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, 2019 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 violative 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: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
CEO

**Nitin Sood**  
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 2018-19.

Place: Mumbai  
Date: May 10, 2019

**Ajay Bijli**  
CEO





# 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	cosec@pvrcinemas.com
6. Financial Year reported:	April 1, 2018 to March 31, 2019
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) :	<ul style="list-style-type: none"> <li>● Movie exhibition;</li> <li>● Sales of Food and beverages; and</li> <li>● On-Screen and off-Screen Advertisement.</li> </ul>
9. Total number of locations where business activity is undertaken by the Company:-	
a) Number of International Locations (Provide details of major 5);	NIL
b) Number of National Location	164 cinemas in 65 cities
10. Markets served by the Company	India

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital in INR:	4,674 Lakh
2. Total Turnover (INR):	2,77,684 Lakh
3. Total profit after taxes (INR):	17,275 Lakh
4. Total Spending on CSR as percentage of profit after tax (%):	2% (360 Lakh) 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 6A and 6B

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/Companies?

Yes, as on March 31, 2019, Company had following subsidiaries:

Sr. No.	Name of the Company
1	SPI Cinemas Private Limited
2	PVR Pictures Limited
3	Zea Maize Private Limited
4	P V R Lanka Limited
5	SPI Entertainment Projects (Tirupati) Private Limited (Step down subsidiary of SPI Cinemas Private Limited)
6	PVR Middle East FZ-LLC

### 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 BR 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/Director 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 following members as on March 31, 2019:

Sr. 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 Vohra	Independent Director
4	02137776	Mr. Sanjay Khanna	Independent Director (resigned w.e.f. April 15, 2019)

**b) Details of the BR Head**

Particulars	Details
Name	Mr. Nitin Sood
Designation	CFO
Telephone Number	0124-4708100
e-mail id	investorrelations@pvr cinemas.com

**2. Principle-wise (as per NVGs) BR Policy/policies**

<b>Principle P1: Business Ethics, Transparency &amp; Accountability</b>	<b>1</b>	<b>Principle P2: Product Responsibility</b>	<b>2</b>	<b>Principle P3: Employee Development</b>	<b>3</b>
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	
<b>Principle P4: Stakeholder Engagement</b>	<b>4</b>	<b>Principle P5: Human Rights</b>	<b>5</b>	<b>Principle P6: Environment</b>	<b>6</b>
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	
<b>Principle P7: Policy Advocacy</b>	<b>7</b>	<b>Principle P8: Inclusive Growth</b>	<b>8</b>	<b>Principle P9: Customer Value</b>	<b>9</b>
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	



### Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	<a href="https://www.pvrcinemas.com/corporate">https://www.pvrcinemas.com/corporate</a> <a href="https://originserver-static1-uat.pvrcinemas.com/pvrcms/corporate">https://originserver-static1-uat.pvrcinemas.com/pvrcms/corporate</a> Employee Wellbeing Policies are available on the Company Intranet <a href="http://www.pvrhive.com">www.pvrhive.com</a> 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								

### 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 FY2018-19 are included in this annual report and can be accessed online on our website [www.pvrcinemas.com/corporate](http://www.pvrcinemas.com/corporate)

● 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 is open to complaints of a wide nature.

Particulars	Stakeholder Complaint received in FY 2018-19	Complaints resolved in FY 2018-19	Complaints Resolved (%)
Investor Complaints	54	54	100
Consumer Complaints	6269	6256	99.8
<b>Total</b>	<b>6323</b>	<b>6310</b>	<b>99.79</b>

Complaints from other stakeholders like suppliers and contractors are addressed by Departments and addressed on a case to case basis.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

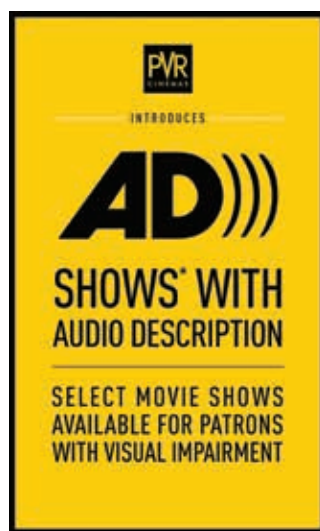
### Principle 1: Ethics, Transparency & Accountability

- 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. 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.

### Principle 2: Products Lifecycle Sustainability

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.
  - Discontinued single-use Plastic Straws and replaced them with bio degradable ones;
  - Replaced approx. 35% of plastic food packaging and other usable with those made out of bio-degradable material;
  - Rolled out Phase 1 of Accessible Cinemas under #Cinema4All.





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. **Discontinued Single use Plastic straws and replaced them with PLA Straws:** During the year, we moved from plastic to paper and then to PLA straws. Polylactic acid or polylactide (PLA) is a biodegradable and bioactive thermoplastic aliphatic polyester derived from renewable biomass, typically from fermented plant starch such as from corn, cassava, sugarcane or sugar beet pulp. While typical petroleum-based plastics can take thousands of years to breakdown, plant-based PLA plastics can be broken down in a suitable composting facility within 45 to 90 days. ~10 lac straws are consumed per month in our cinemas. By eliminated Plastic straws Pan India, we have reduced plastic consumption by more than ~5,000 kg/year.

ii. **Bio degradable food packaging and cutlery and other usables:**

- Your Company is in the process moving away from plastic packaging for our F&B in a phased manner. In 7 States, we have eliminated plastic from our value-chain and moved to using containers made out of sugarcane bagasse. By doing so, we have reduced ~20,000 kg of plastic per year in Phase 1 of our Sustainable Packaging Programme.
- In 140 of our Cinemas, we have replaced plastic Garbage bags with biodegradable garbage bags (as certified by the Central Institute of Plastics, Engineering and Technology Under the Ministry of Chemicals and Fertilisers GoI). By doing so, we have succeeded in eliminating ~67,000 kg of plastic per annum from our operations.
- Use of plastic packing used for blankets replaced with fabric sleeves across all PVR Gold Cinemas. Plastic eliminated by doing so, is to the tune of ~1,000 kg per annum.
- Plastic covers for 3D glasses have been replaced by covers made from biodegradable corn starch. Our consumption of these in the last Financial Year was of ~2,500,000 glasses. By this initiative alone, we have been able to remove ~6,000 kg of plastic from 5 states in Phase 1 of this initiative.

iii. **Accessible Cinemas:** More than 5% of India’s population is differently-abled. In order to ensure Inclusive Entertainment under our Accessible Cinema program (#Movies4All); we have enabled in Phase 1:

- 50 Wheelchair-friendly cinemas in 25 cities and made them easily discoverable with wheelchair-friendly and companion seats.
- Subtitled shows of films that are released with subtitles are played and made discoverable for our Hearing Impaired Patrons.
- Entered a strategic MoU with a vendor for exclusive use of a mobile App that enables Visually Impaired Patrons to enjoy films.

In Phase 2, we are addressing existing cinemas that have more complex accessibility challenges as well as new and upcoming cinemas from layout stage itself. We will be announcing at least another 50 accessible cinemas in Phase 2. In addition, your Company is spear-heading Inclusive Entertainment in the country. Towards this, we have had a series of meetings with the concerned Ministries, Departments, State Government officials, NGOs, Producers and Distributors to encourage them to create



inclusive content in line with the Rights of People with Disabilities Act 2016.

**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 Developers;
- Contractors and Architects;
- F&B suppliers;
- Other suppliers and contracts

We are in the process of looking at our consumables through a sustainability lens and have during the year taken various steps to ensure sustainability in our supply chain. Some of the initiatives, particularly those on reducing 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 in our supply chain as far as possible. We are exploring various options of not just sourcing from local and small producers, but also developing entrepreneurial capabilities among the marginalised communities. In addition, we are also expanding our footprint to smaller cities; thereby creating employment opportunities in smaller towns and cities. For many of our sustainable 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.**

At the outset and as mentioned earlier with supporting data, we are minimising plastic waste from our operations and replacing it with bio degradable material. Because of this huge shift from Plastic/paper packaging to bio degradable materials, the nature of our waste is also changing drastically. With this perspective, we will relook afresh at the nature of being waste generated in this new scenario.

**Principle 3: Employee's Well-Being**

**1. Employee data ( Questions 1-4):**

Sr. No.	Head	2018-19
1	Total number of employees	13,585
2	Total number of contractual employees	7,876 (Outsourced employees 5,136+ Activity Outsourced 2,950)
3a	Total number of women employees	2,503
3b	Total number of permanent women employees	776
4	Total number of employees with Disabilities	9

**5. Do you have an employee association that is recognised by management?**

No we do not have any employee association recognised by management.

**6. What percentage of your permanent employees is members of this recognised employee association?**

Not Applicable.

**7. 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	21	Nil
Discriminatory Employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Particulars	Corporate	Cinemas
Permanent employees	77%	100%
Permanent women employees	65%	85%
Casual/ Temporary/ Contractual Employees	100%	100%
Employees with disabilities	100%	NA

**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 your Company. In order to make training available seamlessly – anytime, anywhere; your Company has launched an online Training Platform called PVR Springboard on which following training programmes are made available:

- Cinema Induction
- Handling difficult situations
- #Movies4All
- POSH
- Fire & Safety

## Principle 4: Stakeholder Engagement:

### 1. Has the company mapped its internal and external stakeholders?

The Company recognizes 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.

Yes, the Company has identified the following as disadvantaged, vulnerable and marginalised stakeholders:

1. Underprivileged communities (particularly Children at Risk) around its business locations; and
2. 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 developmental 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 society in which it operates in. A pioneering endeavor in the Indian entertainment industry, PVR NEST (PVR Network for Enablement & Social Transformation) works to rehabilitate 'Children at Risk' in addition to other related programmes in the vicinity of its cinemas. The Trust undertakes various programmes on rehabilitation, education, nutrition, healthcare and employability, additionally; through its infrastructure-business enterprise, PVR Cinemas; it fosters the largest film-based education programme - CineArt in the country and also undertakes Environment Conservation, health and sanitation programmes.

**# Cinema 4 All:** Under its Inclusive Entertainment program # Cinema4All, PVR has put in place an elaborate plan to make its cinemas accessible to people with disabilities across mobility, hearing/speech and visual impairment that constitute more than 65% of India's total differently-abled population.

In Phase 1, rolled out on World Disability Day 2018 (December 03, 2018), PVR announced:

- 50 Wheelchair-friendly cinemas/230 screens across 30 cities

- Subtitled shows marked and made discoverable for hearing impaired for films that are released with sub-titles;
- An association for use of a mobile app that enables visually impaired patrons to enjoy movies with the help of Audio Description streamed through the App.

In addition, PVR is pushing for legislation that mandates creation of Inclusive Electronic Content as already mandated in Clause 42 of the Rights of People with Disabilities Act 2016.

In Phase 2, we are targeting to roll out:

- 45-50 Wheelchair friendly Cinemas with the help of Advanced Assistive equipment; and
- Technology support that supports enabling Hearing Impaired to also enjoy cinema.

## 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 of its own locations as well as its 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.

As far as its environment footprint is concerned, it is mainly concentrated to PVR's Core business which is Cinema Exhibition. We are gradually extending our focus on environment conservation across our value chain.

The Company's policy on environment outlines Resource consumption (Energy, Water, F&B Packaging), Safety and Security of our patrons as the most material Sustainability aspects. As of now, 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:



1. Mall authorities have followed PVR's example and sought advice and guidance from PVR on energy conservation initiatives;
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. Harmonised Guidelines 2016 have been shared with the Designers, Architects and Contractors 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 taking initiatives in energy efficiency. Some of these initiatives include:

**I. 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:

- Awareness and sensitization workshops for employees on benefits of energy conservation initiatives;
- Involvement of employees is encouraged through idea sharing and successful implementation of the selected ideas being recognised and awarded;
- A Certified Energy Auditor supervises and leads the implementation of energy conservation initiatives;
- 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 3<sup>rd</sup> party to identify inefficiencies at their end as well;

**II. Technology Absorption**

- Efficient Screw Chillers installed at various locations giving energy savings;
- VFD controlled Screw Chillers installed for energy conservation;
- VFD installed on AHUs (Air Handling units) for energy savings while ensuring guest comfort;

- Electronic water softeners installed on cooling towers to reduce chemical dosing of cooling tower water in order to maintain chiller energy efficiency;
- Occupancy Sensors have been installed in washrooms to save energy;
- Major lighting is being done through LED lights;
- UVGI system has been installed in AHUs to ensure clean coil and provide bacteria-free air;
- Installation of EAC for air purification and energy savings by reducing the pressure drop to very low values;
- Installation of water flow restrictors in wash basin taps across all locations have reduced water consumption by 60%. This has inspired Mall authorities to replicate the same with help from PVR.
- V3F Drive equipped Lifts are being used where ever the lifts belong to PVR.
- Automatic start/stop for the escalators has been implemented in PVR premises/scope to avoid idle running of the escalators; thus conserving energy.
- Mechanical/programmable timers on loads and areas with intermittent usage. This insures safety against fire due to long unattended over usage and helps conserve energy;
- Laser Projection system implemented to reduce energy consumption in Projection by at least 40%.
- Installed ONYX LED screen, thus removing the Xenon lamp projection and conserving energy by 50%.



**III. Technology Absorption Indoor Air Quality**

We have taken some proactive steps towards improving Indoor air quality:

- Introduction of clean air auditoriums ("Audit-Air-lum"); where we have implemented state-of-the-art technology to curb Indoor air pollution by controlling PM2.5 and PM10 to provide the cleanest possible air to our patrons. We are maintaining AQI (Air Quality Index) levels below US standard of 50. Clean Air Auditoriums have been implemented at 4 locations and will be expanded to other locations in a phased manner;
- Ultraviolet Germicidal Irradiation System provides Bacteria-free Air, improved air quality and odor elimination that helps in preventing the spread of communicable disease. This has also resulted in energy savings by ensuring clean coils, free from mold and fungus. It has so far been implemented across 9 locations and will be expanded to other locations in a phased manner.

**IV. Monitoring Systems and touch points:**

- IOT-based remote monitoring system enables us to become proactive rather than being reactive.
- Energy, Temperature and Fire hydrant pressure monitoring systems have been implemented at 100 locations and is under implementation on the rest of the locations.

- Centralised monitoring is being done at all water cooled chiller plants.

**V. Technical Points:**

- Load running is optimised by following switching On/Off procedure. Timers are being used to ensure optimisation;
- AC discipline is being followed to avoid leakage of cooled air/ infiltration of hot air;
- 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.

**3. Does the company identify and assess potential environmental risks? Y/N**

Your Company 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, the Company recognizes 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 audits and safety checks on a regular basis to ensure smooth and safe running of our operations. Our staff too are given regular fire safety and emergency evacuation training to deal with any untoward incidence.

**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.**

Yes, In addition to the initiatives mentioned in the response to Question 3 above, we are exploring possibilities to Purchase Renewable power from private power producers under PPA (Power Purchase Agreement), contributing towards our green initiative. A certain percentage of our energy consumption will be subset by Solar Energy Utilisation by using rooftop solar photovoltaic grid connected system and will be piloted in 2019-20 at sites available with space on roof.



**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)**

Yes, 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 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 recognizes that more than 5% of India’s population is Differently-abled and is spearheading Accessible and Inclusive Cinema in the country. Towards this, the Company is working closely with concerned Government Departments, Ministries, State Government officials, NGOs, Producers and Distributors 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 mandatory for all Indian films to be released with Captions and Audio Description, thereby enabling Visually Impaired and Hearing Impaired patrons to enjoy movies with the rest of us and their families and friends.

While PVR has the ability to exhibit films to an inclusive audience with the help of Closed Captioning, Audio Description, Assistive devices an equipment and infrastructural accommodations for people with Hearing, Vision and Mobility impairments, respectively; the electronic content available is not in accessible formats. This is a huge deterrent in PVRs efforts to provide inclusive entertainment to all.

**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. These initiatives is not only aligned to Schedule VII pertaining to Section 135 of the Companies Act 2013 but we have also drawn a linkage to the Sustainability Development Goals and the 2030 agenda. We have further identified Development indicators that we impact as defined by Niti Aayog under its development plans.



For details, refer to the CSR section of this Annual Report for activities and initiatives undertaken by PVR Nest.



**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organisation?**

PVR Nest, conducts various programmes through its partner NGOs. For some projects, we have also worked with local government bodies.

**3. Have you done any impact assessment of your initiative?**

Yes, we have impact measurement built into our projects.

**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 360 Lakh that amounts to 2% of average net profit for immediately preceding three financial years. For details, refer to Annexure 6A and 6B of Corporate Governance Report forming part of this Annual Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the members of the community?**

We ensure that most programmes are designed on a PPP Model thereby ensuring Sustainability. Some examples being:

- Our flagship program Childscapes, involves women of the community to help propagate the program; thereby ensuring community involvement to ensure sustainability.
- The Project Eco Grants by its very design has sustainability built into it.
- The Disability Project too has affected stake-holders involved who ensure the programme carries through.

## Principle 9: Customer Value

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

0.002% of the consumer complaints/cases are pending as on March 31, 2019.

**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, Secondly, Unilazer Ventures Private Limited has filed a complaint before Competition commission of India against Multiplex chains including PVR that multiplex operators are misusing the dominant position against movie producers by charging Virtual print fees, Thirdly Vijay Gopal has filed a complaint against Book MyShow 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?**

Till last year, we were carrying out offline surveys on customer satisfaction periodically. However, since our association with customers is short, we felt the need to get instant feedback so as to increase our proximity to their experience in order to serve them better. We have installed tabs at various touch points within the cinema to get instant feedback.

These tabs have been implemented in 39 cinemas. For the balance, currently, we are using offline through internal surveys and the mystery audit team, till such time that we are able to digitise all our cinemas. Customer satisfaction trends as per our new approach will be available once we deploy the digital system across our cinemas.

As a result of regular CSAT surveys, we have gathered in-depth insights into various areas where we can make further improvements to enhance the experience of our patrons. Some of these are:

- Making payments made much easier;
- Redesigned the PVR app;
- Method of cleaning and packing 3D Glasses was changed;
- New F&B items were introduced;
- Better readability/clarity of the Menu board;
- Enhanced focus on hygiene and cleanliness.



# 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 31 March 2019, 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.

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 31 March 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Description of Key Audit Matters

The key audit matter

#### 1. Revenue Recognition

See accounting policies in Note 2.2 (j) to the Standalone Financial Statements

The Company principally derives its revenue from sale of movie tickets (Box office revenue), sale of food items, advertisement income and convenience fees.

### 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.

### Key Audit Matters

Key audit matters 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.

How the matter was addressed in our audit

In view of the significance of the matter we applied following audit procedures in this area, among others to obtain sufficient appropriate audit evidence

1. We assessed and tested the effectiveness of relevant controls, including automated controls, over revenue within each of the revenue streams.
2. We inspected the terms of significant revenue contracts and assessed whether they were consistent with the basis of revenue recognized by the Company.
3. We agreed the data underlying the calculation of admission revenue to sales records and other systems having assessed the relevant controls relating to the recording of that revenue.
4. We also considered the adequacy of the Company's disclosures and the accounting policies included in the standalone financial statements.

The key audit matter	How the matter was addressed in our audit
<p><b>2. Impairment assessment of goodwill, other intangible assets, and property, plant &amp; equipment:</b></p> <p>See Note 4 and accounting policies in Note 2.2 (f) to the Standalone Financial Statements</p> <p>The Company assesses at each reporting date whether there is an indication that plant, property and equipment or an intangible asset (other than goodwill) may be impaired. If any indication exists for such assets, or when annual impairment testing for an asset is required (Goodwill), the Company performs the impairment computation and estimates the asset's recoverable amount.</p> <p>The annual impairment testing is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgment required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the Cash Generating Units (CGUs), which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the CGUs operate;</li> <li>evaluating the appropriateness of other assumptions applied to key inputs such as sales volumes and prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with externally derived data, wherever applicable, as well as our own assessments based on our knowledge of the client and the industry;</li> <li>performing sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates, forecasted cash flows and considering the market capitalization of the Company as at 31 March 2019, to evaluate the impact on the currently estimated headroom for the CGUs.</li> <li>evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.</li> </ul>

## 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 standalone 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 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 and 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 the 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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 made by management.
- Conclude on the appropriateness of management's 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 auditor's 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 (Auditor's 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 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 31 March 2019 on its financial position in its standalone financial statements - Refer Note 35 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.
  - 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 financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditor's Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Place: Gurugram  
 Date: May 10, 2019

**Jiten Chopra**  
 Partner  
 Membership No. 092894



## Annexure A referred to in our Independent Auditor's Report to the members of PVR Limited on the Standalone Ind AS Financial Statements for the year ended 31 March 2019

- (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 is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the management during the current year. As informed to us, no material discrepancies were noticed 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 property is held in the name 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, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) 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, with respect to the loans, investments, guarantees and security made.
- (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 Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (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, paragraph 3(vi) of the Order is not applicable.
- (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, Income-tax, Goods and Services Tax ('GST'), Duty of Customs, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income-tax, Goods and Services Tax ('GST'), Sales Tax, Services Tax, Duty of excise, value added tax, Duty of Customs, cess and other material statutory dues were in arrears as at 31 March 2019 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, Sales-tax, Service tax, Duty of custom, duty of excise, GST and Value added tax which have not been deposited on account of any dispute as at 31 March 2019, 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 lacs)	Amount paid under protest (₹ In lacs)
Income Tax Act, 1961	Demand u/s 143(3) disallowing expense u/s 37 and 14A	AY 2006-07	Hon'ble High Court	23.56	-
Income Tax Act, 1961 *(Refer below note)	Demand u/s 143(3) disallowing expense u/s 14A	AY 2007-08 and 2008-09	Income Tax Appellate Tribunal (ITAT)	487.43	621.17
Income Tax Act, 1961 *(Refer below note)	Demand u/s 143(2) disallowing expense u/s 14A	AY 2014-15 and 2015-16	Commissioner of Income Tax (Appeal)	1,399.80	22.73
Finance Act 1994, Service Tax	Service tax	AY 2017-18 and 2018-19	Assistant Commissioner	3,497.68	-
Finance Act 1994, Service Tax	Service tax	AY 2014-15 and 2016-17	Commissioner	2,534.62	-
Finance Act 1994, Service Tax	Service tax	Various assessment years	Customs Excise and Service Tax Appellate Tribunal	8,124.68	416.64



Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where dispute is pending	Amount (₹ in lacs)	Amount paid under protest (₹ In lacs)
UP VAT Act, 2007/Maharashtra VAT Act, 2002/Rajasthan VAT Act/Kerala VAT Act/ Telanagana (under Commercial tax)/Gujarat/Delhi VAT/ Haryana VAT	Value Added Tax	Various assessment years	Joint Commissioner/ Deputy Commissioner/ Assisstant Commissioner	1,064.96	26.74
Punjab Entertainment tax (Cinematographs shows) Rules 1954	Entertainment Tax	AY 2017-18	Hon'ble High Court	144.36	40.01
Assam Amusement and Betting tax Act, 1939	Entertainment Tax	Various assessment years	Hon'ble Supreme Court	334.36	-
Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	AY 2014-15 to AY 2017-18	Hon'ble High Court	160.85	-
Tamil Nadu Entertainment Tax Act, 1939	Entertainment Tax	AY 2009-10	Hon'ble High Court	42.54	-
Madhya Pradesh Entertainments Duty and Advertisements Tax Act, 1936	Entertainment Tax	AY 2006-07 to AY 2010-11	Hon'ble High Court	823.42	-
The Andhra Pradesh Entertainment Tax (Amendment) Act, 1986	Entertainment Tax	AY 2012-13 to 2015-16	Hon'ble High Court	99.47	-

\*There were certain expenses disallowed by the Income Tax authorities for the financial year(s) 2008-09 to 2010-11, which had reduced the amount of carried forward losses. Against the said disallowances, the Company has a favourable judgment from the Honourable Supreme Court of India and has also filed appeals, which is pending adjudication at Income Tax Appellate Tribunal (ITAT) as at the year ended 31 March 2019. Further, Company has deposited ₹268 lakhs under protest against these orders.

- (viii) According to the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers and dues to debenture holders. Further, the Company did not have any loans or borrowings from government or financial institutions during the year.
- (ix) Based on our examination of books of account and according to the information and explanations given to us, the money raised during the year by way of issue of non-convertible debentures and term loans have been applied for the purposes for which they were obtained. As informed to us, the Company has not raised any other moneys by way of initial public offer or further public offer during the year ended 31 March 2019.
- (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, the managerial remuneration has been provided and paid by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS 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, paragraph 3(xv) of the Order is not applicable.
- (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  
Firm's Registration No.: 101248W/W-100022

Place: Gurugram  
Date: May 10, 2019

**Jiten Chopra**  
Partner  
Membership No. 092894



# Annexure B to the Independent Auditor's report on the Standalone Financial Statements of PVR Limited for the year ended 31 March 2019

## 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 31 March 2019, 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 31 March 2019, 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  
Firm's Registration No.: 101248W/W-100022

Place: Gurugram  
Date: May 10, 2019

**Jiten Chopra**  
Partner  
Membership No. 092894



# Standalone Balance Sheet

as at March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Notes	March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	125,976	112,170
Capital work-in-progress	3	19,004	10,169
Goodwill	4	42,660	42,660
Other intangible assets	4	1,713	1,509
Financial assets			
Investments in subsidiaries	5A	68,542	3,239
Other investments	5B	885	1,760
Loans	13	20,469	19,192
Other financial assets	6	2,079	2,158
Deferred tax assets (net)	7	-	1,560
Income tax assets (net)	8A	2,376	945
Other non-current assets	8B	13,458	9,564
<b>Total non-current assets</b>	<b>A</b>	<b>297,162</b>	<b>204,926</b>
<b>Current assets</b>			
Inventories	9	2,584	1,854
Financial assets			
Investments	10	108	106
Trade receivables	11	14,990	13,650
Cash and cash equivalents	12	1,745	1,748
Bank balances other than cash and cash equivalent, above	12	569	503
Loans	13	2,857	1,242
Other financial assets	6	2,034	2,109
Other current assets	8B	5,898	3,011
<b>Total current assets</b>	<b>B</b>	<b>30,785</b>	<b>24,223</b>
<b>Total assets [A+B]</b>		<b>327,947</b>	<b>229,149</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	4,674	4,674
Other equity	15	116,287	100,943
<b>Total equity</b>	<b>A</b>	<b>120,961</b>	<b>105,617</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	86,798	56,156
Other financial liabilities	20	4,217	-
Provisions	17	1,273	940
Deferred tax liabilities (net)	7	2,523	-
Other non-current liabilities	21	17,138	-
<b>Total non-current liabilities</b>	<b>B</b>	<b>111,949</b>	<b>57,096</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	7,439	9,875
Trade payables	19	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		33,070	23,489
Other financial liabilities	20	34,991	24,131
Provisions	17	280	261
Other current liabilities	21	19,257	8,680
<b>Total current liabilities</b>	<b>C</b>	<b>95,037</b>	<b>66,436</b>
<b>Total liabilities (B+C)</b>		<b>206,986</b>	<b>123,532</b>
<b>Total equity and liabilities [A+B+C]</b>		<b>327,947</b>	<b>229,149</b>
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**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

**Jiten Chopra**

Partner

Membership Number: 092894

**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: Gurugram

Date: May 10, 2019

Place: Mumbai

Date: May 10, 2019

# Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Notes	March 31, 2019	March 31, 2018
<b>INCOME</b>			
Revenue from operations	22	274,669	224,612
Other income	23	3,015	2,953
<b>Total Income</b>		<b>277,684</b>	<b>227,565</b>
<b>EXPENSES</b>			
Movie exhibition cost		66,033	55,583
Consumption of food and beverages		20,179	15,468
Employee benefits expense	24	28,639	24,198
Finance costs	25	11,217	8,335
Depreciation and amortisation expense	26	16,164	14,119
Other operating expenses	27	108,212	90,805
<b>Total expenses</b>		<b>250,444</b>	<b>208,508</b>
<b>Profit before exceptional items and tax</b>		<b>27,240</b>	<b>19,057</b>
Exceptional items	28	-	59
<b>Profit before tax</b>		<b>27,240</b>	<b>18,998</b>
<b>Tax expense:</b>			
Current tax		8,866	4,598
Adjustment of tax relating to earlier periods		162	-
Deferred tax (including MAT credit entitlement)		937	2,258
<b>Total tax expense</b>		<b>9,965</b>	<b>6,856</b>
<b>Profit for the year [A]</b>		<b>17,275</b>	<b>12,142</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent period	29	(1,130)	(1,000)
Items that will be reclassified to profit or loss in subsequent period		-	-
<b>Other comprehensive income for the year (net of tax) [B]</b>		<b>(1,130)</b>	<b>(1,000)</b>
<b>Total comprehensive income for the year [A+B] (comprising profit and other comprehensive income for the year)</b>		<b>16,145</b>	<b>11,142</b>
<b>Earnings per equity share on Net Profit after tax</b>	30		
<b>[Nominal Value of share ₹ 10 (March 31, 2018: ₹ 10)]</b>			
Basic		36.97	25.97
Diluted		36.73	25.86
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**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

For and on behalf of the board of Directors of **PVR Limited****Jiten Chopra**

Partner

Membership Number: 092894

**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: Gurugram

Date: May 10, 2019

Place: Mumbai

Date: May 10, 2019

# Standalone Statement of Changes in Equity

for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

## A. Equity Share Capital (Refer note 14)

	March 31, 2019	March 31, 2018
Balance at the beginning of the year	4,674	4,674
Changes in equity share capital during the year	-	-
Balance at the end of the year	4,674	4,674

## B. Other Equity (Refer note 15)

Particulars	Reserves and Surplus					Other comprehensive income			Total
	Capital Reserve	Securities Premium	Debenture redemption reserve	General reserve	Share options outstanding account	Retained Earnings	Re-measurement gains/(loss) on defined benefit plans	Gain/(loss) on equity instruments designated at FVTOCI	
<b>At March 31, 2017</b>	602	47,125	4,922	4,030	-	34,066	(122)	-	90,623
Profit for the year	-	-	-	-	-	12,142	-	-	12,142
Other comprehensive income (net of tax) (Refer note 29)	-	-	-	-	-	-	(112)	(888)	(1,000)
<b>Total Comprehensive Income</b>	602	47,125	4,922	4,030	-	46,208	(234)	(888)	101,765
Employee stock compensation for options granted (refer note 32)	-	-	-	-	305	-	-	-	305
Transfer to Debenture redemption reserve	-	-	2,413	-	-	(2,413)	-	-	-
Transfer from Debenture redemption reserve	-	-	(50)	-	-	50	-	-	-
Dividends (including CDT*)	-	-	-	-	-	(1,127)	-	-	(1,127)
<b>At March 31, 2018</b>	602	47,125	7,285	4,030	305	42,718	(234)	(888)	100,943
Profit for the year	-	-	-	-	-	17,275	-	-	17,275
Other comprehensive income (net of tax) (Refer note 29)	-	-	-	-	-	-	(256)	(874)	(1,130)
<b>Total Comprehensive Income</b>	602	47,125	7,285	4,030	305	59,993	(490)	(1,762)	117,088
Employee stock compensation for options granted (refer note 32)	-	-	-	-	306	-	-	-	306
Adjustment on adoption of IND AS 115 (refer note 2.2 (j))	-	-	-	-	-	20	-	-	20
Transfer to Debenture redemption reserve	-	-	2,895	-	-	(2,895)	-	-	-
Transfer from Debenture redemption reserve	-	-	(2,250)	-	-	2,250	-	-	-
Dividends (including CDT*)	-	-	-	-	-	(1,127)	-	-	(1,127)
<b>At March 31, 2019</b>	602	47,125	7,930	4,030	611	58,241	(490)	(1,762)	116,287
*Corporate Dividend Tax									
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**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

**Jiten Chopra**

Partner

Membership Number: 092894

**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: Gurugram

Date: May 10, 2019

Place: Mumbai

Date: May 10, 2019



# Standalone Statement of Cash flow

for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2019	March 31, 2018
<b>OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>27,240</b>	<b>18,998</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	15,552	13,442
Amortisation of intangible assets	612	677
Allowance for doubtful debts and advances	1,084	350
Bad debts/advances written off	53	18
Net loss on disposal of property, plant and equipment	143	32
Interest Income	(1,135)	(969)
Finance costs	10,522	7,571
Share based payment expense	296	295
Exceptional items	-	59
Convenience fees (Time value of money adjustment)	(1,012)	-
Liabilities written back	(119)	(239)
Rent expenses (pertaining to deferred rent)	1,045	1,018
	<b>54,281</b>	<b>41,252</b>
Working capital adjustments:		
Increase/(Decrease) in provisions	(42)	279
Increase/(Decrease) in trade and other payables	40,120	7,293
Decrease/(Increase) in trade receivables	(2,334)	(5,136)
Decrease/(Increase) in inventories	(730)	(162)
Decrease/(Increase) in loans and advances and other assets	(2,730)	549
<b>Cash generated from operations</b>	<b>88,565</b>	<b>44,075</b>
Direct taxes paid (net of refunds)	(6,914)	(4,004)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>81,651</b>	<b>40,071</b>
<b>Cash flows (used in) investing activities</b>		
Purchase of PPE, intangible assets, CWIP and capital advances	(38,651)	(31,335)
Proceeds from sale of property, plant & equipment's	52	34
Security deposits given to Mall Developers	(4,274)	(3,817)
Investment in subsidiaries	(55,090)	(287)
Sale of investment in Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited)	-	4,281
Redemption/(Purchase) of NSC's	-	24
Investment in iPic Entertainment Inc.	-	(2,581)
Loan repaid/(given) - body corporate	-	43
Loans given to subsidiaries	(6,150)	(275)
Loans repaid by subsidiaries	4,400	2,275
Interest received on deposits	235	137
Fixed deposits with banks encashed	-	16
Fixed deposits with banks	(6)	
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(99,484)</b>	<b>(31,485)</b>
<b>Cash flow (used in)/from financing activities</b>		
Proceeds from long-term borrowings	48,500	12,500
Repayment of long-term borrowings	(17,772)	(8,946)
Proceeds from short-term borrowings	40,000	37,500
Repayment of short-term borrowings	(45,000)	(38,500)
Payment of Dividend and tax thereon	(1,127)	(1,127)
Interest paid on Borrowings	(9,253)	(8,008)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>15,348</b>	<b>(6,581)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(2,485)</b>	<b>2,005</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,746</b>	<b>(259)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(739)</b>	<b>1,746</b>
<b>Components of cash and cash equivalents</b>		

# Standalone Statement of Cash flow

for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Cash on hand	714	532
Balance with banks:		
On current accounts	955	1,131
On deposits with original maturity of less than three months	76	85
Cash and cash equivalents (refer note 12)	<b>1,745</b>	<b>1,748</b>
Less: Secured bank overdraft (refer note 18)	(2,484)	(2)
<b>Total cash and cash equivalent</b>	<b>(739)</b>	<b>1,746</b>

Note:

- Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash flows".
- During the year, the Company paid in cash ₹ 360 lakhs (March 31, 2018: ₹ 232 lakhs) towards corporate social responsibility (CSR) expenditure (Refer note 39).

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities is as below:

Particulars	Non - current borrowings <sup>1</sup>	Current borrowings
Opening balance as at April 01, 2018 <sup>2</sup>	73,225	10,000
Cash flows during the year:		
- Proceeds	48,500	40,000
- Repayment	(17,772)	(45,000)
Non-cash changes due to:		
- Mark to market of derivative liability	-	-
- Others	-	-
Closing balance as at March 31, 2019 <sup>2</sup>	<b>103,953</b>	<b>5,000</b>

<sup>1</sup>Includes current maturities of non-current borrowings.

<sup>2</sup>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**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

**Jiten Chopra**

Partner

Membership Number: 092894

**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: Gurugram

Date: May 10, 2019

Place: Mumbai

Date: May 10, 2019

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(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 – 110 057". 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 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, 2019 are approved by the Audit Committee at its meeting held on May 9, 2019 and Board of Directors at its meeting held on May 10, 2019.

##### (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 lakhs, 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 (p) (iii) and 31 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2.2 (b),(c), (d), 3 and Note 4 - measurement of useful life and residual values of property, plant and equipment and intangible assets;
- Note 35 - 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 (u) - 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.

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; or

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; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period





## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

The Company classifies all other liabilities as non-current.

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 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 total period of lease including renewals or unexpired period of lease, whichever is shorter.

Assets under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of lease term.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

## Notes

### to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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 ₹ 620 lakhs (March 31, 2018: ₹ 520 lakhs) 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.

##### (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.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

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### (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 any 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.

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**  
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

- (ii) **Assets held under lease**  
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction



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of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

#### (iii) Lease payments

Payments made under operating leases are generally recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### (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 made. Revenue excludes goods and service tax, sales tax and entertainment tax which are collected by the Company on behalf of the Government and deposited to the credit of respective Governments.

GST has been implemented with effect from July 1, 2017 which replaces Entertainment tax, Service tax and other indirect taxes like Sales tax and Value added taxes. As per the requirement of Ind AS 18, revenue is reported net of applicable taxes.

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:

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	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 under the operating lease arrangement.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

**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 PRIVILEGE" 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.

**(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.

## Notes

### to the Standalone Financial Statements for the year ended March 31, 2019

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 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

(Rupees in lakhs, except for per share data and if otherwise stated)

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





## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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 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 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

## Notes

### to the Standalone Financial Statements for the year ended March 31, 2019

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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 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 recognize 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.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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 Ind AS 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 recognise 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 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 the 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



## Notes

### to the Standalone Financial Statements for the year ended March 31, 2019

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 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.

(Rupees in lakhs, except for per share data and if otherwise stated)

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



## Notes

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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.

**(x) Recent accounting pronouncements**  
Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1 April 2019:

**i Ind AS 116- 'Leases'**

The Ministry of Corporate Affairs ("MCA") has vide notification dated March 30, 2019 notified 'Ind AS 116 – Leases' and we are required to adopt IndAS 116 from April 1, 2019. Under new Accounting Standard, there will be significant increase in asset as Present value of future rental will be recognised in balance sheet ('Right to use') and corresponding liability ('lease liability') will reflect under liability side. Further, the 'Right to use' asset will be amortised on a straight-line basis over the lease period; Lease payments will be apportioned between finance charge and reduction of the lease liability.

Earlier, the Company recognised operating lease expense on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase in accordance with Ind AS 17.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

The Company plans to apply Ind AS 116 initially on April 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019, with no restatement of comparative information. The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before April 1, 2019 and identified as leases in accordance with Ind AS 17.

The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present. However the impact on transition will be significant.

**ii Ind AS 19 – 'Employee benefits'**

The amendments to Ind AS 19, clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its Standalone Financial Statements.

**iii Ind AS 12 - 'Income taxes'**

"The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the

taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the above amendment on its Standalone Financial Statements.

### 3 Property, plant and equipment

Particulars	Freehold Land	Building	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Office Equipment's	Vehicles	Total	Capital Work-in-progress
<b>At March 31, 2017</b>	2	10	47,471	53,540	14,192	3,098	533	118,846	
Additions	-	-	10,226	12,637	3,924	944	-	27,731	
Disposals and discard	-	-	(66)	(131)	(311)	(34)	-	(542)	
<b>At March 31, 2018</b>	<b>2</b>	<b>10</b>	<b>57,631</b>	<b>66,046</b>	<b>17,805</b>	<b>4,008</b>	<b>533</b>	<b>146,035</b>	
Additions	-	-	11,103	13,981	3,731	697	40	29,552	
Disposals and discard	-	-	- 447	- 912	- 1,294	- 116	-	(2,769)	
<b>At March 31, 2019</b>	<b>2</b>	<b>10</b>	<b>68,287</b>	<b>79,115</b>	<b>20,242</b>	<b>4,589</b>	<b>573</b>	<b>172,818</b>	
<b>Depreciation</b>									
At March 31, 2017	-	-	7,263	8,832	3,464	1,162	178	20,899	
Charge for the year	-	-	[#] 4,338	6,021	2,293	683	107	13,442	
Disposals and discard	-	-	(65)	(76)	(301)	(34)	-	(476)	
<b>At March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>[#] 11,536</b>	<b>14,777</b>	<b>5,456</b>	<b>1,811</b>	<b>285</b>	<b>33,865</b>	
Charge for the year	-	-	[#] 5,047	7,067	2,540	792	106	15,552	
Disposals and discard	-	-	- 446	- 892	- 1,122	- 115	-	(2,575)	
<b>At March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>[#] 16,137</b>	<b>20,952</b>	<b>6,874</b>	<b>2,488</b>	<b>391</b>	<b>46,842</b>	
<b>Net Block</b>									
<b>At March 31, 2018</b>	<b>2</b>	<b>10</b>	<b>46,095</b>	<b>51,269</b>	<b>12,349</b>	<b>2,197</b>	<b>248</b>	<b>112,170</b>	<b>10,169</b>
<b>At March 31, 2019</b>	<b>2</b>	<b>10</b>	<b>52,150</b>	<b>58,163</b>	<b>13,368</b>	<b>2,101</b>	<b>182</b>	<b>125,976</b>	<b>19,004</b>

[#] 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. Details of assets on finance lease included in Plant and machinery are as follows:

Particulars	Gross block				Accumulated depreciation				Net Block
	Opening	Addition	Disposals and discard	Total	Opening	Charge for the year	Disposals and discard	Total	
March 31, 2018	4,468	-	-	4,468	435	414	-	849	3,619
March 31, 2019	4,468	-	-	4,468	849	414	-	1,263	3,205

#### iii. Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31, 2019 was ₹ 1,501 lakhs (March 31, 2018: 429 lakhs).



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 4 Intangible assets

Particulars	Goodwill	Software Development	Movie Rights	Other Intangible Assets total
	A	B	C	D=B+C
<b>At March 31, 2017</b>	42,660	2,076	286	2,362
Additions	-	493	200	693
Disposals and discard	-	-	-	-
<b>At March 31, 2018</b>	<b>42,660</b>	<b>2,569</b>	<b>486</b>	<b>3,055</b>
<b>Additions</b>	-	696	120	816
Disposals and discard	-	- 12	-	- 12
<b>At March 31, 2019</b>	<b>42,660</b>	<b>3,253</b>	<b>606</b>	<b>3,859</b>
Amortisation				
At March 31, 2017	-	612	257	869
For the year	-	448	229	677
<b>At March 31, 2018</b>	-	<b>1,060</b>	<b>486</b>	<b>1,546</b>
For the year	-	492	120	612
Deductions/Adjustments	-	(12)	-	(12)
<b>At March 31, 2019</b>	-	<b>1,540</b>	<b>606</b>	<b>2,146</b>
<b>Net Block</b>				
<b>At March 31, 2018</b>	<b>42,660</b>	<b>1,509</b>	-	<b>1,509</b>
<b>At March 31, 2019</b>	<b>42,660</b>	<b>1,713</b>	-	<b>1,713</b>

#### 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 and Cinema exhibition undertaking of DLF Utilities Limited acquired in financial year 2012-13 and 2016-17 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 discounted cash flow methodology with a peer-based, risk-adjusted weighted average cost of capital, using the discount rate of 10% to 12.5% and terminal value growth rate of 5% to 10% from 2023-24. We believe use of a discounted cash flow approach is the most reliable indicator of the fair values of the businesses. Additionally the goodwill has been tested for impairment by reference to the quoted price of equity shares of PVR Limited ("PVR"), which carries total cinema exhibition business. As at March 31, 2019, total market capitalization of PVR is 768,452 lakhs significant part of which represents value of the cinema exhibition business which is higher than the carrying value of Goodwill.

No impairment of goodwill was identified as of March 31, 2019.

### 5 Non-Current Investments

#### 5A Investment in subsidiaries (unquoted, valued at cost)

	March 31, 2019	March 31, 2018
<b>PVR Pictures Limited</b>	2,102	2,102
Equity share of ₹ 4 each 42,006,173 (March 31, 2018: 42,006,173)		
<b>P V R Lanka Limited<sup>1</sup></b>	1,406	137
Equity share of LKR 100 each 3,494,030 (March 31, 2018: 320,569)		
<b>Zea Maize Private Limited</b>	500	500
Equity share of ₹ 10 each 19,033 (March 31, 2018: 19,033)		
<b>Zea Maize Private Limited<sup>2</sup></b>	750	500
0.01% Compulsory convertible preference shares of ₹ 10 each 28,351 (March 31, 2018: 19,032)		
<b>SPI Cinemas Private Limited<sup>3</sup> (refer note 45)</b>	63,774	-
Equity share of ₹ 10 each 222,711 (March 31, 2018: Nil)		
<b>PVR Middle East FZ LLC<sup>4</sup></b>	10	-
Equity share of AED 1,000 each 50 (March 31, 2018: Nil)		
	<b>68,542</b>	<b>3,239</b>

<sup>1</sup>During the previous year ended March 31, 2018, the Company has invested a sum of ₹ 137 lakhs in P V R Lanka Limited, a Company incorporated on August 9, 2016 in Democratic Socialist Republic of Sri Lanka, to subscribe 320,569 number of equity shares of LKR (Sri Lankan Rupee) 100 each.

During the year ended March 31, 2019, there was an additional capital infusion of ₹ 1,269 lakhs in P V R Lanka Limited to subscribe 3,173,461 number of equity share of LKR (Sri Lankan Rupee) 100 each.

## Notes

### to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

<sup>2</sup>During the year ended March 31, 2019, there was an additional capital infusion of ₹ 250 lakhs (March 31, 2018: ₹ 150 lakhs) in Zea Maize Private Limited through Compulsory convertible preference shares.

<sup>3</sup>Includes deemed equity amounting to ₹ 214 lakhs related to corporate guarantee given in favour of Bank for loans taken by SPI Cinemas Private Limited.

<sup>4</sup>During the year ended March 31, 2019, the Company has invested a sum of ₹ 10 lakhs 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.

#### 5B Other Investments

	March 31, 2019	March 31, 2018
<b>Quoted equity shares</b>		
<b>Equity shares at FVTOCI</b>		
iPic Entertainment Inc. <sup>1</sup>	2,581	2,581
Common membership units of \$ 18.13 each 220,629 (March 31, 2018 : 220,629)		
Less: Diminution in the value of Investment (refer note 29)	(1,761)	(888)
<b>Net value of Investment</b>	<b>820</b>	<b>1,693</b>
<b>Unquoted Government securities</b>		
Government Securities- at amortised cost		
National savings certificates <sup>2</sup>	173	173
(Deposited with various tax authorities)		
	<b>993</b>	<b>1,866</b>
Less: Amount disclosed under current investment (Refer note 10) (being due for maturity within next 12 month)	108	106
	<b>885</b>	<b>1,760</b>

Aggregate amount of unquoted investment	68,715	3,412
Aggregate amount of quoted investment	2,581	2,581
Aggregate amount of impairment in value of investments	1,761	888

<sup>1</sup>During the previous year ended March 31, 2018, the Company has acquired a minority stake for a value of USD 4 million (equivalent to ₹ 2,581 lakhs), 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'.

<sup>2</sup>The following National Saving Certificates held in the interest of the Company are pledged with various Indirect Tax Authorities.

	March 31, 2019	March 31, 2018
Managing Director	20	20
Employees	136	136
Promoters of the erstwhile subsidiary Company	17	17

#### 6 Other financial assets

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current bank balances (refer note 12)	64	124	-	-
Interest accrued on:				
Fixed deposits	8	18	24	14
National saving certificate	13	22	60	40
Others	-	-	12	25
	<b>85</b>	<b>164</b>	<b>96</b>	<b>79</b>
Revenue earned but not billed	-	-	975	192
Government grant receivable <sup>1</sup>	1,994	1,994	963	1,838
Unsecured, considered doubtful	65			
	<b>2,059</b>	<b>1,994</b>	<b>963</b>	<b>1,838</b>
Allowance for doubtful Government grant receivable	(65)	-	-	-
	<b>1,994</b>	<b>1,994</b>	<b>963</b>	<b>1,838</b>
<b>Total</b>	<b>2,079</b>	<b>2,158</b>	<b>2,034</b>	<b>2,109</b>

<sup>1</sup>The Entertainment tax 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 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

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(Rupees in lakhs, except for per share data and if otherwise stated)

### 7 Deferred tax assets/liabilities (net) (includes MAT credit entitlement)

	March 31, 2019	March 31, 2018
<b>Deferred tax liability</b>		
Impact of differences in depreciation/amortisation in block of tangible and intangible assets as per tax books and financial books	9,255	7,349
<b>Gross deferred tax liability</b>	<b>9,255</b>	<b>7,349</b>
<b>Deferred tax asset<sup>1</sup></b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	725	587
Allowance for doubtful debts and advances	920	542
Others	1,054	473
<b>Gross deferred tax asset</b>	<b>2,699</b>	<b>1,602</b>
<b>Net deferred tax (liability)/Assets</b>	<b>(6,556)</b>	<b>(5,747)</b>
Add: MAT credit entitlement <sup>2</sup>	4,033	7,307
<b>Net deferred tax Asset (including MAT Credit entitlement)</b>	<b>-</b>	<b>1,560</b>
<b>Net deferred tax liability (including MAT Credit entitlement)</b>	<b>2,523</b>	<b>-</b>

<sup>1</sup>The Company has not accounted for Deferred tax assets on Capital loss on sale of Investment in "Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited)" and loss on fair valuation of "iPic Entertainment Inc." Investment on account of reasonable certainty.

<sup>2</sup>The MAT credit entitlement asset 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 assets.

### 8A Income tax assets (net)

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance income tax (net of provision)	1,732	55	-	-
Income tax paid under protest (Refer note 35(a))	644	890	-	-
	<b>2,376</b>	<b>945</b>	<b>-</b>	<b>-</b>

### 8B Other assets

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Prepaid expenses	1,390	1,236	2,470	1,280
Deferred rent	9,635	6,988	1,045	902
	<b>11,025</b>	<b>8,224</b>	<b>3,515</b>	<b>2,182</b>
<b>Capital advances</b>				
Unsecured, considered good	2,433	1,340	-	-
Unsecured, considered doubtful	-	-	-	-
	<b>2,433</b>	<b>1,340</b>	<b>-</b>	<b>-</b>
Allowance for doubtful capital advances	-	-	-	-
	<b>2,433</b>	<b>1,340</b>	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	1,460	97
Unsecured, considered doubtful	-	-	5	7
	<b>-</b>	<b>-</b>	<b>1,465</b>	<b>104</b>
Allowance for doubtful advances	-	-	(5)	(7)
	<b>-</b>	<b>-</b>	<b>1,460</b>	<b>97</b>
<b>Others</b>				
Balances with statutory authorities	-	-	923	732
	<b>-</b>	<b>-</b>	<b>923</b>	<b>732</b>
<b>Total</b>	<b>13,458</b>	<b>9,564</b>	<b>5,898</b>	<b>3,011</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 9 Inventories (Valued at lower of cost and net realisable value)

	March 31, 2019	March 31, 2018
Food and beverages	1,533	1,193
Stores and spares	1,051	661
	<b>2,584</b>	<b>1,854</b>

### 10 Current investments

	March 31, 2019	March 31, 2018
<b>Investments (unquoted)</b>		
National savings certificates (refer note 5B) (Deposited with various State tax Authorities)	108	106
	<b>108</b>	<b>106</b>

### 11 Trade receivables

	March 31, 2019	March 31, 2018
Secured, considered good	171	215
Unsecured, considered good	14,819	13,435
Unsecured, considered doubtful	2,102	1,161
	<b>17,092</b>	<b>14,811</b>
Allowance for doubtful debts	(2,102)	(1,161)
	<b>14,990</b>	<b>13,650</b>

### 12 Cash and cash equivalent

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash on hand	-	-	714	532
<b>Balances with banks:</b>				
On current accounts	-	-	955	1,131
Deposits with original maturity of less than 3 months (refer note (a) below)	-	-	76	85
	-	-	<b>1,745</b>	<b>1,748</b>
<b>Bank balances other than cash and cash equivalent, above</b>				
Deposits with remaining maturity for more than 3 months but less than 12 months	-	-	565	495
Deposits with remaining maturity for more than 12 months	64	124	-	-
Unpaid and unclaimed dividend accounts (refer note (b) below)	-	-	4	8
	<b>64</b>	<b>124</b>	<b>569</b>	<b>503</b>
Amount disclosed under non-current other financial assets (refer note 6)	(64)	(124)	-	-
	-	-	<b>2,314</b>	<b>2,251</b>

#### Notes:

- Short-term deposits 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.
- Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.
- The disclosures regarding specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2019.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 13 Loans

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Loan and advances to related parties (Unsecured, considered good)</b>				
Loan to wholly owned subsidiary Company	-	-	1,750	-
	-	-	1,750	-
<b>Loan to others</b>				
Loan to employees				
Unsecured, considered good	-	-	107	102
Loan to body corporate				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	55	55
	-	-	162	157
Allowance for doubtful loan	-	-	(55)	(55)
	-	-	107	102
Security deposit				
Unsecured, considered good	20,469	19,192	1,000	1,140
Unsecured, considered doubtful	407	328	-	-
	20,876	19,520	1,000	1,140
Allowance for doubtful security deposit	407	(328)	-	-
	20,469	19,192	1,000	1,140
	20,469	19,192	2,857	1,242

#### a) Loans and advances to related parties include

PVR Pictures Limited (unsecured loan) 1,750 -

#### b) Loans and advances in the nature of loans given to subsidiaries (Refer note 40)

##### SPI Cinemas Private Limited

Balance at the end of the year - -

Maximum amounts outstanding during the year 1650 -

##### PVR Pictures Limited

Balance at the end of the year 1,750 -

Maximum amounts outstanding during the year 2,000 2,000

There is no repayment schedule in respect of this loan and it is repayable on demand.

### 14 Share capital

	March 31, 2019	March 31, 2018
<b>Authorised share capital</b>		
Equity shares of ₹ 10 each	11,070	11,070
0.001% Non-cumulative convertible Preference shares of ₹ 341.52 each	2,015	2,015
	13,085	13,085
<b>Issued, subscribed and fully paid-up shares</b>		
Equity shares of ₹ 10 each fully paid	4,674	4,674
<b>Total issued, subscribed and fully paid-up share capital</b>	4,674	4,674

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

#### i. Authorised Equity shares

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	110,700,000	11,070	110,700,000	11,070
<b>Balance at the end of the year</b>	<b>110,700,000</b>	<b>11,070</b>	<b>110,700,000</b>	<b>11,070</b>

#### ii. Authorised Non-cumulative convertible Preference shares

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	590,000	2,015	590,000	2,015
<b>Balance at the end of the year</b>	<b>590,000</b>	<b>2,015</b>	<b>590,000</b>	<b>2,015</b>

#### iii. Issued, Subscribed and fully paid up equity shares

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,738,588	4,674	46,738,588	4,674
<b>Shares outstanding at the end of the year</b>	<b>46,738,588</b>	<b>4,674</b>	<b>46,738,588</b>	<b>4,674</b>

### 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.

### c) Details of shareholders holding more than 5% shares in the Company as on year end

Name of Shareholders	March 31, 2019		March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Mr. Ajay Bijli	5,410,298	11.58	5,260,298	11.25
Mr. Sanjeev Kumar Bijli	3,728,892	7.98	3,728,892	7.98
Berry Creek Investment Limited	3,582,585	7.67	3,582,585	7.67
Gray Birch Investment Limited	2,958,888	6.33	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, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
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	398,942
Equity shares allotted as fully paid up pursuant to the scheme of amalgamation for consideration other than cash.	-	-	-	-	1,090,203

### 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).

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 15 Other equity (Refer statement of change in equity)

	March 31, 2019	March 31, 2018
<b>Securities premium</b>		
Amount received (on issue of shares) in excess of the face value has been classified as securities premium.	47,125	47,125
<b>Share option outstanding account (Refer note 32)</b>		
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.	611	305
<b>Debenture redemption reserve (DRR)</b>		
The Company has issued secured rated listed non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of Dividends. DRR is required to be created for an amount equivalent to atleast 25% of the value of debentures issued and accordingly the Company has created the same.	7,930	7,285
<b>Capital reserve</b>		
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
<b>General reserve</b>		
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
<b>Retained earnings</b>		
Retained earnings comprise of the Company's accumulated undistributed earning after taxes including Other Comprehensive Income(OCI).	55,989	41,596
<b>Total other equity</b>	<b>116,287</b>	<b>100,943</b>

### 15A Distribution made and Proposed

	March 31, 2019	March 31, 2018
<b>Cash Dividends on equity shares approved and paid:</b>		
Final Dividend for the year as approved in AGM	935	935
	<b>935</b>	<b>935</b>
<b>Proposed dividends on Equity shares<sup>1</sup></b>		
Final Dividend for the year ended March 31, 2019: ₹ 2 per share (March 31, 2018: ₹ 2 per share) per share	935	935
	<b>935</b>	<b>935</b>

<sup>1</sup>Proposed dividends on equity shares are subject to approval at the ensuing annual general meeting and are not recognised as a liability as at 31 March.

### 16 Long-term borrowings

(at amortised cost)

	Non-current portion		Current maturities	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Debentures</b>				
Secured Rated Listed Non-Convertible Debentures (net of transaction cost)	40,957	46,909	10,950	9,385
<b>Term loans</b>				
Secured term loans from banks	44,240	6,973	5,440	6,883
<b>Other loans</b>				
Secured Vehicle loans from banks	-	-	-	50
Secured Finance lease obligation from body corporate (refer note 33)	1,601	2,274	673	594
	<b>86,798</b>	<b>56,156</b>	<b>17,063</b>	<b>16,912</b>
Amount disclosed under the head "other payable" (refer note 20)	-	-	(17,063)	(16,912)
	<b>86,798</b>	<b>56,156</b>	<b>-</b>	<b>-</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(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	Date of Allotment	Repayment Period	Repayment Ratio	Amount
30 (March 31, 2018: 60) of ₹ 1,000,000 each	11.40%	1-Jan-10	7 <sup>th</sup> to 10 <sup>th</sup> year	20:20:30:30	300
500 (March 31, 2018: 500) of ₹ 1,000,000 each	10.75%	10-Jun-14	5 <sup>th</sup> year	100	5,000
750 (March 31, 2018: 1,000) of ₹ 1,000,000 each	11.00%	16-Oct-14	4 <sup>th</sup> to 7 <sup>th</sup> year	25:25:25:25	7,500
500 (March 31, 2018: 500) of ₹ 1,000,000 each	11.00%	24-Nov-14	5 <sup>th</sup> to 7 <sup>th</sup> year	30:30:40	5,000
1,000 (March 31, 2018: 1,000) of ₹ 1,000,000 each	10.75%	9-Jan-15	6 <sup>th</sup> and 7 <sup>th</sup> year	50:50	10,000
170 (March 31, 2018: 335) of ₹ 1,000,000 each	8.90%	29-Jul-16	1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> year	33:33:34	1,700
500 (March 31, 2018: 500) of ₹ 1,000,000 each	7.84%	12-Jan-17	3 Years and 6 months	100	5,000
250 (March 31, 2018: 250) of ₹ 1,000,000 each	8.05%	3-Apr-17	4 <sup>th</sup> year	100	2,500
500 (March 31, 2018: 500) of ₹ 1,000,000 each	8.15%	3-Apr-17	5 <sup>th</sup> year	100	5,000
500 (March 31, 2018: 500) of ₹ 1,000,000 each	7.85%	18-Aug-17	5 <sup>th</sup> year	100	5,000
500 (March 31, 2018: Nil) of ₹ 1,000,000 each	8.72%	16-Apr-18	3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> year	20:40:40	5,000
					<b>52,000</b>

All Debentures are secured by mortgage on immovable properties (excluding immovable properties at Gujarat, a flat at Bangalore and assets taken on finance 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 finance 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 fixed assets of the Company (excluding immovable properties at Gujarat, a flat at Bangalore, vehicles hypothecated to banks and assets taken on finance lease) and receivables of the Company both present and future.
- (ii) Vehicle loans of ₹ Nil (March 31, 2018: ₹ 50 lakhs) carries interest @ 10.25% p.a. and is repayable in 60 monthly instalments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.
- (iii) Above loans are repayable in equal/ unequal monthly/ quarterly instalments as follows:

Particulars	March 31, 2019	March 31, 2018
<b>Secured Rated Listed Non-Convertible Debentures:</b>		
Repayable within 1 year	11,000	9,450
Repayable within 1 - 3 year	27,000	25,000
Repayable after 3 years	14,000	22,000
<b>Term Loan:</b>		
Repayable within 1 year	5,440	6,883
Repayable within 1 - 3 year	14,167	5,098
Repayable after 3 years	30,073	1,875
<b>Secured Vehicle loans:</b>		
Repayable within 1 year	-	50
Repayable within 1 - 3 year	-	-
Repayable after 3 years	-	-

- (iv) Term Loan from banks carries variable interest rate based on respective bank/body corporate benchmark rate, effective rate of interest varying in between 8.50% p.a. to 9.95% p.a.
- (v) Finance lease obligation is 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.
- (vi) The Company has satisfied all material debt covenants.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 17 Provisions

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for gratuity (net) (refer note 31)	724	517	-	-
Provision for leave benefits	549	423	280	261
	<b>1,273</b>	<b>940</b>	<b>280</b>	<b>261</b>

### 18 Short-term borrowings (at amortised cost)

	March 31, 2019	March 31, 2018
Unsecured Commercial paper (net of transaction cost)	4,955	9,873
Secured bank overdraft	2,484	2
	<b>7,439</b>	<b>9,875</b>

#### Notes:

- 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 8.85% to 10.7% p.a.
- In respect of Commercial Paper maximum amount outstanding during the year was ₹ 15,000 lakhs (March 31, 2018 : ₹ 11,500 lakhs) with a maturity period of 3 months, effective rate of interest varying from 6.95% to 7.75%.
- The Company had ₹ 12,516 lakhs (March 31, 2018: ₹ 11,648 lakhs) of undrawn committed borrowing facility available as at the year ended March 31, 2019.

### 19 Trade payables

	March 31, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	33,070	23,489
	<b>33,070</b>	<b>23,489</b>

### 20 Other financial liabilities

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Payables on purchase of property plant and equipment	-	-	6,654	6,522
Deferred consideration for acquisition of SPI Cinemas Private Limited (refer note 45) <sup>1</sup>	-	-	10,000	-
Security deposits	4,217	-	621	510
Current maturities of long-term borrowings (refer note 16)	-	-	17,063	16,912
Interest accrued but not due on borrowings	-	-	-	-
- Debentures	-	-	646	179
Unpaid dividends <sup>2</sup>	-	-	7	8
	<b>4,217</b>	<b>-</b>	<b>34,991</b>	<b>24,131</b>

<sup>1</sup> Payable to SPI Cinemas shareholders on achievement of certain milestones, where achievement of milestone is more probable.

<sup>2</sup> Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 21 Other liabilities

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advances from customers <sup>1</sup>	17,138	-	13,763	3,539
Employee benefits payables	-	-	3,213	2,818
Statutory dues payable	-	-	2,079	2,323
Others	-	-	202	-
	<b>17,138</b>	<b>-</b>	<b>19,257</b>	<b>8,680</b>

<sup>1</sup> During the 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.

### 22 Revenue from operations

	March 31, 2019	March 31, 2018
Sale of services [refer (a) below]	197,337	162,262
Sale of food and beverages	75,702	60,766
Other operating revenue [refer (b) below]	1,630	1,584
	<b>274,669</b>	<b>224,612</b>

#### (a) Sale of services

	March 31, 2019	March 31, 2018
Income from sale of movie tickets	150,881	124,806
Advertisement income	32,902	29,486
Convenience fees	10,603	5,971
Virtual print fees	2,792	1,724
Income from film production	159	275
	<b>197,337</b>	<b>162,262</b>

During the year ended March 31, 2019 ₹ 192 lakhs of unbilled revenue as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2019 the Company recognised revenue of ₹ 3,261 Lakhs from opening advance from customers. as of April 1, 2018.

#### (b) Details of other operating revenue

	March 31, 2019	March 31, 2018
Food court income	1,142	1,102
Gaming income	441	444
Management fees	47	38
	<b>1,630</b>	<b>1,584</b>

### 23 Other income

	March 31, 2019	March 31, 2018
Government grant	918	1,367
Net gain on redemption of mutual fund Investments	287	53
Interest earned on		
Bank deposits	118	56
NSC's Investments	12	16
Interest Income from financial assets at amortised cost	778	840
Others	227	57
Exchange differences (net)	-	1
Other non-operating income (net) (liability written back ₹ 119 lakhs (March 31, 2018: ₹ 239 lakhs)	675	563
	<b>3,015</b>	<b>2,953</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 24 Employee benefit expense

	March 31, 2019	March 31, 2018
Salaries, wages, allowances and bonus	25,597	21,423
Contribution to provident and other funds	1,040	990
Employee stock option scheme (refer note 32)	296	295
Staff welfare expenses	1,706	1,490
	<b>28,639</b>	<b>24,198</b>

### 25 Finance costs

	March 31, 2019	March 31, 2018
Interest on		
Debentures	5,341	5,128
Term loans	1,882	1,485
Banks and others <sup>1</sup>	867	958
Other financial charges	3,127	764
	<b>11,217</b>	<b>8,335</b>

<sup>1</sup>Includes interest on Finance lease obligation of ₹ 308 lakhs (March 31, 2018: ₹ 377 lakhs)

### 26 Depreciation and amortisation expense

	March 31, 2019	March 31, 2018
Depreciation on tangible assets	15,552	13,442
Amortisation on intangible assets	612	677
	<b>16,164</b>	<b>14,119</b>

### 27 Other operating expenses

	March 31, 2019	March 31, 2018
Rent	47,168	40,805
Less: Rental income from sub-lessees	(194)	(270)
<b>Net rent expenses</b>	<b>46,974</b>	<b>40,535</b>
Electricity and water charges (net of recovery)	16,288	14,682
Common area maintenance (net of recovery)	12,398	10,949
Repairs and maintenance	11,092	9,219
Marketing expenses	4,445	3,624
Rates and taxes	1,936	1,574
Security service charges	2,744	2,470
Travelling and conveyance	2,963	2,435
Legal and professional fees <sup>1</sup>	5,216	2,328
Communication costs	1,045	872
Net loss on disposal of property, plant and equipment	143	32
Printing and stationery	471	467
Insurance	297	280
CSR expenditure (refer note 39)	360	232
Allowance for doubtful debts and advances	1,084	350
Bad debts/advances written off	53	18
Less: Utilised from provisions	-	18
Directors' sitting fees	10	12
Exchange differences (net)	13	-
Miscellaneous expenses	680	726
	<b>108,212</b>	<b>90,805</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

	March 31, 2019	March 31, 2018
Payment to auditors (included in legal and professional charges above)		
As auditor:		
Audit fee	31	24
Limited Review	24	24
Tax audit fee	3	2
Other Certifications	10	-
Reimbursement of out of pocket expenses	6	1
	<b>74</b>	<b>51</b>

### 28 Exceptional Items

	March 31, 2019	March 31, 2018
Net loss incurred on sale of Investment in "Smaash Leisure Limited (formerly known as PVR BluO Entertainment Limited)" (Refer Note 51)	-	59
	<b>-</b>	<b>59</b>

### 29 Other comprehensive income

	March 31, 2019	March 31, 2018
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	(394)	(175)
Gain/(loss) on equity instruments designated at FVTOCI (Refer note 5B)	(874)	(888)
Tax impact on re-measurement loss on defined benefit plans	138	63
	<b>(1,130)</b>	<b>(1,000)</b>

### 30 Earning per share (EPS)

	March 31, 2019	March 31, 2018
The following reflects the profit and shares data used in the basic and diluted EPS computations:		
Profit for the year	17,275	12,142
Less: Dividend on preference shares and tax thereon	-	-
<b>Net Profit after tax</b>	<b>17,275</b>	<b>12,142</b>
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	46,738,588	46,738,588
<b>Weighted number of equity shares of ₹ 10 each outstanding during the year</b>	<b>46,738,588</b>	<b>46,738,588</b>
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year	46,738,588	46,738,588
<b>Weighted number of equity shares of ₹ 10 each outstanding during the year (as above)</b>	<b>46,738,588</b>	<b>46,738,588</b>
Add: Effect of stock options 300,000 (March 31, 2018: 300,000)	300,000	202,027
<b>Weighted number of equity shares of ₹ 10 each outstanding during the year</b>	<b>47,038,588</b>	<b>46,940,615</b>
Basic earnings per equity share (in ₹)	36.97	25.97
Diluted earnings per equity share (in ₹)	36.73	25.86

### 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.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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, 2019	March 31, 2018
Current service cost	214	192
Interest cost on benefit obligation	22	14
Net benefit expense	236	206

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, 2019	March 31, 2018
Defined benefit obligation	2,490	1,882
Fair value of plan assets	1,766	1,365
Plan asset/(liability)	(724)	(517)

#### Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	1,882	1,556
Interest cost	128	100
Current service cost	214	192
Benefits paid	(142)	(132)
Actuarial losses/(gain) – experience	356	179
Actuarial losses/(gain) – demographic assumptions	-	-
Actuarial losses/(gain) – financial assumptions	52	- 13
Acquisitions (credit)/cost	-	-
<b>Closing defined benefit obligation</b>	<b>2,490</b>	<b>1,882</b>

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	1,365	1,268
Return on plan assets greater/(lesser) than discount rate	13	(7)
Interest income on plan assets	107	86
Benefits paid	(119)	(132)
Contribution by employer	400	150
<b>Closing fair value of plan assets</b>	<b>1,766</b>	<b>1,365</b>

The Company expects to contribute ₹ 667 lakhs (March 31, 2018 ₹ 550 lakhs) to gratuity fund in the financial year 2019-20.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Funds managed by Insurer*	96.12	99.16
Bank balances	3.88	0.84

\* Plan assets are held by "ICICI Prudential Life Insurance Company Limited" primarily into Group Balanced fund & Group Debt fund and "Bajaj Allianz Life Insurance Company Limited" into Bajaj Secure gain fund.

## Notes

### to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2019	March 31, 2018
	(%)	(%)
Discount rate	6.80	7.10
Expected rate of return on plan assets	6.80	7.10
Salary increase	10.50 for first 2 years and 9.00 thereafter	10.50 for first 2 years and 9.00 thereafter
<b>Employee turnover</b>		
Manager Grade	15	15
Executive Grade	55	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.

#### Historical information:

Particulars	March 31, 2019	2017-18	2016-17	2015-16	2014-15
Present value of defined benefit obligation	2,490	1,882	1,556	1,139	937
Fair value of plan assets	1,766	1,365	1,268	604	246
Asset / (liability) recognised	(724)	(517)	(288)	(535)	(691)

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, 2019	March 31, 2018
Experience adjustment on plan liabilities	6.80	7.10
Experience adjustment on plan assets	6.80	7.10

#### Sensitivity analysis

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	(96.01)	105.33
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	107.96	(100.39)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(67.31)	93.03

A quantitative sensitivity analysis for significant assumptions as at March 31, 2018 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(70.65)	77.58
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	79.86	(74.19)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(47.47)	65.58

Maturity profile of defined benefit obligation:

Expected benefit payments for the year ending March 31, 2019	Amount
March 31, 2020	667
March 31, 2021	510
March 31, 2022	426
March 31, 2023	348
March 31, 2024	314
March 31, 2024 to March 31, 2029	1,542

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Expected benefit payments for the year ending March 31, 2018	Amount
March 31, 2019	550
March 31, 2020	367
March 31, 2021	337
March 31, 2022	287
March 31, 2023	260
March 31, 2023 to March 31, 2028	1121

The sensitivity analysis above has been determined on the basis of actuarial certificate.

### Defined Contribution Plan:

Particulars	March 31, 2019	March 31, 2018
Charged to Statement of Profit & Loss (including Capital work-in-progress of ₹ 62 lakhs (March 31, 2018: ₹ 48 lakhs)	804	789

## 32 Employee Stock Option Plans

The Company has provided stock options to its employees. During the year 2018-19, 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	₹ 1,381.7
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	March 31, 2019		March 31, 2018	
	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	-	-
Granted during the year	-	-	240,000.00	1,400.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	240,000	1,400	240,000.00	1,400.00
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, 2019	March 31, 2018
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.46%	24.16%
Risk-free interest rate	6.23%	6.17%
Exercise price (₹)	1400	1400
Expected life of option granted in years	2.17	1.17

## Notes

### to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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 ₹ 243 lakhs is recorded in financial statements 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

The details of activity under PVR ESOS 2017 have been summarised below:

Particulars	March 31, 2019		March 31, 2018	
	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	-	-
Granted during the year	-	-	60,000	1,400
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	60,000	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, 2019	March 31, 2018
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.46%	24.16%
Risk-free interest rate	6.23%	6.17%
Exercise price (₹)	1,400	1,400
Expected life of option granted in years	2.17	1.17

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 ₹ 63 lakhs is recorded in financial statements in current year of which ₹ 10 lakhs is capitalised under Capital work-in progress and balance ₹ 53 lakhs is debited in statement of profit and loss.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 33 Leases

- i Rental expenses in respect of operating leases are recognised as an expense in the statement of profit and loss and capitalised under CWIP, as the case may be.

#### Operating Lease (for assets taken on lease)

Disclosure for assets taken under non-cancellable leases, where the Company is presently carrying commercial operations is as under, which reflects the outstanding amount for non-cancellable period:

Particulars	March 31, 2019	March 31, 2018
Lease payments for the year recognised in statement of profit and loss	47,168	40,805
Lease payments for the year recognised in Capital work-in-progress	756	28
<b>Minimum lease payments:</b>		
Within one year	28,997	25,030
After one year but not more than five years	88,548	69,423
More than five years	73,781	48,539

- ii Rental income/Sub-Lease income in respect of operating leases are recognised as an income in the statement of profit and loss or netted off from rent expense, as the case may be.

#### Operating Lease (for assets given on lease)

The Company has given various spaces under operating lease agreements. These are generally cancellable on mutual consent and the lessee can vacate the rented property at any time. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Particulars	March 31, 2019	March 31, 2018
Sub-lease rent receipts	832	924

- iii Finance lease: Company as lessee

The Company has finance leases contracts for plant and machinery (Projectors). These leases involve significant upfront lease payment, have terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

Particulars	March 31, 2019		March 31, 2018	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	899	673	898	593
After one year but not more than five years	1,814	1,601	2,670	2,238
More than five years	-	-	42	37
<b>Total minimum lease payments</b>	<b>2,712</b>	<b>2,274</b>	<b>3,610</b>	<b>2,868</b>
Less: amounts representing finance charges	(438)	-	(742)	-
<b>Present value of minimum lease payments</b>	<b>2,274</b>	<b>2,274</b>	<b>2,868</b>	<b>2,868</b>

### 34 Capital & Other Commitments

#### (a) Capital Commitments

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	9,874	6,661

#### (b) Other Commitments

The Company was availing Entertainment tax 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, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 35 Contingent liabilities

Sr. No.	Particulars	March 31, 2019	March 31, 2018
a)	Possible tax exposure against various appeals filed by the Parent 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, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 respectively. {the Company has paid an amount of ₹ 644 lakhs (March 31, 2018: ₹ 890 lakhs) which is appearing under note "Income tax assets (net)"}.}	1,911	1,105
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)	Notices received from Service tax Commissionerate, New Delhi. (The Parent Company has already deposited under protest an amount of ₹ 232 lakhs (March 31, 2019: ₹ 90 lakhs) which is appearing under note "Other assets").	4,458	2,537
g)	Demand raised with respect to service tax on food and beverages. The Company has paid ₹ 185 lakhs (March 31, 2019: ₹ 184 Lakhs), which is appearing under note "Other assets".	3,666	2,492
h)	Probable tax exposure of Service tax on sale of food and beverages	6,032	6,076
i)	Demand of Sales tax under Various States VAT Acts where appeal is pending before competent authority (the Parent Company has paid an amount of ₹ 27 lakhs (March 31, 2018 : ₹ 54 lakhs) under protest).	1,065	1,032
j)	Demand under Payment of Bonus Act, 1965	-	171
k)	Demand of entertainment tax under rule 22 of Punjab entertainment tax (Cinematographs shows) Rules, 1954 (The Company has paid ₹ 40 lakhs (March 31, 2018 : ₹ Nil) under protest)	144	144
l)	Demand of entertainment tax under Andhra Pradesh Entertainment tax FY 2011 - 12 to 2014-15	99	-
m)	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 estimate of management, 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.

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 recognized 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

### 36 Un-hedged Foreign Currency exposure

Particulars of un-hedged foreign currency exposure as at the balance sheet date:

Particulars	Currency	March 31, 2019	March 31, 2018
a) Cash in Hand	Thai Bhat	0.49	0.29
	Hong Kong Dollar	0.19	0.18
	Korean Won	-	0.00
	UK Pound	0.19	1.05
	Singapore Dollar	0.63	0.61
	US Dollar	0.66	1.49
	Euro	4.05	8.55
	Dirham	0.59	0.83
	Chinese Yuan		0.42
	LKR	0.01	0.01
<b>Total</b>		<b>6.82</b>	<b>13.43</b>
b) Payable for purchase of Property, Plant and Equipment	US Dollar	1,352.92	761.09

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 37 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 2, 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.

**38** 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 are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 39 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 Act.

During the year, the Company has spent ₹ 360 lakhs through its foundation PVR Nest. PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

Particulars	March 31, 2019	March 31, 2018
Gross amount required to be spent by the Company during the year	360	232
Amount spent during the year (refer note 27)	360	232

### 40 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, 2019	March 31, 2018
PVR Pictures Limited <sup>1</sup>	11%	Repayable on demand, within a period of 14 days from such demand	Unsecured	1,750	-
Sandhya Prakash Limited <sup>2</sup>	18%	13 monthly instalments adjusted with lease rentals till April 2018.	Unsecured	55	55

<sup>1</sup>The loan had been given to PVR Pictures Limited, a wholly owned subsidiary company, for meeting their working capital requirements.

<sup>2</sup>The loan had been given to Sandhya Prakash Limited (Mall Developer) for their capital expenditure requirement, where the Company has an existing operational cinema. During the year, the Company has created a provision against the outstanding loan amount.

During the year Company has given a Corporate guarantee in favour of Axis Bank to secure repayment of loan facilities availed by SPI Cinemas Private Limited for meeting its working capital and capital expenditure requirement.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 41 Significant investments in subsidiaries, joint ventures and associates :

The Company has following investment in subsidiaries as at March 31, 2019.

Particulars	Nature	Country of Incorporation	Percentage of holding	
			March 31, 2019	March 31, 2019
PVR Pictures Limited	Subsidiary	India	100%	100%
SPI Cinemas Private Limited	Subsidiary	India	71.69%	-
Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) (till August 31, 2017)	Subsidiary	India	Refer Note 51	Refer Note 51
Zea Maize Private Limited	Subsidiary	India	70% (85.4% through convertible preference share)	70% (82.4% through 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%	-

### 42 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, 2019 were as follows:

Particulars	Notes	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
<b>Financial Assets</b>					
Investments - FVTOCI	5B	1	-	-	820
Investments - Amortised cost	5B	2	173	-	-
Trade receivables	11	-	14,990	-	-
Cash and cash equivalents	12	-	1,745	-	-
Other bank balances	12	-	569	-	-
Loans	13	-	23,326	-	-
Other financial assets	6	-	4,113	-	-
<b>Total</b>			<b>44,916</b>	<b>-</b>	<b>820</b>
<b>Financial Liabilities</b>					
Borrowings (including current maturities)					
- Secured Rated Listed Non-Convertible Debentures	16	1	51,907	-	-
- Other borrowings	16	3	59,393	-	-
Trade payables	19	-	33,070	-	-
Other financial liabilities -Contingent consideration*	20	3	10,000	-	-
Other financial liabilities	20	-	12,145	-	-
<b>Total</b>			<b>166,515</b>	<b>-</b>	<b>-</b>

\* The said contingent consideration is a fixed amount, payable to the shareholders of SPI Cinemas on achievement of certain milestones, where achievement of certain milestones, with regard to opening of new cinema hall and obtaining regulatory approval is more probable. As the contingent consideration is a fixed amount and is expected to be settled within a period of 12 months from the acquisition date and accordingly the present value is same as the expected amount payable.



## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(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, 2018 were as follows:

Particulars	Notes	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
<b>Financial Assets</b>					
Investments - FVTOCI	5B	1			1,693
Investments - Amortised cost	5B	2	173	-	-
Trade receivables	11	-	13,650	-	-
Cash and cash equivalents	12	-	1,748	-	-
Other bank balances	12	-	503	-	-
Loans	13	-	20,434	-	-
Other financial assets	6	-	4,267	-	-
<b>Total</b>			<b>40,775</b>	<b>-</b>	<b>1,693</b>
<b>Financial Liabilities</b>					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	16	1	56,294	-	-
- Other borrowings	16	3	26,649	-	-
Trade payables	19	-	23,489	-	-
Other financial liabilities	20	-	7,219	-	-
<b>Total</b>			<b>113,651</b>	<b>-</b>	<b>-</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities 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 finance 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.

### 43 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 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.

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 44 Related Party Disclosure

#### Names of related parties and related party relationship

Subsidiaries	PVR Pictures Limited
	Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) upto August 31, 2017 (Refer note 51)
	Zea Maize Private Limited
	P V R Lanka Limited
	SPI Cinemas Private Limited (w.e.f. August 17, 2018 )
	PVR Middle East FZ LLC (w.e.f. November 15, 2018)
Key management personnel	Mr. Ajay Bijli, Chairman cum Managing Director Mr. Sanjeev Kumar, Joint Managing Director Mrs. Renuka Ramnath, Director Mr. Amit Burman – Director Mr. Sanjay Vohra – Director Mr. Vikram Bakshi – Director Mr. Sanjay Khanna - Director Ms Deepa Misra Harris - 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
Other Investment	Vkacao 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		Other Investment		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Transactions during the year								
<b>Remuneration paid</b>								
Ajay Bijli	-	-	1,073	745	-	-	-	-
Sanjeev Kumar	-	-	903	645	-	-	-	-
Nayana Bijli	-	-	7	-	-	-	-	-
<b>Sitting fees and commission</b>								
Amit Burman	-	-	5	5	-	-	-	-
Sanjay Khanna	-	-	4	3	-	-	-	-
Sanjay Vohra	-	-	15	12	-	-	-	-
Vikram Bakshi	-	-	9	6	-	-	-	-
<b>Rent Expense</b>								
Priya Exhibitors Private Limited	-	-	-	-	-	-	48	288
<b>Film Distributors Share expense</b>								
PVR Pictures Limited	962	1,817	-	-	-	-	-	-
SPI Cinemas Private Limited	391	-	-	-	-	-	-	-
Vkacao Entertainment Private Limited	-	-	-	-	113	77	-	-
<b>Expenses on Food, Brewerage &amp; Bowling (Staff Welfare etc.)</b>								
Zea Maize Private Limited	21	10	-	-	-	-	-	-
PVR bluO Entertainment Limited	-	0.3	-	-	-	-	-	-
<b>Purchases of Goods</b>								
SPI Cinemas Private Limited	59	-	-	-	-	-	-	-
Zea Maize Private Limited	376	265	-	-	-	-	-	-

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Other Investment		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>Purchases of Capital Goods</b>								
Zea Maize Private Limited	-	25	-	-	-	-	-	-
<b>Management Fees Incurred</b>								
PVR bluO Entertainment Limited	-	4	-	-	-	-	-	-
<b>Income from Film Production</b>								
PVR Pictures Limited	39	27	-	-	-	-	-	-
<b>Income from Sales of Tickets of Films</b>								
PVR Pictures Limited	21	98	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	-	3	-	-
<b>Income from Sales of F&amp;B</b>								
PVR bluO Entertainment Limited	-	0.6	-	-	-	-	-	-
Transactions during the year								
<b>Interest Received</b>								
SPI Cinemas Private Limited	12	-	-	-	-	-	-	-
PVR Pictures Limited	75	44	-	-	-	-	-	-
<b>VPF Income</b>								
PVR Pictures Limited	54	-	-	-	-	-	-	-
<b>Final Dividend Paid</b>								
Ajay Bijli	-	-	108	105	-	-	-	-
Sanjeev Kumar	-	-	75	75	-	-	-	-
Selena Bijli	-	-	4	4	-	-	-	-
Aamer Krishan Bijli	-	-	3	6	-	-	-	-
<b>Inter Corporate Loans Given</b>								
PVR Pictures Limited	4,100	275	-	-	-	-	-	-
SPI Cinemas Private Limited	2,050	-	-	-	-	-	-	-
<b>Inter Corporate Loans Refund</b>								
PVR Pictures Limited	2,350	2,275	-	-	-	-	-	-
SPI Cinemas Private Limited	2,050	-	-	-	-	-	-	-
<b>Donation given</b>								
PVR Nest	-	-	-	-	-	-	360	215
<b>Investment during the year</b>								
SPI Cinemas Private Limited	63,560	-	-	-	-	-	-	-
PVR Middle East FZ LLC	10	-	-	-	-	-	-	-
P V R Lanka Limited	1,269	137	-	-	-	-	-	-
Zea Maize Private Limited	250	150	-	-	-	-	-	-
<b>BALANCE OUTSTANDING AT THE END OF THE YEAR</b>								
<b>Trade Payable</b>								
PVR Pictures Limited	62	219	-	-	-	-	-	-
Zea Maize Private Limited	20	23	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	21	45	-	-
SPI Cinemas Private Limited	131	-	-	-	-	-	-	-
<b>Corporate Guarantee</b>								
SPI Cinemas Private Limited	214	-	-	-	-	-	-	-
<b>Security Deposits Given</b>								
Priya Exhibitors Private Limited	-	-	-	-	-	-	144	144
<b>Inter Corporate Loans Given</b>								
PVR Pictures Limited	1,750	-	-	-	-	-	-	-
<b>Investment in Equity Share Capital</b>								

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Other Investment		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
SPI Cinemas Private Limited	63,560	-	-	-	-	-	-	-
P V R Lanka Limited	1,406	137	-	-	-	-	-	-
PVR Middle East FZ LLC	10	-	-	-	-	-	-	-
PVR Pictures Limited	2,102	2,102	-	-	-	-	-	-
Zea Maize Private Limited	500	500	-	-	-	-	-	-
<b>Investment in Preference Share Capital</b>								
Zea Maize Private Limited	750	500	-	-	-	-	-	-

Notes:

- 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.
- The financial figures in above note exclude expenses reimbursed to/by related parties
- 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.
- The financial figures in above note excludes GST/Sales tax/Service tax, as applicable.

### 45 Acquisition of SPI Cinemas Private Limited

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 of ₹ 63,560 lakhs 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 ("Scheme"). 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 proposed scheme of amalgamation has been approved by National Stock Exchange of India Limited & BSE Limited. Further, the scheme of amalgamation has also been approved by the members of the Company, secured and unsecured creditors of the Company and unsecured creditors of SPI in the NCLT meeting convened on April 24, 2019. The Company has filed an application with NCLT for final order in the matter. NCLT vide order dated May 8, 2019 has fixed July 10, 2019 as the next date of hearing of the Petition for the consideration of the approval of the Scheme of Amalgamation between the Petitioner Companies.

### 46 Financial risk Management objective and policies

The Company's principal 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. 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. Company's treasury team overseas the management of these risks supported by senior management.

#### (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, FVTOCI investments and derivative financial instruments.

#### (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, 2019

(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:

Particulars	Increase effect		Decrease effect	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Effect of Increase/decrease in floating Interest rate by 100 basis points (1%) for term loans	367	177	(367)	(177)

### (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, PVR 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, 2019	March 31, 2018
Trade receivables	14,990	13,650
Loans	23,326	20,434
Cash and cash equivalents	1,745	1,748
Other bank balances other than cash and cash equivalents	569	503
Other financial assets	4,113	4,267

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. Such deposit will be returned to the Company on expiry of lease entered with Mall Developer. 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, 2019

(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, for the year ended March 31, 2019, Company has impaired Trade receivables of ₹ 2,102 lakhs (March 31, 2018: ₹ 1,161 lakhs).

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 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	1,161	873
Impairment loss recognised/(reversed)	941	288
Amount written off	-	-
Balance at the end of the year	2,102	1,161

#### (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, finance leases 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
On demand	2,484	2	-	-
Less than 3 months	12,007	11,874	50,998	30,570
3 to 12 months	10,106	15,102	-	-
1 to 5 years	82,690	56,211	4,217	138
More than 5 years	4,151	37	-	-
<b>Total</b>	<b>111,438</b>	<b>83,226</b>	<b>55,215</b>	<b>30,708</b>

\*Borrowing includes Non-Convertible Debentures, Term loans, finance lease obligations, Bank overdraft and commercial papers excluding transaction cost.

The Company has also significant contractual obligations in the form of operating lease (Note no. 33(i)) and capital & other commitments (Note No.34).

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 47 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share 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 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 fixed assets divided by total equity.

Particulars	March 31, 2019	March 31, 2018
Long-term debt	103,861	73,068
Payables on purchase of property plant and equipment	6,654	6,522
<b>Total</b> (A)	<b>110,515</b>	<b>79,590</b>
<b>Equity</b> (B)	<b>120,961</b>	<b>105,617</b>
<b>Gearing ratio</b> (A/B)	<b>91%</b>	<b>75%</b>

- 48** The Board of Directors has recommended final dividend of 20% (₹ 2 per fully paid up equity share of ₹ 10 each) for the year ended March 31, 2019 in the Board meeting dated May 10, 2019, which is subject to the approval of shareholders at the ensuing Annual General meeting of the Company.

### 49 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, 2019	March 31, 2018
Salary, allowance and bonus	1,105	1,364
Contribution to provident and other funds	62	48
Rent	756	28
Electricity and water charges	23	59
Repairs and maintenance	257	117
Rates and taxes	722	310
Travelling and conveyance	107	93
Architects & professional	1,124	560
Insurance	8	10
Communication cost	6	7
Security service charges	256	215
Finance cost	1,501	429
Other miscellaneous expenses	11	11
<b>Total</b>	<b>5,938</b>	<b>3,251</b>

### 50 Income tax expense

Particulars	March 31, 2019	March 31, 2018
<b>(a) Income tax expense reported in the statement of profit or loss comprises:</b>		
Current income tax:		
Current tax	8,866	4,598
Adjustments in respect of current income tax of previous years	27	
Deferred tax:		
Relating to origination and reversal of temporary differences	937	2,258
Less: MAT credit entitlement	-	-
MAT credit (entitlement)/reversal for earlier years	135	-
<b>Total deferred tax</b>	<b>1,072</b>	<b>2,258</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>9,965</b>	<b>6,856</b>
<b>Effective Income tax rate</b>	<b>36.6%</b>	<b>36.1%</b>

## Notes

to the Standalone Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2019	March 31, 2018
<b>(b) Statement of Other Comprehensive Income</b>		
Net loss/ (gain) on remeasurements of defined benefit plans	138	63
<b>(c) Statement of Other Comprehensive Income</b>		
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	27,240	18,998
Statutory income tax rate	34.94%	34.6%
Computed tax expense	9,519	6,575
Adjustments in respect of current income tax and MAT of previous years	162	220
Non-deductible expenses for tax purposes	284	61
<b>Income tax charged to statement of profit &amp; loss</b>	<b>9,965</b>	<b>6,856</b>
<b>(d) MAT credit entitlement</b>		
Opening Balance	7,307	7,864
Add: MAT credit entitlement/(reversal) for earlier years	(135)	0
Add: MAT credit entitlement for current year	-	0
Less: MAT credit utilisation during the year	(3,139)	(557)
<b>Closing Balance</b>	<b>4,033</b>	<b>7,307</b>
<b>(e) Deferred tax asset / (Liability)</b>		
Opening Balance	(5,747)	(3,554)
Less: Impact of differences in W.D.V. block under Income Tax and Books of Accounts	(1,906)	(2,642)
Add: Tax income / (expenses) on account of business combinations	-	-
Add: Tax income / (expenses) on other timing differences	1,097	449
<b>Closing balance</b>	<b>(6,556)</b>	<b>(5,747)</b>

- 51** During year ended March 31, 2018, the Company had sold its stake in one of its subsidiary Company "Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) ("Investment")" to "Smaaash Entertainment Private Limited" for a total consideration of ₹ 8,600 lakhs, the details of which are as follows:

Particulars	March 31, 2019
PVR share for 51% stake out of the total sale consideration of ₹ 8,600 lakhs*	4,386
Cost of Investment	(4,340)
Incidental expenses	(45)
Working Capital adjustment	(60)
<b>Net loss on sale of Investment shown under exceptional item</b>	<b>(59)</b>

\* As on date of sale of investment, Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) had ₹ 1,411 lakhs as cash and cash equivalent.

- 52** Under the erstwhile state entertainment tax laws, the Company enjoyed exemption on payment of entertainment tax to recoup the capital investments made in cinemas. However, post implementation of GST, the mechanism on how such exemptions/refunds will be made available has not been clarified by the authorities. The Company has submitted written representations to the various state governments directly and through multiplex associations, stating that since the Company has invested significant amounts on assurance that such exemptions will continue post GST, therefore, the authorities should crystallise the mechanism for extending such exemptions/refunds to the Company. As the matter is still pending for conclusion with various state authorities, the Company has not accounted for such incentives amounting to 1,398 lakhs from the period July 1, 2017 to March 31, 2019 in the financial statements.

As per report of even date

For **B S R & Co. LLP**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

**Jiten Chopra**

Partner

Membership Number: 092894

**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: Gurugram

Date: May 10, 2019

Place: Mumbai

Date: May 10, 2019





# 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 31 March 2019, 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 its joint ventures as at 31 March 2019, 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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

The key audit matter	How the matter was addressed in our audit
<p><b>1. Revenue Recognition</b></p> <p>See accounting policies in Note 2.3 (i) to the Consolidated Financial Statements</p> <p>The Group derives its revenue from sale of movie tickets (Box office revenue), sale of food items and beverages, advertisement income, Income from movie production and distribution, convenience fee.</p>	<ol style="list-style-type: none"> <li>We assessed and tested the effectiveness of relevant controls over revenue within each of the revenue streams.</li> <li>We inspected the terms of significant sales contracts and assessed whether they were consistent with the basis of revenue recognized by the Group.</li> <li>We agreed the data underlying the calculation of admission revenue to sales records and other systems having assessed the relevant controls relating to the recording of that revenue.</li> </ol>
<p><b>2. Accounting for Business Combination</b></p> <p>We refer to Note 42 to the Consolidated financial statements – During the year, the Group has acquired control of SPI Cinemas Private Limited ("SPI") by way of acquisition of 71.69% equity shares. The above has been accounted are accounted for using the acquisition method.</p> <p>The accounting of a business combination is complex and Indian accounting standard required the Group to identify all the assets and liabilities of the newly acquired entity and estimate the fair value of each of them.</p>	<ol style="list-style-type: none"> <li>We have assessed the appropriateness of the Group's accounting policies for such acquisition, in line with the applicable Indian Accounting Standards.</li> <li>We have reviewed the underlying Share Purchase Agreement (SPA) for the acquisition of 71.69% equity shares in SPI and tested the fair value of identifiable assets and liabilities acquired by performing the below processes: <ol style="list-style-type: none"> <li>We tested the identification of the assets acquired and liabilities assumed as part of the business combination as well as the appropriateness of key assumptions used in the determination of fair value of the assets and liabilities acquired and the methodology adopted by Group and the by the expert engaged by the Group.</li> <li>We involved our specialists to assess whether the methodology applied was in accordance with Indian Accounting Standards and evaluated key assumptions including terminal values, long term growth rates, discount rates, capital expenditure assumptions and working capital requirements applied in the determination of fair value.</li> </ol> </li> <li>We assessed the appropriateness of Group's disclosures in respect of acquisition of SPI.</li> </ol>

**The key audit matter****3. Impairment assessment of goodwill, other intangible assets, and property, plant & equipment:**

See Note 4 and accounting policies in Note 2.3 (f) to the Consolidated Financial Statements

The Group assesses at each reporting date whether there is an indication that plant, property and equipment or an intangible asset (other than goodwill) may be impaired. If any indication exists for such assets, or when annual impairment testing for an asset is required (Goodwill), the Group performs the impairment computation and estimates the asset's recoverable amount.

Assessing the appropriateness of the impairment testing relating to these assets was a key audit matter. This involved assessing the judgments inherent in the impairment calculations and testing key assumptions supporting the impairment models such as forecast business growth rates, discount rates, terminal values assumptions, etc

**How the matter was addressed in our audit**

1. We have assessed the appropriateness of the Group's impairment accounting policies, in line with the applicable Indian Accounting Standards.
2. We evaluated the Group's cash flow forecasts supporting the impairment assessments for goodwill, other intangible assets, plant and equipment, by performing the below processes:
  - a. We evaluated the appropriateness of the key assumptions in the forecasts and considered the historical reliability of the Group's cash flow forecasting process. We performed sensitivity analyses around the key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an impairment charge.
  - b. We involved our specialists to assess whether the methodology applied was in accordance with Indian Accounting Standards and evaluated key assumptions including terminal values, long term growth rates, discount rates, capital expenditure assumptions and working capital requirements applied in the impairment models.
3. We assessed the discount rates applied by comparing them to the cost of capital for the Group and we also performed market capitalization and earnings multiples cross checks in comparison with other comparable businesses, to corroborate the assumptions in the impairment testing models.

We were satisfied that the carrying value of goodwill was supported by the value in use calculations and that there are no reasonably possible changes in any of the assumptions included in the models that could cause the carrying amount of any Cash Generating Unit (CGU) to exceed its recoverable amount.

**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 auditor's 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.

**Responsibilities of Management and Those Charged with Governance 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 including 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 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 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 management 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 judgement 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 whether the company has adequate internal financial controls with reference to 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 made by management.
- Conclude on the appropriateness of management's 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 (company and subsidiaries) as well as 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, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. 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 auditor's 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 3 (three) subsidiaries, whose financial statements reflect total assets of ₹ 1,366 lakhs as at 31 March 2019, total revenues of ₹ Nil and net cash flows amounting to ₹ 157 lakhs 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 ₹ 115 lakhs for the year ended 31 March 2019, in respect of two (2) joint ventures, whose financial statements/financial information 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.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the 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 account 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 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint ventures incorporated in India, none of the directors of the Group companies, its joint ventures incorporated in India is disqualified as on 31 March 2019 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 31 March 2019 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 31 March 2019.
- iii. There has been no delay in transferring amounts 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 31 March 2019.
- 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 2019.





C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Place: Gurugram  
Date: May 10, 2019

**Jiten Chopra**  
Partner  
Membership No. 092894

## Annexure A to the Independent Auditor's report on the Consolidated Financial Statements of PVR Limited for the year ended 31 March 2019

### 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 2019, 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 31 March 2019, 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 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 is a company 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

Place: Gurugram  
 Date: May 10, 2019

**Jiten Chopra**  
 Partner  
 Membership No. 092894



# Consolidated Balance Sheet

as at March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Note	March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	148,997	112,695
Capital work in progress	3	22,080	10,169
Goodwill	4	111,161	43,447
Other intangible assets	4	19,921	2,843
Financial assets			
Equity accounted Investees	5A	112	227
Investments	5B	885	1,761
Loans	13	23,005	19,282
Other financial assets	6	2,242	2,161
Deferred tax assets (net)	7A	1,068	1,560
Income tax assets (net)	8	3,630	1,211
Other non-current assets	8A	18,459	9,753
<b>Total non-current assets</b>	<b>A</b>	<b>351,560</b>	<b>205,109</b>
<b>Current assets</b>			
Inventories	9	3,034	1,980
Financial assets			
Investments	10	108	106
Trade receivables	11	18,386	15,561
Cash and cash equivalents	12	2,817	2,776
Bank balances other than cash and cash equivalents, above	12	597	503
Loans	13	1,183	1,275
Other financial assets	6	2,145	2,109
Other current assets	8A	11,066	5,465
<b>Total current assets</b>	<b>B</b>	<b>39,336</b>	<b>29,775</b>
<b>Total assets</b>	<b>A+B</b>	<b>390,896</b>	<b>234,884</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	4,674	4,674
Other equity	15	119,275	102,862
<b>Equity attributable to equity holders of the Parent Company</b>		<b>123,949</b>	<b>107,536</b>
Non-controlling interests	16	25,662	81
<b>Total equity</b>	<b>A</b>	<b>149,611</b>	<b>107,617</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	101,876	56,156
Other Financial liabilities	21	4,217	-
Provisions	18	1,825	1,001
Deferred tax liabilities (net)	7B	9,545	59
Other non-current liabilities	22	18,499	-
<b>Total non-current liabilities</b>	<b>B</b>	<b>135,962</b>	<b>57,216</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	8,515	9,983
Trade payables	20	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		36,771	25,111
Other financial liabilities	21	36,100	24,163
Provisions	18	321	267
Other current liabilities	22	23,616	10,527
<b>Total current liabilities</b>	<b>C</b>	<b>105,323</b>	<b>70,051</b>
<b>Total equity and liabilities</b>	<b>A+B+C</b>	<b>390,896</b>	<b>234,884</b>
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements

As per report of even date

For **B S R & Co. LLP**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

**Jiten Chopra**

Partner  
Membership Number: 092894

**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: Gurugram  
Date: May 10, 2019

Place: Mumbai  
Date: May 10, 2019

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Notes	March 31, 2019	March 31, 2018
<b>INCOME</b>			
Revenue from operations	23	308,556	233,411
Other income	24	3,314	3,134
<b>Total Income</b>		<b>311,870</b>	<b>236,545</b>
<b>EXPENSES</b>			
Movie exhibition cost		70,193	53,766
Consumption of food and beverages		23,874	15,907
Employee benefits expense	25	33,726	25,407
Finance costs	26	12,801	8,371
Depreciation and amortisation expense	27	19,128	15,369
Other operating expenses	28	122,130	98,147
<b>Total expenses</b>		<b>281,852</b>	<b>216,967</b>
<b>Profit before share of profit of equity accounted investees, exceptional item and tax</b>		<b>30,018</b>	<b>19,578</b>
Share of profit/(loss) of equity accounted investees (net of tax)	5A	(115)	(73)
<b>Profit before exceptional items and tax</b>		<b>29,903</b>	<b>19,505</b>
Exceptional items	29	-	59
<b>Profit before tax</b>		<b>29,903</b>	<b>19,446</b>
<b>Tax expense:</b>			
Current tax		10,010	4,889
Adjustment of tax relating to earlier periods		162	-
Deferred tax (including MAT credit entitlement)		794	2,155
<b>Total tax expenses</b>		<b>10,966</b>	<b>7,044</b>
<b>Net profit after tax</b>		<b>18,937</b>	<b>12,402</b>
Non-controlling interests		(574)	68
<b>Net profit after tax and after adjustment of non controlling interests</b>		<b>18,363</b>	<b>12,470</b>
<b>Other Comprehensive Income</b>	30		
Items that will not be reclassified to profit or loss in subsequent period		(1,277)	(987)
Items that will be reclassified to profit or loss in subsequent period		(22)	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>(1,299)</b>	<b>(987)</b>
<b>Total comprehensive income for the year (comprising profit and other comprehensive income)</b>		<b>17,064</b>	<b>11,483</b>
<b>Net Profit attributable to:</b>			
Owners of the Company		18,327	12,470
Non-controlling interests		610	(68)
<b>Other Comprehensive Income attributable to:</b>			
Owners of the Company		(1,263)	(987)
Non-controlling interests [#]		(36)	0
<b>Total Comprehensive Income attributable to:</b>			
Owners of the Company		17,064	11,483
Non-controlling interests		574	(68)
<b>Earnings per equity share on Net profit after tax</b>	31		
<b>[Nominal Value of share ₹ 10 (March 31, 2018: ₹ 10)]</b>			
Basic		39.29	26.68
Diluted		39.04	26.57
[*] Amount below ₹ 1 lakh			
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements

As per report of even date

For **B S R & Co. LLP**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

Partner

Membership Number: 092894

**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: Gurugram

Date: May 10, 2019

Place: Mumbai

Date: May 10, 2019





# Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

## A. Equity Share Capital (Refer note 14)

	March 31, 2019	March 31, 2018
Balance at the beginning of the period	4,674	4,674
Changes in equity share capital during the period	-	-
<b>Balance at the end of the period</b>	<b>4,674</b>	<b>4,674</b>

## B. Other Equity (Refer note 15)

Particulars	Reserves and Surplus					Other comprehensive income				Total
	Capital Reserve	Securities Premium	Debenture redemption reserve	General reserve	Share options outstanding account	Retained Earnings	Re-measurement gains/(loss) on defined benefit plans	Exchange difference in translating foreign subsidiary	Gain/(loss) on equity instruments designated at FVTOCI	
<b>At March 31, 2017</b>	<b>602</b>	<b>47,124</b>	<b>4,922</b>	<b>4,494</b>	<b>-</b>	<b>34,813</b>	<b>(128)</b>	<b>-</b>	<b>-</b>	<b>91,827</b>
Profit for the period	-	-	-	-	-	12,470	-	-	-	12,470
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(99)	-	(888)	(987)
<b>Total Comprehensive Income</b>	<b>602</b>	<b>47,124</b>	<b>4,922</b>	<b>4,494</b>	<b>-</b>	<b>47,283</b>	<b>(227)</b>	<b>-</b>	<b>(888)</b>	<b>103,310</b>
Employee stock compensation for options granted (Refer note 33)	-	-	-	-	305	-	-	-	-	305
Transfer to Debenture redemption reserve	-	-	2,413	-	-	(2,413)	-	-	-	-
Transfer from Debenture redemption reserve	-	-	(50)	-	-	50	-	-	-	-
Dividends (including CDT*)	-	-	-	-	-	(1,127)	-	-	-	(1,127)
Adjustment on account of sale of Investment in Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	-	-	-	-	305	-	-	-	305
Goodwill created on account of additional investment in Zea Maize Private Limited	-	-	-	69	-	-	-	-	-	69
<b>At March 31, 2018</b>	<b>602</b>	<b>47,124</b>	<b>7,285</b>	<b>4,563</b>	<b>305</b>	<b>44,098</b>	<b>(227)</b>	<b>-</b>	<b>(888)</b>	<b>102,862</b>
Profit for the period	-	-	-	-	-	18,363	-	-	-	18,363
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(403)	(22)	(874)	(1,299)
<b>Total Comprehensive Income</b>	<b>602</b>	<b>47,124</b>	<b>7,285</b>	<b>4,563</b>	<b>305</b>	<b>62,461</b>	<b>(630)</b>	<b>(22)</b>	<b>(1,762)</b>	<b>119,926</b>
Employee stock compensation for options granted (refer note 33)	-	-	-	-	306	-	-	-	-	306
Adjustment on adoption of IND AS 115 (refer note 2.3 (i))	-	-	-	-	-	17	-	-	-	17
Transfer to Debenture redemption reserve	-	-	2,895	-	-	(2,895)	-	-	-	-
Transfer from Debenture redemption reserve	-	-	(2,250)	-	-	2,250	-	-	-	-
Dividends (including CDT*)	-	-	-	-	-	(1,127)	-	-	-	(1,127)
Goodwill created on account of additional investment in Zea Maize Private Limited	-	-	-	153	-	-	-	-	-	153
<b>At March 31, 2019</b>	<b>602</b>	<b>47,124</b>	<b>7,930</b>	<b>4,716</b>	<b>611</b>	<b>60,706</b>	<b>(630)</b>	<b>(22)</b>	<b>(1,762)</b>	<b>119,275</b>
* Corporate Dividend Tax	-	-	-	-	-	-	-	-	-	-
Summary of significant accounting policies	-	-	2.3	-	-	-	-	-	-	-

The accompanying notes are an integral part of the consolidated financial statements

As per report of even date

For **B S R & Co. LLP**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

**Jiten Chopra**

Partner  
Membership Number: 092894

**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: Gurugram

Date: May 10, 2019

Place: Mumbai

Date: May 10, 2019

# Consolidated Statement of Cash flow

## for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2019	March 31, 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	29,903	19,446
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	16,843	13,651
Amortisation of intangible assets	2,285	1,718
Net loss on disposal of property, plant and equipment	143	37
Interest Income	(1,219)	(942)
Allowance for doubtful debts and advances	1,273	366
Bad debts/advances written off	53	22
Finance costs	11,983	7,579
Equity-settled share-based payments	296	295
Liabilities written back	(119)	(239)
Exceptional items	-	59
Rent expenses (pertaining to deferred rent)	1,149	1,018
Share of loss of equity accounted investees	115	73
Profit on sale of Movie on demand (Vkaao) platform	-	(114)
Convenience fees (Time value of money adjustment)	(1,245)	-
	<b>61,460</b>	<b>42,969</b>
Working capital adjustments:		
Increase/(Decrease) in provisions	86	286
Increase/(Decrease) in trade & other payables	37,109	8,834
Decrease/(Increase) in trade receivables	(2,159)	(5,747)
Decrease/(Increase) in inventories	(777)	(173)
Decrease/(Increase) in loans and advances and other assets	(4,416)	2,622
<b>Cash generated from operations</b>	<b>91,303</b>	<b>48,791</b>
Direct taxes paid (net of refunds)	(8,339)	(4,165)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>82,964</b>	<b>44,626</b>
<b>Cash flows (used in) investing activities</b>		
Purchase of PPE, Intangible assets, CWIP and Capital advance	(43,619)	(34,002)
Payment for acquisition of SPI Cinemas Private Limited (refer note 42)	(53,560)	-
Security deposits given to Mall Developers	(4,686)	(4,011)
Proceeds from sale of PPE	133	148
Redemption of non-trade investments	-	24
Investment in iPic Entertainment Inc.	-	(2,581)
Loan received from body corporate	-	43
Loan repaid by body Corporate	114	-
Investment in Vkaao Entertainment Private Limited	-	(300)
Interest received	271	110
Fixed deposits with banks encashed	-	30
Fixed deposits with banks	(197)	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(101,544)</b>	<b>(40,539)</b>
<b>Cash flow (used in)/from financing activities</b>		
Proceeds from long-term borrowings	64,413	12,500
Repayment of long-term borrowings	(33,165)	(8,946)
Proceeds from short-term borrowings	40,000	37,500
Repayment of short-term borrowings	(45,550)	(38,506)
Payment of Dividend and tax thereon	(1,127)	(1,127)
Interest paid on Borrowings	(10,328)	(8,016)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>14,243</b>	<b>(6,595)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(4,337)</b>	<b>(2,508)</b>



# Consolidated Statement of Cash flow

for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents at the beginning of the year	2,676	903
Add: cash acquired on acquisition of subsidiary	918	-
Add : Cash and cash equivalent received on sale of investment in Smaaash Leisure Limited (Formerly known as PVR BluO Entertainment Limited) (refer note 52).		4,281
<b>Cash and cash equivalents at the end of the year</b>	<b>(743)</b>	<b>2,676</b>
<b>Cash and cash equivalents</b>		
Cash on hand	852	536
With banks - on deposit accounts	76	85
With banks - on current accounts	1,889	2,155
cash and cash equivalents (refer note 12)	<b>2,817</b>	<b>2,776</b>
Less: Secured bank overdraft (refer note 19)	(3,560)	(100)
<b>Total cash and cash equivalent</b>	<b>(743)</b>	<b>2,676</b>

Note:

- Consolidated Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of cash flows"
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities is as below:

Particulars	Non-current borrowings <sup>1</sup>	Current borrowings
<b>Opening balance as at April 1, 2018<sup>2</sup></b>	73,225	10,000
Cash flows during the year:		
- Proceeds <sup>3</sup>	79,806	40,550
- Repayment	(33,165)	(45,550)
Non-cash changes due to:		
- Mark to market of derivative liability	-	-
- Others	-	-
<b>Closing balance as at March 31, 2019<sup>2</sup></b>	<b>119,866</b>	<b>5,000</b>

<sup>1</sup>Includes current maturities of non-current borrowings.

<sup>2</sup>Opening and closing balance excludes transaction cost.

<sup>3</sup>Includes the loan liability assumed on acquisition of SPI Cinemas private limited.

## Summary of significant accounting policies

2.3

The accompanying notes are an integral part of the consolidated financial statements

As per report of even date

For **B S R & Co. LLP**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

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

**Jiten Chopra**

Partner  
Membership Number: 092894

**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: Gurugram  
Date: May 10, 2019

Place: Mumbai  
Date: May 10, 2019

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(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, 2019 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:

Sr. No.	Subsidiary Company	Country of Incorporation	Parent Company	Percentage of ownership as on March 31, 2019
1	PVR Pictures Limited	India	PVR Limited	100%
2	Zea Maize Private Limited	India	PVR Limited	70% (85.4% through convertible preference shares)
3	P V R Lanka Limited	Sri Lanka	PVR Limited	100%
4	SPI Cinemas Private Limited (w.e.f. August 17, 2018)	India	PVR Limited	71.69%
5	SPI Entertainment Projects (Tirupati) Private Limited (w.e.f. August 17, 2018)	India	SPI Cinemas Private Limited	100%
6	PVR Middle East FZ-LLC (w.e.f. November 15, 2018)	UAE	PVR Limited	100%

(ii) The joint ventures which are considered in the consolidation and the Group's holdings therein is as under:

Sr. No.	Joint Venture	Country of Incorporation	Shareholder	Percentage of ownership as on March 31, 2019
1	Vkcao Entertainment Private Limited (refer note 5A)	India	PVR Pictures Limited	50%
2	PVR Pictures International Pte. Limited (refer note 5A)	Singapore	PVR Pictures Limited	50%

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, 2019.

### 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 Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These Consolidated Financial Statements for the year ended March 31, 2019 are approved by the Audit Committee at its meeting held on May 9, 2019 and Board of Directors at its meeting held on May 10, 2019.

#### (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 lakhs, 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 (w)).

#### (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.





## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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 (o) (iii) and 32 - 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 (t) - judgement required to determine ESOP assumptions;
- Note 2.3 (p) - judgement required to determine probability of recognition of current tax, deferred tax assets and MAT credit entitlement; and
- Note 2.3 (w) - fair value measurement of financial instruments.

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 until 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.

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.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### (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 CENVAT) and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition 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 to be put to 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.

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

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 total period of lease including renewals or unexpired period of lease, whichever is shorter.

Assets under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Parent Company will obtain ownership by the end of lease term.

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 ₹ 620 Lakhs (March 31, 2018: ₹ 520) lakhs 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.

#### (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.



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 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, the film right cost (primarily for foreign films) is amortised over the period of useful lives, writing off more in year one which recognises initial income flows and then the balance over a period of nine years, or the remaining life of the content rights, whichever is less. The amortisation policy followed by the subsidiary company, PVR Pictures Limited is as below:

- 25% to 75% of the cost of film rights on first domestic theatrical release of the film based on the management estimates if the agreement is silent on allocation of rights. The said amortisation relates to Theatrical rights.
- In case these theatrical rights are not exploited proportionate cost of such right is written off as and when the management decides to commercially not exploit such right.
- Balance 75% to 25% is amortised over the remaining license period based on an estimate of future revenue potential if the agreement is silent on allocation of rights subject to a maximum period of 10 years.

### e) Brands and Beneficial Lease Rights

Intangible assets resulting from acquisition of SPI Cinemas comprise of 'Beneficial Lease Rights' are amortised on straight-line basis over remaining lease period and 'Brands' are amortised on straight-line basis over a period of 20 years and tested for impairment annually.

### (e) 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.

### (f) 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.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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.

### (g) 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.

### (h) Leases

#### (i) Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset.

The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

For arrangements entered into prior to April 01, 2015, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

#### (ii) Assets held under lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

#### (iii) Lease payments

Payments made under operating leases are generally recognised in the statement of profit and loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Payments made under finance lease are allocated between the outstanding liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### (i) 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 entertainment tax which are collected by the Group on behalf of the Government and deposited to the credit of respective Governments.

GST has been implemented with effect from July 1, 2017 which replaces Entertainment tax, Service tax and other indirect taxes like sales tax and value added taxes. As per the requirement of IndAS 18, revenue is reported net of applicable taxes.

Effective April 1, 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





## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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:

Particulars	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-reundable 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 PRIVILEGE" 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 program 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 program based on relative standalone selling price, instead of allocating using the fair value of points issued.
- (j) **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 installments over the expected useful life of the related assets.
- (k) **Cost Recognition**  
Cost and expenses are recognised when incurred and have been classified according to their nature.

## Notes

### to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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.

#### (I) 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.

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



## Notes

### to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

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.

#### (m) 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 Company, 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.

#### (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 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:

- 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(w))

#### (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

## Notes

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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 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.

#### (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





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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 recognize a contingent liability but discloses its existence in the Consolidated 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 recognise a liability to make dividend distributions to equity holders when the distribution is approved by the shareholders.

### (v) 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.

### (w) 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

## Notes

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- 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 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



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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.

### (x) Recent accounting pronouncements

#### i. Ind AS 116- 'Leases'

The Ministry of Corporate Affairs ("MCA") has vide notification dated March 30, 2019 notified 'Ind AS 116 – Leases' and we are required to adopt IndAS 116 from April 1, 2019. Under new Accounting Standard, there will be significant increase in asset as Present value of future rental will be recognised in balance sheet ('Right to use') and corresponding liability ('lease liability') will reflect under liability side. Further, the 'Right to use' asset will be amortised on a straight-line basis over the lease period. Lease payments will be apportioned between finance charge and reduction of the lease liability. Earlier, the Company recognised operating lease expense on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase in accordance with Ind AS 17.

In addition, the group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

The group plans to apply Ind AS 116 initially on April 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019, with no restatement of comparative information. The group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before April 1, 2019 and identified as leases in accordance with Ind AS 17.

The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present. However the impact on transition will be significant.

## Notes

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ii. **Ind AS 19 – ‘Employee benefits’**

The amendments to Ind AS 19, clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The group does not expect this amendment to have any significant impact on its Consolidated Financial Statements.

iii. **Ind AS 12 - ‘Income taxes’**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The group does not expect any significant impact of the above amendment on its Consolidated Financial Statements.





# Notes

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## 3 Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Building	Plant and Machinery	Furniture and Fittings	Office Equipment's	Vehicles	Leasehold Improvements	Total	Capital work in progress
<b>At March 31, 2017</b>	2	-	10	58,550	14,626	3,338	553	50,021	127,100	
Additions	-	-	-	12,723	3,957	962	-	10,316	27,958	
Adjustment on account of sale of Investment in Smaaash Leisure Limited (Formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	-	-	(4,833)	(354)	(212)	-	(2,473)	(7,872)	
Disposals and discard	-	-	-	(104)	(333)	(34)	-	(47)	(518)	
<b>At March 31, 2018</b>	<b>2</b>	<b>-</b>	<b>10</b>	<b>66,336</b>	<b>17,896</b>	<b>4,054</b>	<b>553</b>	<b>57,817</b>	<b>146,668</b>	
Additions	-	-	-	15,503	3,822	797	41	12,175	32,338	
Adjustment on account of Business combination (refer note 42)	-	806	-	11,967	2,008	456	51	9,037	24,325	
Disposals and discard	-	-	-	(912)	(1,294)	(116)	-	(447)	(2,769)	
<b>At March 31, 2019</b>	<b>2</b>	<b>806</b>	<b>10</b>	<b>92,894</b>	<b>22,432</b>	<b>5,191</b>	<b>645</b>	<b>78,582</b>	<b>200,562</b>	
<b>Depreciation</b>										
At March 31, 2017	-	-	-	[#] 9,713	3,550	1,265	179	7,920	22,627	
Charge for the year	-	-	-	[#] 6,217	2,332	741	111	4,250	13,651	
Adjustment on account of sale of Investment in Smaaash Leisure Limited (Formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	-	-	(1,046)	(94)	(146)	-	(553)	(1,839)	
Disposals and discard	-	-	-	(68)	(303)	(34)	-	(61)	(466)	
<b>At March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[#] 14,816</b>	<b>5,485</b>	<b>1,826</b>	<b>290</b>	<b>11,556</b>	<b>33,973</b>	
Charge for the period	-	11	-	[#] 7,683	2,677	857	115	5,500	16,843	
Adjustment on account of Business combination (refer note 42)	-	9	-	2,001	317	154	14	829	3,324	
Disposals and discard	-	-	-	(892)	(1,122)	(115)	-	(446)	(2,575)	
<b>At March 31, 2019</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>[#] 23,608</b>	<b>7,357</b>	<b>2,722</b>	<b>419</b>	<b>17,439</b>	<b>51,565</b>	
<b>Net Block</b>										
<b>At March 31, 2018</b>	<b>2</b>	<b>-</b>	<b>10</b>	<b>51,520</b>	<b>12,411</b>	<b>2,228</b>	<b>263</b>	<b>46,261</b>	<b>112,695</b>	<b>10,169</b>
<b>At March 31, 2019</b>	<b>2</b>	<b>786</b>	<b>10</b>	<b>69,286</b>	<b>15,075</b>	<b>2,469</b>	<b>226</b>	<b>61,143</b>	<b>148,997</b>	<b>22,080</b>

[#] Amount below ₹ 1 lakh.

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. Details of assets on finance lease included in Plant and machinery are as follows:

Particulars	Gross block				Accumulated depreciation				Net Block
	Opening	Addition	Disposals and discard	Total	Opening	Charge for the year/period	Disposals and discard	Total	
March 31, 2018	4,468	-	-	4,468	435	414	-	849	3,619
March 31, 2019	4,468	-	-	4,468	849	414	-	1,263	3,205

### iii. Capitalised borrowing cost

The amount of borrowing costs capitalised was ₹ 1,501 lakhs (March 31, 2018: 429 lakhs) during the year.

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### 4 Intangible assets

Particulars	Goodwill*		Other Intangible assets				Total
	(Including Goodwill on consolidation)	Software Development	Copyrights	Brand	Beneficial Lease Rights	Film Rights	
	A	B	C			D	B+C+D
<b>At April 1, 2017</b>	43,365	2,224	144	-	-	2,770	5,138
Additions	82	495	-	-	-	1,256	1,751
Adjustment on account of sale of Investment in Smaaash Leisure Limited (Formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	(46)	(144)	-	-	-	(190)
Disposals and discard	-	(107)	-	-	-	(119)	(226)
<b>At March 31, 2018</b>	<b>43,447</b>	<b>2,566</b>	-	-	-	<b>3,907</b>	<b>6,473</b>
<b>Additions</b>	160	763	-	-	-	1,600	2,363
Adjustment on account of Business combination (refer note 42)	67,554	571	-	7,263	9,422	-	17,256
Disposals and discard	-	(12)	-	-	-	(183)	(195)
<b>At March 31, 2019</b>	<b>111,161</b>	<b>3,888</b>	-	<b>7,263</b>	<b>9,422</b>	<b>5,324</b>	<b>25,897</b>
<b>Amortisation</b>							
At April 1, 2017	-	643	37	-	-	1,428	2,108
For the year	-	454	7	-	-	1,257	1,718
Adjustment on account of sale of Investment in Smaaash Leisure Limited (Formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	(29)	(44)	-	-	-	(73)
Deductions/Adjustments	-	(4)	-	-	-	(119)	(123)
<b>At March 31, 2018</b>	-	<b>1,064</b>	-	-	-	<b>2,566</b>	<b>3,630</b>
For the period	-	537	-	298	445	1,005	2,285
Adjustment on account of Business combination (refer note 42)	-	256	-	-	-	-	256
Deductions/Adjustments	-	(12)	-	-	-	(183)	(195)
<b>At March 31, 2019</b>	-	<b>1,845</b>	-	<b>298</b>	<b>445</b>	<b>3,388</b>	<b>5,976</b>
<b>Net Block</b>							
<b>At March 31, 2018</b>	<b>43,447</b>	<b>1,502</b>	-	-	-	<b>1,341</b>	<b>2,843</b>
<b>At March 31, 2019</b>	<b>111,161</b>	<b>2,043</b>	-	<b>6,965</b>	<b>8,977</b>	<b>1,936</b>	<b>19,921</b>

\*Includes Goodwill on consolidation amounting to ₹ 68,501 lakhs (March 31, 2018 : ₹ 787 lakhs).

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 and Cinema exhibition undertaking of DLF Utilities Limited acquired in financial year 2012-13 and 2016-17 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 discounted cash flow methodology with a peer-based, risk-adjusted weighted average cost of capital using the discount rate of 10% to 12.5% and terminal value growth rate of 5% to 10% from 2023-24. We believe use of a discounted cash flow approach is the most reliable indicator of the fair values of the businesses. Additionally the goodwill has been tested for impairment by reference to the quoted price of equity shares of PVR Limited ("PVR"), which carries total cinema exhibition business. As at March 31, 2019, total market capitalization of PVR is 768,452 lakhs significant part of which represents value of the cinema exhibition business which is higher than the carrying value of Goodwill.

The goodwill that arose on acquisition of SPI Cinemas is tested for impairment separately as the Company is in the process of integration with the Cinema exhibition business of the Parent Company. The Company tested goodwill for impairment using a discounted cash flow methodology with a peer-based, risk-adjusted weighted average cost of capital using the discount rate of 10% to 12.5% and terminal value growth rate of 5% to 10% from 2023-24. We believe use of a discounted cash flow approach is the most reliable indicator of the fair values of the businesses.



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 5A Equity accounted investees

	March 31, 2019	March 31, 2018
Investment in joint ventures (unquoted)		
<b>(i) Vkaao Entertainment Private Limited<sup>1</sup></b>	112	227
Equity share of ₹ 10 each 3,000,000 (March 31, 2018: 3,000,000)		
<b>(ii) PVR Pictures International Pte Limited<sup>2</sup> [¶]</b>	0	0
Equity share of SGD 1 each 500 (March 31, 2018: 500)		
	<b>112</b>	<b>227</b>

[¶] amount below ₹ 1 lakh

<sup>1</sup> During the year ended March 31, 2018, PVR Pictures Limited (wholly owned subsidiary of the Parent Company) had entered into a Joint venture with Bigtree Entertainment Private Limited (BookMyShow) and incorporated Vkaao Entertainment Private Limited (Vkaao). Vkaao is engaged in the business of private screening of movies for its consumers through theatres. It operates through an entertainment ticketing website namely www.vkaao.com. Both PVR Pictures and Book My Show have invested ₹ 300 lakhs each into this entity.

The following table summarise the financial information of Vkaao Entertainment Private Limited and the carrying amount of Group's interest therein:

	March 31, 2019	March 31, 2018
<b>Percentage ownership interest</b>	50%	50%
Non-current assets	119	250
Current assets (including cash and cash equivalents ₹ 30 lakhs (March 31, 2018: ₹ 27 lakhs))	184	348
Current liabilities	(79)	(144)
<b>Net assets</b>	<b>224</b>	<b>454</b>
Group's share of net assets (50%)	<b>112</b>	<b>227</b>
Carrying amount of interest in joint ventures	<b>112</b>	<b>227</b>

	March 31, 2019	March 31, 2018
<b>Statement of profit and loss</b>		
Revenue	184	87
Employee benefits expense	(83)	(43)
Depreciation and amortisation expense	(137)	(24)
Other expenses	(194)	(165)
<b>Profit</b>	<b>(230)</b>	<b>(145)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(230)</b>	<b>(145)</b>
Group's share of profit (50%)	(115)	(73)
Group's share of OCI (50%)	-	-
<b>Group's share of Total Comprehensive Income (50%)</b>	<b>(115)</b>	<b>(73)</b>

<sup>2</sup> During the year ended March 31, 2018, PVR Pictures Limited (wholly owned subsidiary of the Parent Company) had entered into a joint venture with Cinestar Limited (Enterprise owned or significantly influenced by Key Management Personnel) and incorporated "PVR Pictures International Pte Limited" in Singapore to do movie distribution business outside of India.

### 5B Investments

	March 31, 2019	March 31, 2018
<b>(i) Quoted equity shares</b>		
Equity shares at FVTOCI		
iPic Entertainment Inc. <sup>1</sup>	2,581	2,581
Common membership units of \$ 18.13 each 220,629 (March 31, 2018 : 220,629)		
Less: Diminution in the value of Investment (refer note 30)	(1,761)	(888)
<b>Net value of Investment</b>	<b>820</b>	<b>1,693</b>
<b>(ii) Unquoted Government securities</b>		
Government Securities- at amortised cost		
National savings certificates	173	174
(Deposited with various tax authorities)		
	<b>173</b>	<b>174</b>

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

	March 31, 2019	March 31, 2018
Less: Amount disclosed under current investment (Refer note 10) (being due for maturity within next 12 month)	108	106
	<b>885</b>	<b>1,761</b>
Aggregate amount of unquoted investment	285	401
Aggregate amount of quoted investment	2,581	2,581
Aggregate amount of impairment in value of investments	1,761	888

<sup>1</sup>During the year ended March 31, 2018, Parent Company had acquired a minority stake for a value of USD 4 million (equivalent to ₹ 2,581 lakhs), 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 purposes. Accordingly, the fair value changes with respect to such investment has been recognised in OCI – 'Equity investments at FVTOCI'.

## 6 Other financial assets

(unsecured, considered good unless otherwise stated)

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Non-current bank balances (refer note 12)	227	127	-	-
Interest accrued on:				
Fixed deposits	8	18	32	14
National saving certificate	13	22	60	40
Others	-	-	12	25
(A)	<b>248</b>	<b>167</b>	<b>104</b>	<b>79</b>
Revenue earned but not billed	-	-	1,077	192
Government grant receivable <sup>1</sup>	(C)			
Unsecured, considered good	1,994	1,994	964	1,838
Unsecured, considered doubtful	65	-	-	-
	<b>2,059</b>	<b>1,994</b>	<b>964</b>	<b>1,838</b>
Allowance for doubtful Government grant receivable	(65)	-	-	-
(D)	<b>1,994</b>	<b>1,994</b>	<b>964</b>	<b>1,838</b>
<b>Total [A+B+C]</b>	<b>2,242</b>	<b>2,161</b>	<b>2,145</b>	<b>2,109</b>

<sup>1</sup>The Entertainment tax 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 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.

## 7 Deferred tax assets (net) (includes MAT credit entitlement)

### 7A Deferred tax Assets (net)

	March 31, 2019	March 31, 2018
<b>Deferred tax asset<sup>1</sup></b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	115	587
Allowance for doubtful debts and advances	236	542
Others	202	473
<b>Gross deferred tax asset</b>	<b>553</b>	<b>1,602</b>
<b>Less: Deferred tax liability</b>		
Impact of differences in depreciation/amortisation in block of tangible and intangible assets as per tax books and financial books	(515)	7,349
<b>Gross deferred tax liability</b>	<b>(515)</b>	<b>7,349</b>
<b>Deferred tax assets/(liability) (net)</b>	<b>1,068</b>	<b>(5,747)</b>
Add: MAT credit entitlement <sup>2</sup>	-	7,307
<b>Net deferred tax Assets (Includes MAT credit entitlement)</b>	<b>1,068</b>	<b>1,560</b>

<sup>1</sup>The Parent Company has not accounted for Deferred tax assets on Capital loss on sale of Investment in Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) and loss on fair valuation of "iPic Entertainment Inc." Investment on account of reasonable certainty.





## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 7B Deferred tax Liabilities (net) (Includes MAT credit entitlement)

		March 31, 2019	March 31, 2018
<b>Deferred tax liability</b>			
Impact of differences in depreciation/amortisation in block of tangible and intangible assets as per tax books and financial books		9,555	227
Impact of fair valuation of Tangible and Intangible assets		7,263	
<b>Gross deferred tax liability</b>		<b>16,818</b>	<b>227</b>
<b>Deferred tax asset</b>			
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis		759	34
Allowance for doubtful debts and advances		920	-
Others		1,365	-
<b>Gross deferred tax asset</b>		<b>3,044</b>	<b>34</b>
<b>Net deferred tax liability</b>	A	<b>13,774</b>	<b>193</b>
Less: MAT credit entitlement <sup>2</sup>	B	4,229	134
<b>Deferred tax Liabilities (net) (Includes MAT credit entitlement)</b>	A-B	<b>9,545</b>	<b>59</b>

<sup>2</sup>The MAT credit entitlement asset recognised by Parent 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 assets.

### 8 Income tax assets (net)

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance income tax (net of provision)	2,692	321	-	-
Income tax paid under protest (Refer note 36(a))	938	890	-	-
	<b>3,630</b>	<b>1,211</b>	<b>-</b>	<b>-</b>

### 8A Other assets

(unsecured, considered good unless otherwise stated)

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Prepaid expenses	1,750	1,238	2,756	1,292
Deferred rent	10,925	6,988	1,159	902
[A]	<b>12,675</b>	<b>8,226</b>	<b>3,915</b>	<b>2,194</b>
<b>Capital advances</b>				
Unsecured, considered good	5,590	1,494	-	-
Unsecured, considered doubtful	6	2	-	-
	<b>5,596</b>	<b>1,496</b>	<b>-</b>	<b>-</b>
Allowance for doubtful capital advances	(6)	(2)	-	-
[B]	<b>5,590</b>	<b>1,494</b>	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good <sup>1</sup>	-	25	5,687	2,143
Unsecured, considered doubtful	-	-	17	7
	<b>-</b>	<b>25</b>	<b>5,704</b>	<b>2,150</b>
Allowance for doubtful advances	-	-	(17)	(7)
[C]	<b>-</b>	<b>25</b>	<b>5,687</b>	<b>2,143</b>
<b>Others</b>				
Balances with statutory authorities	194	8	1,464	1,128
[D]	<b>194</b>	<b>8</b>	<b>1,464</b>	<b>1,128</b>
<b>Total [A+B+C+D]</b>	<b>18,459</b>	<b>9,753</b>	<b>11,066</b>	<b>5,465</b>

<sup>1</sup>During the year ended March 31, 2018 PVR Pictures Limited had given an advance of ₹ 25 lakhs to its joint venture company PVR Pictures International Pte Limited against which share allotment was pending. This advance was repaid in the current financial year.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 9 Inventories (Valued at lower of cost and net realisable value)

	March 31, 2019	March 31, 2018
Food and beverages	1,927	1,319
Stores and spares	1,107	661
	<b>3,034</b>	<b>1,980</b>

### 10 Current investments

	March 31, 2019	March 31, 2018
<b>Unquoted debt securities (Government Securities - at amortised cost)</b>		
National Savings Certificates (refer note 5B)	108	106
(Deposited with various State tax authorities)		
	<b>108</b>	<b>106</b>

### 11 Trade receivables

	March 31, 2019	March 31, 2018
Secured, considered good	171	215
Unsecured, considered good	18,215	15,346
Unsecured, considered doubtful	2,619	1,211
	<b>21,005</b>	<b>16,772</b>
Allowance for doubtful debts	(2,619)	(1,211)
	<b>18,386</b>	<b>15,561</b>

### 12 Cash and cash equivalents

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Cash and cash equivalents</b>				
Cash on hand	-	-	852	536
Balances with banks:				
On current accounts	-	-	1,889	2,155
Deposits with original maturity of less than 3 months	-	-	76	85
	-	-	<b>2,817</b>	<b>2,776</b>
<b>Bank balances other than cash and cash equivalents, above</b>				
Deposits with remaining maturity for more than 3 months but less than 12 months	-	-	593	495
Deposits with remaining maturity for more than 12 months	227	127	-	-
Unpaid and unclaimed dividend accounts (refer note (b) below)	-	-	4	8
	<b>227</b>	<b>127</b>	<b>597</b>	<b>503</b>
Amount disclosed under non-current assets (refer note 6)	(227)	(127)	-	-
	-	-	<b>3,414</b>	<b>3,279</b>

#### Notes:

- Short-term deposits 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.
- Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.
- The disclosures regarding specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2019.



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 13 Loans

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Loan and advances to related parties</b>				
Unsecured, considered good	-	-	13	-
Unsecured, considered doubtful	-	-	132	-
	-	-	<b>145</b>	-
Allowance for doubtful loans	-	-	(132)	-
<b>Total</b>	-	-	<b>13</b>	-
<b>Loan to others</b>				
Loan to employees				
Unsecured, considered good	-	-	145	103
Loan to body corporate (refer note 40 (b))				
Unsecured, considered doubtful	-	-	55	55
	-	-	<b>200</b>	<b>158</b>
Allowance for doubtful loans	-	-	(55)	(55)
	-	-	<b>145</b>	<b>103</b>
Security deposit				
Unsecured, considered good	23,005	19,282	1,025	1,172
Unsecured, considered doubtful	407	328	-	-
	<b>23,412</b>	<b>19,610</b>	<b>1,025</b>	<b>1,172</b>
Allowance for doubtful security deposit	(407)	(328)	-	-
	<b>23,005</b>	<b>19,282</b>	<b>1,025</b>	<b>1,172</b>
<b>Total</b>	<b>23,005</b>	<b>19,282</b>	<b>1,183</b>	<b>1,275</b>

### 14 Share capital

	March 31, 2019	March 31, 2018
<b>Authorised share capital</b>		
Equity shares of ₹ 10 each	11,070	11,070
0.001% Non-cumulative convertible Preference shares of ₹ 341.52 each	2,015	2,015
	<b>13,085</b>	<b>13,085</b>
<b>Issued, subscribed and fully paid-up equity shares</b>		
Equity shares of ₹ 10 each fully paid	4,674	4,674
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>4,674</b>	<b>4,674</b>

#### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

##### i. Authorised Equity shares

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	110,700,000	11,070	110,700,000	11,070
<b>Balance at the end of the year</b>	<b>110,700,000</b>	<b>11,070</b>	<b>110,700,000</b>	<b>11,070</b>

##### ii. Authorised Non-cumulative convertible Preference shares

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	590,000	2,015	590,000	2,015
<b>Balance at the end of the year</b>	<b>590,000</b>	<b>2,015</b>	<b>590,000</b>	<b>2,015</b>

##### iii. Issued, subscribed and fully paid-up equity shares

	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,738,588	4,674	46,738,588	4,674
<b>Shares outstanding at the end of the year</b>	<b>46,738,588</b>	<b>4,674</b>	<b>46,738,588</b>	<b>4,674</b>

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

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### b) Terms and rights attached to equity shares

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. 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, 2019		March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Mr. Ajay Bijli	5,410,298	11.58	5,260,298	11.25
Mr. Sanjeev Kumar Bijli	3,728,892	7.98	3,728,892	7.98
Berry Creek Investment Limited	3,582,585	7.67	3,582,585	7.67
Gray Birch Investment Limited	2,958,888	6.33	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.

### 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, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
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	398,942
Equity shares allotted as fully paid up pursuant to the scheme of amalgamation for consideration other than cash	-	-	-	-	1,090,203

### 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 33).

## 15 Other equity

	March 31, 2019	March 31, 2018
<b>Securities premium</b>	47,124	47,124
Amount received (on issue of shares) in excess of the face value has been classified as securities premium.		
<b>Share option outstanding account</b> (Refer note 33)	611	305
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.		
<b>Debenture redemption reserve (DDR)</b>	7,930	7,285
The Parent Company has issued secured rated listed non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of Dividends. DRR is required to be created for an amount equivalent to at least 25% of the value of debentures issued and accordingly the Parent Company has created the same.		
<b>Capital reserve</b>	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.		
<b>General reserve</b>	4,716	4,563
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.		





## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

	March 31, 2019	March 31, 2018
<b>Retained earnings</b>		
Retained earnings comprise of the Group's accumulated undistributed earning after taxes including Other Comprehensive Income (OCI).	58,292	42,983
<b>Total other equity</b>	<b>119,275</b>	<b>102,862</b>

Notes

### 15A Distribution made and Proposed

	March 31, 2019	March 31, 2018
<b>Cash Dividends on equity shares approved and paid:</b>		
Final Dividend for the year as approved in AGM	935	935
	<b>935</b>	<b>935</b>
<b>Proposed dividends on Equity shares:*</b>		
Final Dividend for the year ended March 31, 2019: ₹ 2 per share (March 31, 2018: ₹ 2 per share)	935	935
	<b>935</b>	<b>935</b>

\*Proposed dividends on equity shares are subject to approval at the ensuing annual general meeting and are not recognised as a liability as at 31 March.

### 16 Non-controlling interest (NCI)

	March 31, 2019	March 31, 2018
<b>(a) SPI Cinemas (refer note 42)</b>		
Non-controlling Interest in Equity	25,000	-
Share of profit/(loss) of the current year	616	-
	<b>25,616</b>	<b>-</b>
<b>(b) Zea Maize Private Limited</b>		
Non-controlling Interest in Equity	1	1
Non-controlling Interest in Securities premium	175	167
Non-controlling Interest in Non-Equity		
Share of profit/(loss) brought forward	(87)	(58)
Share of profit/(loss) of the current year	(43)	(29)
	<b>46</b>	<b>81</b>
<b>Note:</b>		
Non-controlling Interest in Equity of subsidiaries	25,001	1
Non-controlling Interest in Securities premium of a subsidiaries	175	167
Non-controlling Interest in Non-Equity of subsidiaries	486	(87)
	<b>25,662</b>	<b>81</b>

The table below provide summarised financial information of SPI Cinemas Private Limited (refer note 42):

#### Summarised Balance Sheet information

Particulars	March 31, 2019	March 31, 2018
Non Current assets	30,077	-
Current assets	5,192	-
<b>Total Assets</b>	<b>35,269</b>	<b>-</b>
Non-current liabilities	16,884	-
Current liabilities	8501	-
<b>Net assets</b>	<b>9,884</b>	<b>-</b>

#### Summarised statement of profit and loss information

Particulars	March 31, 2019	March 31, 2018
Revenue from operations	29,710	-
Net profit after tax	2,301	-
<b>Total comprehensive income for the year</b>	<b>2,179</b>	<b>-</b>

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### Summarised statement of profit and loss information

Particulars	March 31, 2019	March 31, 2018
Cash flow from Operating activities	2,430	-
Cash flow used in investing activities	(2,662)	-
Cash flow used in financing activities	(987)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,219)</b>	<b>-</b>

### 17 Long-term borrowings (at amortised cost)

	Non-current portion		Current maturities	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Debentures</b>				
Secured Rated Listed Non-Convertible Debentures (net of transaction cost)	40,957	46,909	10,950	9,385
<b>Term loans</b>				
Secured term loans from banks	59,318	6,973	6,225	6,883
<b>Other loans</b>				
Secured vehicle loans from banks	-	-	-	50
Secured finance lease obligation from body corporate (refer note 34(iii))	1,601	2,274	673	594
	<b>101,876</b>	<b>56,156</b>	<b>17,848</b>	<b>16,912</b>
Amount disclosed under the head "other payables" (refer note 21)	-	-	(17,848)	(16,912)
	<b>101,876</b>	<b>56,156</b>	<b>-</b>	<b>-</b>

#### Notes:

a) Secured Rated Listed Non-Convertible Debentures (NCD):

Particulars	Effective Interest Rate	Date of Allotment	Repayment Period	Repayment Ratio	Amount
30 (March 31, 2018: 60) of ₹ 1,000,000 each	11.40%	1-Jan-10	7 <sup>th</sup> to 10 <sup>th</sup> year	20:20:30:30	300
500 (March 31, 2018: 500) of ₹ 1,000,000 each	10.75%	10-Jun-14	5 <sup>th</sup> year	100	5,000
750 (March 31, 2018: 1,000) of ₹ 1,000,000 each	11.00%	16-Oct-14	4 <sup>th</sup> to 7 <sup>th</sup> year	25:25:25:25	7,500
500 (March 31, 2018: 500) of ₹ 1,000,000 each	11.00%	24-Nov-14	5 <sup>th</sup> to 7 <sup>th</sup> year	30:30:40	5,000
1,000 (March 31, 2018: 1,000) of ₹ 1,000,000 each	10.75%	9-Jan-15	6 <sup>th</sup> and 7 <sup>th</sup> year	50:50	10,000
170 (March 31, 2018: 335) of ₹ 1,000,000 each	8.90%	29-Jul-16	1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> year	33:33:34	1,700
500 (March 31, 2018: 500) of ₹ 1,000,000 each	7.84%	12-Jan-17	3 Years and 6 months	100	5,000
250 (March 31, 2018: 250) of ₹ 1,000,000 each	8.05%	3-Apr-17	4 <sup>th</sup> year	100	2,500
500 (March 31, 2018: 500) of ₹ 1,000,000 each	8.15%	3-Apr-17	5 <sup>th</sup> year	100	5,000
500 (March 31, 2018: 500) of ₹ 1,000,000 each	7.85%	18-Aug-17	5 <sup>th</sup> year	100	5,000
500 (March 31, 2018: Nil) of ₹ 1,000,000 each	8.72%	16-Apr-18	3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> year	20:40:40	5,000
					<b>52,000</b>

- All Debentures are secured by mortgage on immovable properties (excluding immovable properties at Gujarat, a flat at Bengaluru and assets taken on finance 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 finance 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 Bengaluru, vehicles hypothecated to banks and assets taken on finance lease) and receivables of the Parent Company both present and future.
- (ii) In one of the subsidiary, Term loan from banks are secured by first *pari passu* charge over all movable and immovable fixed assets of the Subsidiary Company both present and future, first *pari passu* charge on receivables of the Subsidiary Company both present and future. Also the loan is secured by unconditional and irrevocable Corporate Guarantee given by the Parent Company.
- (iii) Vehicle loans of ₹ Nil (March 31, 2018: ₹ 50 lakhs) carried interest @ 10.25% p.a. and was repayable in 60 monthly instalments. The loan was secured by hypothecation of vehicles purchased out of the proceeds of the loan.



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

- (vi) Term Loan from banks carries variable interest rate based on respective bank benchmark rate, effective rate of interest varying in between 8.50% p.a to 9.95% p.a.
- (v) Finance lease obligation is 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.
- (vi) The Parent Company has satisfied all material debt covenants.

c. Above loans are repayable in equal/ unequal monthly/ quarterly instalments as follows:

Particulars	March 31, 2019	March 31, 2018
<b>Secured Rated Listed Non-Convertible Debentures:</b>		
Repayable within 1 year	11,000	9,450
Repayable within 1 - 3 year	27,000	25,000
Repayable after 3 years	14,000	22,000
<b>Term Loan:</b>		
Repayable within 1 year	6,226	6,883
Repayable within 1 - 3 year	17,330	5,098
Repayable after 3 years	41,987	1,875
<b>Secured vehicle loans:</b>		
Repayable within 1 year	-	50
Repayable within 1 - 3 year	-	-
Repayable after 3 years	-	-

## 18 Provisions

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for employee benefits				
Provision for gratuity (net) (refer note 32)	983	559	6	4
Provision for leave benefits	842	442	315	263
	<b>1,825</b>	<b>1,001</b>	<b>321</b>	<b>267</b>

## 19 Short-term borrowings (at amortised cost)

	March 31, 2019	March 31, 2018
Unsecured loan from subsidiary's director (repayable on demand)	-	10
Unsecured commercial paper	4,955	9,873
Secured bank overdraft	3,560	100
	<b>8,515</b>	<b>9,983</b>

### 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 8.85% to 10.7% p.a. The Parent Company has given corporate guarantee for availing Bank Overdraft facility for its subsidiaries amounting ₹ 1,600 lakhs (March 31, 2018 : ₹ 100 lakhs)
- ii. In respect of Commercial Paper maximum amount outstanding during the year was ₹ 15,000 lakhs (March 31, 2018 : ₹ 11,500 lakhs) with a maturity period of 3 months, effective rate of interest varying from 6.95% to 7.75%.
- iii. At March 31, 2019, the Group had available ₹ 13,140 lakhs (March 31, 2018: ₹ 11,650 lakhs) of undrawn committed borrowing facilities.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 20 Trade payables

	March 31, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	36,771	25,111
	<b>36,771</b>	<b>25,111</b>

### 21 Other financial liabilities

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Payables on purchase of fixed assets	-	-	6,844	6,549
Deferred consideration for acquisition of SPI Cinemas Private Limited (refer note 42)	-	-	10,000	-
Security deposits	4,217	-	632	515
Current maturities of long-term borrowings (refer note 17)	-	-	17,848	16,912
Interest accrued but not due on borrowings				
- Debentures	-	-	769	179
Unpaid dividends <sup>1</sup>	-	-	7	8
	<b>4,217</b>	<b>-</b>	<b>36,100</b>	<b>24,163</b>

<sup>1</sup>Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

### 22 Other liabilities

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advances from customers <sup>1</sup>	18,499	-	17,620	5,084
Employee benefits payables	-	-	3,642	2,924
Statutory dues payable	-	-	2,354	2,519
	<b>18,499</b>	<b>-</b>	<b>23,616</b>	<b>10,527</b>

<sup>1</sup>During the year ended March 31, 2019 the Parent 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, 2019	March 31, 2018
Sale of services [refer (a) below]	221,040	168,311
Sale of food and beverages [refer (b) below]	85,839	62,495
Other operating revenue [refer (c) below]	1,677	2,605
	<b>308,556</b>	<b>233,411</b>

#### (a) Details of services rendered

	March 31, 2019	March 31, 2018
Income from sale of movie tickets	163,543	124,707
Advertisement income	35,352	29,693
Income from movie production and distribution	6,192	6,216
Convenience fees	13,035	5,971
Virtual print fees	2,918	1,724
	<b>221,040</b>	<b>168,311</b>

During the year ended March 31, 2019 ₹ 192 Lakhs of unbilled revenue as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2019 the group recognised revenue of ₹ 4,608 Lakhs from opening advance from customers as of April 1, 2018.





## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### (b) Details of products sold

	March 31, 2019	March 31, 2018
Sale of food and beverages	85,839	62,428
Sale of traded goods	-	67
	<b>85,839</b>	<b>62,495</b>

### (c) Details of other operating revenue

	March 31, 2019	March 31, 2018
Food court Income	1,141	1,102
Gaming Income	470	1,465
Management fees	66	38
	<b>1,677</b>	<b>2,605</b>

## 24 Other income

	March 31, 2019	March 31, 2018
Government grant	918	1,367
Net gain on redemption of mutual fund Investments	300	141
<b>Interest earned on</b>		
Bank deposits	118	60
NSC's Investments	12	16
Interest Income from financial assets at amortised cost	824	841
Others	265	25
Profit on sale of Movie on demand (Vkaao) platform under slump sale	-	114
Exchange differences (net)	75	1
Other non-operating income (net) (includes liability written back ₹ 119 lacs (March 31, 2018: ₹ 239 lacs)	802	569
	<b>3,314</b>	<b>3,134</b>

## 25 Employee benefit expense

	March 31, 2019	March 31, 2018
Salaries, wages, allowances and bonus	29,804	22,528
Contribution to provident and other funds (refer note 32)	1,423	1,035
Employee stock option scheme (refer note 33)	296	295
Gratuity expense (unfunded) (refer note 32)	13	24
Staff welfare expenses	2,190	1,525
	<b>33,726</b>	<b>25,407</b>

## 26 Finance costs

	March 31, 2019	March 31, 2018
Interest on		
Debentures	5,341	5,128
Term loans	3,009	1,485
Banks and others <sup>1</sup>	858	967
Other financial charges	3,593	791
	<b>12,801</b>	<b>8,371</b>

<sup>1</sup>Includes interest on finance lease obligation of ₹ 308 lakhs (March 31, 2018 : ₹ 377 lakhs)

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 27 Depreciation and amortisation expense

	March 31, 2019	March 31, 2018
Depreciation on tangible assets	16,843	13,651
Amortisation on intangible assets	2,285	1,718
	<b>19,128</b>	<b>15,369</b>

### 28 Other operating expenses

	March 31, 2019	March 31, 2018
Rent (refer note 34)	50,785	41,397
Less: Rental income from sub-lessees	(194)	(283)
<b>Net rent expenses</b>	<b>50,591</b>	<b>41,114</b>
Electricity and water charges (net of recovery)	18,107	14,908
Common area maintenance (net of recovery)	13,016	11,259
Repairs and maintenance	11,739	9,390
Movie production, distribution and print charges	4,406	4,916
Marketing expenses	4,833	4,076
Rates and taxes	2,083	1,624
Security service charges	2,764	2,491
Travelling and conveyance	3,263	2,578
Legal and professional fees (refer below note)	6,006	2,591
Communication costs	1,439	895
Loss on disposal of PPE and intangible assets (net)	143	37
Printing and stationery	534	478
Insurance	394	285
CSR Expenditure (refer note 39)	360	232
Allowance for doubtful debts and advances	1,273	366
Bad Debts/advances written off	53	22
Less: Utilised from provisions	-	-
Directors' sitting fees	10	12
Exchange differences (net)	13	
Miscellaneous expenses	1,103	873
	<b>122,130</b>	<b>98,147</b>
<b>Notes:</b>		
(a) Payment to auditors (included in legal and professional charges above)		
As auditor:		
Audit fee	54	34
Limited Review	24	24
Tax audit fee	5	4
Other Certifications	13	-
Reimbursement of out of pocket expenses	8	1
	<b>104</b>	<b>63</b>

### 29 Exceptional Items

	March 31, 2019	March 31, 2018
Net loss incurred on sale of investment in Smaaash Leisure Limited (Formerly known as PVR BluO Entertainment Limited) (Refer note 52)	-	59
	<b>-</b>	<b>59</b>



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 30 Other comprehensive income

	March 31, 2019	March 31, 2018
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	(606)	(162)
Gain/(loss) on equity instruments designated at FVTOCI (refer note 5B)	(874)	(888)
Income tax on re-measurement loss on defined benefit plans	203	63
Items that will be reclassified to profit or loss in subsequent period:		
Exchange difference in translating foreign subsidiary	(22)	-
	<b>(1,299)</b>	<b>(987)</b>

### 31 Earning per share (EPS)

	March 31, 2019	March 31, 2018
The following reflects the profit and shares data used in the basic and diluted EPS computations:		
<b>Net Profit after tax</b>	18,363	12,470
Weighted average number of equity shares in calculating basic EPS:		
- Number of equity shares outstanding at the beginning of the year	46,738,588	46,738,588
<b>Weighted number of equity shares of ₹ 10 each outstanding during the year</b>	<b>46,738,588</b>	<b>46,738,588</b>
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year	46,738,588	46,738,588
<b>Weighted number of equity shares of ₹ 10 each outstanding during the year (as above)</b>	<b>46,738,588</b>	<b>46,738,588</b>
Add: Effect of stock options 300,000 (March 31, 2018: 300,000)	300,000	202,027
<b>Weighted number of equity shares of ₹ 10 each outstanding during the year</b>	<b>47,038,588</b>	<b>46,940,615</b>
Basic earnings per equity share (in ₹)	39.29	26.68
Diluted earnings per equity share (in ₹)	39.04	26.57

### 32 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 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	Funded		Unfunded	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current service cost	249	192	9	13
Interest cost on benefit obligation	12	14	4	3
Expected return on plan assets	10	-	-	-
Past service cost	-	-	-	8
<b>Net benefit expense</b>	<b>271</b>	<b>206</b>	<b>13</b>	<b>24</b>

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### Balance sheet

#### Benefit Assets/ liabilities

Particulars	Funded		Unfunded	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Defined benefit obligation	3,066	1,882	83	46
Fair value of plan assets	2,160	1,365	-	-
Plan asset/(liability)	(906)	(517)	(83)	(46)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Funded		Unfunded	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening defined benefit obligation	1,882	1,556	46	70
Adjustment on account of Investment in SPI Cinemas Private Limited (refer note 42)	368	-	0	-
Interest cost	144	100	4	3
Past service cost	-	-	0	8
Current service cost	249	192	9	13
Benefits paid	(175)	(132)	(1)	(2)
Actuarial losses/(gain) – experience	356	179	23	(13)
Actuarial losses/(gain) – demographic assumptions	-	-	-	-
Actuarial losses/(gain) – financial assumptions	242	(13)	2	(2)
Acquisitions (credit)/ cost	-	-	0	-
Adjustment on account of sale of Investment in Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	-	-	(31)
<b>Closing defined benefit obligation</b>	<b>3,066</b>	<b>1,882</b>	<b>83</b>	<b>46</b>

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	1,365	1,268
Adjustment on account of Investment in SPI Cinemas Private Limited (refer note 42)	407	-
Return on plan assets greater/(lesser) than discount rate	17	(7)
Interest income on plan assets	122	86
Benefits paid	(151)	(132)
Contribution by employer	400	150
Actuarial Gain/(losses)	-	0
Closing fair value of plan assets	<b>2,160</b>	<b>1,365</b>

The Parent Company expects to contribute ₹ 667 lakhs (March 31, 2018 ₹ 500 lakhs) to gratuity fund in the financial year 2018-19.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2018-19	2017-18
Funds managed by Insurer *	97.26	99.16
Bank balances	2.74	0.84

\* Plan assets are held by "ICICI Prudential Life Insurance Company Limited" primarily into Group Balanced fund & Group Debt fund and "Bajaj Allianz Life Insurance Company Limited" into Bajaj Secure gain fund.





## Notes

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(Rupees in lakhs, except for per share data and if otherwise stated)

The principal assumptions used in determining gratuity obligations for the Parent Company's plans are shown below:

Particulars	2018-19	2017-18
	(%)	(%)
Discount rate	6.80	7.10
Expected rate of return on plan assets	6.80	7.10
Increase in compensation cost	10.50 for first 2 years and 9.00 thereafter	10.50 for first 2 years and 9.00 thereafter
<b>Employee turnover</b>		
Manager Grade	15	15
Executive Grade	55	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.

### Historical information: Funded

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of defined benefit obligation	3,066	1,882	1,556	1,139	937
Fair value of plan assets	2,160	1,365	1,268	604	246
Asset/(liability) recognised	(906)	(517)	(288)	(535)	(691)

### Historical information: Non Funded

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of defined benefit obligation	83	46	70	59	41
Fair value of plan assets	-	-	-	-	-
Asset/(liability) recognised	(83)	(46)	(70)	(59)	(41)

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	2018-19	2017-18
Experience adjustment on plan liabilities	6.80	7.10
Experience adjustment on plan assets	6.80	7.10

### Sensitivity analysis

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	(96.01)	105.33
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	107.96	(100.39)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(67.31)	93.03

A quantitative sensitivity analysis for significant assumptions of the Parent Company as at March 31, 2018 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(70.65)	77.58
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	79.86	(74.19)
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(47.47)	65.58

The sensitivity analysis above has been determined on the basis of actuarial certificate.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Maturity profile of defined benefit obligation of the Parent Company:

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, 2024 to March 31, 2029	2,316

Expected benefit payments for the year ending March 31, 2018	Amount
March 31, 2019	555
March 31, 2020	367
March 31, 2021	337
March 31, 2022	288
March 31, 2023	262
March 31, 2023 to March 31, 2028	1,158

The sensitivity analysis above has been determined on the basis of actuarial certificate.

Defined Contribution Plan:

Particulars	2018-19	2017-18
Charged to statement of profit & loss (including Capital work in progress of ₹ 62 lakhs (March 31, 2018: ₹ 48 lakhs)	1,357	812

### 33 Employee Stock Option Plans

The Parent Company has provided stock options to its employees. During the year 2018-19, 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	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 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	March 31, 2019		March 31, 2018	
	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	-	-
Granted during the year	-	-	240,000	1,400
Forfeited/Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	240,000	1,400	240,000	1,400
Exercisable at the end of the year	-	-	-	-



## Notes

### to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2019	March 31, 2018
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.46%	24.16%
Risk-free interest rate	6.23%	6.17%
Exercise price (₹)	1400	1400
Expected life of option granted in years	2.17	1.17

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 ₹ 243 lakhs (March 31, 2018 : ₹ 247 lakhs) is recorded in financial statements.

#### 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	₹ 1,381.7
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	2018-19		2017-18	
	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	-	-
Granted during the year	-	-	60,000	1,400
Forfeited/Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	60,000	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, 2019	March 31, 2018
Dividend yield (%)	0.12%	0.12%
Expected volatility	24.46%	24.16%
Risk-free interest rate	6.23%	6.17%
Exercise price (₹)	1,400	1,400
Expected life of option granted in years	2.17	1.17

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 ₹ 63 lakhs (March 31, 2018 : ₹ 58 lakhs) is recorded in financial statements of which ₹ 10 lakhs (March 31, 2018 : ₹ 10 lakhs) is capitalised under Capital work-in progress and balance ₹ 53 (March 31, 2018 : ₹ 48 lakhs) lakhs is debited in statement of profit and loss.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 34 Leases

- i Rental expenses in respect of operating leases are recognised as an expense in the statement of profit and loss and capitalised under CWIP, as the case may be.

#### Operating Lease (for assets taken on lease)

Disclosure for assets taken under non-cancellable leases, where the Company is presently carrying commercial operations is as under, which reflects the outstanding amount for non-cancellable period:

Particulars	2018-19	2017-18
Lease payments for the year recognised in statement of profit and loss	50,785	40,949
Lease payments for the year recognised in Capital work in progress	760	28
<b>Minimum lease payments:</b>		
Within one year	30,748	25,076
After one year but not more than five years	94,711	69,498
More than five years	74,348	48,539

- ii Rental income/Sub-lease income in respect of operating leases are recognised as an income in the statement of profit and loss or netted off from rent expense, as the case may be.

#### Operating Lease (for assets given on lease)

The Group has given various spaces under operating lease agreements. These are generally cancellable on mutual consent and the lessee can vacate the rented property at any time. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Particulars	2018-19	2017-18
Sub-lease rent receipts	832	925

#### iii Finance lease: Company as lessee

The Parent Company has finance leases contracts for plant and machinery (Projectors). These leases involve significant upfront lease payment, have terms of renewal and bargain purchase option. However, there is no escalation clause. Each renewal is at the option of lessee. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

Particulars	March 31, 2019		March 31, 2018	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	899	673	898	593
After one year but not more than five years	1,814	1,601	2,670	2,238
More than five years	-	-	42	37
<b>Total minimum lease payments</b>	<b>2,712</b>	<b>2,274</b>	<b>3,610</b>	<b>2,868</b>
Less: amounts representing finance charges	(438)	-	(742)	-
<b>Present value of minimum lease payments</b>	<b>2,274</b>	<b>2,274</b>	<b>2,868</b>	<b>2,868</b>

### 35 Capital & Other Commitments

#### (a) Capital Commitments

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	15,440	7,320

#### (b) Other Commitments

The Parent Company was availing Entertainment tax 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 Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 36 Contingent Liabilities

Sr. No.	Particulars	March 31, 2019	March 31, 2018
a)	Possible exposure against various appeals filed by the Parent Company against the demand with Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal with regard to certain expenses disallowed by the assessing officer in respect of financial year ended March 31, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 respectively. {the Company has paid an amount of ₹ 938 lakhs (March 31, 2018 : ₹ 890 Lakhs) which is appearing under note "Other assets"}.	3,111	1,105
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 Commissionerate, New Delhi. (The Parent Company has already deposited under protest an amount of ₹ 232 lakhs (March 31, 2018 : ₹ 90 lakhs)) and Levy of service tax on 3D glass charges and TM charges for the financial year 2012-13 to 2017-18 and activity of movie distribution for the financial year 2011-12. (One of the subsidiary Company has already deposited under protest an amount of ₹ 35 lakhs).	5,055	2,537
g)	Demand raised with regard to service tax on food and beverages. The Parent Company has paid ₹ 185 lakhs (March 31, 2018 : ₹ 184 lakhs)	3,666	2,492
h)	Possible exposure of Service tax on sale of food and beverages.	6,032	6,076
i)	Demand of Sales tax under Various States VAT Acts where appeal is pending before competent authority (the Parent Company has paid an amount of ₹ 27 lakhs (March 31, 2018 : ₹ 54 lakhs) under protest).	1,367	1,032
j)	Demand from Entertainment Tax Department of Tamil Nadu in respect of levy of Entertainment tax on Convenience fees.	2,314	-
k)	Demand of entry tax in the state of Telangana for various material imported into the State (one of the subsidiary Company has already deposited under protest an amount of ₹ 25 lakhs).	101	-
l)	Claims against the Company not acknowledged as debts.	0	171
m)	Demand of entertainment tax under rule 22 of Punjab entertainment tax (Cinematographs shows) Rules, 1954 (The parent Company has paid ₹ 40 lakhs (March 31, 2018 : ₹ Nil) under protest)	144	144
n)	Demand of entertainment tax under Andhra Pradesh Entertainment tax FY 2011-12 to 2014-15	99	-
o)	Demand under Employees Provident Fund Act, 1952 in one of the subsidiary (amount paid under protest ₹ 38 lakhs)	106	-
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 estimate of management, 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.

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 recognized 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



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 37 Un-hedged Foreign Currency exposure

Particulars of un-hedged foreign currency exposure as at the balance sheet date:

Particulars	Currency	March 31, 2019	March 31, 2018
a) Cash in Hand	Thai Bhat	0.49	0.29
	Hong Kong Dollar	0.19	0.18
	Korean Won	-	0.00
	UK Pound	0.19	1.05
	Singapore Dollar	0.63	0.61
	US Dollar	0.66	1.49
	LKR	0.01	0.01
	Euro	4.05	8.55
	Chinese Yuan	-	0.42
	Dirham	0.59	0.83
<b>Total</b>		<b>6.82</b>	<b>13.43</b>
b) Payable for purchase of Property, Plant and Equipment	US Dollar	1,352.92	761.09

### 38 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.

### 39 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, 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 ₹ 360 lakhs through its foundation PVR Nest . PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

Particulars	2018-19	2017-18
Gross amount required to be spent by the Parent Company during the year	360	232
Amount spent during the year (refer note 28)	360	232



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 40 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

#### (a) Investment made

Particulars	Full particulars	Purpose	March 31, 2019	March 31, 2018
Vkaao Private Limited	Entertainment 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	112	227
PVR Pictures Pte. Limited <sup>1</sup>	International Equity share of SGD 1 each 500	Movie distribution business outside of India (March 31, 2018: Equity share of SGD 1 each 500)	0	-

#### (b) Loan given

Particulars	Rate of Interest (p.a)	Due Date	Secured/Unsecured	March 31, 2019	March 31, 2018
Sandhya Prakash Limited <sup>2</sup>	18%	13 monthly instalments adjusted with lease rentals till April 2018.	Unsecured	55	55
Evergreen Cine Services Pvt. Ltd. <sup>3</sup>	Nil	Repayable on demand	Unsecured	132	-
SPI Music Pvt. Ltd.	Nil	Within 200 days	Unsecured	13	-

<sup>1</sup> During the year ended March 31, 2018, PVR Pictures Limited has given an advance of Rs. 25 lakhs to its joint venture Company PVR Pictures International Pte. Limited against which share allotment is pending, which is appearing under note "Other assets". This advance was repaid in the current financial year.

<sup>2</sup> 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. The parent Company is carrying a provision against the outstanding loan amount.

<sup>3</sup> Provision has been created against the outstanding loan amount given to Evergreen Cine Services Pvt Ltd by one of the Subsidiary.

### 41 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, 2019 were as follows:

Particulars	Note	Level of hierarchy	Amortised Cost	Carrying Amount	
				Financial Assets/ liabilities at fair value through profit or loss	Financial Assets/ liabilities at fair value through OCI
<b>Financial Assets:</b>					
Investments - FVTOCI	5B	1	-	-	820
Investments - Amortised cost	5B	2	173	-	-
Loans	13	-	24,188	-	-
Trade receivables	11	-	18,386	-	-
Cash and cash equivalent	12	-	2,817	-	-
Other bank balances	12	-	597	-	-
Other financial assets	6	-	4,387	-	-
<b>Total</b>			<b>50,548</b>	<b>-</b>	<b>820</b>
<b>Financial Liabilities:</b>					
Borrowings (including current maturities)					
- Secured Rated Listed Non-Convertible Debentures	17	1	51,907	-	-
- Other borrowings	17	3	76,332	-	-
Trade payables	20	-	36,771	-	-
Other financial liabilities -Contingent consideration*	20	3	10,000	-	-
Other financial liabilities	21	-	12,469	-	-
<b>Total</b>			<b>187,479</b>	<b>-</b>	<b>-</b>

\* The said contingent consideration is a fixed amount, payable to the shareholders of SPI Cinemas on achievement of certain milestones, where achievement of certain milestones, with regard to opening of new cinema hall and obtaining regulatory approval is more probable. As the contingent consideration is a fixed amount and is expected to be settled within a period of 12 months from the acquisition date and accordingly the present value is same as the expected amount payable.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(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, 2018 were as follows:

Particulars	Note	Level of hierarchy	Amortised Cost	Carrying Amount	
				Financial Assets/ liabilities at fair value through profit or loss	Financial Assets/ liabilities at fair value through OCI
<b>Financial Assets:</b>					
Investments - FVTOCI	5B	1	-	-	1,693
Investments - Amortised cost	5B	2	174	-	-
Loans	13	-	20,557	-	-
Trade receivables	11	-	15,561	-	-
Cash and cash equivalent	12	-	2,776	-	-
Other bank balances	12	-	503	-	-
Other financial assets	6	-	4,270	-	-
<b>Total</b>			<b>43,841</b>	<b>-</b>	<b>1,693</b>
<b>Financial Liabilities:</b>					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	17	1	56,294	-	-
- Other borrowings	17	3	26,757	-	-
Trade payables	20	-	25,111	-	-
Other payables	21	-	7,251	-	-
<b>Total</b>			<b>115,413</b>	<b>-</b>	<b>-</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities 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 finance 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.

## 42 Business Combinations

Acquisition of SPI Cinemas Private Limited: 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 of ₹ 63,560 lakhs 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 ("Scheme"). 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 proposed scheme of amalgamation has been approved by National Stock Exchange of India Limited & BSE Limited. Further, the scheme of amalgamation has been approved by the members, secured and unsecured creditors of the Company and unsecured creditors of SPI in the NCLT convened meetings on April 24, 2019. The Company has filed an application with NCLT for final order in the matter. NCLT vide order dated May 8, 2019 has fixed July 10, 2019 as the next date of hearing of the Petition for the consideration of the approval of the Scheme of Amalgamation between the Petitioner Companies.

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.



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### A Fair value of consideration transferred:-

Particulars	Amount
Cash consideration	53,560
Deferred consideration *	10,000
	<b>63,560</b>
Value of Equity shares to be issued **	25,000
<b>Total consideration for business combination</b>	<b>88,560</b>

\*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.

\*\*Represents Non-controlling interest in the acquired Company as at acquisition date measured at fair value.

### B Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition on a provisional basis 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	8,431
Inventories	277
Trade receivables	1,844
Other financial assets	435
Other current assets	1,943
<b>Total assets</b>	<b>54,319</b>
Non-current Borrowings	12,993
Current Borrowings	550
Other non-current liabilities*	10,785
Other financial liabilities	3,629
Other current liabilities	2,995
<b>Total Liabilities</b>	<b>33,313</b>
<b>Total Fair Value of the Net Assets ***</b>	<b>21,006</b>

\* Includes Deferred tax liabilities of ₹ 7,263 lakhs, refer note-47 of Income tax expense .

### C Amount recognised as provisional goodwill

Particulars	Amount
Total consideration for business combination (Refer A above)	88,560
Less: Fair value of net assets acquired (Refer B above)	21,006
<b>Provisional Goodwill ***</b>	<b>67,554</b>

\*\*\* Basis preliminary purchase price allocation to various identifiable acquired assets and assumed liabilities, provisional Goodwill has been recognised. Accordingly, the fair values of assets acquired and liabilities assumed may be adjusted with the corresponding adjustment to Goodwill during the measurement period as stated in "Ind AS 103 (Business Combination)".

D Non-controlling Interest includes ₹ 25,000 lakhs towards balance 28.31% stake in SPI. The valuation of Non-controlling 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.

E As on date of acquisition, gross contractual amount of the acquired Trade Receivables and Other Financial Assets was ₹ 2,279 Lakhs 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.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### F 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
<b>Revenue from operations</b>	<b>29,710</b>
Other Income	174
<b>Total Income</b>	<b>29,884</b>
<b>Net profit after tax</b>	<b>2,301</b>

If the acquisition had occurred on April 1, 2018, management estimates that the consolidated revenue from operations would have been ₹ 324,607 lakhs, and consolidated profit for the year would have been ₹ 19,420 lakhs. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2018.

- G** Acquisition related costs amounting to ₹ 133 lakhs has been charged to Statement of profit and loss.
- H** As the acquisition being voluminous in nature, the management is in the process of finalising its fair valuation with regard to the assets acquired and liabilities assumed, accordingly, provisional fair values have been considered as at the year ended 31 March 2019. The same will be finalised when the information is obtained or within 1 year of acquisition as required under Ind AS 103 "Business Combination".

### 43 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.

Group is exposed to market risk, credit risk, legal, taxation and accounting risk and liquidity risk. Group's Treasury teams overseas the management of these risks supported by senior management.

#### (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, FVTOCI investments and derivative financial instruments.

##### (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.

##### 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Effect of Increase/ decrease in floating Interest rate by 100 basis points (1%) for term loans	505	177	(505)	(177)





## Notes

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(Rupees in lakhs, except for per share data and if otherwise stated)

### (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, 2019	March 31, 2018
Trade Receivables	18,386	15,561
Cash and cash equivalents	2,817	2,776
Other bank balances	597	503
Loans	1,183	1,275
Other financial assets	2,145	2,109

Credit risk is the risk of financial loss to 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 Company 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 Mall Developers. Such deposit will be returned to the Company on expiry of lease entered with Mall Developer. 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.

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, for the year ended March 31, 2019, Company has impaired Trade receivables of ₹ 2,619 lakhs (March 31, 2018: ₹ 1,211 lakhs).

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

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Movement in the allowance for impairment in respect of trade receivables.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	1,211	921
Impairment loss recognised/(reversed)	1,408	290
Amount written off	-	-
Balance at the end of the year	2,619	1,211

### (d) Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting obligations associated with its financial liabilities. The Company 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 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
On demand	3,560	100	-	-
Less than 3 months	12,206	11,875	54,285	32,224
3 to 12 months	10,703	15,102	556	-
1 to 5 years	94,627	56,211	4,399	138
More than 5 years	7,331	37	-	-
<b>Total</b>	<b>128,427</b>	<b>83,325</b>	<b>59,240</b>	<b>32,362</b>

\*Borrowing includes Non-Convertible Debentures, Term loans, finance lease obligations, Bank overdraft and commercial papers excluding transaction cost.

The Group has also significant contractual obligations in the form of operating lease (Note no. 34(i)) and capital & other commitments (Note No.35).

## 44 Capital Management

For the purpose of Group's capital management, capital includes issued equity capital, share 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.

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 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 fixed assets divided by total equity.

Particulars		March 31, 2019	March 31, 2018
Long-term debt		119,724	73,068
Payable for purchase of fixed assets		6,844	6,549
<b>Total</b>	(A)	<b>126,568</b>	<b>79,617</b>
<b>Equity</b>	(B)	<b>123,949</b>	<b>107,536</b>
<b>Gearing ratio</b>	(A/B)	<b>102%</b>	<b>74%</b>



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

**45** The Board of Directors has recommended a final dividend of 20% (₹ 2 per fully paid up equity share of ₹ 10 each) for the year ended March 31, 2019 in the Board meeting dated May 10, 2019, subject to the approval of shareholders at the ensuing Annual General meeting of the Company.

### 46 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, 2019	March 31, 2018
Salary, allowance and bonus	1,109	1,364
Contribution to provident and other funds	63	48
Rent	760	28
Electricity and water charges	32	59
Repairs and maintenance	319	117
Rates and taxes	723	310
Travelling and conveyance	127	93
Architects & professional	1,427	560
Insurance	21	10
Communication cost	6	7
Security service charges	268	215
Finance cost	1,501	429
Other miscellaneous expenses	46	11
<b>Total</b>	<b>6,402</b>	<b>3,251</b>

### 47 Income tax expense

Particulars	March 31, 2019	March 31, 2018
<b>(a) Income tax expense reported in the statement of profit or loss comprises:</b>		
<b>Current income tax:</b>		
Current tax	10,010	4,889
Income tax for earlier years	27	-
<b>Total current tax</b>	<b>10,037</b>	<b>4,889</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	794	2,155
MAT credit (entitlement)/reversal for earlier years	135	0
<b>Total deferred tax</b>	<b>929</b>	<b>2,155</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>10,966</b>	<b>7,044</b>
<b>Effective Income tax rate</b>	<b>36.7%</b>	<b>36.2%</b>
<b>(b) Statement of Other Comprehensive Income</b>		
Net loss/(gain) on re-measurements of defined benefit plans	203	63
<b>(c) Statement of Other Comprehensive Income</b>		
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	29,903	19,446
Statutory income tax rate	34.94%	34.61%
Computed tax expense	10,449	6,730
Adjustments in respect of current income tax of previous years	162	253
Non-deductible expenses for tax purposes	355	61
<b>Income tax charged to statement of profit &amp; loss</b>	<b>10,966</b>	<b>7,044</b>

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	March 31, 2019	March 31, 2018
<b>(d) MAT credit entitlement</b>		
Opening Balance	7,441	8,241
Add: MAT credit entitlement/(reversal) for earlier years	(135)	0
Less: Adjustment on account of sale of Investment in Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	(85)
Add: MAT credit entitlement for current year	62	0
Less: MAT credit entitlement utilisation for the year	(3,139)	(715)
<b>Closing Balance</b>	<b>4,229</b>	<b>7,441</b>
<b>(e) Deferred tax asset/(Liability)</b>		
Opening Balance	(5,940)	(4,006)
Add: Adjustment on account of acquisition of SPI Cinemas Private Limited (refer note 42)	(7,263)	
Less: Impact of differences in W.D.V. block under Income tax and Books of accounts	(1,464)	(2,617)
Add: Effect of carry forward of losses and unabsorbed depreciation	-	6
Add: Tax income/(expenses) on other timing differences	1,961	516
Less: Adjustment on account of sale of Investment in Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) (refer note 52)	-	161
<b>Closing balance</b>	<b>(12,706)</b>	<b>(5,940)</b>

## 48 Related Party Disclosure

Names of related parties and related party relationship

<b>Subsidiaries</b>	PVR Pictures Limited Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) upto August 31, 2017 (Refer note 52) Zea Maize Private Limited P V R Lanka Limited SPI Cinemas Private Limited (w.e.f. August 17, 2018) SPI Entertainment Projects (Tirupati) Pvt Ltd (wholly owned subsidiary of SPI Cinemas Pvt Ltd.) (w.e.f. August 17, 2018) PVR Middle East FZ LLC (w.e.f. November 15, 2018)
<b>Key management personnel</b>	Mr. Ajay Bijli, Chairman cum Managing Director Mr. Sanjeev Kumar, Joint Managing Director Mrs. Renuka Ramnath, Director Mr. Amit Burman, Director Mr. Sanjai Vohra, Director Mr. Vikram Bakshi, Director Mr. Sanjay Khanna, Director Mr. Chirag Gupta, Director Mr. Ankur Gupta, Director Mr. S V Swaroop Reddy (w.e.f. August 17, 2018) Ms Deepa Misra Harris, Director (w.e.f. March 27, 2019)
<b>Relatives of Key Management Personnel</b>	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
<b>Other Investment</b>	Vkaao Entertainment Private Limited (50% each held by PVR Pictures Limited and Big tree Entertainment Private Limited) PVR Pictures International pte Limited
<b>Enterprises over which Key management personnel and their relatives are able to exercise significant influence</b>	PVR Nest Priya Exhibitors Private Limited Sree Shyam Sayi Corporation Pvt Ltd. (w.e.f. August 17, 2018)



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Other Investment		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>TRANSACTIONS DURING THE YEAR</b>								
<b>Remuneration paid</b>								
Ajay Bijli	-	-	1,073	745	-	-	-	-
Sanjeev Kumar	-	-	903	645	-	-	-	-
Nayana Bijli	-	-	7	-	-	-	-	-
S V Swaroop Reddy	-	-	67	-	-	-	-	-
Chirag Gupta	-	-	27	15	-	-	-	-
Ankur Gupta	-	-	15	15	-	-	-	-
<b>Sitting fees and commission</b>								
Amit Burman	-	-	5	5	-	-	-	-
Sanjay Khanna	-	-	4	3	-	-	-	-
Sanjay Vohra	-	-	15	12	-	-	-	-
Vikram Bakshi	-	-	9	6	-	-	-	-
<b>Rent Expense</b>								
Priya Exhibitors Private Limited	-	-	-	-	-	-	48	288
Sree Shyam Sayi Corporation Pvt Ltd.	-	-	-	-	-	-	615	-
Satya Narain	-	-	30	26	-	-	-	-
<b>Sale of Goods</b>								
Chirag Gupta	-	-	0	0	-	-	-	-
<b>Film Distributors Share expense</b>								
Vkcao Entertainment Private Limited	-	-	-	-	113	77	-	-
<b>Income From Sales Of Tickets of Films</b>								
Vkcao Entertainment Private Limited	-	-	-	-	-	3	-	-
<b>Final Dividend Paid</b>								
Ajay Bijli	-	-	108	105	-	-	-	-
Sanjeev Kumar	-	-	75	75	-	-	-	-
Selena Bijli	-	-	4	4	-	-	-	-
Aamer Krishan Bijli	-	-	3	6	-	-	-	-
<b>Loan repaid</b>								
Mr Chirag Gupta	-	-	10	6	-	-	-	-
<b>Donation given</b>								
PVR Nest	-	-	-	-	-	-	360	215



## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Other Investment		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>BALANCE OUTSTANDING AT THE END OF THE YEAR</b>								
<b>Trade Payable</b>								
Vkboo Entertainment Private Limited	-	-	-	-	21	45	-	-
Sree Shyam Sayi Corporation Pvt Ltd.							84	-
Chirag Gupta	-	-	11	3	-	-	-	-
Ankur Gupta	-	-	6	4	-	-	-	-
<b>Trade Receivable</b>								
Chirag Gupta			0	-				
Vkboo Entertainment Private Limited	-	-	-	-	13	-	-	-
<b>Corporate Guarantee (Deemed Equity)</b>								
SPI Cinemas Private Limited	214	-	-	-	-	-	-	-
<b>Security Deposits Given</b>								
Priya Exhibitors Private Limited	-	-	-	-	-	-	144	144
Sree Shyam Sayi Corporation Pvt Ltd.							150	-
Satya Narain	-	-	6	6	-	-	-	-
<b>Loan from Directors</b>								
Chirag Gupta	-	-	-	10	-	-	-	-
<b>Investment in Equity Share Capital</b>								
Vkboo Entertainment Private Limited	-	-	-	-	300	300	-	-
PVR Pictures International PTE. Limited (Refer note (e))	-	-	-	-	0	25	-	-

Notes:

- 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.
- The financial figures in above note exclude expenses reimbursed to/by related parties
- 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.
- The financial figures in above note excludes GST/Sales tax/Service tax, as applicable.
- SGD 49,500 share application money credited back on July 26, 2018.

## 49 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 Company 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 Company 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 the year ended March 31, 2019

(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>REVENUE</b>								
Revenue from operations	299,579	222,691	8,977	10,719	-	-	308,556	233,411
Inter segment sales	76	98	1,864	2,120	(1,940)	(2,218)	-	-
Other income	3,188	2,953	238	230	(112)	(48)	3,314	3,134
<b>Total Revenue</b>	<b>302,843</b>	<b>225,742</b>	<b>11,079</b>	<b>13,069</b>	<b>(2,052)</b>	<b>(2,266)</b>	<b>311,870</b>	<b>236,545</b>
<b>SEGMENT RESULTS</b>								
Operating profit	29,160	18,762	743	536	-	207	29,903	19,505
Exceptional items							-	(59)
Income tax							(10,966)	(7,044)
<b>Net Profit before NCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,937</b>	<b>12,402</b>

Other information	March' 31, 2019	March' 31, 2018	March' 31, 2019	March' 31, 2018	March' 31, 2019	March' 31, 2018	March' 31, 2019	March' 31, 2018
Total assets	381,420	226,039	9,476	8,845	-	-	390,896	234,884
Unallocated assets	11,849	6,919	2,298	2,259	-	-	14,147	9,178
<b>Total Allocated Assets</b>	<b>369,571</b>	<b>219,120</b>	<b>7,178</b>	<b>6,586</b>	<b>-</b>	<b>-</b>	<b>376,749</b>	<b>225,706</b>
Total liabilities	238,960	123,291	2,325	3,976	-	-	241,285	127,267
Unallocated liabilities	138,307	83,122	246	168	-	-	138,553	83,290
<b>Total allocated liabilities</b>	<b>100,653</b>	<b>40,169</b>	<b>2,079</b>	<b>3,808</b>	<b>-</b>	<b>-</b>	<b>102,732</b>	<b>43,977</b>
Capital Employed (allocable)	268,918	178,951	5,099	2,778	-	-	274,017	181,729
Capital Employed (unallocable)							(124,406)	(74,112)
Capital expenditure	42,055	31,160	1,564	2,842	-	-	43,619	34,002
Depreciation/amortisation	18,165	14,119	963	1,250	-	-	19,128	15,369
Provision for doubtful debts and advances	1,266	350	7	16	-	-	1,273	366

\* Revenue from operations include Income from sale of movie tickets - ₹ 1,63,543 lakhs (March 31, 2018: ₹ 1,24,708 lakhs), Advertisement income - ₹ 35,352 lakhs (March 31, 2018: ₹ 29,486 lakhs), Convenience fees - ₹ 13,035 lakhs (March 31, 2018: ₹ 5,971 lakhs), Virtual print fees - ₹ 2,918 lakhs (March 31, 2018: ₹ 1,724 lakhs), Movie exhibition portion of Sale of food and beverages - ₹ 84,665 lakhs (March 31, 2018: ₹ 60,765 lakhs) and Management fees - ₹ 66 lakhs (March 31, 2018 - ₹ 38 lakhs).

\*\* Revenue from operations include Income from movie production and distribution - ₹ 6,192 lakhs (March 31, 2018: ₹ 6,216 lakhs), Gaming Income - ₹ 470 lakhs (March 31, 2018: ₹ 1,465 lakhs), Food court Income - ₹ 1,141 lakhs (March 31, 2018: ₹ 1,102 lakhs), Advertisement income - ₹ nil (March 31, 2018: ₹ 207 lakhs), Sale of traded goods - ₹ nil (March 31, 2018: ₹ 67 lakhs) and remaining portion of Sale of food and beverages - ₹ 1,174 lakhs (March 31, 2018: ₹ 1,662 lakhs)

- 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 Company does not have revenue more than 10% of total revenue from a single customer.

- "Other segment" and "Movie exhibition segment" financial figures reported above are not strictly comparable from previous year on account of sale of Investment in "Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) (refer note 52) and acquisition of SPI Cinemas Private Limited (refer note 42) respectively.

## Notes

to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

### 50 Additional Information pursuant to Schedule III of Companies Act 2013 - General Instructions for the preparation of consolidated financial statements" for the year ending 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
<b>PARENT COMPANY:</b>								
PVR Limited	80.85	120,961	94.08	17,275	86.99	(1,130)	94.63	16,147
<b>Indian Subsidiaries:</b>								
SPI Cinemas Private Limited	6.60	9,878	12.53	2,301	9.39	(122)	12.77	2,179
PVR Pictures Limited	2.94	4,403	2.61	480	1.23	(16)	2.72	464
Zea Maize Private Limited	0.21	314	(2.10)	(385)	0.69	(9)	(2.30)	(393)
<b>Foreign Subsidiaries:</b>								
P V R Lanka Limited	0.89	1,337	(0.21)	(39)	1.69	(22)	(0.35)	(60)
PVR Middle East FZ LLC	0	5	(0.02)	(4)	-	-	(0.02)	(4)
<b>Share of Non Controlling interest</b>								
SPI Cinemas Private Limited			(3.55)	(651)	-	-	(3.62)	(617)
Zea Maize Private Limited			0.30	56	-	-	0.34	58
Elimination	(3.08)	(4,614)	(3.02)	(555)	-	-	(3.49)	(595)
Adjustment on account of Business combination (refer note 42)	11.71	17,515	-	-	-	-	-	-
Share of profit/(loss) of Joint ventures	(0.12)	(188)	(0.63)	(115)	-	-	(0.67)	(115)
<b>Total</b>	<b>100</b>	<b>149,611</b>	<b>100</b>	<b>18,363</b>	<b>100</b>	<b>(1,299)</b>	<b>100</b>	<b>17,064</b>

### General Instructions for the preparation of consolidated financial statements" for the year ending March 31, 2018:

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
<b>PARENT COMPANY:</b>								
PVR Limited	98.14	105,618	97.35	12,140	101.26	(999)	97.01	11,140
<b>Indian Subsidiaries:</b>								
PVR Pictures Limited	3.66	3,938	3.27	408	(1.06)	10	3.65	419
Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) <sup>1</sup>	-	-	1.09	136	-	-	1.18	136
Zea Maize Private Limited	0.42	457	(1.68)	(210)	(0.51)	5	(1.79)	(205)
<b>Foreign Subsidiaries:</b>								
P V R Lanka Limited	0.12	128	(0.04)	(5)	0.31	(3)	(0.07)	(8)
<b>Share of Non Controlling interest</b>								
Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited)	-	-	0.25	31	-	-	0.27	31
Zea Maize Private Limited	-	-	0.30	37	-	-	0.32	36
Elimination	(2.28)	(2,451)	0.05	6	-	-	0.06	7
Share of profit/(loss) of Joint ventures	(0.06)	(73)	(0.58)	(73)	-	-	(0.63)	(73)
<b>Total</b>	<b>100</b>	<b>107,617</b>	<b>100</b>	<b>12,470</b>	<b>100</b>	<b>(987)</b>	<b>100</b>	<b>11,483</b>

Notes:

There are no subsidiaries which have not been considered in the Consolidated financial statement.

<sup>1</sup> Share of profit/loss of Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) includes reversal of additional depreciation provision created in financial year 2014-15 in respect of a site whose operations were suspended, on account of sale on Investment in Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) during the year (refer note 52).



## Notes

### to the Consolidated financial statements for the year ended March 31, 2019

(Rupees in lakhs, except for per share data and if otherwise stated)

- 51** During the year ended March 31, 2019 the Company has invested a sum of ₹ 10 lakhs 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.
- 52** During the year ended March 31, 2018, the Group has sold its stake in one of its subsidiary Companies "Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) ("Investment")" to "Smaaash Entertainment Private Limited" for a total consideration of ₹ 8,600 lakhs, the details of which are as follows:

Particulars	March 31, 2018
PVR share for 51% stake out of the total sale consideration of ₹ 8,600 lakhs*	4,386
Cost of Investment	(4,340)
Incidental expenses	(45)
Working Capital adjustment	(60)
<b>Net loss on sale of Investment shown under exceptional item</b>	<b>(59)</b>

\* As on date of sale of investment, Smaaash Leisure Limited (formerly known as PVR BluO Entertainment Limited) had ₹ 1,411 lakhs as cash and cash equivalent.

- 53** During the year ended March 31, 2018, the PVR Pictures Limited sold off Movie on Demand platform - "Vkaao" to Vkaao Entertainment Private Limited vide Business transfer agreement the summary of transaction entered through slump sale are as below:

Particulars	March 31, 2018
Sale consideration	250
Less: Assets transferred as a part of slump sale	(99)
Add: Liabilities transferred as a part of slump sale	25
Less: Reimbursement of expenses (net)	(62)
<b>Profit on Slump Sale</b>	<b>114</b>

- 54** During the year ended March 31, 2019 an additional capital was infused amounting to ₹ 1,269 lakhs (March 31, 2018: ₹ 137 lakhs) in P V R Lanka Limited (Subsidiary of Parent Company) through equity shares and ₹ 250 lakhs (March 31, 2018: ₹ 150 lakhs) in Zea Maize Private Limited (Subsidiary of the Parent Company) through Compulsory convertible preference shares.
- 55** Under the erstwhile state entertainment tax laws, the Parent Company enjoyed exemption on payment of entertainment tax to recoup the capital investments made in cinemas. However, post implementation of GST, the mechanism on how such exemptions/refunds will be made available has not been clarified by the authorities. The Parent Company has submitted written representations to the various state governments directly and through multiplex associations, stating that since the Company has invested significant amounts on assurance that such exemptions will continue post GST, therefore, the authorities should crystallise the mechanism for extending such exemptions/refunds to the Parent Company. As the matter is still pending for conclusion with various state authorities, the Parent Company has not accounted for such incentives amounting to 1,398 lakhs from the period July 1, 2017 to March 31, 2019 in the financial statements.
- 56** 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 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 are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

As per report of even date  
For **B S R & Co. LLP**  
ICAI Firm Registration Number: 101248W / W-100022  
Chartered Accountants

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

**Jiten Chopra**  
Partner  
Membership Number: 092894

**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: Gurugram  
Date: May 10, 2019

Place: Mumbai  
Date: May 10, 2019

Coming Soon...











**Corporate Office:** Block A, 4th Floor, Building No. 9A, DLF Cyber City Phase III,  
Gurugram – 122 002 (Haryana) India

**T:** +91 124 4708100 | **W:** [www.pvrcinemas.com](http://www.pvrcinemas.com)

**Regd. Office:** 61, Basant Lok, Vasant Vihar, New Delhi - 110 057

**Compliance under Regulation 33(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Statement on Impact of Audit Qualifications  
(FORM A (for audit report with unmodified opinion))**





1.	Name of the Company:	PVR Limited.
2.	Annual financial statements for the year ended	31st March, 2019
3.	Type of Audit observation	Un-modified Standalone Financial Statements
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none"><li>• Ajay Bijli (Managing Director) DIN:00531142</li><li>• Nitin Sood (Chief Financial Officer)</li><li>• Jiten Chopra, Partner (Auditor of the company) M No. 092894 B S R &amp; Co. LLP FRN No. : 101248W/W-100022</li><li>• Sanjai Vohra (Audit Committee Chairman) DIN: 00700879</li></ul>	   

**Date : 10.05.2019**

**Place: Mumbai**

**Compliance under Regulation 33(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Statement on Impact of Audit Qualifications  
(FORM A (for audit report with unmodified opinion))**

1.	Name of the Company:	PVR Limited.
2.	Annual financial statements for the year ended	31st March, 2019
3.	Type of Audit observation	Un-modified Consolidated Financial Statements
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none"><li>• Ajay Bijli (Managing Director) DIN:00531142</li><li>• Nitin Sood (Chief Financial Officer)</li><li>• Jiten Chopra, Partner (Auditor of the company) M No. 092894 B S R &amp; Co. LLP FRN No. : 101248W/W-100022</li><li>• Sanjai Vohra (Audit Committee Chairman) DIN: 00700879</li></ul>	   

**Date : 10.05.2019**

**Place: Mumbai**