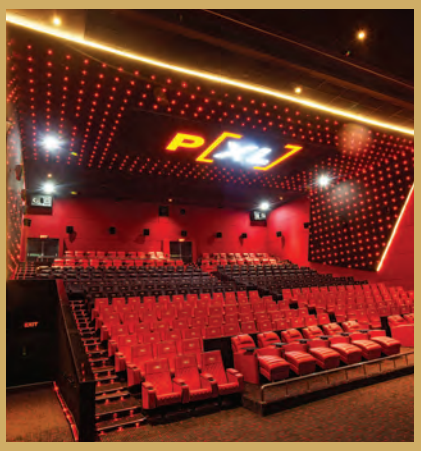
PVR CINEMAS



PVR LIVE
ENTERTAINMENT BEYOND MOVIES





AUDITAIRIUM
CLEAN AIR AT PVR



ONE PROGRAM MANY PRIVILEGES!
PVR Privilege



WOW
WOMEN ON WEDNESDAYS

CREATING MILESTONES THROUGH INNOVATION

ANNUAL REPORT 2017-18

In this report

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FY 2017-18 GROUP HIGHLIGHTS

REVENUE (₹ in crores)
2,365
↑ 8%

EBITDA (₹ in crores)
433
↑ 15%

PAT (₹ in crores)
124
↑ 29%

EPS (₹)
26.68
↑ 30%

NET WORTH (₹ in crores)
1,075
↑ 11%

NO. OF THEATRES
134 PROPERTIES (ACROSS 51 CITIES & 19 STATES AND UTs)
↑ 7%

NO. OF SCREENS
625
↑ 9%

NO. OF SEATS
1,39,509
↑ 6%

↑ Y-O-Y GROWTH

Forward-looking statements

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.



CREATING MILESTONES THROUGH INNOVATION

Cinema has shaped India's culture and PVR has moulded how Indian audiences perceive and enjoy movies. Our 20-year journey is interspersed with dramatic enhancements of viewer experience through innovation and creative use of technology.

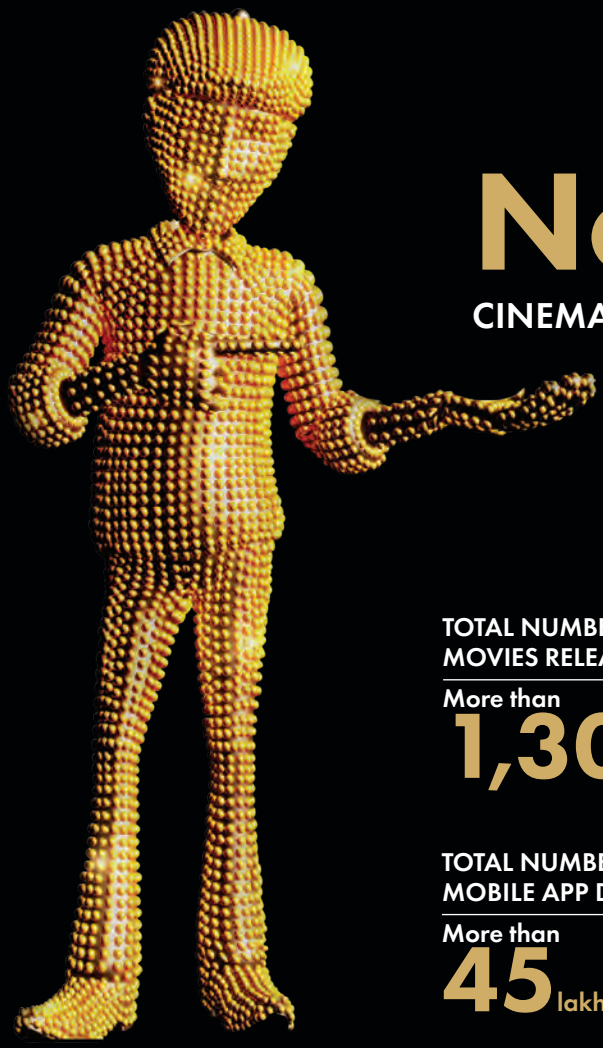
By bringing innovative technologies and truly novel experiences to the discerning masses, we have reimagined and reinvented modern moviegoing. Be it pioneering the multiplex culture in India or curating custom experiences, we have continuously created milestones throughout our exciting journey.

We are committed to making the Indian moviegoing experience progressively better for millions of Indians, with sound business logic and prudent investments.

The world of PVR

PVR Limited (PVR) is the largest cinema chain in India. Started in 1997, PVR has been synonymous with 'movie-experiencing', having introduced multiple cinema formats through the years, across the length and breadth of the country. Supported by the complementing entities of the Group like the Movie Distribution business (PVR Pictures), the Gourmet Popcorn Manufacturing business (Zea Maize) and Movie on Demand business (Vkaao).

Besides a customer-centric approach and a growing business of high-quality cinemas, our Company devotes undivided focus to innovation and delivers the best movie-viewing experience. This makes us not only the biggest player in the industry, but also the most preferred.



No.1
CINEMA CHAIN IN INDIA

NO. OF SCREENS
625

NO. OF SEATS
1,39,509

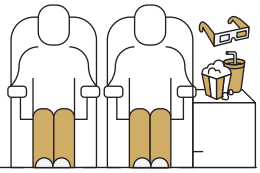
TOTAL NUMBER OF MOVIES RELEASED
More than
1,300

TOTAL NO. OF SHOWS
More than
10 lakhs

TOTAL NO. OF PVR LOYAL CUSTOMERS
More than
12 lakhs

TOTAL NUMBER OF MOBILE APP DOWNLOADS
More than
45 lakhs

F&B MENU CATEGORY
More than
50



WHAT SETS US APART

STRONG LOCATION AND PRODUCT STRATEGY

CUTTING-EDGE TECHNOLOGY

BEST-IN-CLASS CONCESSIONS

LEADER IN ADVERTISEMENT REVENUE

COMFORT AND CONVENIENCE

PREMIUM GUEST EXPERIENCE

HERITAGE OF CREATING UNIQUE EXPERIENCES: PVR IS THE FIRST IN THE INDUSTRY TO

LAUNCH A MULTIPLEX IN INDIA

INTRODUCE THE GOLD CLASS CINEMAS IN INDIA AT PVR BANGALORE

INTRODUCE MOBILE-BASED INFORMATION AND TICKETING SERVICE

TO LAUNCH A MOBILE APP

LAUNCH INTERACTIVE ONLINE MAGAZINE 'MOVIES FIRST'

LAUNCH A KIDS AUDITORIUM CONCEPT

LAUNCH A RANGE OF PACKAGED GOURMET SNACKS CATEGORY

INTRODUCE SUB-BRAND P[XL] PVR'S HOME GROWN BIG MOVIE SCREEN FORMAT

INTRODUCE VKAAO – INDIA'S FIRST MOVIE-ON-DEMAND SERVICE

LAUNCH INDIA'S FIRST FULLY DIGITAL LOYALTY PROGRAMME 'PVR PRIVILEGE'

CROSS 600 SCREENS BENCHMARK

Business model

KEY DRIVERS

- Strong location strategy
- Service across social segments
- Asset-light model

INPUTS

INFRASTRUCTURE

625 Screens
134 Cinemas
13 Formats
1,39,509 Seats

PRESENCE

51 Cities
19 States and UTs

RESOURCES

₹1,691 crores Capex
More than **10,000** Employees

State-of-the-art technology

PARTNERSHIPS

Digital ticketing aggregators
Mall developers
Premium marketing brands
Film producers and distributors

BUSINESS ACTIVITIES AND REVENUE STREAMS



Box office admissions
55% of Total Revenue FY 2017-18



Advertising
13% of Total Revenue FY 2017-18



Food and Beverage (F&B)
27% of Total Revenue FY 2017-18



Others
5% of Total Revenue FY 2017-18

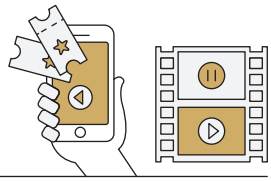
Synergies from PVR Pictures — Distribution arm

Zea Maize — F&B arm with gourmet popcorn offering

Movie on demand — Vkaao

INDIA BOX OFFICE MARKET ENVIRONMENT

- Largest producer of films globally
- Second largest market in terms of footfalls
- Underscreened market with huge potential



Strong brand value

Exceptional experience on-and off-screen in terms of latest technology, seats, sound

Robust CRM ecosystem

VALUE CREATED

FOR SHAREHOLDERS

- Total and per-screen revenue leadership
- Profit leadership
- Per-screen admission leadership
- Rising market capitalisation
- Strong expansion strategy

Read more on page 16

FOR PATRONS

- Over 7.6 crore patrons entertained
- Premium and technology-led guest experience
- Comfort and convenience
- Best-in-class concessions

Read more on page 18

FOR SOCIETY

- India's largest private child health programme impacting 3 lakh kids across 3,000 schools
- Childscape
- CineArt

Read more on page 30

FOR PARTNERS

- Customer acquisitions for digital partners across cities
- Anchor tenant and assured rental revenue for developers
- Main source of revenue for film producers and distributors

FOR EMPLOYEES

- 15% Gender diversity of workforce

Read more on page 28

Domestic box office collections contribute almost 3/4th of the film industry revenue

Revenues for the Indian film industry are expected to reach $3.4 billion by 2020

Visible shift from single screens to multiplexes

Review of operations

Box Office

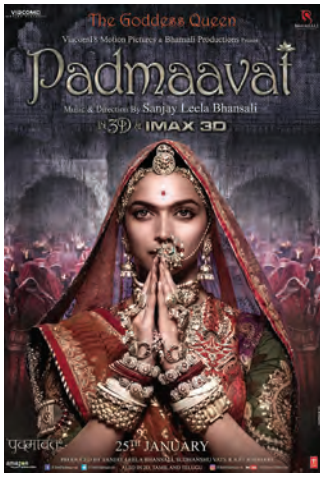
As the largest and one of the most premium film exhibition companies in India, we have reinvented the concept of 'entertainment' for all cinema-lovers, thereby building a stronger brand value.

During the year, we witnessed a significant growth in revenue up on release of *Bahubali 2, Padmaavat, Tiger Zinda Hai, Golmaal Again, Toilet-Ek Prem Kata, Judwaa 2, Sonu Ke Titu Ki Sweety, Raid* and *Padman* etc. These films had triumphed in fetching as many as 7.6 crores admissions. The net Box Office collection was up by 2% for our comparable properties and 11% overall, while revenue from food and beverages saw an increase of 1% in our comparable properties and 8% overall, at Group level.

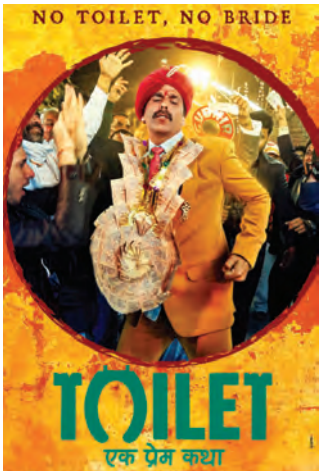
7.6 crores

ADMISSIONS IN FY 2017-18



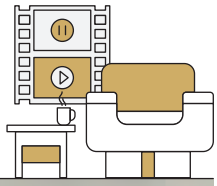












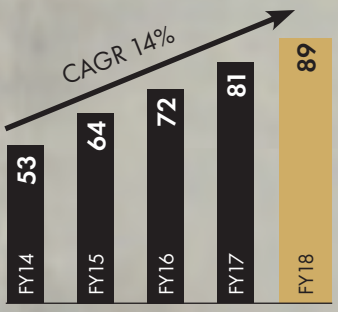
CELEBRITY CHEF SARAH TODD for PVR CINEMAS



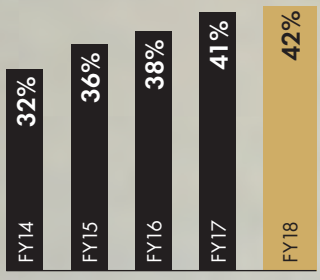
Food & Beverage (F&B)

In the Food & Beverage (F&B) segment, we offer the best-in-class variety of snacks and have introduced health snacks and gourmet cuisine as well. Our customer-conscious offerings have resulted in the highest F&B spend per patron compared to other industry peers. In fact, the contribution from F&B to our total revenue is the highest among all the players in the industry.

F&B SPEND PER PATRON (₹)



F&B SPEND PER HEAD AS PERCENT OF AVERAGE TICKET SIZE (%)







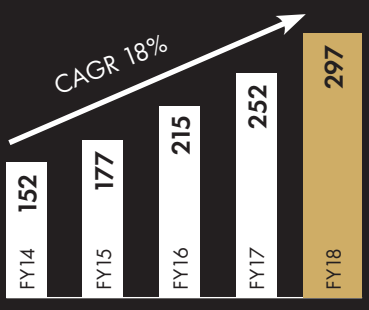



Advertisements

At PVR, we lead the screen advertisement space in India. In fact, our advertisement revenues are a near double of the closest peer. Our premium brand offering helps us garner premium pricing as well, which in turn helps us register better profit margins. Apart from having an exlusive tie-up with PepsiCo, we have partnered with several brands like Vivo, Oppo, OnePlus and others to display their advertisements in our premium screens.

ADVERTISEMENT REVENUE

(₹ in crores)



Key performance indicators

↑ 5 Year CAGR

REVENUE (₹ in crores)

2,365

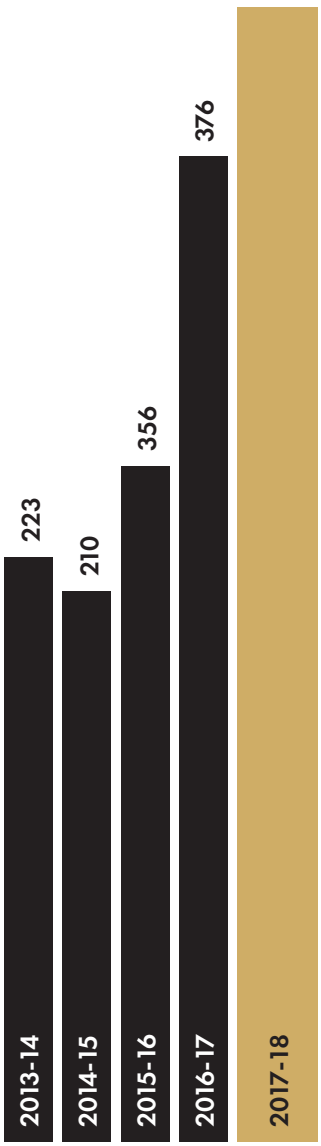
↑ 15%



EBITDA (₹ in crores)

433

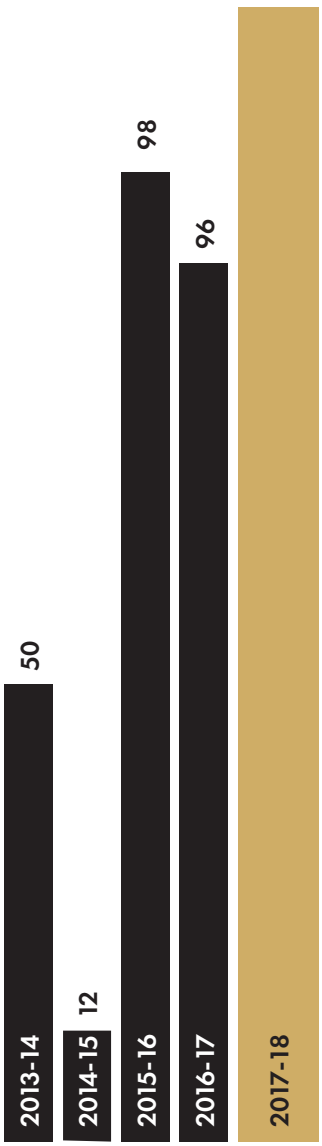
↑ 18%



PAT (₹ in crores)

124

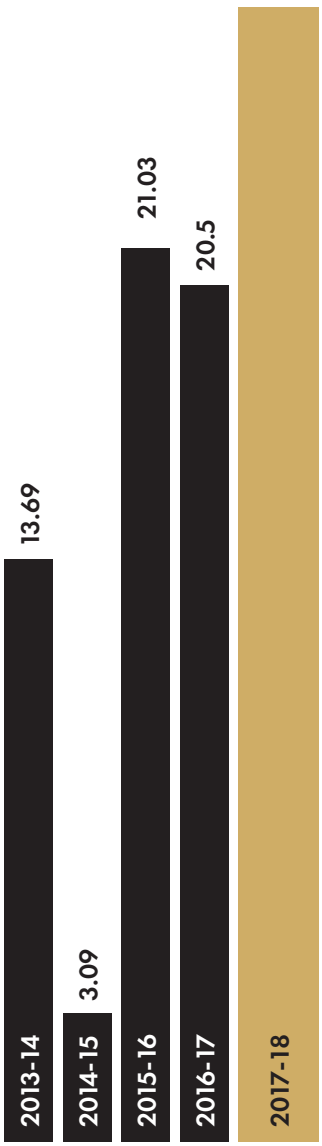
↑ 25%



DILUTED EPS (₹)

26.57

↑ 18%

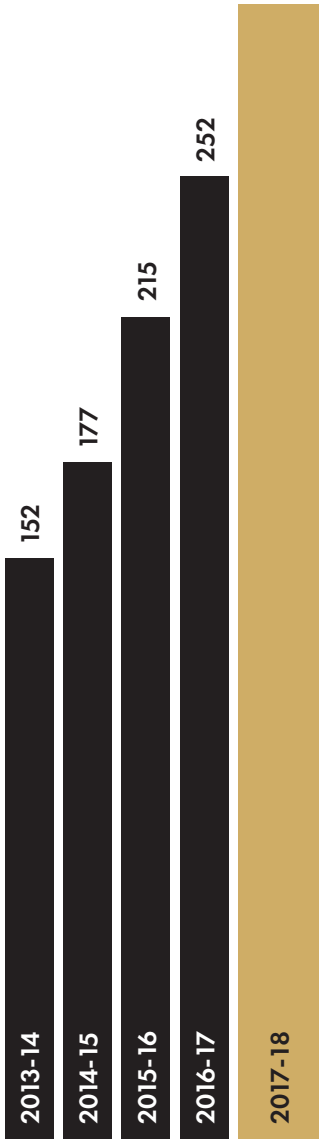


↑ 5 Year CAGR

ADVERTISEMENT REVENUE (₹ in crores)

297

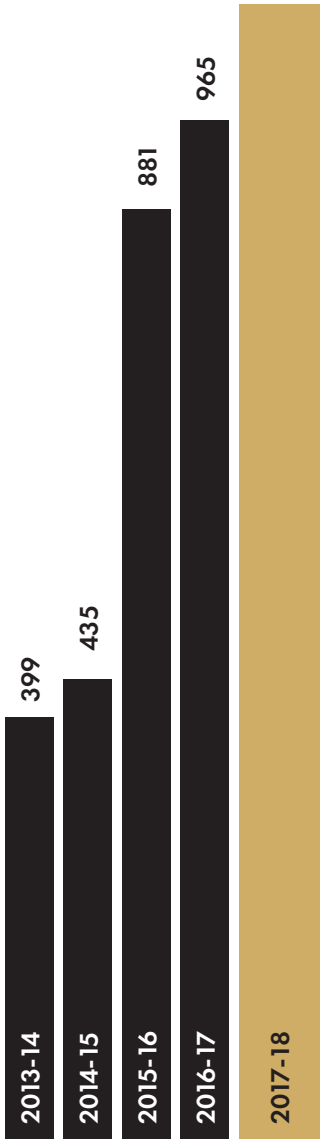
↑ 18%



NET WORTH (₹ in crores)

1,075

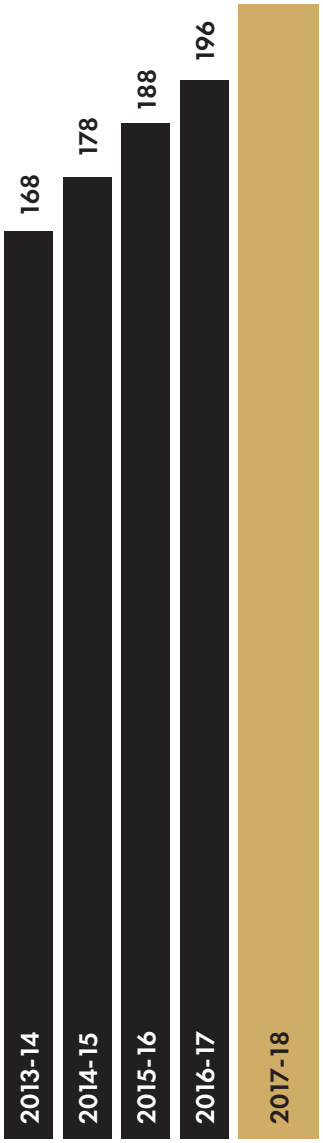
↑ 28%



AVERAGE TICKET PRICE (₹)

210

↑ 6%



SPEND PER HEAD (₹)

89

↑ 14%



Chairman and MD's message



We continued to follow an aggressive expansion plan. PVR Cinemas added 49 screens, expanding the network to 625 screens spread over 134 properties in 51 cities across the country.

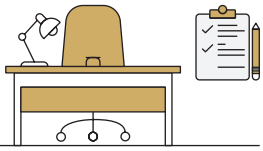
Dear Shareholders,

I write this letter with a sense of pride and joy to be a part of the PVR family. It has been a remarkable year for your Company, and I am not just talking about the strong financial performance, but also the way we organically expanded, built cinemas, innovated, and never lost sight of quality.

The year under review was far from normal for the media and entertainment (M&E) industry. Structural changes like the Goods and Services Tax (GST) have had an impact on us. Gearing up for the GST was a daunting task; however, the teething troubles were surmounted and we ensured that all issues, which may impact our customers and business are dealt with. I do hope that the reform measures rolled out by the government will transform the investment landscape of India and trigger growth.

Despite the economic changes, we continued to make remarkable progress around technology. We launched the PVR Privilege programme, which is India's first fully digital cinema loyalty programme. This strategic move has enhanced the movie-going experience for our valued guests, and we are rapidly gaining new customers, besides making the experience even more rewarding for our existing guests. We are targeting a brisk growth for the PVR Privilege programme over the next two years.

Keeping our legacy of innovations going, PVR Cinemas introduced its first Premium Extra Large P[XL] screen, our homegrown big movie screen format. The P[XL] auditoriums feature extra-large wall-to-wall screen, state-of-the-art Dolby Atmos moving sound technology and Dual 4K projection system with customised 3D glasses to bring alive every little detail of a film. As you know, I firmly believe that innovation is critical for the consumer is always looking for something new. And,



We launched the PVR Privilege programme, which is India's first fully digital cinema loyalty programme.

we have always delivered on that front, whether it's the on-screen experience at PVR Director's Cut, or installing ticketing ATMs, or introducing technical advancements like IMAX or Enhanced Cinema Experience (ECX) at our multiplexes, your Company has set the bar high when it comes to improvements and quality.

Moving on to other exciting achievements this year. Your Company entertained 7.6 crores patrons in its cinemas, up by 1.20% compared to the previous year; revenue has increased by 8% from ₹ 2,182 crores to ₹ 2,365 crores; net box office revenue grew by 11%, food and beverage revenue showed a growth of 8%, and sponsorship income showed a rise of 18% vis-à-vis previous year.

We continued to follow an aggressive expansion plan. The Company added 49 screens, expanding the network to 625 screens spread over 134 properties in 51 cities across the country.

During the year, your Company picked up a minority stake in the US-based iPic-Gold Class Entertainment, a luxury restaurant-and-theatre Company with 121 screens. We are viewing this as an R&D investment and believe that some of the learning from this unique investment opportunity can be replicated in context of the Indian market.

Your Company completed the sale of stake in bluO, PVR's bowling & entertainment JV, in line with our strategy to divest non-core assets.

We deeply value our employees' engagement and their commitment to our culture of innovation and performance accountability. With a great executive team in place and with the help of our awesome colleagues, we are really making strides in achieving our strategic goal of transforming our service offerings and increasing our market share in the sector. Of course, the restlessness never ends.

Our journey will continue to be about growth, expansion and integration. Thank you for being a part of the PVR family. We draw our strength from your support.

Thank you

Ajay Bijli

Chairman and Managing Director

CEO's message



Dear Shareholders,

With India being on the cusp of a volatile consumption-led growth where middle and affluent class are expected to account for 77% of the total population by 2025*, there is a growing movement of cinema transformation in small and big cities alike. At PVR, we strive to provide an enhanced customer experience with a plethora of technologies, comfort measures, food & drink options and innovative service provisions in auditoriums.

The heavily under-screened Indian market poses as a potential growth market and we leverage it in vision and subsequent action to offer state-of-the-art services by introducing industry-leading innovations including premium large-format screens, plush power-recliner seats, enhanced food and beverage choices. At PVR, we are focussed on implementing our vision of expanded footprint across greater geography and more diverse demographics, serving the metros, along with Tier II and Tier III cities with a luxurious and holistic cinematic experience.

In the year under review, we served over **7.6 crores customers** who came through our doors providing them with the choice of movies, formats and an expanded range of retail offerings – all with great customer service.

*Source: BCG The New Indian – The many facets of a changing consumer 2017 report

As market leaders in the country, we continue to innovate and challenge every aspect of cinema experience as we look at an integrated transformation to sustain our leadership position. It has already been a busy decade for the exhibition sector, and the next too promises to carry on in the same manner. Aiming to enhance our reputation for quality and luxury, we continue to focus on the strategies outlined as below:

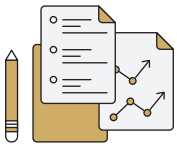
- Enhance geographic presence with focus on southern India in a balanced mix of Tier I, Tier II, Tier III cities, through both organic and inorganic routes
- Be industry leaders by offering customers cutting-edge audio and visual technology – expanding the premium formats such as IMAX, 4DX, P[XL], Gold Class and ensuring we invest in the latest innovative technology to provide an immersive and enhanced consumer experience
- Reinforce thought leadership by continuing to innovate across business segments including Boxoffice, F&B, Cinema Advertising, Distribution, PVR Live 2.0, VKAAO reach by tying up with ticketing platforms like BookMyShow and Paytm
- Deepen customer engagement by leveraging technology, loyalty programmes and customised campaigns

Achievements and highlights

Your Company is celebrating its 20th year of operations. It has been a rewarding journey. We are navigating step-by-step towards the new digital age while smartly leveraging our traditional strengths. We reached the milestone of 600 screens in September 2017; a feat that no other cinema has achieved in India. We ended the year with 625 screens across 134 properties in 51 cities. We plan to expand in both our growth markets in Tier II and III cities, as well as in the more mature markets in metros. Our growth markets hold significant potential, as the culture of going to the cinema becomes more established and attendance increases with the rising standard of living. We announced establishing ground in 50 cities, which enabled us to increase Tier II city presence, an area of the country where we have previously been under-represented.

TECHNOLOGICAL INNOVATION

FY 2017-18 was a prolific year for your Company with regard to technological innovations. Sustaining our industry first ROE, we were the first movers of the international 4DX technology in India. Introducing a unique cinema experience with new physical and sensory interactions with the screen via movable seats that release various kinds of effects like the wind, scent,



As the market leaders in the country, we continue to innovate and challenge every aspect of cinema experience as we look at an integrated transformation to sustain our leadership position.

water spray to enhance the events of the movie and offer a memorable, passionate fiction experience akin to reality. Later in the year, in continued efforts to provide state-of-the-art technology, we renewed our strategic deal for 15 IMAX screens in addition to expanding 21 4DX formats across a selection of our properties. By the end of FY 2017-18, the Company was operating the premium screen category with 36 screens of Gold Class, 7 of IMAX, 7 of 4DX, 4 of PXL and 4 of Playhouse across the country.

CUSTOMER EXPERIENCE

Across our movie theatres, we are focussed on providing an exceptional guest experience by continuously redefining ourselves and offering them something beyond their expectation. We choose to be 'led by the consumer' rather than 'lead the consumer' into imaging the perfect experience.

During FY 2017-18, we introduced a wide range of gourmet delicacies to further complement our premium offering and stepped up to serve the patrons with an instant ticketing solution, Quick Tix, for an added convenience. Furthermore, our loyalty programme 'PVR PRIVILIGE' provides our customers with a range of benefits and is one of the pillars of our strategy for growing revenues and admissions. The programme also bring operational benefits by encouraging repeat visits, often at off-peak times. The loyalty programme was launched in Delhi in 2017 and had performed in line with expectations during the year.

We also focussed attention on our wider communities through our CSR vertical, PVR Nest, which continued its long tradition of community engagement encompassing not only financial and in-kind support for worthy causes but active involvement in a variety of volunteer activities and community partnerships. The foundation undertook a range of activities and initiatives through the year by reaching out to around 2,000 children on a daily basis with an aim to work on the overall development of children at risk.

Building for the future

Looking ahead, we have more to do, and we are certainly progressing in the right direction. We choose to inculcate a restlessness approach to arrive at something better than yesterday. In fact, our propensity to experiment sometimes leads us to offer concepts 'ahead of time'.

We have an excellent estate, which is growing and constantly being upgraded where necessary to ensure the cinemas remain contemporary and of a high quality. We are investing in the latest technology to maintain our position as market leaders in the industry and shall persist to continue to do so with even better results and market shares, as well as continue to be an attractive Company to work for.

We are well positioned and on track to fulfill our ambitious targets and to continue delivering on our strategy in FY 2017-18. We are making continuous improvements to achieve stability, profitability and growth through our expansion and refurbishment plans as the focus, which aids our quest to reimagine the cinema going experience in India.

Finally, I would like to thank our shareholders, our customers, partners and employees for the continuous engagement and trust. Without you, our success today and tomorrow would not be possible.

Thank you

Gautam Dutta

Chief Executive Officer

CFO's message



REVENUE (₹ in crores)

2,365

↑ 8%

EBITDA (₹ in crores)

433

↑ 15%

Your Company delivered strong results in FY 2017-18, despite the challenging year at box office and structural change of GST.

Dear Shareholders,

Financial year 2017-18 was a landmark year for the Indian economy with implementation of Goods & Service tax (GST), considered the biggest tax reform in the country since independence. GST has subsumed variety of central and state levies and made the tax administration much simpler and freed the exhibition industry from the clutches of state-wise regulations under the erstwhile entertainment tax regime. Your Company made a smooth transitioning to GST. Unfortunately, the services provided by your Company have been clubbed at the highest tax slab of 28% for tickets costing above ₹ 100 and 18% for others.

Your Company delivered strong results in FY 2017-18. The overall revenue grew from ₹ 2,182 crores to ₹ 2,365 crores delivering a growth of 8%. Revenue growth was backed by double digit growth in Net Box Office (11%), Food & Beverages (8%) and Advertising (18%) revenues. Our operating margins expanded from 17.2% to 18.3% in the current period delivering a growth of 15% over FY 2016-17. The profit after tax increased by 29% from ₹ 96 crores to ₹ 124 crores. The changing revenue mix towards non-box, led by higher growth in F&B and Advertising, as well as benefits of economies of scale are visible in the financial performance of your Company.

During the period under review, your Company turned free cash flows positive with entire capital expenditure for the financial year being funded through internal accruals. The net debt on the balance sheet as on March 31, 2018 was ₹ 797 crores, which did not change materially from last financial year.

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. We will continue to focus on sustainable capital allocation and maintain discipline to ensure that incremental investment delivers returns above our internal thresholds. Your Company is anticipating a significant increase in the screen roll-out for FY 2018-19 with 90 screens expected to be added in the year. This augurs well for the business and would support a higher growth in the coming financial years.

In line with the strategy of your Company to divest non-core assets, we completed sale of stake in BluO for a total consideration of ₹ 86 crores. Your Company tied up with BookMyShow, to jointly run our theatre-on-demand booking platform Vkaao and provide a richer and more engaging experience to audiences.

We will continue to invest in building capabilities and improving processes internally to manage and deliver sustainable growth for all our stakeholders. I am extremely excited about the significant growth opportunities that lie ahead of us and your Company is positioned strongly to capture a significant portion of this growth opportunity.

Thank you

Nitin Sood

Chief Financial Officer

PVR CINEMAS

CELEBRATING 20 YEARS OF ENTERTAINMENT

Celebrating 20 years and 600+ screens

In 2017, we successfully completed 20 years of PVR. As we celebrate two decades of taking India to the movies, we reminisce on successes that have become milestones for the industry – be it the launch of India's first digital screen or rolling out the largest multiplex in the country or being the only player who has crossed the **600-screen** mark.

After **20 years** of leading the market, we continue to be driven by the delight of our patrons. We stay ahead of the curve through constant reinvention and set benchmarks through innovative formats that have become instant hits.



Performance

CREDIBLE. CONSISTENT. COMPETITIVE.

Over the course of our journey spanning 20 years, we have clocked an exceptional operational and financial performance record. As India's largest cinema chain, to maintain a winning value proposition and deliver consistent year-on-year growth has been no mean feat.



FINANCIALLY STRONG

As FY 2017-18 went by, we registered a revenue of ₹2,365 crores and an EBITDA of ₹433 crores. It not only represents an improvement over last year's performance, but also cements our number one rank in the industry. Further, we recorded an increased per screen performance, with a per screen revenue and EBITDA of ₹3.5 crores and ₹0.7 crores, (approx.) respectively. We have also sustained our leadership position in advertisement, as well as sponsorship revenue, a near double of that of our nearest competitor in both.



REVENUE (₹ in crores)

2,365

EBITDA (₹ in crores)

433

PER SCREEN REVENUE (₹ in crores)

3.5 (approx.)

PER SCREEN EBITDA (₹ in crores)

0.72 (approx.)



OPERATIONALLY SOUND

At 625 screens in 134 theatres spread across 51 cities in the country, we set an industry benchmark, demonstrating peerless admittance and occupancy figures. We maintained a per screen attendance ratio of 121.7, a metric that surpasses even global benchmarks by a mile. We registered a 40% domestic market share in Hollywood and 25% in Bollywood Box Office (BO) collections, another mark of our unmatched market leadership.

SCREENS

625

THEATRES

134

INDIAN CITIES

51

PER SCREEN ATTENDANCE RATIO

More than **1.20** lakhs (approx.)

SHARE OF HOLLYWOOD BO IN INDIA

40% (approx.)

SHARE OF BOLLYWOOD BO IN INDIA

25% (approx.)

STRATEGIC INVESTMENT

During FY 2017-18, we invested in iPic – Gold Class Entertainment, our first-ever stake purchase outside India. In a $4 million deal, we have gained a 2% interest in the American cinema chain. iPic owns and operates 16 theaters with 121 screens across 10 American states. The main objective of this investment is to draw learnings from iPic about luxury cinemas and apply the same to the Indian context. This would thus complement our research and development activities and further cement our top-notch status in the industry.

iPic THEATERS®

GOING GLOBAL

FY 2017-18 also witnessed our foray into international markets, as we finalised our entry in Sri Lanka through the incorporation of an entity. The Company has signed leases with mall developers in Colombo, where work is in progress and cinemas will be operational by the next year. We are also evaluating other South East Asian markets where we foresee a rising opportunity for multiplexes and geographies where the PVR experience will stand out.



Transformation

OFFERING A TRANSFORMATIVE CINEMA-VIEWING EXPERIENCE

Since inception, we have brought to life a contemporary and larger-than-life cinema experience for the Indian audience. In a country where movie-going is the most preferred choice of entertainment, we offer unmatched quality aided by world-class technologies. We have pioneered the multiplex industry in India and continue to transform the way people look at cinematic entertainment.



PVR2.0

PRESERVING THE LEGACY OF TRANSFORMATION

We have enthralled cinegoers for more than two decades now. Over the years, we have introduced and experimented with multiple formats targeted at different kinds of audiences. We have adopted the latest technologies across each of our screens to deliver a differentiated movie-viewing experience that is synonymous with PVR.

While we have played a major role in transforming the Indian film exhibition industry, we are cognisant of the opportunities that are yet to be explored. With a vision to deepen the 'PVR experience' both inside and outside the movie halls, we are positively experimenting with multiple ways to connect better with our patrons. From offering gourmet cuisine to analysing customer data, our journey towards maximum customer delight is just getting started.





DELECTABLE CUISINE FOR THE DISCERNING AUDIENCE

In our efforts to make moviegoing a 360-degree sensory experience, we have introduced a variety of gourmet dishes, including salads, Mediterranean platters, shawarma rolls and sushi in select cinemas.

Across our flagship screens, 'Simply Sushi' has been rolled out, riding on the increasing popularity of the Japanese delicacy among urban patrons. The Tokyo cuisine is designed exclusively for the Director's Cut screen format and is offered as a separate brand in itself.

'Simply Sushi' – an exclusive sushi counter at PVR Director's Cut screens

USING DATA TO DELIGHT

We entertained over 7.6 crore people in FY 2017-18. This, combined with the emerging trend of online ticket booking (through our own app, as well as other partner platforms) supplies us with a repository of large data. We use the information thus gathered, to gain greater consumer insights and offer personalised suggestions and concessions. Consequently this enables us to deliver better serviceability, improve customer retention and enhance customer loyalty.



Technology

BRINGING THE BEST TECHNOLOGIES TO CINEMA SCREENS AND BEYOND

From the very beginning, PVR has been pursuant of contemporary technologies that can be deployed across various screen formats, to bring the best of the movie experiences to our patrons.

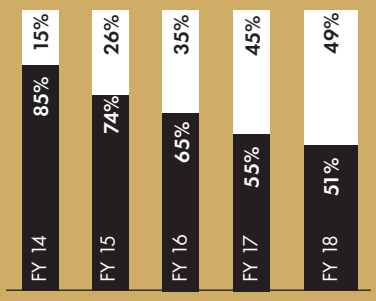
Aligned to our objective of transformation, our technological edge has scaled newer heights. Most notable of our achievements in this regard is our increased digital penetration in tandem with rising customer aspirations.



PARTNERSHIP WITH TECHNOLOGY AGGREGATORS

Using the data sourced from the aggregators, we are further able to understand the preferences of our customers in terms of movies, actors and offers.

OFFLINE & ONLINE SALE OF TICKETS



Online bookings have touched ~50% of our total ticketing sale.













PVR WEB AND APP

By introducing the revamped PVR app, we have taken customer convenience a notch above. The app can be used by our patrons to browse movies and screens; select and reserve seats as required; and even pre-book food and beverages to be served at any designated seat. Another important facet of the app is its capability to source and understand customer preferences through advanced analytics, helping us customise our offerings and delight our customers throughout.

MOVIE CALENDARS

In India, theatrical releases stir great awe and excitement. During the days leading up to the fateful Fridays, movies are at the heart of many a critical conversation. Thus, to inform audiences about the latest releases and the next change coming to our screens, we have devised a 'Movie Calendar' that updates PVR app users on a regular basis. This ensures that the ardent cinephiles do not miss a movie and that we do not miss a customer.

PAPERLESS TICKETING

One of the biggest positive disruptions that technology has facilitated is the replacement of large-scale paper usage. At PVR, our customers now have the option to use their mobile phones to conveniently scan a Quick Response (QR) code for admission into theatres. This enables them to walk in without any extra ticket foil in hand and simply use their personal phones to effortlessly avail our services. Given the volume of the audience that we cater to, it also helps in reducing our total carbon footprint.



Experience

REDEFINING IN-THEATRE EXPERIENCES

Through the years, we have transformed and redefined the way India experiences entertainment on the silver screen. We have changed the general notion of movie-watching to movie-experiencing. From state-of-the-art projection systems and advanced sound engineering, to plush seating and a wide range of Food and Beverage (F&B) options, every PVR screen enraptures audiences in a world of fantastic movie-experiencing.



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.

We have several initiatives that complement our mission of redefining entertainment and its modes of consumption. From ensuring clean air within the auditoria to offering experiences that are targeted at multiple audience classes, we are catering to every patron in our own unique way.

1. **AUDITAIRIUM:** In some of our select Delhi and Mumbai screens, we have rolled out the concept of 'AUDITAIRIUM', where air quality is constantly monitored and the auditorium atmosphere is continuously filtered to maintain desired levels of air quality. Using electronic air cleaner technology, the auditorium is also kept allergen-free. This helps our patrons enjoy a fresh breath of entertainment!
2. **Event hosting:** With our state-of-the-art infrastructure comprising large screens, advanced projection and sound systems, private lounges and five-star amenities including customised food and beverages, we offer the opportunity to turn any event into a real blockbuster – be it birthday or anniversary parties, workshops, seminars or excursions. The customised services include party décor, on screen messages, movies on demand and a personal service manager.
3. **Seniors Day:** Every Monday, we host a special screening for our elderly audience at our select screens. We take utmost care to offer the most suitable offerings for them, right from assisting in ticket purchase to reserving aisle seats and servicing them.
4. **Women on Wednesdays (WOW):** Our WOW initiative caters exclusively to our female patrons, every Wednesday afternoon. Apart from customised service, we offer a delectable, low calorie menu and free coffee and cookie for them.



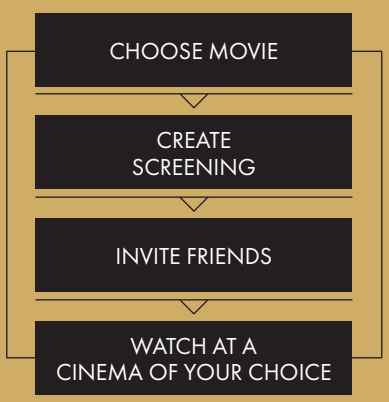
VKAAO!

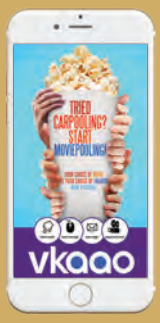
Inspired by the idea of pooling and shared contribution, we at PVR introduced VKAAO – India's first theatre-on-demand service – in 2017. Essentially an online platform, Vkaao uses a crowdsourcing model to enable patrons to watch any movie of their choice from our wide collection at a theatre of their choice.

VKAAO gives our patrons access to over 500 movies (including 50+ Oscar nominated movies) and even offers recommendations basis an engine built in line with industry best practices. It also provides a bulk booking option for special occasions.

For us, this results in an additional channel of revenue, improved screen occupancy and a better customer connect.

The VKAAO model





PATRONS HAVE ACCESS TO

500+ MOVIES



PVR MOVIE FORMATS



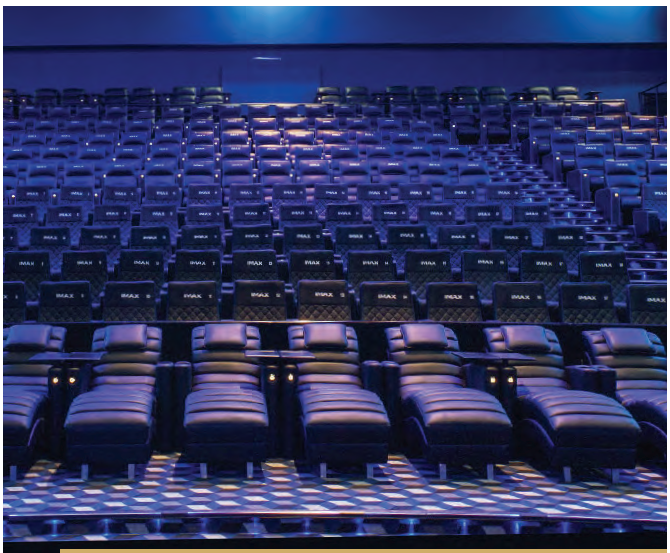
PVR Director's Cut

The crown jewel format from the house of PVR, Director's Cut is an exceptional mix of full-length movies and extraordinary cuisine. It blends the best in high-end hospitality and entertainment, an immersive 7-star experience. Features like limousine pick-up, concierge services, pre- and post-movie dining options, and gourmet food are bundled into the Director's Cut luxury format. In terms of indulgent movie-experiencing, it has carved a league of its own.



PVR GOLD CLASS

PVR Gold Class is one of the most premium experiences offered to our patrons. This format too combines the finest in-theatre comfort and convenience, with a delectable F&B basket, making it a truly exclusive experience.



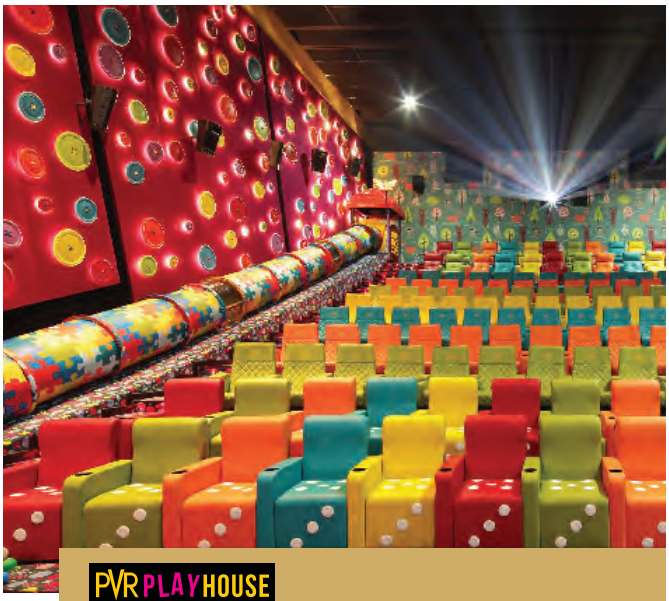
PVR IMAX

Across several Tier-1 cities, we host our guests with the globally-renowned IMAX technology. IMAX takes the viewers on a fantasy ride, in an all-encompassing immersive movie experience. And we bring this IMAX world of high technology – proprietary software, architecture and equipment – to the Indian audience.



PVR 4DX

A multi-sensory cinema experience, PVR 4DX takes cinematic entertainment to a new level. Widely acknowledged as the biggest innovation in cinematic technology to date, 4DX simulates movie elements in perfect synchronisation to the plot on screen, thus delivering an exhilarating experience for every viewer.



PVR PLAYHOUSE

PVR Play House is a dream world created for kids between the ages of 3 and 12. Play House offers a special 49-seater movie auditorium that showcases children's movies, including animated content. Play House's colourful wall art is a treat for the young eyes. A mix of premier seating (for accompanying adults) and bean bag couches sets this auditorium apart from regular cinemas.



PVR P[XL]

An extra-large, luxurious screen format intended for an audience segment that desires a great and exclusive experience, PVR P[XL] has transformed large screen entertainment. Further, with a wide variety of freshly prepared F&B menu and on-seat service, it provides in-theatre indulgence beyond compare.

OTHER FORMATS

PVR SUPERPLEX

A complete out-of-home entertainment destination catering to urban audiences with exquisite movie experiences

PVR HERITAGE

A format that exclusively captures the old-world charm of period cinema

PVR PREMIERE

A combination of luxury and comfort for all patrons

PVR CINEMAS

Our mainstream screen format that sets the benchmark for cine-going experiences in India

PVR ECX

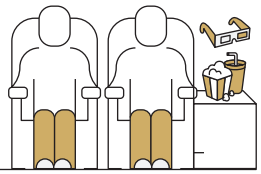
A technology-rich PVR offering for an enhanced cinema experience

PVR TALKIES

A best-in-class branded movie-viewing experience for the cinephiles in smaller towns and cities

PVR ICON

ICONIC Cinemas that are all about 'Opulence'



New landmarks of the city

During the year, we unveiled nine new cinemas, taking our total cinema count to 134 and screen count to 625, in 51cities spread across the country. This was a proud moment for us as it sets a new benchmark and reinforces our position as India's largest multiplex player.

The following are the new additions to our multiplex portfolio:

1. **Five-screen multiplex at Grand Galada Centre Mall, Chennai**
   The multiplex is equipped with 2K projection, 7.1 Digital Dolby surround sound system and Dolby ATMOS, along with next generation 3D-enabled screens.

2. **Three-screen multiplex at Cine Mall, Kota, Rajasthan**
   The launch of this multiplex marks the debut of PVR in Kota. The Cine Mall multiplex offers unrivalled experience and is slated to redefine the movie-going experience in the city. It is spread across 30,000 sq. ft. and has a seating capacity of 828. It is Kota's first cinema with recliners and next-generation 3D technology and Digital Dolby surround system.

3. **PVR ICON at Pavillion Mall and PVR Cinemas at Kumar Pacific Mall, Pune**
   Two multiplexes, the six-screen PVR ICON and the four-screen PVR Cinemas, were launched on the same day in Pune, hiking the total count of PVR screens to 35 in the city. This is a first-of-a-kind attempt by any cinema exhibition Company in India in terms of scale. Both these multiplexes are equipped with 4K projection and next-generation 3D technology. These cinemas were inaugurated by actors Siddharth Malhotra and Arjun Rampal.

4. **Three-screen PVR ECX at Chanakya Mall, Chanakyapuri, New Delhi**
   We revamped the iconic Chanakya cinema as PVR's first ECX multiplex in New Delhi, with state-of-the-art technology and contemporary design. The multiplex is equipped with 4K projection system, next generation 3D-enabled screens with Ultra HD picture quality and Dolby ATMOS surround-sound system in all auditoriums. Through the launch of this cinema we reached the mark of 600 screens. The cinema also offers automated F&B kiosk Quick Bites, for the first time ever, wherein patrons can either pick up their order from the counter or get it served on their seat.

5. **Three-screen multiplex at VVIP Style Mall, Ghaziabad**
   The three-screen multiplex at Ghaziabad features all state-of-the-art features such as 3D-enabled screens and a Dolby Digital surround system. It is aimed at delivering an exceptional movie experience to the patrons. The multiplex also features our NextGen cinema design concept. With the addition of this property, we have a total of 111 screens across 28 properties in the National Capital Region.

6. **Twelve-screen PVR Superplex at Vega City, Bengaluru**
   Bengaluru saw the launch of our second Superplex, which brings under one roof multiple cherry-picked, world-class cinema formats. PVR Superplex has the capacity to cater to 1,670 patrons and covers an area of 70,574 sq. ft. The Superplex houses three Gold Class screens, one IMAX, one 4DX format and Bengaluru's first Playhouse screen, apart from others.

7. **PVR ICON at Hitech City, Next Galleria, Hyderabad**
   With this five-screen multiplex, Hyderabad gets its first PVR ICON. The multiplex is richly designed in art deco style and is equipped to engage patrons using a 4K projection system, Dolby Digital ATMOS surround system and next-generation 3D capabilities. With the addition of this multiplex, we have deepened our presence in South India.

8. **Eight-screen multiplex at Next Galleria, Panjagutta, Hyderabad**
   Representing our sixth location in Hyderabad, this eight-screen multiplex is spread across 37,800 sq. ft., with the capacity to seat 1,278 patrons. It comes with state-of-the-art technology, plush design and an array of gourmet delicacies for the discerning audience. This multiplex also houses the state's first PVR Playhouse – a unique offering for our young patrons.

Launch of PVR PRIVILEGE loyalty programme

As we marked our 20th year in business, we introduced 'PVR Privilege' – a class leading, loyalty programme for our ever-growing patron base.



The 'PVR Privilege' programme is India's first fully digital cinema loyalty programme. It offers consumers umpteen privileges and benefits including reward points on each purchase of tickets or food and beverages (F&B); bonus points during special occasions; personalised offers and services and an automated conversion of reward points into vouchers that can be used to pay for tickets and F&B.

The 'PVR Privilege' programme promises to make the movie-going experience hugely rewarding for customers. By earning points and auto-generated vouchers, from first-time visit to subsequent transactions, PVR customers are in for a treat with this loyalty programme.

The PVR Privilege programme aims to further delight our patrons with unique and customised offerings, taking customer delight to a whole new level. This is expected to visibly bolster customer addition, with ~10 million patrons, retention and loyalty metrics in the near-term. Combining our data analytics capabilities with the loyalty programme, we will use our customer database more effectively to better serve our patrons.

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 1ST VISIT ONWARDS

MORE VISITS RESULTING IN MORE REWARDS

USE OF ANALYTICS TO GIVE CUSTOMISED OFFERS TO PATRONS

Human capital

With the ever-changing workforce demographics, we firmly believe in providing professional learning and creating development opportunities for all.

- Most of the management team and other managerial employees are associated with the PVR Group for more than 10 years;
- Employment to more than 10,000 people;
- 15% female employees and the proportion is increasing YoY;
- Awarded 'Dream Companies to work with' by Times Ascent;
- 20% of the employees are multiskilled;
- 50% of the recruits during the year is fresh talent;
- Established a digitised learning platform called 'PVR Springboard' to disseminate a detailed understanding of the management internally;
- Best social security measures taken for employees like Group Medical, Term Insurance, Provident fund, ESI, Group Personal Accidental etc;
- Various health camps and employee engagement activities taken during the year;
- To foster a positive workplace environment, free from harassment of any nature, we have institutionalised the formal sexual harassment policy, through which we address complaints of sexual harassment at the workplace.



10,000+

EMPLOYEES AS AT MARCH 31, 2018

~50%

OF NEW RECRUITS IN FY 2017-18 REPRESENT FRESH TALENT

EMPLOYEE ENGAGEMENT AT PVR













Transforming lives through CSR

We are intertwined with the society and constantly endeavour to render assistance for the development and progress of the social order we are a part of. Bearing our social responsibility through our CSR arm – PVR NEST – we have adopted an integrated outreach strategy focussing on social change and empowerment of disadvantaged societies through public health, sanitation and education programmes.

Since the past 12 years, we have engaged regularly with communities through financial aid and volunteering initiatives and have partnered with Central and State Governments, embassies, national and international voluntary organisations and societies and other trusts to fulfil our corporate social responsibility.



EDUCATION





Childscapes

A sharp focus on enabling 360-degree development of at-risk children through interventions in education, nutrition, healthcare and rehabilitation, Childscapes is PVR NEST's flagship programme. Operating out of 12 Childscapes centres established across NCR, PVR NEST reaches out to around 2,000 children every day.

Childscapes regularly engages with governmental and non-governmental organisations, civil society associations and many other foundations to conduct workshops and facilitate awareness programmes. Some of them include: National Commission for Protection of Child Rights (NCPCR), Delhi Commission for Protection of Child Rights (DCPCR), Department of Women and Child Development (DWCD), HAQ, Jamghat, Dusty Foot Foundation, Pratham, Indus Action, Art for Play Foundation, Society for Promotion of Youth and Masses (SPYM), Jodo Gyan, Tarkeybein, Salaam Baalak Trust and others.

Right to Education

Partnering with Indus Action, PVR NEST is working towards protecting a basic right of children – the right to education. Structured around promoting the facets in RTE Article 12(1)(c), the body enables the most vulnerable children get access to education. At present, 159 children have been admitted to the private schools of Delhi with the help of 75 Childscapes community mothers. The project is being implemented pan India in the states of Chhattisgarh, Tamil Nadu, Uttarakhand, Madhya Pradesh, Karnataka and Delhi.

Scholarship for Excellence in Academics

PVR Nest has a Scholarship for Excellence and Academics (SEA) programme, an educational initiative that provides full scholarships to students who hail from infrastructurally disadvantaged areas. At present, 14 students are under the scholarship initiative, admitted to the best institutes.

CineArt

A film-based educational programme, CineArt ensures leadership development through behavioural change. Individuals and organisations from different sections of society unite and collaborate, under the aegis of PVR Nest, to nurture bright young minds into tomorrow's leaders.

She's Ambassador programme

In continuance with its efforts of making a socially positive change, PVR NEST has completed the 'She's Ambassador programme' in association with Mumbai Obstetrics and Gynaecological Society (MOGS). Designed to develop leadership skills and increase health awareness among girls, this educational programme has reached out to 50,000 girl children across 50 BMC schools, generating a brigade of 200 health ambassadors who made five short films on different themes that were showcased to our 8 crores PVR customers. Several guests of honour graced the grand finale of the programme.

EXTENDED NEST INITIATIVES

PINK Toilets

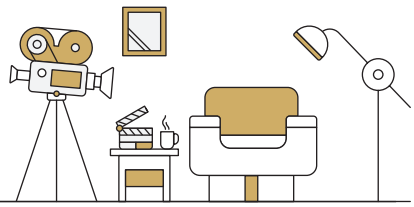
Government organisations including National Commission for Protection of Child Rights (NCPCR), South Delhi Municipal Corporation (SDMC), Delhi Commission for Protection of Child Rights (DCPCR) and Department of Women & Child Development (DWCD) have come together to invest time and resources in building smart facilities called 'Pink Toilets' around PVR Complexes, where PVR NEST acts as the maintenance partner. The partnership involves maintaining three 'Pink toilet' compounds around PVR complexes at Vikaspuri, Anupam Complex and Vasant Vihar.

Setting up Computer Lab

To support children in attaining common core content standards and new-age skills, PVR Nest set up a computer lab consisting of 15 computers along with a wall-mounted smart board at one of our community schools – Little Ones Public School (LOPS). LOPS is a recognised school, where students from economically weaker sections receive formal education till eighth grade. Through this initiative, PVR NEST will be able to impact 250 students and 12 teachers, empowering them and also enhancing their literacy skills using technology.







Joy of Reading Campaign and Book Donation Drive

PVR NEST in association with Katha, DLF and PVR Cinemas in Delhi-NCR, held a book donation drive wherein it encouraged people and moviegoers to donate books. The books were used to set up community libraries in five Childscapes centres.

Celebrating International Women's Day with PeeBuddy

Under our health and sanitation initiative, PVR NEST celebrated Women's Day with PeeBuddy wherein the founder, Mr. Deep Bajaj, held an interactive session with our corporate employees. The topic revolved around the unique situations women face while travelling outdoor (work/leisure) and the solutions PeeBuddy has to offer.

Green City Initiative

Through this initiative, we adapt and adopt environment-friendly solutions around PVR Cinemas. The Delhi Government has partnered with PVR to collectively maintain the Africa Avenue under the outer-ring road flyover, a first instance in which a state govenment has partnered with a corporate to aid in a social initiative. This helps us contribute to the nation-wide Swachh Bharat Abhiyan and to materialise the dream of a clean India, as envisaged by our honourable Prime Minister.

FY 2017-18 IMPACT STORY IN NUMBERS

BENEFICIARIES AT CHILDSCAPES

2,000

SCHOOL-GOING CHILDREN

1,219

HEALTH AMBASSADORS IN MUMBAI

200

CATARACT SURGERIES FOR CHILDREN IN BIHAR

100

PROGRAMME PARTNERS WITH EXPERTISE

50+

CHILDREN IN REHABILITATION AND SHELTER SUPPORT

30

SCHOLARSHIPS UNDER SEA INITIATIVE

14

COMMUNITY TOILETS MAINTENANCE

3

GREEN BELT (PARK) MAINTENANCE UNDER FLYOVER

1

75 MOTHERS AND 20 YOUTH CHAMPIONS IN COMMUNITIES

12 CENTRES AND 16 PASSIONATE MENTORS

Awards and Recognitions

2017
CineAsia's Asian Exhibitor of the Year

PVR was presented Asia's Best Employer Brand Awards 2017

2016
CNBC Asia'sIndia Innovator of the Year

Fortune India's Next 500

Big Cine Expo's Top Multiplex Chain of the Year

IMAGES Most Admired Retailer of the Year

2015
India's Most Trusted Cinema-Display Brand-The Brand Trust Report

Businessworld Best Cinema Chain: National

2014
IMAGES Most Admired Retailer of the Year: Entertainment (5 years in a row)

2013
EY Entrepreneur of the Year Award for Business Transformation

World Economic Forum's Fastest Growing Global Growth Company

2012
CNBC's Emerging India Award: Media and Entertainment

2005
Delhi Ratna Award -PHD Chambers of Commerce and Industry

Indian Retail Forum's Entrepreneur of the Year

2004
Teacher's Achievement Award

FICCI Frames' Newsmaker of the Year

Other Recognitions

- We successfully retained our recognition as 'India's Top Multiplex Chain of the Year' at Big Cine Expo awards in 2017.
- PVR Ranked 28th in 'Dream Companies to Work for' organised by TIMES ascent

Our CSR initiatives won

- CSR Journal Excellence Award for Childscapes Programme under Women Empowerment and Child Welfare category
- India CSR Leadership Summit & Awards for Road Safety Education 2017
- Apex India CSR Award for Childscapes Programme



Board of Directors

Ajay Bijli
Promoter and Founder,
Chairman and Managing Director, PVR Limited

- Established PVR in 1995
- Over 23 years of experience in the movie exhibition industry
- Recognised as the pioneer of the multiplex industry in India
- Awarded the 'Exhibitor of the Year' at CineAsia

Sanjeev Kumar
Promoter and Co-Founder,
Joint Managing Director, PVR Limited

- Over 23 years of experience in the cinema exhibition industry
- Manages the film acquisition and distribution business and programming activities of PVR
- Also involved in the development and growth strategy of PVR

Renuka Ramnath
Director

- Was Managing Director and CEO of ICICI Ventures
- Over 26 years of experience in the Indian financial sector
- Currently, MD & CEO of Multiples Alternate Asset Management, a private equity firm

Amit Burman
Director

- Vice Chairman of Dabur India Ltd.
- Over 23 years of experience in the FMCG industry

Sanjai Vohra
Director

- Former MD of JP Morgan Chase – Global Special Operations Group, Asia
- Over 31 years of experience in the banking industry, private finance and risk management

Vikram Bakshi
Director

- Managing Director of Connaught Plaza Restaurants Pvt. Ltd. – a JV with McDonald's
- Successfully established McDonald's as the industry leader in the food service sector in North India

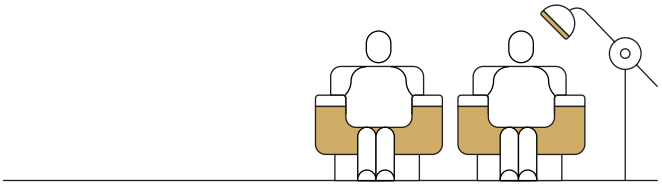
Sanjay Khanna
Director

- Over 31 years of experience in the textile business
- Has been a Director since 2008

Vishal Mahadevia
Director

- Managing Director and Co-Head in Warburg Pincus India Private Limited
- Rich experience in Portfolio Management & Economics

Management team



Gautam Dutta
Chief Executive Officer, PVR Limited

- More than 30 years of experience
- As the CEO of the business, he is responsible for the entire P&L of the business and service delivery

Kamal Gianchandani
Chief Executive Officer, PVR Pictures | Chief Business Planning & Strategy, PVR Limited

- More than 20 years of experience
- Leads entire movie distribution business and have diverse experience in film financing, distribution, licensing, cinema exhibition and general management. Drives strategy and business planning

Nitin Sood
Group Chief Financial Officer, PVR Limited

- More than 20 years of experience
- Oversees finance, fund raising, internal control and reporting, legal & compliance and M&A for the Company

Rahul Singh
Chief Operating Officer, PVR Limited

- More than 20 years of experience
- Assists the CEO in managing cinema operations including entire F&B portfolio.

Pankaj Dhawan
Company Secretary cum Compliance Officer, PVR Limited

- More than 25 years of experience
- Chief Compliance Officer for the Company

Sunil Kumar
Chief Human Resource Officer, PVR Limited

- More than 20 years of experience
- Heads HR function, focussed towards managing end-to-end employee life cycle with focus on strategic HR policies and processes and HR compliance

Rajat Tyagi
Chief Information Officer, PVR Limited

- More than 20 years of experience
- Steering the new initiative in digital IT space, to enhance customer experience in movie exhibition

Corporate information

Ajay Bijli
Promoter and Founder,
Chairman and Managing Director, PVR Limited

Sanjeev Kumar
Promoter and Co-Founder,
Joint Managing Director, PVR Limited

Renuka Ramnath
Director

Amit Burman
Director

Sanjai Vohra
Director

Vikram Bakshi
Director

Sanjay Khanna
Director

Vishal Mahadevia
Director

COMPANY SECRETARY
Pankaj Dhawan

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
Yes 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, 4th Floor, Building No. 9,
DLF Cyber City, Phase – III,
Gurugram – 122 002,
Haryana, India

Management Discussion and Analysis

Macroeconomy

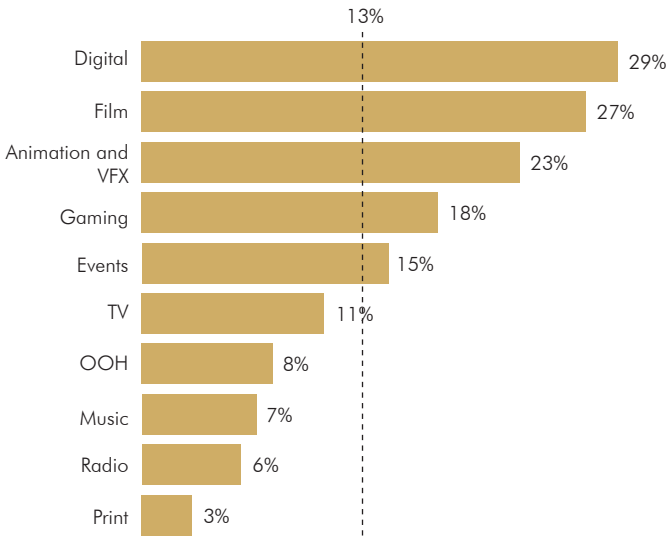
India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in FY 2017-18 and is expected to grow 7.3 per cent in FY 2018-19. It was a landmark year for the economy, given the implementation of several broad structural reforms such as the Goods and Services Tax (GST), recapitalisation of banks and the Insolvency and Bankruptcy Code.

India's GDP Per Capita reached USD1,977.29 in March 2018, compared with USD1,751.85 in March 2017. Annual per capita income is expected to grow at 10% CAGR in the next 5 years. Increased discretionary spend is driven by increasing disposable income. With 50% of population in the working age group (20-60 years of age) and a low median age of 27 years, consumption in India is expected to grow rapidly. Further, consumption expenditure will be driven by increase in disposable income, urbanisation, nuclearisation and other enablers.

Media and Entertainment Industry

The Indian M&E industry reached ₹ 1.5 trillion in the calendar year 2017, an improvement of ~13% over 2016; and it is expected to cross ₹ 2 trillion by 2020, at a CAGR of 11.6%. It contributes to 2.8% of the GDP and generates employment for nearly 1.2 million people. Varied content preferences, low price points and differentiated regional sub-markets across the country set the domestic M&E sector apart from the rest of the world.

SEGMENT GROWTH IN 2017 OVER 2016



[Source: Re-imagining India's M&E sector, FICCI-EY report 2018]

Film industry

The Indian film segment grew 27% in 2017 on the back of box office growth – both domestic and international – coupled with increased revenues from sale of satellite and digital rights. It is expected to grow at CAGR of 12% as shown in below table. 9 Hindi films crossed ₹ 1 bn mark in domestic box office collection in 2017 as against 6 in 2016.

Film industry growth

Revenues	2016	2017	2018E	2020E
Domestic theatricals	85.6	96.3	103.0	118.0
Overseas theatricals	8.5	25.0	25.0	28.0
Broadcast rights	16.0	19.0	20.0	22.0
Digital / OTT rights	6.0	8.5	10.0	14.5
In-cinema advertising	5.9	6.4	7.5	9.0
Home vedio	0.4	0.3	0.2	0.2
Total	**122.4**	**155.5**	**165.7**	**191.7**

[Source: Re-imagining India's M&E sector, FICCI-EY report 2018]

India is the 5th largest box office market in the world, set to overtake the UK market. It makes about 1,800 movies in a year – Bollywood and Regional.

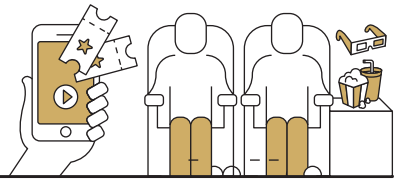
Country	BO revenue (US$ in billion) in 2017
USA/Canada	11.1
China	7.9
Japan	2.0
United Kingdom	1.6
India	1.6

[Source: Re-imagining India's M&E sector, FICCI-EY report 2018]

While Hindi language film account for 17% of the Indian film releases, they contribute to ~40% of the net annual domestic BO collections. Films made in other regional languages comprise ~75% of the segment and they contribute to ~50% of the net annual domestic theatrical collections. South India is the largest regional market, led by releases in Tamil, Telegu, Kannada and Malayalam. Foreign-made films, including the increasingly popular locally-dubbed versions, account for the remainder of the net annual domestic BO collections.

Exhibition infrastructure

India has one of the highest footfalls, with regard to cinema screens, in the world. While contemporary multiplexes are growing, the number of single screens has substantially reduced. At the same time, multiplexes contribute to ~50% of total sales in 2017 with single screens accounting for the rest. Half of the screens of India, are in South India where the penetration of multiplexes is lower.



Growth in multiplexes

No. of screens	2009	2013	2015	2017
Single screens	9,710	8,451	7,400	6,780
Multiplexes	925	1,500	2,100	2,750
Total	**10,635**	**9,951**	**9,500**	**9,530**

[Source: Re-imagining India's M&E sector, FICCI-EY report 2018]

Although India's film industry (comprising 29 fully independent regional film industries) produces the largest number of releases annually, it still represents one of the most under-penetrated markets. This is due to untapped potential in Tier-II, Tier-III and Tier-IV markets.

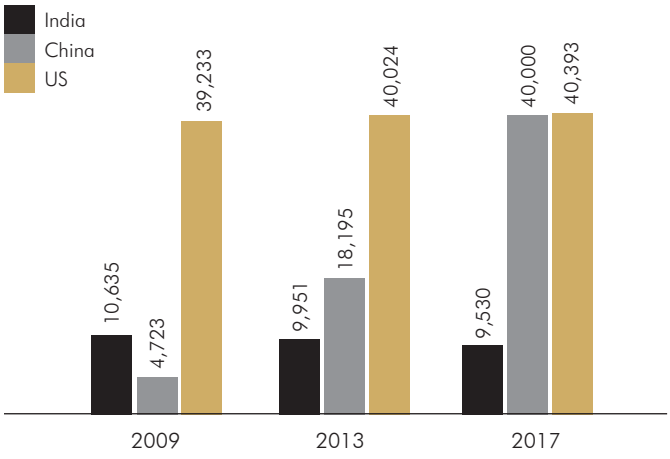
Average screen presence across major countries

Country	Screens per million population in 2017
India	8
Brazil	10
China	26
South Korea	40
United Kingdom	60
USA	125

[Source: Re-imagining India's M&E sector, FICCI-EY report 2018]

The screen count in India reducing over the years as against the increasing screen count across other markets. China has increased its screen count by almost 20 fold since 2007.

Screen-count in China, USA & India



[Source: Re-imagining India's M&E sector, FICCI-EY report 2018]

Consolidation:

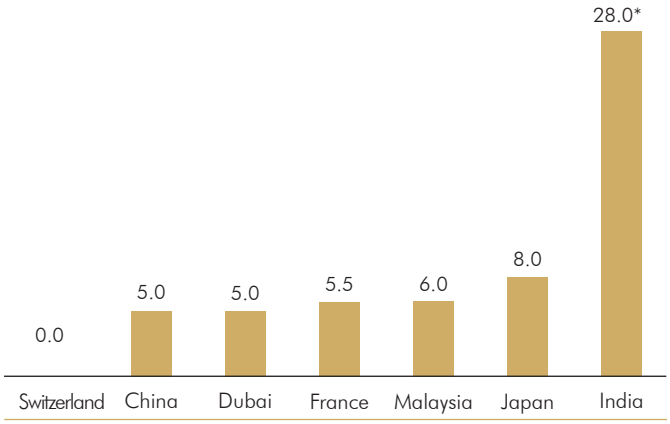
The exhibition space is highly fragmented and existing industry players strive for market dominance through mergers, acquisitions and consolidation. From a highly fragmented multiplex market 5-6 years ago, large multiplex players have led a series of acquisitions to fulfil gaps in their regional portfolio and consolidates screen presence in high spending urban markets. The next wave of growth is expected to come by means of organic expansion in non-urban areas and widened service offering in the form of experiential film-watching.

GST

Exhibition traditionally has had an average state Entertainment Tax rate of 22-23%. With the implementation of GST, exhibition falls under the highest tax bracket of 28%, which is even higher as compared with other Countries like China, Japan and France. There are just 35 items left in the highest tax bracket which unfortunately still includes movie tickets.

Tax rates for major countries for cinema exhibition

(%)



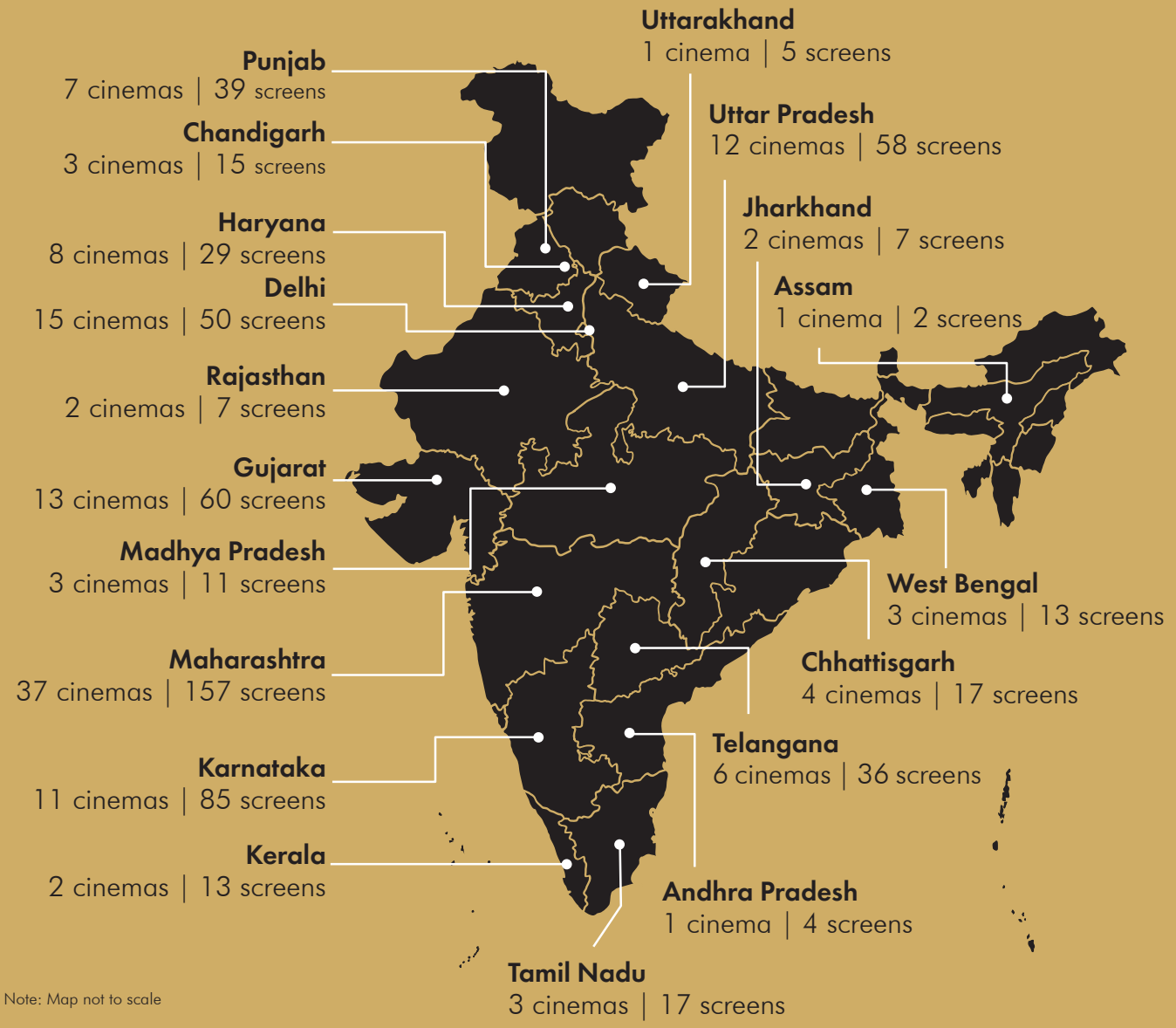
* for tickets above ₹100

[Source: Re-imagining India's M&E sector, FICCI-EY report 2018]

PVR Business overview:

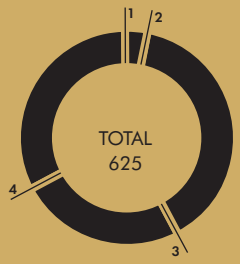
Incepted in 1997, PVR – India's leading multiplex chain – celebrated two decades of operations in the year under review. At 625 screens, 134 theatres and 1,39,509 seats, spanning 51 cities in 19 states and Union Territories (UTs) as at March 31, 2018, the Company has a dominant pan-Indian presence.

OUR PAN-INDIA REACH IS UNRIVALLED



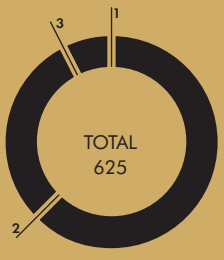
Note: Map not to scale

NUMBER OF SCREENS PER REGION



1. EAST	22	3. SOUTH	155
2. WEST	245	4. NORTH	203

DISTRIBUTION OF SCREENS BY TIER



1. TIER I	392
2. TIER II	187
3. TIER III	46

Your Company is the first cinema Company in India to cross a milestone of 600 screens during the year. We opened the 600th screen in September 2017. During the year, we added 49 screens across 9 properties taking the total to 625 screens across 134 properties in 51 cities.

Your Company has launched a fully digital loyalty programme 'PVR Privilege', a class-leading loyalty programme for its ever-growing patron base. The loyalty programme aims at offering its members an enriched array of first-class redemption opportunities and enhanced benefits. PVR privilege is a strategic move to delight, create and retain loyal customers. We are targeting a brisk growth for the PVR Privilege programme over the next 2 years. We would use data analytics to give customised offers to patrons.

In line with our strategy to divest non-core assets, Your Company has completed the sale of bluO, PVR's bowling and entertainment JV for a total consideration of ₹ 86 crores in August, 2017.

Evolving retail avenues in India, such as shopping centres and commercial complexes, offer greater access to exhibition infrastructure. We plan to add 90 screens across India in FY 2018-19. We have already opened 18 screens with few screens awaiting licenses and more than 100 screens are under fit-out. The expansion is majorly focused on South with plans for 47 screens and Tier II, III and IV markets. Overseas expansion, starting with a property in Sri Lanka, is also in the offing.

Further, on technology front 14 4DX and 8 IMAX Screens are in pipeline with definitive agreements signed, which will further enrich customer experience.

We put our customers first and at the core of our business. Our culture is based on our customers and their needs. Each customer is different and we cater to each customer need through various formats like Directors Cut, Imax, 4DX, Gold Class, Heritage, Play House and others. Consumer experience is being upgraded through consumer centricity initiatives and digital transformation. Through PVR Privilege we have developed a framework for continuous consumer research, big data analytics and constantly upgrading the royalty programme to meet the demands of the consumers. Our F&B offerings have witnessed a paradigm shift. Our offerings are high on taste and low on fat; these include brown bread sandwiches, salads, grilled chicken skewers, diet popcorns, baked potato fingers, lassi, organic popcorn and flavoured Makhana, introduced live kitchen counter, increased point of sales distribution all over cinema and deployment of latest technology has eased the overall F&B buying process.

Performance of the Company

Key Financial highlights

- Group Revenue increased from ₹ 2,182 crores to ₹ 2,365 crores, a growth of 8%;
- Sponsorship Income increased from ₹ 252 crores to ₹ 297 crores, a growth of 18%;
- Group EBIDTA increased from ₹ 376 crores to ₹ 433 crores, a growth of 15%;
- Group PAT increased from ₹ 96 crores to ₹ 124 crores, a growth of 29%;
- Basic and Diluted EPS increased by 30% to ₹ 26.68 and ₹ 26.57 per share respectively;
- The Group maintained its dividend pay-out ratio for another year and paid a dividend of ₹ 2 per share;
- Net cash generated from operating activities ₹ 446 crores.

Key Operational highlights

- Footfall increased from 7.5 crores in FY 2016-17 to 7.6 crores in FY 2017-18, representing a growth of 1%;
- ATP and SPH increased by 7% and 10% respectively;
- Increase in online penetration at a CAGR of 27%;
- Leading technological innovation with 7 IMAX, 7 4DX, 36 Gold Class, 4 of P[XL] and 4 Playhouse;
- Celebrated 600 screens along with 2 decades of experience;
- 49 new screens openings, bringing the total number of screens to 625 at March 31, 2018.

Key strengths:

DIVERSIFIED PRODUCT PORTFOLIO

The Company offers a wide range of premium, multi-sensory, technologically-enabled and pro-kids cinema-viewing formats, to deliver best-in-class consumer experiences.

STRONG LOCATION AND PRODUCT STRATEGY

The Company is present in attractive real estate locations, with an asset-light model, free from ownership of real estate. It has long-term rental agreements with well-known mall developers in the country.

LATEST TECHNOLOGY

The Company partners with technology aggregators such as BookMyShow and Paytm to capitalise on digital trends. Its website and mobile app facilitate pre-booking of seats, F&B orders and other services, while its movie calendar drive excitement among consumers about upcoming movies. PVR adopts QR code-based paperless ticketing to ensure seamless customer transactions. Further, deluxe formats such as PVR Director's Cut uses cutting-edge in-theatre technology to emulate airline-style service comfort and convenience.

LEADER IN ADVERTISEMENT REVENUE

PVR's strong brand recognition with great locations and quality footfalls translate into partnerships with major brands across sectors; the Company's advertisement revenues are twice the nearest competitor.

HOLLYWOOD SHARE

The share of Hollywood to overall revenue was 20% during the current financial year whereas it formed 13% of the overall box office revenues in India. This shows that our consumer segment is more of Sec-A category. Experts believe that 2018 will be an interesting year as Hollywood tries to grow the base it has built for itself in India. Your Company is ready to cater to the increasing Hollywood market.

FOCUS ON ATTRACTING KIDS

Kids are an important audience and hence we are customising screens to cater to this segment. Accordingly, to cater this segment, we have launched 'Playhouse', a space especially designed for kids. It is a small auditorium, screening children's movies and animated content. Features and facilities include a colorful, themed décor, bean bag seating sets, dimmer lights, customised food menu for kids, etc. these attributes make for a popular place for play-dates and birthday bashes.

Threats and concerns

Key challenges	What this means for PVR
Piracy: The two major sources of the menace of piracy in the Indian film segment is video recording of films in cinemas and the prior official release across other geographies.	The Company adopts stringent security provisions, while promoting greater consumer awareness to prevent revenue leakages through piracy.
Regulation landscape: The multiplicity of different license approval processes in the film exhibition space hinder its growth. Besides, the newly-introduced GST on movie tickets priced above ₹ 100 is 28%. If local bodies levy entertainment tax, the effective tax rate on tickets could be between 30% and 40% – which is more than previous rates. Moreover, some Indian States regulate maximum ticket prices for exhibitors. This restricts the Company's revenue potential. In addition to higher tax rates, there is a change in the Input Tax Credit (ITC) for Food and Beverage (F&B) service. Cinema operators are eligible for full ITC of GST paid in respect of film exhibition. However, the GST rate has been fixed at 5% on F&B without any ITC, thereby limiting the ability of cinema operators to offset input and output tax credits which increases costs.	The Company has dedicated teams that continuously evaluate the regulation climate to lower unpredictability and devise a strategic response to the same.

Key challenges	What this means for PVR
Expansion: While the emergence of shopping complexes has changed the shape of cinema exhibition in India, the infrastructure is still inadequate to support global screen density benchmarks. Navigating sluggish mall development, high rental costs of quality properties and the complex regulation environment, timely execution of expansion plans is a key challenge for the Company.	The Company builds stable and enduring relationships with stakeholders to sustain its ambitious real estate expansion plans.
Content suitability: India's filmed entertainment is seeing a conscious move towards content segregation based on viability for theatrical release. This raises the risk of lower footfall.	The Company leverages technological innovations and identifies new business opportunities to offer an unmatched cinema experience to consumers.
The Rise of 'New-Age' Digital Media Consumption: In the age of digital disruption the means of access to films for consumers have increased abundantly through multiple OTT platforms. OTT Video on Demand (VoD) platforms like Amazon Prime Video, Netflix and local players like Hotstar, Voot, SonyLive, ALT Balaji have become very active – looking for exclusive deals with production houses and producing own content. There are over 40 OTT platforms in India offering services at very competitive rates. Netflix offers basic subscription plan for ₹ 500 per month which is equivalent to watching 2-3 films in a multiplex cinema. Some domestic players offer services for as low as ₹ 100 per month whereas some operate on a freemium model. This has increased the risk of lower footfalls in the cinema exhibition halls. The film exhibition segment has seen several decades of disruption through various electronic mediums including VCRs, CDs, DVDs, MP3 and online streaming services. Cinemas have not only survived these technologies, but prospered in all of these eras. Approximately 57% of the frequent moviegoer population (individuals who hit the cinema once a month or more) in US fell between the age group of 12-39. This can be compared with the fact that more than 70% of the millennials and Gen X adults in the US have an active OTT subscription. Therefore, it is more likely that most of the OTT subscribers are actually frequent cinema-goers. The exclusive theatrical release window is important to producers as they earn maximum revenue from domestic box office collection. Another noteworthy trend is the attempt by distributors to debundle the satellite TV and Internet rights as they view greater monetisation potential in dealing with OTT platforms and broadcasters separately.	Emergence of online platforms has resulted in an enhanced dialogue between exhibitors and distributors around an exclusive theatrical release window. In the developed countries the window is ~90 days for exclusive theatrical release whereas in India the consensus is moving towards an exclusive theatrical release for 8 weeks.

Outlook

Going forward, the Company will focus on improving and strengthening bottom line, through cost efficiency, Revenue management and customer experience.

The single screen presence in the country provides considerable scope for multiplex penetration. The Company will extend its reach in Tier II, Tier III and Tier IV while premium formats will be promoted across Tier-I cities. Another key thrust area for higher occupancy will be in the southern regions of the country.

With increased internet penetration and rising income levels and lucrative offers like cashbacks, discounts, other schemes etc. consumers increasingly prefer the convenience of online ticketing as opposed to buying tickets at the box office counter. The advent of numerous e-ticketing platforms such as BookMyShow and PayTM has provided major tailwind to the proportion of tickets booked online. In FY 2017-18, approximately 50% of tickets were sold online. With the Government initiatives promoting digital payments and emergence of digital wallets, e-ticketing is expected to receive an impetus going ahead as well.

The Company will continue to diversify its F&B offering, modelled after Quick Service Restaurants (QSR), Overseas expansion, starting with a property in Sri Lanka, is also in the offing.

India is witnessing a rise in collaborations between Indian production houses and foreign studios. Fox, Disney, and Viacom have been spending heavily in their effort to gain a foothold in Bollywood and have established their domestic divisions in India.

Considering India's growing economy, huge, young and aspirational population with disposable income and affinity towards evolved, holistic entertainment, the Company's performance is expected to improve significantly in the coming years.

Internal controls

Your Company believes that sound internal controls and systems are related to the principle of good governance and should be exercised within a framework of proper checks and balances. Accordingly, your Company has devised and implemented such internal control systems as are required in its business processes; the adequacies of these have been confirmed by the Statutory Auditors in their Report. The Company remains committed to ensuring a reasonably effective internal control environment that provides assurance on the operations and safeguarding of its assets. The internal controls have been designed to provide assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Company has adequate internal control systems commensurate with its size and need. Internal Auditor periodically reviews all control systems and assists in monitoring and upgrading the effectiveness of control systems. The Audit Committee also reviews this process.

Human capital

With a rigorous recruitment programme and comprehensive training initiatives, the Company ensures that its new and existing talent pool is groomed to deliver the highest level of customer service in the exhibition space. The training modules focus on: sharpening the skills and capabilities of teams in accordance with the strategic values and objectives of the Company; support the leadership in their vision for the future; streamline internal processes and rationalise costs.

PVR nurtures high-potential talent with incentives, workshops and rewards. Some of the Company's Human Resource (HR) initiatives include:

- 'PVR Springboard' to digitise the employee learning platform
- 'RGM Shake Up' to upskill regional operational managers
- Sustained efforts to optimise manpower planning and utilisation
- Collaboration with National Skill Grid Corporation and various non-profit bodies to source talent under the Government's 'Skill India' mission
- Sophisticated data tracking for efficient process reviews
- Competitive compensation benchmarking to attract, motivate and retain key talent
- Equal opportunities for everyone, regardless of caste, gender or religion for all positions in the Company, to bring diversity in the workforce

Besides, the Company provides an array of employee welfare benefit schemes, including social security, annual leaves, Medical, Term life and Accident Insurance.

The number of people employed by the Company on the last date of Financial Year was 10,264.

Industrial relations

Your Company continues to maintain its culture of fair management practices. It consistently endeavours to provide a supportive and congenial work environment, ensuring optimal work-life balance to its people.

>50%
HIRES IN FY18 COMPRISED NEW TALENT

9%
EMPLOYEES CROSS-TRAINED

20%
EMPLOYEES MULTI-SKILLED

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Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report on the business and operations of your Company and Audited Financial Statements for the year ended March 31, 2018 ('year under review/FY 2017-18').

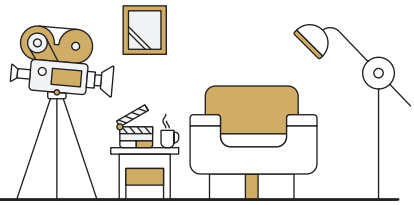
1. Financial Highlights

(₹ in crores)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	**2017-18**	2016-17
Revenue from Operations	2,246	2,002	2,334	2,119
Other Income	30	60	31	63
Total Revenue	**2,276**	**2,062**	**2,365**	**2,182**
Expenses	1,861	1,712	1,933	1,810
EBIDTA	**415**	**350**	**432**	**372**
Finance cost	83	80	84	81
Depreciation and amortisation	142	122	154	138
Net Profit before tax	**190**	**148**	**194**	**153**
Taxation	69	54	70	57
Net Profit after tax	**121**	**94**	**124**	**96**
Share of NCI	-	-	1	(0)
Other Comprehensive Income	(10)	(1)	(10)	(1)
Total Comprehensive Income	111	93	115	94
EPS				
Basic	25.97	19.89	26.68	20.50
Diluted	25.86	19.89	26.57	20.50

(₹ in crores)

Particulars	Standalone		Consolidated	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
Assets				
Non-Current Assets				
Property plant and equipments including CWIP	1,665	1,526	1,691	1,616
Investment in subsidiaries/Joint venture	32	73	2	-
Financial Assets	231	174	232	179
Deferred tax Assets (includes MAT credit entitlement)	16	43	16	43
Other Non-current assets	105	102	110	108
Total (A)	2,049	1,918	2,051	1,946
Current Assets				
Inventories	19	17	20	19
Financial Assets	194	169	223	175
Other current assets	30	39	55	86
Total current assets (B)	243	225	298	280
Total Assets (A)+(B)	**2,292**	**2,143**	**2,349**	**2,226**
Equity and liabilities				
Equity (A)	1,056	953	1,075	965
Non-controlling Interest (B)	-	-	1	41
Non-current liability				
Financial liabilities	562	605	561	605
Provisions	9	6	10	7
Deferred tax liabilities (includes MAT credit entitlement)	-	-	1	1
Total Non-current liability (C)	571	611	572	613
Current liability				
Financial liabilities	575	507	593	524
Provisions	3	3	3	3
Other current liability	87	69	105	80
Total Current liability (D)	665	579	701	607
Total Equity and liability (A)+(B)+(C)+ (D)	**2,292**	**2,143**	**2,349**	**2,226**



2. Dividend

Your Directors have recommended a Final dividend of ₹ 2/- (Rupees Two) per Equity Share for the financial year ended March 31, 2018 for your approval. The Dividend outgo will amount to ₹ 9.4 crores plus Dividend Distribution Tax of ₹ 1.9 crore approximately.

3. Transfer to Reserve:

Your Company has transferred ₹ 23.6 crores to the Debenture Redemption Reserve.

4. Financial Review:

During the year under review, your Company entertained 7.6 crores patrons in its cinemas, up by 1.20% as compared to the previous year. Revenue from operations has increased by 10% from ₹ 2,062 crores to ₹ 2,276 crores. Net Box office revenue has grown by 11% and Food and beverage revenue showed a growth of 10% in FY 2017-18. Sponsorship Income showed a robust growth of 20% as compared to previous year. During the year, your Company added 49 screens, expanding the network to 625 screens spread over 134 properties in 51 cities across the country.

Kindly refer to Management Discussion & Analysis and Corporate Governance Reports which form part of this report for a detailed operation and business performance.

5. Future Outlook

We are optimistic regarding the box office prospects in FY 2018-19 on back of strong content pipeline and consumer demand. Our relentless pursuit of innovation, delivering the best movie viewing experience & growing circuit of high quality cinemas remain critical factors in our ability to generate positive operating results over the long-term.

6. Report on the Performance & Financial Position of Subsidiaries

As on March 31, 2018 the Company had three Subsidiary companies namely PVR Pictures Limited, PVR Lanka Limited and Zea Maize Private Limited.

During the year, the Company has sold out its subsidiary PVR bluO Entertainment Limited for a value of ₹ 86 crores and received consideration against its 51% shareholdings.

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 attached as per **Annexure '1'** 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.pvrcinemas.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.

7. 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.

A report on Corporate Governance along with a certificate received from a practicing Company Secretary is attached and forms 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.

8. Directors

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

Your Directors recommend his appointment at the ensuing Annual General Meeting.

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of Independence as provided in the said Section 149(6).

9. 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:

- Mr. Ajay Bijli – Chairman cum Managing Director
- Mr. Pankaj Dhawan – Company Secretary cum Compliance Officer
- Mr. Nitin Sood – Chief Financial Officer

During the year, Mr. Pankaj Dhawan working as Senior V.P. Secretarial was appointed and re-designated as Company Secretary cum Compliance Officer of the Company effective from 30th May, 2017.

10. Policy on Directors appointment and Remuneration Policy

Pursuant to the requirements under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a director and the policy on remuneration of directors, KMP and other employees is attached as **Annexure '2'**, which forms part of this report.

11. Particulars of remuneration of Directors/ KMP/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 attached 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.

12. Employees Stock Option Plan

During the year, your Company introduced PVR Employees Stock Option Plan 2017 ('PVR ESOP 2017'). The Nomination and Remuneration Committee in the meetings held on 26th July, 2017 and on 11th August, 2017 have granted 2,40,000 options and 60,000 options respectively to the employees of the Company at a price of ₹ 1,400/- per option in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI SBEB Regulations').

The details of the PVR Employees Stock Options Plan, 2017 (PVR ESOP, 2017) are available on the website of the Company at www.pvrcinemas.com.

13. Meetings of the Board of Directors

During the FY 2017-18, seven Board Meetings were convened. The details of Board Meetings and Committee Meetings held are given in the Corporate Governance Report.

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

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Agreement 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 of the Company, 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.

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review, details of which are given in Corporate Governance Report.

15. 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, 2018 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.

16. Statutory Auditors and their Report

There are no observations (including any qualification, reservation, adverse remark or disclaimer) by the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

17. Secretarial Auditors and their Report

The Company has appointed M/s Arun Gupta & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit. The Report of the Secretarial Audit Report in MR-3 is annexed as **Annexure '4'**.

There are no qualifications or observations or other adverse remarks of the Secretarial Auditors in the Report issued by them for the FY 2017-18 which call for any explanation from the Board of Directors.

18. Consolidated Financial Statements

This Annual Report also includes Consolidated Financial Statements for the FY 2017-18.

During the period under review, Consolidated Turnover was ₹ 2,365 crores as compared to ₹ 2,182 crores in the previous year. Net Profit after Tax for the year is ₹ 124 crores as compared to ₹ 96 crores in the Previous Year.

The audited consolidated financial statements together with Auditors' Report forms part of the Annual Report.

19. Internal Financial Control System

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedure adopted by the Company 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.

The Company has a well placed, proper and adequate Internal Financial Control System in place which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly.

The Company's Internal Financial Control System also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) audit and compliance by Company's Internal Auditor M/s Ernst and Young LLP. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions. Independence of the audit and compliance is ensured by direct reporting by Internal Auditors to the Audit Committee of the Board.

20. Adequacy of Internal Financial Controls with reference to the Financial Statements

The Companies Act, 2013 requires an effective Internal Financial Control System in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

To ensure effective Internal Financial Controls the Company has laid down the following measures:

- All operations are executed as per prescribed procedures and is updated and validated periodically.
- All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately.
- The Company follows a robust 2-Tier internal audit process:
  - Tier I: Cinema audits are conducted on a regular basis throughout the year.
  - Tier II: Transaction audits are conducted regularly, to ensure accuracy of financial reporting, safeguard and protection of all the assets.
  - The audit reports for the above audits are compiled and submitted to Audit Committee for deliberations, review and necessary action.
- The Company uses Microsoft Navision Software for maintaining books of accounts and transactions are executed through prescribed procedures to ensure correctness/effectiveness of all transactions, integrity and reliability of reporting.
- The Company has a comprehensive risk management framework.
- The Company has a robust mechanism of building budgets at an integrated cross-functional level. The budgets are reviewed on a periodically basis so as to analyse the performance and take corrective action, wherever required.
- The Company has in place a well-defined Whistle Blower Policy/Vigil Mechanism.

- The Company has a system of Internal Business Reviews. All departmental heads discuss their business issues and future plans in monthly Review Meetings. They review their achievements in the Review Meetings.

- Compliance of secretarial functions is ensured by way of secretarial audit done by M/s Arun Gupta & Associates and Internal Audit done by the Internal Auditors – M/s Ernst & Young, LLP.

21. Development and Implementation of Risk Management

Pursuant to Section 134(3)(n) of the Companies Act, 2013, at present the Company has not identified any element of risk which may threaten the existence of the Company.

22. 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 '5'** which forms part of this report.

23. 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

e) Environmental Sustainability

The annual report on CSR activities is furnished in **Annexure '6A & 6B'** which forms part of this report.

24. Business Responsibility Report

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is available at website of the Company and is also part of this Annual Report.

25. Change in Capital Structure and Listing of Shares

During the year under review, there is no change in the Capital Structure of the Company.

26. Extract of 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, 2018 in the prescribed Form No. MGT-9 is attached as **Annexure '7'** and forms part of this report.

27. 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 FY 2017-18 is attached as **Annexure '8'** which forms part of this report.

28. 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 financial 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 Standalone and Consolidated Financial Statements.

29. Disclosure on Audit Committee

The Audit Committee as on 31st March 2018 comprises of the following independent directors.

Mr. Sanjai Vohra (Chairman), Mr. Amit Burman, Mr. Vikram Bakshi, and Mr. Sanjay Khanna as members.

Further, all recommendations of Audit Committee were accepted by the Board of Directors.

30. Disclosure on Vigil Mechanism

The Company has a vigil mechanism through Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of strength, performance and passion and in line with our vision of being one of the most respected companies in India. 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 provide 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 whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

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

31. Disclosure on Deposit under Chapter V

The Company has neither accepted nor renewed any deposits during the FY 2017-18 in terms of Chapter V of the Companies Act, 2013.

32. Code of Conduct

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.

33. Transfer to Investor Education and Protection Fund

The Company has transferred a sum of ₹ 48,367/- 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 of payment.

The Company has transferred 974 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 of Section 124(6) or apply for refund under Section 125(3)(a) or under proviso to Section 125(3), as the case may be, to the Authority by making an application in Form IEPF- 5 online available on website www.iepf.gov.in along with fees.

34. Dividend Distribution Policy

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 attached as **Annexure '9'** which forms part of this report.

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. The total number of complaints filed during the FY 2017-18 were 21 and these were attended and closed during the Financial year itself. Thus there were Nil complaints pending at the end of FY 2017-18.

36. Compliances with Secretarial Standards

The Company has ensured the compliances of applicable provisions of Secretarial Standards issued by the 'Institute of Company Secretaries of India'.

37. Acknowledgements

Your Directors thank the various Central and State Government Departments, Organisations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and On behalf of the Board
For PVR Limited

Place: Gurugram
Date: July 25, 2018

Ajay Bijli
Chairman cum Managing Director

Annexure '1'

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 2017-18

(₹ in crores)

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-17 To 31-Mar-18	01-Apr-17 To 31-Mar-18	01-Apr-17 To 31-Mar-18
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	LKR ₹ 1=2.38 LKR
4	Share Capital	17	0	1
5	Reserves & surplus	23	5	(0)
6	Total assets	77	8	1
7	Total liabilities	38	3	0
8	Investments	3	-	-
9	Turnover	80	10	-
10	Profit before taxation	6	(2)	(0)
11	Provision for taxation	2	-	-
12	Profit after taxation	4	(2)	(0)
13	Proposed Dividend	-	-	-
14	% of shareholding	100%	70%	100%

FY 2016-17

(₹ in crores)

Sl. No.	Particulars	Details	Details	Details
1	Name of the Subsidiary	PVR Pictures Ltd.	Zea Maize Private Limited	PVR bluO Entertainment Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01-Apr-16 To 31-Mar-17	01-Apr-16 To 31-Mar-17	01-Apr-16 To 31-Mar-17
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	17	0	37
5	Reserves & surplus	18	5	44
6	Total assets	79	7	90
7	Total liabilities	44	2	10
8	Investments	-	-	-
9	Turnover	89	5	57
10	Profit before taxation	5	(2)	2
11	Provision for taxation	2	-	1
12	Profit after taxation	3	(2)	1
13	Proposed Dividend	-	-	-
14	% of shareholding	100%	70%	51%

For and On behalf of the Board
For PVR Limited

Place: Gurugram
Date: 25th July, 2018

Ajay Bijli
Chairman cum Managing Director

Annexure '2'

Policy on Directors Appointment and Remuneration Policy

A. Introduction

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

B. Definitions

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

C. Terms of Reference

The terms of reference are as follows:-

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

D. Criteria for Recommending a person to become Director

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

1. Qualifications & Experience

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

2. Attributes/Qualities

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

- Respect for and strong willingness to imbibe the Company's Core Values.
- Honesty and Professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievements.
- Ability to be independent.
- Capable of lateral thinking.
- Reasonable financial expertise.
- Association in the fields of Business/Corporate world/ Finance/Education/Community Service/Chambers of Commerce & Industry.
- Effective review and challenge to 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, Listing Agreement 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: Gurugram
Date: 25th July, 2018

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	1:160
		B	Mr. Sanjeev Kumar, Joint Managing Director	1:110
			Median Salary – ₹ 2,28,684	
(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	NIL
		B	Mr. Sanjeev Kumar, Joint Managing Director	NIL
		C	Mr. Nitin Sood, CFO	4%
		D	Mr. Pankaj Dhawan, CS	4%
(iii)	The number of permanent employees on the rolls of Company;			3,475
(iv)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company		% increase in Net Sales in 2017-18 as compared to 2016-17	10%
(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% : - Average Percentage increase in Salaries of Managerial Personnel: 9%	
(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: Gurugram
Date: 25th July, 2018

Ajay Bijli
Chairman cum Managing Director

Annexure '4'

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended on March 31, 2018

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 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, 2009;

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);**

(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 Secured Redeemable Non-Convertible Debentures for an amount not exceeding ₹ 500 crores through issue of private placement offer letter.

(ii) The Company has redeemed 165, 8.90% Listed Secured Redeemable Non-Convertible Debentures and 20, 11.40% Secured Redeemable Non-Convertible Debentures during the year.

(iii) The Company has approved PVR Employee Stock Option Plan, 2017 to grant employee stock options not exceeding 3,00,000 (Three Lakhs) to or for the benefit of person(s) who are in permanent employment of the Company.

(iv) The Company has adopted new set of Articles of Association in accordance with the Companies Act, 2013.

(v) The Company has disposed of its entire investment held in PVR Bluo Entertainment Limited to Smaaash Entertainment Private Limited.

For Arun Gupta & Associates

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

Date: 25th July, 2018
Place: New Delhi

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

Date: 25th July, 2018
Place: New Delhi

Annexure '5'

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 3rd party to identify ineffencies 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 optimisation. Mechanical Timers on loads and areas with intermittent usage is in implementation. This helps in safety against fire due to long un attended 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.
- 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 FY 2017-18 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 utilisation of energy.
- VFD's are installed on AHU's for energy savings while ensuring guest comfort by using a closed loop temperature feedback for the VFD's. All New/Upcoming Sites will also be equipped with VFD's in FY 2018-19.
- 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 82 Locations 34 across North India in Phase I, and 48 Sites in west under Phase II in FY 2017-18 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 are being replaced with LED based lighting in a phased manner. about 80% of the replacement is done and rest will be covered in FY 2018-19
- 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 premisis/ scope has been implemented to avoid idle running of the escalators and thus conserve energy.
- Solar Energy Utilisation for energy conservation by using rooftop solar photovoltaic grid connected system will be piloted in FY 2018-19 at sites available with space on roof. We have taken a proactive step towards Indoor air quality by introducing clean air auditoriums ('Audit-Air-Ium') where we have implemented state of the art technology to crub 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.

(ii) Technology Absorption:

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

(iii) Foreign Exchange Earnings & Outgo

a) Expenditure in foreign currency (on accrual basis)

(₹ in crores)

Particulars	31st March, 2018	31st March, 2017
Travelling	1.62	1.11
Professional fees (including expenses, net of withholding tax)	5.79	6.22
Others	1.54	2.46
Total	**8.95**	**9.79**

b) Income in foreign currency (on accrual basis)

(₹ in crores)

Particulars	31st March, 2018	31st March, 2017
Advertisement Income	0.06	1.49
Income from sale of tickets and food and beverages	3.66	3.91

(iv) CIF value of imports

(₹ in crores)

Particulars	31st March, 2018	31st March, 2017
Capital Goods	41.71	29.50
Store and spares	3.15	12.52

For and On behalf of the Board

Place: Gurugram
Date: 25th July, 2018

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:	PVR Limited CSR activities, approved by the CSR committee, through: 'PVR Nest' PVR Nest works for Children at Risk (Childscapes) on their complete rehabilitation, education, nutrition, healthcare and employability, additionally; through its infrastructure – business enterprise – PVR Cinemas. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is www.pvrcinemas.com
2	The Composition of the CSR Committee:	1. Ajay Bijli – Chairman and Managing Director, PVR Limited. 2. Sanjeev Kumar – Joint Managing Director, PVR Limited. 3. Sanjai Vohra – Independent Director. 4. Sanjay Khanna – Independent Director
3	Average net profit of the Company for last three financial years.	₹ 110 crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 2.32 crores
5	Details of CSR spent during the financial year. (1) Total amount to be spent for the financial year; (2) Amount unspent, if any; (3) Manner in which the amount spent during the financial year is detailed below.	 ₹ 2.32 crores NIL The manner in which the amount is spent is detailed in the Annexure A1.

Annexure '6B'

Utilisation of fund for the year 2017-2018

(₹ in crores)

S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs 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
1	Children at Risk			2.15			
	(Childscapes)	Education and social development of the most vulnerable Sections of our society:	Delhi		1 Direct Expenses – 0.88	1.27	Direct – 0.31
		a) Promoting education, healthcare, nutrition and rehabilitation to Children at risks (Street Children).			2 Overhead – 0.38 *		Implementing Agency – 0.57
	TOTAL						

* The Overhead cost includes the donations forwarded to:

- District child welfare council
- Jamghat
- Rasoi on Wheels
- Prakash Deep Foundation
- READ India
- United Way of Mumbai
- Katha
- Swadhikar
- Assiciation of the Victims of Upahaar Tragedy
- Mahabodhi International Meditation Centre
- Win Over Cancer
- Little Ones School Society SEA

Balance amount of ₹ 0.17 crores has been donated to Indian Red Cross Society

* PVR Nest Centres are near PVR cinemas Complexes namely

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

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018

[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- 110057
6	Whether listed Company (Yes/No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, ifany	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032 Tel: +91-40-23420 815-824Fax: +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	55%

iii. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN		% 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)

iv. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Total	% of Total Shares	
A. Promoters								
(1) Indian								
a) Individual/HUF	9,465,305		9,465,305	20.25	9,465,305	9,465,305	20.25	-
b) CentralGovt								
c) StateGovt(s)								
d) BodiesCorp.								
e) Banks/FI								
f) Any Other....								
Sub-total (A) (1):-	**9,465,305**		**9,465,305**	**20.25**	**9,465,305**	**9,465,305**	**20.25**	**-**
(2) Foreign								
a) NRIs- Individuals								
b) Other– Individuals								
c) Bodies Corp.								
d) Banks/FI								
e) Any Other....								
Sub-total (A) (2):-	-		-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**9,465,305**		**9,465,305**	**20.25**	**9,465,305**	**9,465,305**	**20.25**	**-**
B. Public Shareholding								
(1) Institutions								
a) Mutual Funds	5,785,555		5,785,555	12.38	4,631,949	4,631,949	9.91	2.47
b) Banks/FI	10,754		10,754	0.02	8,867	8,867	0.02	0.00
c) Central Govt								
d) State Govt(s)								
e) Venture Capital Funds								
f) InsuranceCompanies A55								
g) FIIs	18,200,790		18,200,790	38.94	20,475,945	20,475,945	43.81	(4.87)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Total	% of Total Shares	
h) Foreign Venture Capital Funds								
i) Others(specify)								
Sub-total (B) (1):-	**23,997,099**		**23,997,099**	**51.34**	**25,116,761**	**25,116,761**	**53.74**	**(2.40)**
2. Non- Institutions								
a) Bodies Corp.	1,937,923	-	1,937,923	4.15	1,982,424	1,982,424	4.24	(0.10)
b) Individuals								
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	1,829,234	1,292	1,830,526	3.92	1,877,793	1,877,793	4.02	(0.10)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	726,591		726,591	1.55	694,393	694,393	1.49	0.07
c) Others (specify)								
Non Resident Indians	501,532		501,532	1.07	103,994	103,994	0.22	0.85
Foreign Bodies	8,216,030		8,216,030	17.58	7,461,030	7,461,030	15.96	1.62
NRI Non-Repatriation	42,040		42,040	0.09	47,680	47,680	0.10	
Trust	845		845	0.00	1,252	1,252	0.00	(0.00)
Clearing Members	63,949		63,949	0.14	132,914	132,914	0.28	(0.15)
IEPF	-		-		974	974	0.00	
Sub-total (B) (2):-	**13,318,144**	**1,292**	**13,319,436**	**28.50**	**12,302,454**	**12,302,454**	**26.32**	**2.19**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**37,315,243**	**1,292**	**37,316,535**	**79.84**	**37,419,215**	**37,419,215**	**80.06**	**(0.21)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	**46,780,548**	**1,292**	**46,781,840**	**100**	**6,884,520**	**46,884,520**	**100**	**(0.21)**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
2	AJAY BIJLI	5,260,298	11.25	-	5,410,298	-	2.85
3	AAMER KRISHAN BIJLI	279,115	0.60	-	129,115	-	(53.74)
4	SANJEEV KUMAR	3,728,892	7.98	-	3,728,892	-	-
5	SELENA BIJLI	197,000	0.42	-	197,000	-	-
	Total	**9,465,305**	**20.25**	**-**	**9,465,305**	**-**	**-**

(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
1	AJAY BIJLI				
	01-04-2017	5,260,298	11.25	5,260,298	11.25
	12-03-2018	150,000	0.32	5,410,298	11.58
	31-03-2018	5,410,298	11.58	5,410,298	11.58
3	AAMER KRISHAN BIJLI				
	01-04-2017	279,115	0.60	279,115	0.60
	12-03-2018	(150,000)	(0.32)	129,115	0.28
	31-03-2018	129,115	0.28	129,115	0.28
4	SANJEEV KUMAR				
	01-04-2017	3,728,892	7.98	3,728,892	7.98
	During the year	-	-	-	-
	31-03-2018	3,728,892	7.98	3,728,892	7.98
5	SELENA BIJLI				
	01-04-2017	197,000	0.42	197,000	0.42
	During the year	-	-	-	-
	31-03-2018	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
1	BERRY CREEK INVESTMENT LTD.				
	01-04-2017	3,582,585	7.67	3,582,585	7.67
	During the year	-	-	-	-
	31-03-2018	3,582,585	7.67	3,582,585	7.67
2	GRAY BIRCH INVESTMENT LTD.		-		
	01-04-2017	2,958,888	6.33	2,958,888	6.33
	During the year	-	-	-	-
	31-03-2018	2,958,888	6.33	2,958,888	6.33
3	PLENTY PRIVATE EQUITY FUND I LIMITED				
	01-04-2017	1,965,507	4.21	1,965,507	4.21
	During the year	-	-	-	-
	31-03-2018	1,965,507	4.21	1,965,507	4.21
4	MULTIPLES PRIVATE EQUITY FUND I LIMITED				
	01-04-2017	1,771,598	3.79	1,771,598	3.79
	During the year	-	-	-	-
	31-03-2018	1,771,598	3.79	1,771,598	3.79
5	ICICI PRUDENTIAL VALUE FUND - SERIES 4				
	01-04-2017	1,502,390	3.21	1,502,390	3.21
	21/04/2017	(21,661)	(0.05)	1,480,729	3.17
	28/04/2017	(93,179)	(0.20)	1,387,550	2.97
	05/05/2017	36,984	0.08	1,424,534	3.05
	12/05/2017	167,405	0.36	1,591,939	3.41
	12/05/2017	(2,308)	(0.00)	1,589,631	3.40
	19/05/2017	15,000	0.03	1,604,631	3.43
	19/05/2017	(39,792)	(0.09)	1,564,839	3.35
	30/06/2017	(17,382)	(0.04)	1,547,457	3.31
	07/07/2017	(126,480)	(0.27)	1,420,977	3.04
	28/07/2017	244,521	0.52	1,665,498	3.56
	04/08/2017	8,800	0.02	1,674,298	3.58
	18/08/2017	42,362	0.09	1,716,660	3.67
	25/08/2017	73,870	0.16	1,790,530	3.83
	22/12/2017	14,376	0.03	1,804,906	3.86
	29/12/2017	44,000	0.09	1,848,906	3.96
	05/01/2018	59,982	0.13	1,908,888	4.08
	12/01/2018	14,706	0.03	1,923,594	4.12
	19/01/2018	40,140	0.09	1,963,734	4.20
	02/02/2018	121,451	0.26	2,085,185	4.46
	09/02/2018	24,210	0.05	2,109,395	4.51
	16/03/2018	(4,400)	(0.01)	2,104,995	4.50
	31-03-2018	2,104,995	4.50	2,104,995	4.50
6	PLENTY PRIVATE EQUITY FII I LIMITED				
	01-04-2017	1,392,508	2.98	1,392,508	2.98
	During the year	-	-	-	-
	31-03-2018	1,392,508	2.98	1,392,508	2.98
7	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCEARBIT				
	01-04-2017	1,367,671	2.93	1,367,671	2.93
	05/05/2017	(10,000)	(0.02)	1,357,671	2.90
	02/06/2017	(12,717)	(0.03)	1,344,954	2.88
	09/06/2017	(30,859)	(0.07)	1,314,095	2.81
	16/06/2017	25,000	0.05	1,339,095	2.87
	16/06/2017	(104,050)	(0.22)	1,235,045	2.64

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
	23/06/2017	(54,945)	(0.12)	1,180,100	2.52
	30/06/2017	(50,000)	(0.11)	1,130,100	2.42
	14/07/2017	(93,710)	(0.20)	1,036,390	2.22
	21/07/2017	36,800	0.08	1,073,190	2.30
	21/07/2017	(404,413)	(0.87)	668,777	1.43
	28/07/2017	54,000	0.12	722,777	1.55
	28/07/2017	(446,277)	(0.95)	276,500	0.59
	04/08/2017	(23,200)	(0.05)	253,300	0.54
	11/08/2017	29,200	0.06	282,500	0.60
	11/08/2017	(155,700)	(0.33)	126,800	0.27
	01/09/2017	2,800	0.01	129,600	0.28
	08/09/2017	(2,000)	(0.00)	127,600	0.27
	13/10/2017	(28,400)	(0.06)	99,200	0.21
	27/10/2017	(9,600)	(0.02)	89,600	0.19
	31/10/2017	(1,600)	(0.00)	88,000	0.19
	01/12/2017	10,000	0.02	98,000	0.21
	08/12/2017	(13,600)	(0.03)	84,400	0.18
	15/12/2017	7,700	0.02	92,100	0.20
	15/12/2017	(11,200)	(0.02)	80,900	0.17
	22/12/2017	(1,600)	(0.00)	79,300	0.17
	29/12/2017	(2,000)	(0.00)	77,300	0.17
	12/01/2018	892	0.00	78,192	0.17
	12/01/2018	(29,600)	(0.06)	48,592	0.10
	02/02/2018	(10,000)	(0.02)	38,592	0.08
	23/03/2018	6,400	0.01	44,992	0.10
	31-03-2018	44,992	0.10	44,992	0.10
8	ARTISAN DEVELOPING WORLD FUND				
	01-04-2017	652,769	1.40	652,769	1.40
	02/06/2017	1,639	0.00	654,408	1.40
	09/06/2017	48,874	0.10	703,282	1.50
	23/06/2017	(33,995)	(0.07)	669,287	1.43
	30/06/2017	(17,406)	(0.04)	651,881	1.39
	07/07/2017	20,203	0.04	672,084	1.44
	14/07/2017	23,481	0.05	695,565	1.49
	21/07/2017	91,396	0.20	786,961	1.68
	28/07/2017	55,610	0.12	842,571	1.80
	04/08/2017	28,905	0.06	871,476	1.86
	18/08/2017	134,546	0.29	1,006,022	2.15
	25/08/2017	61,199	0.13	1,067,221	2.28
	29/09/2017	106,826	0.23	1,174,047	2.51
	06/10/2017	11,754	0.03	1,185,801	2.54
	27/10/2017	(25,975)	(0.06)	1,159,826	2.48
	09/02/2018	26,241	0.06	1,186,067	2.54
	09/03/2018	46,109	0.10	1,232,176	2.64
	30/03/2018	25,334	0.05	1,257,510	2.69
	31-03-2018	1,257,510	2.69	1,257,510	2.69
9	BARON EMERGING MARKETS FUND				
	01-04-2017	1,223,608	2.62	1,223,608	2.62
	07/04/2017	(47,348)	(0.10)	1,176,260	2.52
	12/05/2017	(139,073)	(0.30)	1,037,187	2.22
	08/09/2017	27,637	0.06	1,064,824	2.28
	16/03/2018	(11,458)	(0.02)	1,053,366	2.25
	23/03/2018	(128,442)	(0.27)	924,924	1.98
	30/03/2018	(90,100)	(0.19)	834,824	1.79
	31-03-2018	834,824	1.79	834,824	1.79

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
10	PARVEST EQUITY INDIA				
	01-04-2017	1,135,312	2.43	1,135,312	2.43
	05/05/2017	(24,000)	(0.05)	1,111,312	2.38
	14/07/2017	(10,245)	(0.02)	1,101,067	2.36
	21/07/2017	44,187	0.09	1,145,254	2.45
	28/07/2017	50,000	0.11	1,195,254	2.56
	06/10/2017	(49,523)	(0.11)	1,145,731	2.45
	13/10/2017	(103,928)	(0.22)	1,041,803	2.23
	20/10/2017	(93,803)	(0.20)	948,000	2.03
	27/10/2017	(91,348)	(0.20)	856,652	1.83
	22/12/2017	(50,000)	(0.11)	806,652	1.73
	29/12/2017	(44,000)	(0.09)	762,652	1.63
	05/01/2018	(43,652)	(0.09)	719,000	1.54
	19/01/2018	(42,500)	(0.09)	676,500	1.45
	09/02/2018	(13,180)	(0.03)	663,320	1.42
	31-03-2018	663,320	1.42	663,320	1.42

(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
1	AJAY BIJLI				
	01-04-2017	5,260,298	11.25	5,260,298	11.25
	12-03-2018	150,000	0.32	5,410,298	11.58
	31-03-2018	5,410,298	11.58	5,410,298	11.58
2	SANJEEV KUMAR				
	01-04-2017	3,728,892	7.98	3,728,892	7.98
	During the year	-	-	-	-
	31-03-2018	3,728,892	7.98	3,728,892	7.98
3	SANJAI VOHRA				
	01-04-2017	6,338	0.01	6,338	0.01
	19/05/2017	700	0.00	7,038	0.02
	09/06/2017	700	0.00	7,738	0.02
	21/07/2017	350	0.00	8,088	0.02
	04/08/2017	350	0.00	8,438	0.02
	18/08/2017	350	0.00	8,788	0.02
	01/09/2017	350	0.00	9,138	0.02
	29/09/2017	500	0.00	9,638	0.02
	09/03/2018	(1,638)	(0.00)	8,000	0.02
	31-03-2018	8,000	0.02	8,000	0.02
4	PANKAJ DHAWAN				
	01-04-2017	600	0.00	600	0.00
	07/07/2017	(600)	(0.00)	-	-
	25/08/2017	49	0.00	49	0.00
	08/09/2017	(49)	(0.00)	-	-
	31-03-2018	-	-	-	-
5	NITIN SOOD				
	01-04-2017	135,000	0.29	135,000	0.29
	10/11/2017	-2500	(0.01)	132,500	0.28
	17/11/2017	-2500	(0.01)	130,000	0.28
	05/01/2018	-1500	(0.00)	128,500	0.27
	12/01/2018	-1500	(0.00)	127,000	0.27
	31-03-2018	127,000	0.27	127,000	0.27

v. Indebtedness

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	711.94	110		821.94
ii) Interest due but not paid				-
iii) Interest accrued but not due	1.87			1.87
Total(i+ii+iii)	**713.81**	**110**		**823.81**
Change in Indebtedness during the financial year:				
Addition	125.00	375		
Reduction	104.69	385		
Net Change	**20.31**	**(10)**		**10.31**
Indebtedness at the end of the financial year				
i) Principal Amount	732.25	100		832.25
ii) Interest due but not paid				
iii) Interest accrued but not due	1.79			
Total(i+ii+iii)	**734.04**	**100**		**832.25**

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
		Managing Director - Ajay Bijli	Whole-Time Director - Sanjeev Kumar	
1.	Gross salary			
	(a) Salary as per provisions contained in Section17(1) of the Income-tax Act,1961	32,490,000	22,500,000	54,990,000
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	39,600	39,600	79,200
	(c) Profits in lieu of salary under Section17(3) Income- tax Act,1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission- at 2.5 % of profit (Paid for FY 2016-17)	41,984,000	41,984,000	83,968,000
5.	Others, please specify			
	Total (A)	**74,513,600**	**64,523,600**	**139,037,200**
	Ceiling as per the Act			

B. Remuneration to other directors:

(₹)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	Amit Burman	Vikram Bakshi	Sanjai Vohra	Sanjay Khanna	
	• Fee for attending board committee meetings	400,000	550,000		150,000	1,100,000
	• Commission	250,000	250,000	1,500,000	250,000	2,250,000
	• Others, please specify					
	Total (1)	**650,000**	**800,000**	**1,500,000**	**400,000**	**3,350,000**
	Other Non-Executive Directors	Renuka Ramnath	Vishal Mahadevia			
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**650,000**	**800,000**	**1,500,000**	**400,000**	**3,350,000**
	Total Managerial Remuneration					
	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
		Company Secretary - Pankaj Dhawan	CFO - Nitin Sood	
1.	Gross salary			
	(a) Salary as per provisions contained in Section17(1) of the Income-tax Act,1961	5,734,764	31,516,833	37,251,597
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	32,400	69,651	102,051
	(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			
	Total	**5,767,164**	**31,586,484**	**37,353,648**

vii. Penalties/Punishment/Compounding of Offences:

Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal the made, if any (give details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			None		
Punishment					
Compounding					

For and On behalf of the Board
For PVR Limited

Ajay Bijli
Chairman cum Managing Director

Place: Gurugram
Date: 25th July, 2018

Annexure '8'

Particulars of Loans, Guarantee or Investment under Section 186 of the Companies as on March 31, 2018

Amount (₹ in crores)

Sl. No.	Name of the Entity	March 31, 2018
	Loan Made to:	
1	Loan to wholly owned Subsidiary Company	-
2	Loan to Body Corporate	0.55
	Total	**0.55**

Amount (₹ in crores)

Sl. No.	Name of the Entity	March 31, 2018
	Investments Made Into:	
1	PVR Pictures Limited	21.02
2	Zea Maize Private Limited	10.00
3	P V R Lanka Limited	1.37
	Total	**32.39**

For and On behalf of the Board
For PVR Limited

Place: Gurugram
Date: 25th July, 2018

Ajay Bijli
Chairman cum Managing Director

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 3rd February, 2017.

Effective Date

The Policy became effective from Febraury 03, 2017.

Purpose, Objectives and Scope

The Securities and Exchange Board of India ('SEBI') vide its Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalisation calculated as on the 31st day of March of every year. Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the 'Board') of the Company recognises the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

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

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

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

A. General Policy of the Company as Regards Dividend

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

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

B. Considerations Relevant for Decision of Dividend Pay-Out

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

Statutory requirements

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

Agreements with lending institutions/Debenture Trustees

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

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

The extent of 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

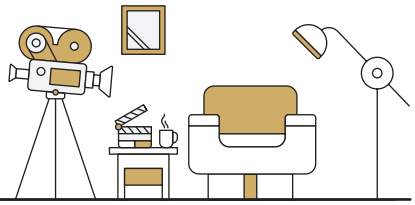
- The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
- The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
- The dividends shall be paid out of the 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.

Date: 3rd February, 2017
Place: Gurugram

Report on Corporate Governance



Corporate Governance

Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. As required under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (herein referred as SEBI (LODR) Regulations, 2015) the Company has complied with the conditions of Corporate Governance by establishment of a framework for compliance in accordance with the SEBI Regulations.

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.

Corporate Governance is an integral part of PVR in its pursuit of excellence, growth and value creation. It continuously endeavors 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.

Board of Directors

Composition of the Board

As on March 31, 2018, the Company had Eight Directors on the Board. The Board is comprised of two Executive Directors and Six Non Executive Directors out of which four are Independent Directors.

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

The terms of reference of the Board of Directors are in accordance with that *inter alia* specified in SEBI (LODR) Regulations, 2015 and other applicable provisions of the Companies Act, 2013.

The composition of the Board of Directors during the FY 2017-18, the details regarding directorship/membership in Committees of public companies, attendance in last Annual General Meeting & Board Meetings held during the FY 2017-18 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 July 24, 2017.	Number of other Directorships* as on 31.03.2018	Number of Committee Memberships and Chairmanship in all Companies including PVR Limited	
						Memberships	Chairmanships
Ajay Bijli	Promoter, Chairman cum Managing Director	54,10,298	6	Yes	2	5	1
Sanjeev Kumar	Promoter, Joint Managing Director	37,28,892	7	Yes	2	2	-
Renuka Ramnath	Non-Executive, Non Independent	0	1	No	8	11	2
Vishal Mahadevia	Non-Executive, Non Independent	0	3	No	4	4	-
Vikram Bakshi	Non -Executive, Independent	0	7	Yes	1	4	1
Sanjai Vohra	Non -Executive, Independent	9,638	4	Yes	-	2	2
Amit Burman	Non -Executive, Independent	0	4	No	4	11	1
Sanjay Khanna	Non -Executive, Independent	0	3	No	1	5	-

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

- Mr. Vishal Mahadevia was appointed as Non-Executive, Non Independent Director on May 30, 2017.

Meetings, agenda and proceedings etc of the Board Meeting

The Board of Directors met seven (7) times during the year as follows:

- May 12, 2017
- May 30, 2017
- July 26, 2017
- August 08, 2017
- October 27, 2017
- November 16, 2017
- January 31, 2018

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 31st January, 2018 to review the performance of Non-independent Directors (including the Chairman of the Company) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Limit on the number of Directorships:

In compliance with Regulation 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:

All the meetings are conducted as per well designed, e-secured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. 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 and the Company Secretary, the CFO and 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 Managing Director, CFO and other senior executives make presentations on operational health & safety and other business issues. The Chairman of various Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

Post Meeting Action:

Post 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 marketing, finance 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, visit to Company's multiplexes etc. On the matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

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 website of the Company 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 provided elsewhere in the Annual 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, employees at Senior Management and other employees who could 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.

Committees of the Board

Audit Committee

Terms of Reference

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.

Composition, Meetings and Attendance:

The Board has constituted an Audit Committee, comprised of four Non Executive cum Independent 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 Terms of reference of the Audit Committee are in accordance with those specified in Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

Composition and Attendance

During the year under review the Audit Committee met Four times on May 30, 2017, July 26, 2017, October 27, 2017 and January 31, 2018 and the maximum gap between any such two meetings did not exceed one hundred and twenty days as stipulated under Regulation 18 of SEBI (LODR) Regulations, 2015.

Name of the Members	Category of Director	No. of meetings attended
Mr. Sanjai Vohra (Chairman)	Independent	4
Mr. Amit Burman	Independent	2
Mr. Sanjay Khanna	Independent	0
Mr. Vikram Bakshi	Independent	4

Nomination and Remuneration Committee

Terms of Reference

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

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

ii. Identify and assess potential individuals with respect to their expertise, skills, attributes, personnel and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnels.

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 Employees.

Composition

Name of the Members	Category of Director	No. of meetings attended
Mr. Sanjai Vohra (Chairman)	Independent	2
Mr. Amit Burman	Independent	2
Mr. Ajay Bijli	Executive	2
Ms. Renuka Ramnath	Non-executive	1

The Committee met three times on 30th May 2017, 26th July 2017 and 11th August, 2017 during the year.

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 and such other authorities if any required. Detailed Remuneration Policy is provided on the Company's Website www.pvrcinemas.com.

Remuneration paid to Directors

Executive Directors

The details of the remuneration of the Executive Directors are as under:

The details of Paid/payable remuneration and perquisites to Mr. Ajay Bijli, Chairman cum Managing Director (CMD) and Mr. Sanjeev Kumar, Joint Managing Director (JMD) of the Company as follows

Amount (₹)

Remuneration	Mr. Ajay Bijli	Mr. Sanjeev Kumar
Salary	21,660,000	15,000,000
Perquisites (HRA)	10,830,000	7,500,000
Commission payable for FY 2017-18 @ 2.5% of Net Profits	52,200,000	52,200,000
Total	**84,690,000**	**74,700,000**

Non-Executive Directors

Further, the remuneration (Sitting fees) and commission towards contribution of the Non-Executive Director for the Company's is as follows:

Name of the Directors	Sitting Fees (₹)	Commission (₹)	No. of Shares held
Mr. Sanjay Khanna	150,000	250,000	NIL
Ms. Renuka Ramnath	NIL	NIL	NIL
Mr. Vishal Mahadevia	NIL	NIL	NIL
Mr. Amit Burman	400,000	250,000	NIL
Mr. Vikram Bakshi	550,000	250,000	NIL
Mr. Sanjai Vohra	NIL	1,500,000	9,638
Total	**1,100,000**	**2,250,000**	**9,638**

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

Stakeholders Relationship Committee

Terms of Reference

This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

Composition and Attendance

The Committee is headed by Mr. Vikram Bakshi, Independent Director and consists of the members as stated below:

Name of the Members	Category of Director
Mr. Vikram Bakshi (Chairman)	Independent
Mr. Sanjeev Kumar	Executive
Mr. Ajay Bijli	Executive
Mr. Sanjay Khanna	Independent

During the year under review, no meeting of Stakeholders Relationship Committee took place.

Mr. Pankaj Dhawan, Company Secretary, being the 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:

Total Complaints received : 30

Total Complaints redressed : 30

Pending as on 31st March 2018 : Nil

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 Computershare Private Limited. The Investors may lodge their grievances through e-mails at cosec@pvrcinemas.com or through letters addressed to Mr. P A Varghese, General Manager, Unit PVR Ltd., Karvy Computershare 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 Committee is headed by the Board Chairman, Mr. Ajay Bijli and consists of the members as stated below:

Name of the Members	Category of Director	No. of meetings attended
Mr. Ajay Bijli (Chairman)	Executive	2
Mr. Sanjeev Kumar	Executive	2
Mr. Sanjai Vohra	Independent	2
Mr. Sanjay Khanna	Independent	Nil

During the year under review, the members of Corporate Social Responsibility Committee met twice on 26th July, 2017 and 27th October, 2017.

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.

Management

Management Discussion and Analysis Report

The Management Discussion and Analysis Report is given separately and forms part of this Annual Report.

Disclosures

Related Party Transaction Policy: This Policy of PVR is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard. Detailed Related Party Transaction Policy is provided on the Company's Website www.pvrcinemas.com.

The Company has followed the 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 the Regulations issued by SEBI and terms and conditions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. The details of establishment of such mechanism has been disclosed by the Company on its website.

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

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 enclosed at the end of this report.

Reappointment of Directors

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

Last Three AGM's of the Company

Annual General Meetings:

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
2014-15	Tuesday, September 29, 2015	10:30 A.M.	The Mapple Emerald, Rajokri, NH-8, Delhi-110038	Yes
2015-16	Thursday, September 29, 2016	10:30 A.M.	The Mapple Emerald, Rajokri, NH-8, Delhi-110038	Yes
2016-17	Monday, July 24, 2017	10.30 A.M.	The Mapple Emerald, Rajokri, NH-8, Delhi-110038	Yes

Postal Ballot

No resolution was passed during the FY 2017-18 through Postal Ballot.

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 the website of the Company www.pvrcinemas.com. The website also displays official news releases.

Communication to shareholders on email: 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 and Corporate Governance Report, etc. are filed electronically on 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 email ID for investors: The Company has designated the email id investorrelations@pvrcinemas.com exclusively for investor servicing.

The Annual Results of the Company were published in the following newspapers:

Newspapers	Language	Region
Financial Express	English	Delhi, Ahmadabad, Chandigarh, Lucknow, Bangalore, Bombay, Kolkata, Chennai Cochin and Hyderabad.
Jansatta	Hindi	New Delhi.
Business Standard	English	Delhi, Ahmadabad, Bangalore, Bombay, Bhubnashewar, Kolkata, Chandigarh, Cochin, Hyderabad, Lucknow, Chennai and Pune.

General Shareholders' Information

1. Annual General Meeting :	27th September, 2018 10.30 A.M. at The Mapple Emerald Rajokri, National Highway-8 New Delhi – 110038
2. Financial Calendar: Tentative Schedule:	
The Company follows the period of 1st April to 31st March, as the Financial Year.	
	Meeting of Board of Directors
First quarterly results:	July, 2018
Second quarterly/Half yearly results:	October, 2018
Third quarterly results:	January, 2019
Annual results for the year ending on March 31, 2019:	May, 2019
Annual General Meeting for the year ending on March 31, 2019: September, 2019	
3. Book Closure Date:	20.09.2018 to 27.09.2018 (both days inclusive)
4. Dividend Payment:	on or before 10th October, 2018
5. Listing on Stock: Exchanges	BSE Limited (BSE) National Stock Exchange of India Limited (NSE
6. Stock Code:	BSE Script Code: 532689; NSE Symbol: PVR ISIN: INE 191H01014

7. Market Price Data

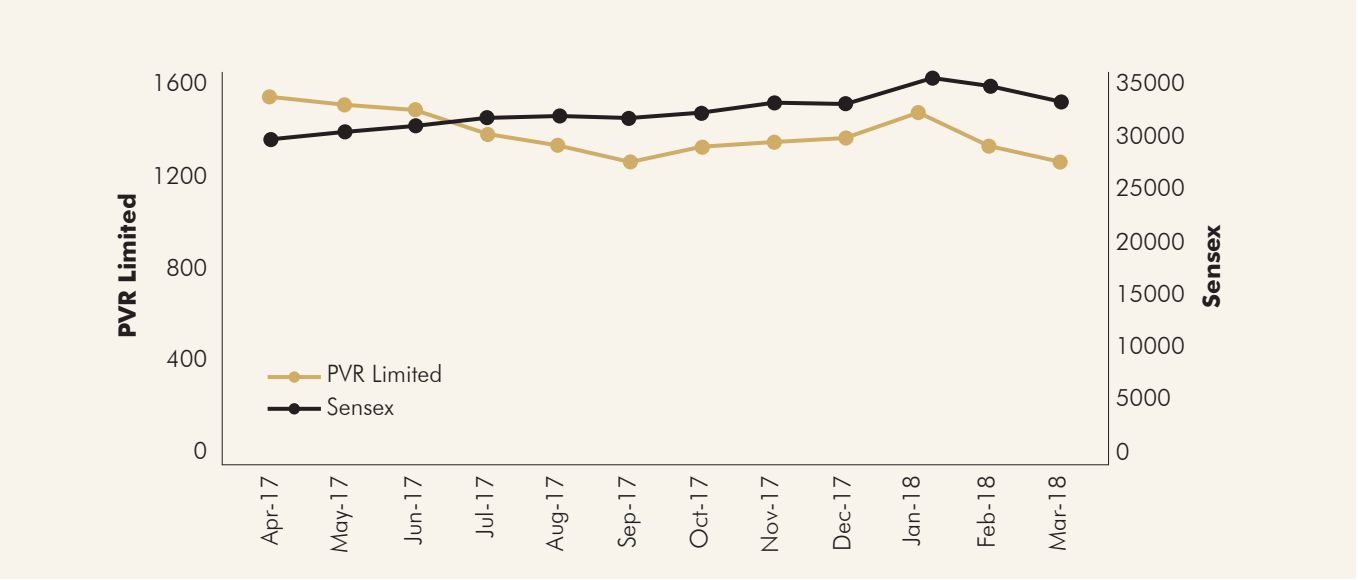
Monthly High Low for the year under review

Month	NSE		BSE	
	High	Low	High	Low
Apr-17	1655.00	1429.80	1659.70	1431.00
May-17	1630.00	1397.05	1631.60	1400.10
Jun-17	1601.00	1378.85	1603.85	1377.85
Jul-17	1465.00	1318.60	1463.85	1321.00
Aug-17	1445.00	1225.00	1445.00	1226.70
Sep-17	1388.80	1142.05	1388.30	1145.00
Oct-17	1448.00	1210.25	1446.65	1210.80
Nov-17	1440.50	1237.80	1439.75	1264.50
Dec-17	1474.45	1250.10	1475.85	1253.00
Jan-18	1568.45	1390.00	1567.50	1392.00
Feb-18	1474.00	1220.00	1469.00	1201.00
Mar-18	1337.40	1190.65	1335.75	1191.50

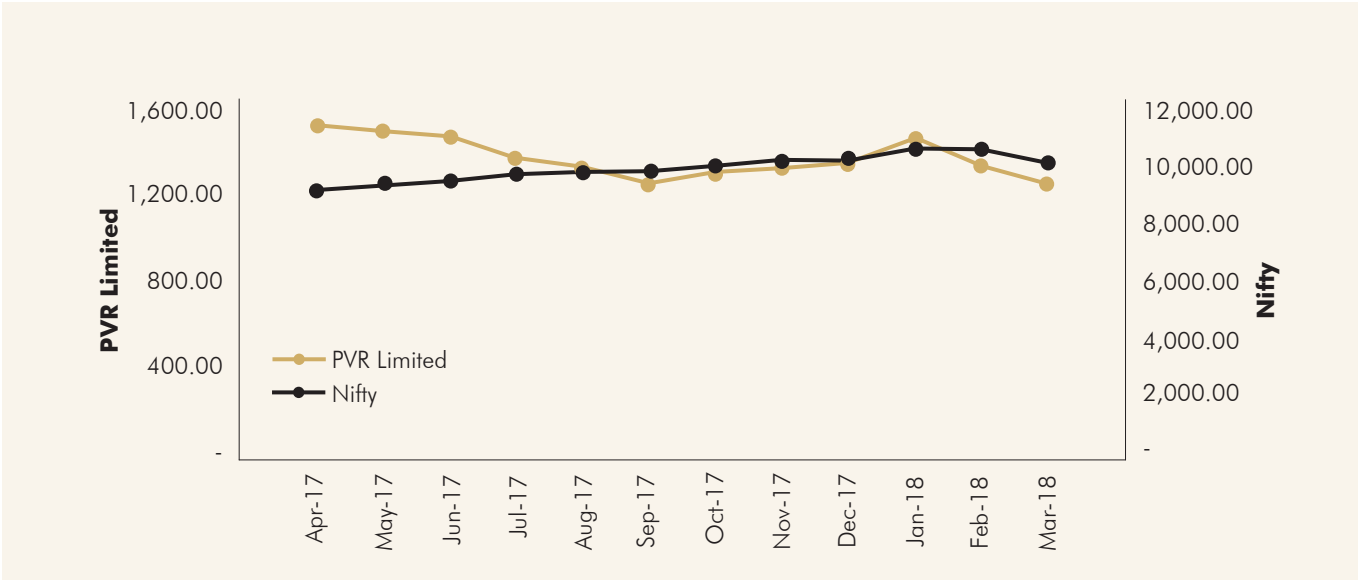
8. Performance of PVR Share Price in Comparison to:

Bse Sensex

Sensitivity at BSE



Nse Nifty Index
Sensitivity at NSE



9. Registrar and Transfer Agents : Karvy Computershare Private Limited (KCPL),
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

10. Share Transfer System : Shares in physical form can be lodged with KCPL at the above mentioned address.

11 (a) Distribution Schedule

Distribution Schedule - Consolidated As on March 31, 2018

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	33,416	97.533639	1,396,523	13,965,230	2.987944
5001- 10000	351	1.024488	260,995	2,609,950	0.558414
10001- 20000	184	0.537054	270,820	2,708,200	0.579436
20001- 30000	49	0.143020	123,319	1,233,190	0.263848
30001- 40000	20	0.058375	71,498	714,980	0.152974
40001- 50000	22	0.064213	101,121	1,011,210	0.216354
50001- 100000	50	0.145939	351,309	3,513,090	0.751647
100001& Above	169	0.493272	44,163,003	441,630,030	94.489382
Total	**34,261**	**100.00**	**46,738,588**	**467,385,880**	**100.00**

11 (b) Shareholding Pattern

Consolidated Shareholding Pattern as on March 31, 2018

Category	No.of Holders	Total Shares	% To Equity
FOREIGN PORTFOLIO INVESTORS	150	20,126,990	43.062897
PROMOTERS	2	8,989,190	19.232909
FOREIGN CORPORATE BODIES	4	7,461,030	15.963319
MUTUAL FUNDS	46	4,631,949	9.910331
RESIDENT INDIVIDUALS	31,886	2,408,025	5.152113
BODIES CORPORATES	466	1,982,424	4.241515
FOREIGN INSTITUTIONAL INVESTORS	1	348,955	0.746610
PROMOTER GROUP	2	326,115	0.697743
CLEARING MEMBERS	106	132,914	0.284377
EMPLOYEES	8	108,023	0.231122
NON RESIDENT INDIANS	474	96,767	0.207039
H U F	835	57,888	0.123855
NON RESIDENT INDIAN NON REPATRIABLE	269	54,377	0.116343
BANKS	3	8,867	0.018971
NBFC	3	2,848	0.006093
TRUSTS	5	1,252	0.002679
I E P F	1	974	0.002084
Total	**34,261**	**46,738,588**	**100.00**

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 viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate trading in dematerialized form in India.

The breakup of Equity Share capital in dematerialized form held with depositories and in physical form as on 31st March 2018 is as follows:

Summary of Shareholding as on March 31, 2018

Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	88	1,220	0.002610
N S D L	23,908	46,184,534	98.814568
C D S L	10,265	552,834	1.182821
Total	**34,261**	**46,738,588**	**100.00**

Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

Service of documents through Email

In terms of provisions of Companies Act, 2013 service of documents on 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 the purpose. Accordingly, the Company proposes to send documents like shareholders meeting notice/other notices, Audited Financial Statements, Director's Report, Auditor's Report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their depositories. This will definitely help prompt receipt of communication, reduce paper consumption and save trees as well as avoid loss of documents in transit.

Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/updated either with their depositories or by writing to the Company.

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 take place on weekly basis. 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 dematerialized 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.

13. Address for correspondence:

	Mr. Pankaj Dhawan Company Secretary & Compliance Officer PVR Limited
Registered Office:	61, Basant Lok, Vasant Vihar, New Delhi – 110057
Corporate Office:	Block A, 4th Floor, Building No. 9A, DLF Cyber City, Phase-III, Gurugram, Haryana – 122002
Investor grievance email:	cosec@pvrcinemas.com Tel: + 91-124-4708100 Fax: + 91-124-4708101 Website: www.pvrcinemas.com

14. 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.

Certification by Chief Executive Officer of the Company

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 31.03.2018 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: Gurugram
Date: 25th July 2018

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 FY 2017-18.

Place: Gurugram
Date: 25th July 2018

Ajay Bijli
CEO

Certificate Regarding Compliance of Conditions of Corporate Governance

To
The Members of **PVR Limited**

We have examined the compliance of conditions of Corporate Governance by PVR Limited ('the Company') for the year ended on 31st March 2018, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

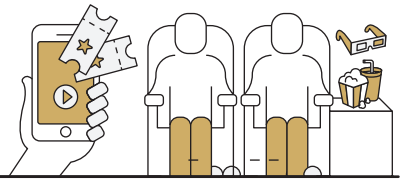
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**
Company Secretaries

Arun Kumar Gupta
Proprietor
Membership No. 21227
C.P. No. 8003

Place: New Delhi
Date: 25th July, 2018

Business Responsibility Report



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: 01 April 2017 to 31 March 2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 59141
8. List three key services that the Company provides (as in balance sheet):
   - Film exhibition;
   - Sale of Food & Beverages within Cinema; and
   - On-Screen and Off-Screen Cinema Advertisement
9. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations (Provide details of major 5): None
   (b) Number of National Locations: 134 locations in 51 cities
10. Markets served by the Company: India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital: ₹ 46.74 crores
2. Total Turnover: ₹ 2,276 crores for FY 2017-18
3. Total profit after taxes: ₹ 121 crores for FY 2017-18
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2% (₹ 2.32 crores) of average net profit for the immediately preceding three financial years.
5. List of activities in which expenditure in 4 above has been incurred:-

As per Schedule VII associated with Section 135 of the Companies Act, PVR supports the following under its CSR programmes:

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

e) Environmental Sustainabilityculture

SECTION C: OTHER DETAILS

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

   Yes, Company has below subsidiary Companies:

   - PVR Pictures Limited
   - Zea Maize Private Limited
   - P V R Lanka Limited

   Note: PVR BluO Entertainment Limited which was subsidiary of the Company has been sold on August 31, 2017.

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)

   No, subsidiary companies do not participate in BR initiatives of parent Company.

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%]

   No suppliers/distributors participate in the BR initiatives of the Company.

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.

DIN	Name	Designation
00531142	Mr. Ajay Bijli	Chairman and Managing Director
00208173	Mr. Sanjeev Kumar	Joint Managing Director
00700879	Mr. Sanjai Vohra	Independent Director
02137776	Mr. Sanjay Khanna	Independent Director

   (b) Details of the BR Head

Particulars	Details
Name	Mr. Nitin Sood
Designation	CFO
Telephone Number	0124-4708100
E-mail ID	nitin.sood@pvrcinemas.com

2. Principle-wise (as per NVGs) BR Policy/policies
a. Details of compliance (Reply in Y/N)

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 Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	www.pvrcinemas.com Employee Well-being Policies are available on the Company Intranet www.pvrhive.com available only to employees								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	While we have not carried out an independent audit of these policies yet, the framework is based on the National Volunteering guidelines.								

1. **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. CEO and Committees of the Board under whom relevant issues lie, assess performance every quarter.

   b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
   Your Company publishes its Business Responsibility Report as part of its Annual Report. The disclosures for FY 2017-18 are included in this annual report and can be accessed at __ www.pvrcinemas.com

Section E: Principle-wise Performance

Principle 1:

Ethics, Transparency & Accountability

1. **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 and others in the PVR Group Companies. 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.

2. **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.**

	Stakeholder Complaint received during Financial Year 2017-18	Complaint resolved during Financial Year 2016-17	Complaints resolved (%)
Investor complaint	30	30	100
Consumer complaint	6,591	6,590	99.9
Total	**6,621**	**6,620**	**99.9%**

Principle 2:

Products Lifecycle Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   i. Cinema Exhibition
   ii. Food and Beverage

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
   - Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

     Production of movies happens at the Producers' end. Sourcing and distribution happens as digital content and hence there is no material utilisation of energy, water, raw material etc.

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

  PVR undertakes numerous initiatives to ensure that our operations are sustainable. During the year gone by, the initiatives undertaken were:

  i. Energy and Water Conservation

  ii. In a first, Indoor air quality is being maintained by introducing clean air auditoriums ('Audit-Air-Ium') where we have implemented state-of-the-art technology to curb Indoor air pollution by controlling PM2.5 and PM10 to provide cleanest possible air. We are maintaining AQI (Air Quality Index) levels below US standard of 50. Clean Air Auditoriums have been implemented at 4 locations and will be expanded to other locations in a phased manner.

  iii. Safety & Security is one of the most material aspects of our business. PVR lays great emphasis in this area as we are responsible for the safety and security of a large number of people on a daily basis.

  - Under overall Security, we have tied up with International Institute of Management of Security & Safety Delhi for training for all key security personnel.
  - Promax is conducting the global fire life safety & first-aid certified training for all sites.
  - External and internal Audits are being done on fire safety, by Ahuja's third party fire life safety & thermography audits.
  - Post audits, specific closures and preventive/ corrective actions have been put in place.

Results of Energy Conservation Initiatives

	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Electricity saved	1.45%*	2.47%*	3.1%*	5.11%*
Cost saving ₹	₹ 1.90 crores	₹ 2.69 crores	₹ 3.34 crores	₹ 3.28 crores
No. of screens	625	579	516	464

*In the first year, the saving has been more on account of obvious measures that were implemented; in subsequent years the saving has reduced as the measures were improvements upon the earlier years. It may also be noted that our footprint has grown by 35% during the period and cinema technology in our cinemas is at par with the global best.

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 its business, PVR's vendor and supplier base consists of various categories of Vendors & Suppliers that are categorised as follows:

- **Category A:** 20% of our vendors constitute cinema equipment providers from companies like Dolby, Imax Corporation Canada, Christie Duo, Scrabble Entertainment, Barco, etc. These are world renowned names that align to the highest global best practices of responsible business.
- **Category B:** Another 30% constitute Film distributors and Mall Owners. While Film production and distribution is a business that is governed by its own specific concerns that are different from other businesses; most Mall owners are big construction companies that themselves have to fulfill their respective sustainability criterion for the Construction sector.
- **Category C:** About 30% are large and reputed companies in India and overseas that deal in fittings and furnishings used in our cinemas, as well as contractors and architects.
- **Category D:** Medium to small enterprises in India.

Therefore, approximately 70% of our supply chain is aligned to Sustainable business practices; for the balance, we will be undertaking Supply Chain assessment in a phased manner in coming years.

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?

The nature of PVR's business is such that the bulk of our vendor selection decisions are based on technology supremacy and we are therefore bound by those considerations. However, lower down in our value chain, we have explored 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.

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.

We have evaluated various options of recycling solutions to the kind of waste we generate. We are in advanced talks with a few organisations that have innovative solutions for waste management and will soon be undertaking pilot studies to evaluate options.

Principle 3:

Employee's Well-being

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

	Head	2017-18
1	Total number of employees-	10,264
2	Total number of contractual employees	6,789 (Outsourced Employees 4,068 + Activity Outsourcing 2,721)
3a	Total number of women employees	2,136
3b	Total number of permanent women employees	418
4	Total number of employees with Disability	Nil

5. **Do you have an employee association that is recognised by management?**
   No we do not have any employee association recognised by management. However in accordance with Rights to Freedom of association our employees' individual freedom is not restricted.

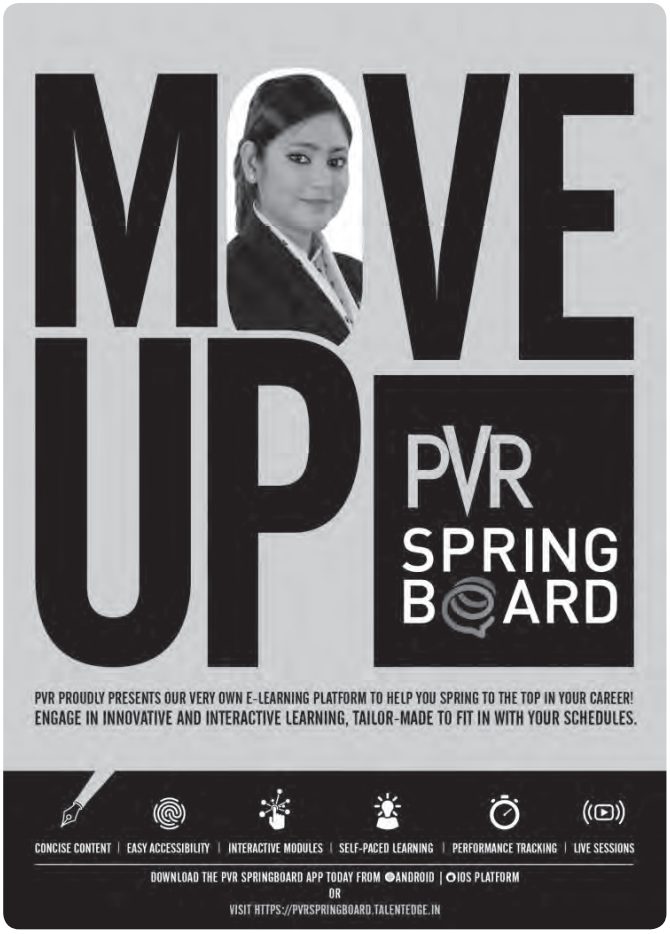
6. **What percentage of your permanent employees is members of this recognised employee association?**
   N.A.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, 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	30%	100%
Permanent women employees	40%	100%
Casual/Temporary/Contractual Employees	100%	100%
Employees with disabilities	NA	NA



Principle 4:

Stakeholder Engagement:

1. **Has the Company mapped its internal and external stakeholders?**
   PVR recognises existing and prospective 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.**
   PVR has identified underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders. PVR continuously engages essentially with 'Children at Risk' through its CSR programme.

In addition, PVR has also identified People with Disability as disadvantaged, vulnerable & marginalised stakeholders and is working on an extensive plan to make its cinemas accessible to people with mobility, hearing/speech and visual impairment that constitute more than 65% of India's total differently-abled population. The Company has put a plan in place that will be executed in the next financial year to invest in assistive technologies and equipment to enable people with disability to enjoy movies.

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 has set up a Charitable Trust called PVR Nest that undertakes its CSR initiatives and any other Social Impact initiatives of by the Company. It aims at providing a dedicated approach to community development while fulfilling its corporate social responsibility commitments. The Trust works with 'Children at Risk' (Childscapes) through 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. It also undertakes Environment Conservation, health and sanitation programmes.

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, follows its policy on Human Rights which is applicable to all across the Company. For its subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. 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 any manufacturing units/with business associates.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   No complaint has been received pertaining to human rights violation.

Principle 6:
Environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**
   The Company follows its policy on Environment Protection which is applicable to all its business places. For the subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. However, the same is not applicable to suppliers and contractors.

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.**
   We recognise global environmental issues as very real threats and have undertaken numerous initiatives in this area:

   - Awareness creation among PVR employees about the benefits of energy conservation.
   - Innovative Idea sharing and successful implementation across all the sites is recognised and rewarded.
   - A Certified Energy Auditor and Manager has been brought on board to supervise and implement energy conservation measures. External consultants have been appointed to provide energy saving measures over and above the existing system in the areas of optimising energy usage, lux level of various areas, design aspects of Electrical and HVAC systems etc. This enables equipment efficiency conservation of energy.
   - Audit of equipment under Mall Management that services PVR and other tenants is done on a regular basis, in order to identify inefficiencies and suggest operational and equipment change to reduce wastage of energy. Malls have also come forward and approved Energy auditing by 3rd party to identify inefficiencies at their end at a cost born by PVR.
   - Power factor is maintained above 0.98 with the help of APFCs to 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 optimisation is being done by following switching On/Off procedure with the help of timers to ensure optimisation. In areas with intermittent usage, Mechanical Timers are being implemented, which also help in ensuring safety against fire due to long un-attended 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.
   - Major lighting has been replaced with LED lights using retrofits in existing locations. Upcoming sites are primarily using LED.
   - New and efficient Screw Chillers have been installed at locations giving energy savings.
   - HVAC plants and sub systems under PVR are being closely monitored and regular PPM is being carried out to ensure decreased 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 is being done from corporate office.
- Centralised monitoring of chilled & condensed water parameters was implemented in FY 2017-18 at all sites having Chiller high side under PVR scope.
- Electronic water softeners have been installed on cooling towers, thereby reducing the chemical dosing of cooling tower water to maintain chiller energy efficiency; monitoring is taking place.
- Effective monitoring of energy consumption to ensure optimal utilisation of energy.
- VFDs have been 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 to be equipped with VFDs in FY 2018-19.
- Water Conservation across PVR sites has been facilitated by Installation of water flow restrictors in wash basin taps. This has helped in reducing tap water consumption by 60% thus reducing the energy consumed in pumping and helping in water conservation. Some of the Malls in which we have our cinemas have also shown interest towards water conservation and have implemented the same with our assistance.
- State-of-the-art Energy Monitoring, Temperature Monitoring and Fire Hydrant pressure monitoring systems are in use at 82 Locations 34 across North India in Phase I, and 48 Sites in West under Phase II in FY 2017-18 this system is a cloud-based remote monitoring system, enabling us to become proactive rather than being reactive.
- Building Signages are fitted with LED-based technology to save energy and longer life span.
- 80% Poster Windows have FTLs replaced with LED-based lighting; rest to be in FY 2018-19.
- AC discipline is being followed to avoid leakage of cooled air/infiltration of hot air.
- All PVR owned lifts are V3F Drive equipped.
- Automatic start/stop for the escalators in PVR premises/ scope implemented to avoid idle running of the escalators and thus conserve energy.
- Indoor air quality is being maintained by introducing clean air auditoriums ('Audit-Air-Ium') where we have implemented state of the art technology to curb Indoor air pollution by controlling PM2.5 and PM10 to provide cleanest possible air. We are maintaining AQI (Air Quality Index) levels below US standard of 50. Clean Air Auditoriums implemented at 4 locations and will be expanded to other locations in a phased manner.

3. **Does the Company identify and assess potential environmental risks? Y/N**
   PVR identifies and assesses potential environmental risks with respect to its business and takes appropriate measures to ensure we minimise our adverse impact on the environment.

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, PVR has not registered any project to Clean Development Mechanism.

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.**
   In addition to the initiatives mentioned in the response to Question 3, we are exploring possibilities to Purchase Renewable power from private power producers under PPA (Power purchase agreement), contributing towards Green Initiative. With every energy audit, efforts have been made to install tube lights and other electrical equipment which save energy consumption.

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 our films.

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:**
   a) Northern India Motion Pictures Association (NIMPA)
   b) National Association of Motion Pictures & Exhibitors (NAMPE)
   c) Federation of Karnataka Chambers of Commerce & Industry (FKCCI)
   d) FICCI Multiplex Association of India (FICCI-MIA)
   e) Retailers Association of India (RAI)
   f) National Association of Theatre Owners (NATO)

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)**
   PVR 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
– Tackling Counterfeiting

Off-late PVR is also focusing on extending Cinema viewing to people with disabilities. PVR recognises that 2.1% of India's population is differently-abled as per Census 2011. PVR is working towards working out an extensive programme towards making its Cinemas friendly for people with disabilities by introducing Closed Captioning, Audio Description and infrastructural accommodations for people with Visual, Hearing and Mobility impairment. We are working closely with various relevant Ministries to help this possible. By doing so, we hope to influence policy in favour of accessible entertainment for people with disability.

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 there of.**



Programmes under Education

Childscapes

With a sophisticated learning culture embraced with entertainment, age-appropriate curriculum and sports as keen tools; PVR Nest has formulated its flagship project – 'Childscapes' to bring about the proposed change for children at risk. With astute focus on a 360-degree well-being and developmental approach through education, nutrition, healthcare and rehabilitation; National Commission for Protection of Child Rights (NCPCR) and PVR NEST conduct workshops basis its association with several esteemed organisations like Delhi Commission for Protection of Child Rights (DCPCR), Department of Women and Child Development (DWCD), HAQ, Jamghat, Dusty Foot Foundation, Pratham, Indus Action, Art for Play Foundation, Society for Promotion of Youth and Masses (SPYM), Jodo Gyan, Tarkeybein, Salaam Baalak Trust and other non-governmental institutions. Operating out of 12 Childscapes Centres established across the capital, PVR NEST reaches out to around 2,000 children on a daily basis with an aim to work on the overall development of children at risk.

Right to Education

The initiative under education, PVR Nest and Indus Action are working towards promoting RTE 12 (1) (c) enabling the most vulnerable children get access to education that is rightfully theirs. So far 159 children have been admitted to the private schools of Delhi with the help of 75 childscapes community mothers. The project is being implemented pan India in Chhattisgarh, Tamil Nadu, Uttarakhand, Madhya Pradesh, Karnataka and Delhi.

Scholarship for Excellence and Academics

Furthermore, PVR Nest also has a Scholarship for Excellence and Academics programme (SEA), which is an educational initiative that provides full scholarships to students from areas that are infrastructurally disadvantaged due to geography or history of India to the most appropriate schools of the highest standard. At present the grants are being given to 14 Students from Pan India.

Setting up Computer Lab

PVR Nest recently set up a computer lab consisting of 15 computers along with a wall-mounted smart board at one of our community schools – Little Ones Public School (LOPS). The aim is to provide digital learning tools to teachers and students to support the attainment of the common core content standards (of mainstream), benchmarks and New-age skills. Through this, we will be able to impact 250 students and 12 teachers; empowering them and also enhancing their literacy skills via technology. This in turn would enrich the overall experience of a child, generating enthusiasm and a more positive learning environment for students.

Joy of reading campaign and Book Donation Drive:- PVR Nest. in association with Katha, DLF and PVR Cinemas in Delhi-NCR held a book donation drive wherein we encouraged people and movie-goers to donate books. The books from the donation were further used to set up community libraries in 5 of our Childscape centres.



Programmes under Protection of National Heritage, art and culture:

CineArt

Under its ambit of societal development initiatives, PVR Nest runs a very unique programme called CineArt. It is the largest film education programme in India promoting an experiential learning approach where PVR NEST works with eminent filmmakers and experts from all walks of life like statesmen, diplomats, policymakers, intellectuals, scientists, jurists, writers, artists and members of civil society initiate the exchange of new ideas and knowledge in the spirit of developmental cooperation.

Programmes under Women Empowerment

She's Ambassador Program

Having proven success of its initiatives, the CineArt programme has touched the lives of as many as 2,00,000 students with 1,000 workshops in 200 schools. It recently completed the 'She's Ambassador programme' in association with Mumbai Obstetrics and Gynaecological Society (MOGS), a health and hygiene educational programme reaching out to 50,000 BMC school girls across 50 BMC schools generating a brigade of 200 health ambassadors, who made 5 original short films on different themes which were showcased to our 8 crores PVR consumers. The programme was designed to develop leadership skills and increase health awareness among girls in aligning with the aim of reducing the consequences of low health literacy, through interactive, participatory and filmmaking sessions.

The programme culminated in Mumbai and was graced by the presence of luminaries like Ms. Sonam Kapoor, Ms. Twinkle Khanna, Ms. Niharika Bijli, Ms. Priya Dutt and Dr. Nandita Palshetkar.



Programmes under Environment, Health and Sanitation:

PINK Toilets

Government organisations including National Protection For Protection of Child Rights (NCPCR), South Delhi Municipal Corporation (SDMC), Delhi Commission for Protection of Child Rights (DCPCR) and Department of Women & Child Development (DWCD), have come together to invest their time and resources in building smart toilets called 'Pink Toilets' around PVR Complexes, where PVR Nest is the maintenance partner for the same. The partnership involves maintaining three 'Pink toilet' compounds around PVR complexes at Vikaspuri, Anupam Complex and Vasant Vihar. The inauguration of the toilet compound took place on April 24, 2018 (Tuesday) at PVR Anupam, New Delhi.

Under our Green City Initiative, we identify ways to Adapt & Adopt environmental friendly solutions around PVR Cinemas. The government organisation, South Delhi Municipal Corporation (Horticulture) has improved the condition of 12 under flyover areas and converted them into parks. Earlier, there were encroachments by way of parking of vehicles, night shelters as well as home to all anti-social elements. Beautifying of Africa Avenue under Flyover (outer- ring road) was directed by the Hon'ble Lieutenant Governor of Delhi, supporting the Swachh Bharat Abhiyan launched by Hon'ble Prime Minister Mr. Narendra Modi with an investment of ₹ 94.00 lacs with plants, bollard light fittings and sculptures. The length of the developed park is 190.00metres and at a distance of approx 3 km from PVR Sangam and PVR Priya cinema. PVR Nest is the maintenance partner of this park where the department would continue to support us by providing water, electricity, plants and equipment for the maintenance of this space. This is the first time ever the government has originated an association with a corporate for a social initiative to care for Delhi's environment. Their belief in us and their support has been the foundation for this entire venture and we are extremely excited about it.

2. **Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/ any other organisation?**
   PVR Nest, the CSR arm of PVR, 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?**
   So far we have not conducted any formal impact assessment.

4. **What is your Company's direct contribution to community development projects (Amount in ₹ and the details of the projects undertaken)**
   As per Section 135 of the Company's Act 2013, we are required to spend 2% of Net average profits of the last three years, which amounts to ₹ 2.32 crores. However, PVR's societal well being programmes go far beyond compliance. Our programmes started more than a decade back and we continue to support and grow our work beyong compliance.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the members of the community?**
   Out-of-school children can only be reached with targeted interventions that address the range of barriers faced by marginalised children, and innovative interventions targeting out-of-school children. PVR Nest has developed multipronged strategies to raise awareness within the community and ensures that the Community is totally involved and takes ownership of the programmes. Some of the examples being:

- Access to Education through emerging Non-formal Education Centres of PVR Nest – the first step adopted within the community. PVR Nest created 5 centres which are Community-based Education Centres (CBEC).

- Partnership with traditional storytellers to build the 'Listen to Learn' programme. Community mothers were invited to understand the importance of learning from home.

- C-Cube Fellowship Programme in association with community mothers to educate them about the Right to Education Act.

- Right to Education Campaign launch in association with Indus Action to build awareness and bring access to communities to private school.

- PVR Nest adopted Pratham's (Combined Activities for Maximised Learning) (CAMaL–meaning wonder) to evolve teaching reading, writing, and math with children in disadvantaged communities.

Principle 9:

Customer Value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
   As at the end of financial year, 0.015% (1 complaint) consumer complaint are pending for resolution

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, PVR 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 the active ingredients, 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.**
   No

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**
   We carry out periodic surveys on customer satisfaction; these surveys are quite extensive in nature. We evaluate each and every touch point which directly or indirectly influences customer's experience in the entire life cycle of movie watching. Over the years, the scores have been steadily improving.

Rounds	Round 1	Round 2	Round 3	Round 4	Round 5	Round 6	Round 7
Period of VoC	June-Sep 15	Oct 15 - Feb 16	Mar-July 16	Aug - Dec 16	Jan-Apr 17	May-Aug 17	Sep 17 - Jan 18
Scores	67	68	73	72	73	73	73

These scores are out of 100 points.

Post the CSAT survey, the following initiatives have been taken based on customer feedback received:

Few Improvements undertaken:

- Convenience of making the payments was drastically improved

- Redefining the PVR app basis the feedback received on Speed of booking

- 3D Glass was change and the way of cleaning the glass and packaging was changed

- New F&B items were introduced after the feedback from the consumer

- Menu board clarity has been worked upon by Mkt team

- Cleanliness in the premises has significantly improved after the continuous feedback

The touch points that we cover from experience point of view are primarily Box Office, Security, Cinema Lobby, Washroom, Auditorium and F&B. Currently, these surveys are conducted by TNS global market research Company.

Independent Auditor's Report

To the Members of PVR Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of PVR Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS Financial Statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Ind AS 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 Ind AS Financial Statements, management is 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the 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 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS, included in these Standalone Ind AS Financial Statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 30 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

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 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 the Standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

   g) 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 on its financial position in its Standalone Ind AS financial statements - Refer Note 35 to the Standalone Ind AS 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 Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 12 to the Standalone Ind AS Financial Statements.

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

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: 4 May 2018

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 2018.

(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) a) According to the information and explanation given to us, the loan granted to the Company covered in the register maintained under Section 189 of the Act was fully repaid during the year. In our opinion, the rate of interest and other terms and conditions on which the loan was granted were, not, prejudicial to the interest of the Company.

b) In case of loan granted to the Company covered in the register maintained under Section 189, the borrower has been regular in payment of principal and repayment of interest on such loan as and when demanded by the Company.

c) There are no overdue amounts in respect of the loan granted to the Company covered in the register maintained under Section 189 of the Act.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, 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, Sales-tax, Goods and Services Tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have 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, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 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 Income-tax, Sales-tax, Service tax, Duty of custom, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of 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 ESOP expense u/s 37	A.Y 2006-07	Hon'ble High Court	108.85	-
Income Tax Act, 1961* (Refer below note)	Demand u/s 143(3) disallowing expense u/s 14A	A.Y 2007-08 and 2008-09	Income tax Appellate Tribunal (ITAT)	309.62	621.17
Income Tax Act, 1961* (Refer below note)	Demand u/s 143(2) disallowing expense u/s 14A	A.Y 2014-15 and 2015-16	Commissioner of Income tax (A)	687.38	1.09
Assam Amusement and Betting tax Act, 1939	Entertainment Tax	Various Assessments Years	Hon'ble Supreme Court	334	-
Punjab Entertainment tax (Cinematographs shows) Rules 1954	Entertainment Tax	AY 2017-18	Deputy Commissioner	144.36	-
Finance Act 1994, Service Tax	Service tax on other services	Various Assessments Years	Customs Excise and Service Tax Appellate Tribunal	2,536.95	90.15
Finance Act 1994, Service Tax	Service tax on food and beverages	Various Assessments Years	Customs Excise and Service Tax Appellate Tribunal	5028.8	184.83
UP VAT Act, 2007/ Maharashtra VAT Act, 2002 / Kerala VAT Act 2003/Punjab VAT Act 2005	Value Added Tax	Various Assessments Years	Joint Commissioner/Deputy Commissioner/Assistant Commissioner	1,032.23	54

* There were certain expenses disallowed by the Income tax authorities for 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 judgement 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 2018. 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 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 term loans, initial public offer or futher public offer during the year ended 31 March 2018.

(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 information and explanations given to us and on the basis of our examination of the 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 explanation 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 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 registration No.: 101248W /W-100022

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: 4 May 2018

Annexure B to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of PVR Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to the Standalone Ind AS Financial Statements of PVR Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to the Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

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 the Standalone Ind AS Financial Statements was 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 system with reference to the Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Ind AS Financial Statements, 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 Ind AS 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 system with reference to the Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Ind AS Financial Statements

A Company's internal financial control with reference to the Standalone Ind AS 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 control with reference to the Standalone Ind AS 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 the Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Ind AS 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 the Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Standalone Ind AS Financial Statements may become inadequate because of changes

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the Standalone Ind AS Financial Statements and such internal financial controls with reference to the Standalone Ind AS Financial Statements were operating effectively as at 31 March 2018, based on the internal control with reference to the Standalone Ind AS 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.

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

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: 4 May 2018

Balance Sheet

as at March 31, 2018

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

Particulars	Notes	March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	112,170	97,947
Capital work-in-progress	3	10,169	10,522
Goodwill	4	42,660	42,660
Other intangible assets	4	1,509	1,493
Investments in subsidiaries	5A	3,239	7,292
Financial assets			
Investments	5B	1,760	101
Other financial assets	6	21,350	17,337
Deferred tax assets (net) (includes MAT credit entitlement)	7	1,560	4,310
Other non current assets	8	10,509	10,209
Total non-current assets	A	**204,926**	**191,871**
Current assets			
Inventories	9	1,854	1,692
Financial assets			
Investments	10	106	96
Trade receivables	11	13,650	8,820
Cash and cash equivalents	12	1,748	1,264
Other bank balances	12	503	506
Loans	13	102	2,527
Other financial assets	6	3,249	3,674
Other current assets	8	3,011	3,866
Total current assets	B	**24,223**	**22,445**
Total assets [A+B]		**229,149**	**214,316**
Equity and liabilities			
Equity			
Equity share capital	14	4,674	4,674
Other equity	15	100,943	90,623
Total equity	A	**105,617**	**95,297**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	56,156	60,504
Provisions	17	940	623
Total non-current liabilities	B	**57,096**	**61,127**
Current liabilities			
Financial liabilities			
Borrowings	18	9,875	12,443
Trade payables	19	23,489	18,244
Other payables	20	24,131	20,020
Provisions	17	261	298
Other current liabilities	21	8,680	6,887
Total current liabilities	C	**66,436**	**57,892**
Total liabilities (B+C)		**123,532**	**119,019**
Total equity and liabilities [A+B+C]		**229,149**	**214,316**
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

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

Statement of Profit and Loss

for the year ended March 31, 2018

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

Particulars	Notes	March 31, 2018	March 31, 2017
Income			
Revenue from operations	22	224,612	200,201
Other income	23	2,953	6,018
Total Income		**227,565**	**206,219**
Expenses			
Movie exhibition cost		55,583	49,376
Consumption of food and beverages		15,468	13,219
Employee benefits expense	24	24,198	20,522
Finance costs	25	8,335	7,997
Depreciation and amortisation expense	26	14,119	12,239
Other operating expenses	27	90,805	87,657
Total expenses		**208,508**	**191,010**
Profit before exceptional items and tax		**19,057**	**15,209**
Exceptional items	28	59	495
Profit before tax		**18,998**	**14,714**
Tax expense:			
Current tax		4,598	3,156
Deferred tax (including MAT credit entitlement)		2,258	2,266
Total tax expense		**6,856**	**5,422**
Profit for the year [A]		**12,142**	**9,292**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period	29	(1,000)	(142)
Items that will be reclassified to profit or loss in subsequent period		-	-
Other comprehensive income for the year (net of tax) [B]		**(1,000)**	**(142)**
Total comprehensive income for the year [A+B] (comprising profit and other comprehensive income for the year)		**11,142**	**9,150**
Earnings per equity share on Net Profit after tax	30		
[Nominal Value of share ₹ 10 (March 31, 2017: ₹10)]			
Basic		25.97	19.89
Diluted		25.86	19.89
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

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

Statement of Changes in Equity

for the year ended March 31, 2018

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

A. Equity Share Capital (Refer note 14)

	March 31, 2018	March 31, 2017
Balance at the beginning of the year	4,674	4,669
Changes in equity share capital during the year	-	5
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	
At March 31, 2016	**-**	**46,947**	**2,703**	**4,030**	**75**	**28,162**	**20**	**-**	**81,938**
Profit for the year	-	-	-	-	-	9,292	-	-	9,292
Other comprehensive income (net of tax) (Refer note 29)	-	-	-	-	-	-	(142)	-	(142)
Total Comprehensive Income	**-**	**46,947**	**2,703**	**4,030**	**75**	**37,454**	**(122)**	**-**	**91,088**
Exercise of share options	-	98	-	-	-	-	-	-	98
Employee stock compensation for options granted	-	-	-	-	5	-	-	-	5
Transferred from stock options outstanding	-	80	-	-	(80)	-	-	-	-
Transfer to Debenture redemption reserve (Refer note 15)	-	-	2,269	-	-	(2,269)	-	-	-
Transfer from Debenture redemption reserve reserve (Refer note 15)	-	-	(50)	-	-	50	-	-	-
Dividends (including CDT)	-	-	-	-	-	(1,169)	-	-	(1,169)
Adjustment on account of Business combination (Refer note 45(i) & (ii))	602	-	-	-	-	-	-	-	602
At March 31, 2017	**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)
Total Comprehensive Income	**602**	**47,125**	**4,922**	**4,030**	**-**	**46,208**	**(234)**	**(888)**	**101,765**
Employee stock compensation for options granted	-	-	-	-	305	-	-	-	305
Transfer to Debenture redemption reserve (Refer note 15)	-	-	2,413	-	-	(2,413)	-	-	-
Transfer from Debenture redemption reserve reserve (Refer note 15)	-	-	(50)	-	-	50	-	-	-
Dividends (including CDT)	-	-	-	-	-	(1,127)	-	-	(1,127)
At March 31, 2018	**602**	**47,125**	**7,285**	**4,030**	**305**	**42,718**	**(234)**	**(888)**	**100,943**

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

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

Cash Flow Statement

for the year ended March 31, 2018

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

Particulars	March 31, 2018	March 31, 2017
Operating activities:		
Profit before tax	18,998	14,714
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	13,442	11,602
Amortisation of intangible assets	677	637
Allowance for doubtful debts and advances	350	514
Bad debts/advances written off	18	29
Net loss on disposal of property, plant and equipment	32	628
Interest Income	(969)	(1,414)
Finance costs	7,571	7,297
Share based payment expense	295	5
Exceptional items	59	332
Unspent liabilities written back	(239)	(66)
Rent expenses (pertaining to deferred rent)	1,018	1,239
	41,252	**35,517**
Working capital adjustments:		
Increase/(Decrease) in provisions	279	(311)
Increase/(Decrease) in trade and other payables	7,293	1,493
Decrease/(Increase) in trade receivables	(5,136)	(1,017)
Decrease/(Increase) in inventories	(162)	200
Decrease/(Increase) in loans and advances and other assets	549	384
Cash generated from operations	**44,075**	**36,266**
Direct taxes paid (net of refunds)	(4,004)	(3,072)
Net cash flow from/(used in) operating activities (A)	**40,071**	**33,194**
Cash flows (used in) investing activities		
Purchase of PPE, intangible assets, CWIP and capital advances	(31,335)	(62,311)
Proceeds from sale of property, plant & equipment's	34	63
Security deposits given to Mall Developers	(3,817)	(5,175)
Investment in subsidiaries	(287)	(850)
Sale of Investment in PVR BluO Entertainment Limited[1]	4,281	-
Redemption/(Purchase) of NSC's	24	(12)
Investment in iPic Entertainment Inc.	(2,581)	-
Loan repaid by body corporate	43	-
Loans given to subsidiaries	(275)	(4,775)
Loans repaid by subsidiaries	2,275	3,375
Interest received on deposits	137	377
Fixed deposits with banks (includes escrow deposit for the year ended March 31, 2017)	16	5,005
Net cash flow from/(used in) investing activities (B)	**(31,485)**	**(64,303)**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including securities premium	-	103
Proceeds from long term borrowings	12,500	15,085
Repayment of long-term borrowings	(8,946)	(11,636)
Proceeds from short-term borrowings	37,500	20,920
Repayment of short-term borrowings	(38,500)	(10,000)
Payment of Dividend and tax thereon	(1,127)	(1,169)
Interest paid on Borrowings	(8,008)	(7,298)
Net cash flow from/(used in) financing activities (C)	**(6,581)**	**6,005**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	2,005	(25,104)
Cash and cash equivalents at the beginning of the year	(259)	23,392
Add: Cash and cash equivalent acquired on amalgamation as at April 01, 2016	-	1,453
Cash and cash equivalents at the end of the year	**1,746**	**(259)**

Cash Flow Statement

for the year ended March 31, 2018

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

Particulars	March 31, 2018	March 31, 2017
Components of cash and cash equivalents	532	305
Cash on hand		
Balance with banks:		
On current accounts	1,131	885
On deposits with original maturity of less than three months	85	74
cash and cash equivalents	1,748	1,264
Less: Bank overdraft	(2)	(1,523)
Total cash and cash equivalent	**1,746**	**(259)**

[1]Sale consideration of ₹ 4,386 Lakhs adjusted for working capital and incidental expenses (refer note 51).

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 ₹ 232 lakhs (March 31, 2017: ₹ 185 lakhs) towards corporate social responsibility (CSR) expenditure (Refer note 39).
- Amendment to Ind AS 7: Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of these standalone financial statements to evaluate change in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities is as below:

Particulars	Non - current borrowings[1]	Current borrowings
Opening balance as at April 01, 2017[2]	69,671	11,000
Cash flows during the year:		
- Proceeds	12,500	37,500
- Repayment	(8,946)	(38,500)
Non-cash changes due to:		
- Mark to market of derivative liability	-	-
- Others	-	-
Closing balance as at March 31, 2018[2]	73,225	10,000

[1]Includes current maturities of non-current borrowings.
[2]Opening and closing balance excludes transaction cost.

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements

As per report of even date
For **B S R & Co. LLP**
ICAI Firm Registration Number: 101248W / W-100022
Chartered Accountants

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

Ajay Bijli
Chairman cum Managing Director
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Company Secretary
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Nitin Sood
Chief Financial Officer

Place: Gurugram
Date: May 04, 2018

Notes

to the financial statements for the year ended March 31, 2018

1 Reporting entity

PVR Limited ('the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act with its registered office located at '61, Basant lok, Vasant Vihar, New Delhi, India – 110057'. The Company's equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company is in the business of films exhibition & production and operates theatres in India. The Company also earns revenue from 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. The Company had adopted Ind AS with effect from April 1, 2016, with transition date of April 1, 2015, pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015.

These standalone financial statements for the year ended March 31, 2018 are approved by the Audit Committee and Board of Directors on May 04, 2018.

(b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), 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 useful life of 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:

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- 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

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 and Capital work in progress (including Pre-operative expenses) 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.

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.

Cost of PPE not ready for it's intended use as at the reporting date is disclosed as Capital work-in-progress.

(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.

(iii) Transition to Ind AS

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

(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. 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 equipment's	15	8
Gaming equipment's	15	13.33
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 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 ₹ 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) Transition to Ind AS

The Company had elected to continue with the carrying value of all of its intangible assets using the transition provisions of Ind AS, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

(iv) 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. 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

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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.

(e) Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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 as per IndAS 27 in the standalone financial statements. Investment accounted for at cost is accounted for in accordance with Ind AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per Ind AS 36.

(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.

For arrangements entered into prior to April 01, 2015, the Company 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 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 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 01, 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. 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

The amount collected on sale of a gift voucher is recognised as a liability and transferred to revenue when redeemed or on expiry.

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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.

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.

(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 istallments over the expected useful life of the related assets.

(l) Foreign currency transaction and translations

Transactions and balances

Transactions in foreign currencies are initially recorded in functional currency's spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies remaining unsettled are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(m) Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company

entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date;

- Assets (or disposal Company's) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or Other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through Other comprehensive income.

As a result from business combination the Company as whole has gained synergies relating to increase in revenue, decrease of certain operational cost and effective vendor negotiation. The Company as a whole is considered as a CGU, and there are no other CGU's identifiable to which Goodwill from business combinations is allocated.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuer's are involved for valuation of significant assets, liabilities, such as ESOP, Gratuity etc.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (including those carried at amortised cost) (note 2.2(v))

(o) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

The Company has the following employee benefit plans:

i Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, incentives, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

ii Defined contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company 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 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.

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to the financial statements for the year ended March 31, 2018

(r) **Provisions**

General

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best management estimates.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

(s) **Cash and Cash equivalents**

Cash and cash equivalents comprise cash at bank, cash in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(t) **Share based payments**

In accordance, with the Securities and exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and IndAS 102 Share-based Payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense, together with a corresponding increase in the 'Employee Stock options outstanding account' in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

(u) **Dividend**

The Company 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 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:

Notes

to the financial statements for the year ended March 31, 2018

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18;

The Company impairs its trade receivables basis past experience and trend. Other financial asset, are impaired on case to case basis.

(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

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity

has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 01, 2018. The Company has evaluated the effect of this on the standalone financial statements and the impact is not likely to be material.

Ind AS 115- Revenue from Contract with Customers:
On March 28, 2018, Ministry of Corporate Affairs ('MCA') has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018.

The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is likely to be insignificant.

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Notes

to the financial statements for the year ended March 31, 2018

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

3 Property, plant and equipment

Particulars	Freehold Land	Building	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Total	Capital Work in Progress
At March 31, 2016	2	10	37,058	39,460	11,171	2,320	350	90,371	
Additions	-	-	6,336	10,428	2,694	654	228	20,340	
Adjustment on account of Business Combination (Refer note 45 (ii) & 45 (iii))	-	-	4,411	4,397	541	150	-	9,499	
Disposals and discard	-	-	(334)	(745)	(214)	(26)	(45)	(1,364)	
At March 31, 2017	**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)	
At March 31, 2018	**2**	**10**	**57,631**	**66,046**	**17,805**	**4,008**	**533**	**146,035**	
Depreciation									
At March 31, 2016	-	0 [#]	3,297	3,973	1,677	553	82	9,582	
Charge for the year	-	0 [#]	4,043	4,956	1,872	626	105	11,602	
Disposals and discard	-	-	(77)	(97)	(85)	(17)	(9)	(285)	
At March 31, 2017	**-**	**-**	**7,263**	**8,832**	**3,464**	**1,162**	**178**	**20,899**	
Charge for the year	-	0 [#]	4,338	6,021	2,293	683	107	13,442	
Disposals and discard	-	-	(65)	(76)	(301)	(34)	-	(476)	
At March 31, 2018	**-**	**-**	**11,536**	**14,777**	**5,456**	**1,811**	**285**	**33,865**	
Net Block									
At March 31, 2017	**2**	**10**	**40,208**	**44,708**	**10,728**	**1,936**	**355**	**97,947**	**10,522**
At March 31, 2018	**2**	**10**	**46,095**	**51,269**	**12,349**	**2,197**	**248**	**112,170**	**10,169**

[#] Amount below ₹ 1 lakhs

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				
	Opening	Addition	Disposals and discard	Total	Opening	Charge for the year	Disposals and discard	Total	Net Block
March 31, 2017	3,258	1,518	(308)	4,468	69	383	(17)	435	4,033
March 31, 2018	4,468	-	-	4,468	435	414	-	849	3,619

iii. Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2018 was ₹ 429 lakhs (March 31, 2017: ₹ 256 lakhs).

4 Intangible assets

Particulars	Goodwill	Software Development	Movie Rights	Other Intangible Assets total
	A	B	C	D=B+C
At March 31, 2016	8,060	1,520	286	1,806
Additions	-	530	-	530
Addition on account of Business Combination (Refer note 45(ii) & 45 (iii))	34,600	35	-	35
Disposals and discard	-	(9)	-	(9)
At March 31, 2017	**42,660**	**2,076**	**286**	**2,362**
Additions	-	493	200	693
Disposals and discard	-	-	-	-
At March 31, 2018	**42,660**	**2,569**	**486**	**3,055**
Amortisation				
At March 31, 2016	-	241	-	241
For the year	-	380	257	637
Deductions/ Adjustments	-	(9)	-	(9)
At March 31, 2017	**-**	**612**	**257**	**869**
For the year	-	448	229	677
Deductions/ Adjustments	-	-	-	-
At March 31, 2018	**-**	**1,060**	**486**	**1,546**
Net Block				
At March 31, 2017	**42,660**	**1,464**	**29**	**1,493**
At March 31, 2018	**42,660**	**1,509**	**-**	**1,509**

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 goodwill that arose on such acquisitions is 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, 2018, total market capitalisation of PVR is ₹ 568,411 lakhs significant part of which represents value of the cinema exhibition business which is higher than the carrying value of Goodwill.

5 Non current Investments

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

	March 31, 2018	March 31, 2017
PVR Pictures Limited	2,102	2,102
Equity share of ₹ 4 each 42,006,173 (March 31, 2017: 42,006,173)		
PVR bluO Entertainment Limited (Refer note 51)	-	4,340
Equity share of ₹ 10 each Nil (March 31, 2017: 18,627,083)		
P V R Lanka Limited[1]	137	-
Equity share of LKR 100 each 320,569 (March 31, 2017: Nil)		
Zea Maize Private Limited	500	500
Equity share of ₹ 10 each 19,033 (March 31, 2017: 19,033)		
Zea Maize Private Limited[2]	500	350
0.01% Compulsory convertible preference shares of ₹ 10 each 19,032 (March 31, 2017: 13,322)		
	3,239	**7,292**

[1]During the 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 09, 2016 in Democratic Socialist Republic of Sri Lanka, to subscribe 320,569 number of equity shares of LKR (Sri Lankan Rupee) 100 each.
[2] During the year ended March 31, 2018, there was an additional capital infusion of ₹ 150 lakhs in Zea Maize Private Limited through Compulsory convertible preference shares.

Notes

to the financial statements for the year ended March 31, 2018

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

5B Investments

	March 31, 2018	March 31, 2017
Quoted equity shares		
Equity shares at FVTOCI		
iPic Entertainment Inc.[1]	2,581	-
Common membership units of $ 18.13 each 220,629 (March 31, 2017 : Nil)		
Less: Diminution in the value of Investment (refer note 29)	(888)	-
Net value of Investment	**1,693**	**-**
Unquoted Government securities		
Government Securities- at amortised cost		
National savings certificates[2]	173	197
(Deposited with various tax authorities)		
	1,866	**197**
Less: Amount disclosed under current investment (Refer note 10) (being due for maturity within next 12 month)	106	96
	1,760	**101**

Aggregate amount of unquoted investment	3,412	7,489
Aggregate amount of quoted investment	2,581	-
Aggregate amount of impairment in value of investments	888	-

[1] During the year ended March 31, 2018, the Company has acquired a minority stake for a value of USD4 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' .

[2] The following National Saving Certificates held in the interest of the Company are pledged with various Indirect Tax Authorities.

	March 31, 2018	March 31, 2017
Managing Director	20	36
Employees	136	120
Developers	-	8
Promoters of the erstwhile subsidiary Company	17	33

6 Other financial assets

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current bank balances (refer note 12)	124	138	-	-
Interest accrued on:				
Fixed deposits	18	16	14	11
National saving certificate	22	25	40	54
Others	-	-	25	21
	164	**179**	**79**	**86**
Revenue earned but not billed	-	-	192	336
Government grant receivable[1]	1,994	1,691	1,838	1,752
Security deposit				
Unsecured, considered good	19,192	15,467	1,140	1,500
Unsecured, considered doubtful	328	318	-	-
	19,520	**15,785**	**1,140**	**1,500**
Allowance for doubtful security deposit	(328)	(318)	-	-
	19,192	**15,467**	**1,140**	**1,500**
Total	**21,350**	**17,337**	**3,249**	**3,674**

[1] 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.

7 Deferred tax assets (net) (includes MAT credit entitlement)

	March 31, 2018	March 31, 2017
Deferred tax liability		
Impact of differences in depreciation/amortisation in block of tangible and intangible assets as per tax books and financial books	7,349	4,630
Gross deferred tax liability	**7,349**	**4,630**
Deferred tax asset[1]		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	587	264
Allowance for doubtful debts and advances	542	415
Others	473	397
Gross deferred tax asset	**1,602**	**1,076**
Net deferred tax (liability)/Assets	**(5,747)**	**(3,554)**
Add: MAT credit entitlement[2]	7,307	7,864
Net deferred tax (liability)/ Asset (including MAT Credit entitlement)	**1,560**	**4,310**

[1] The Company has not accounted for Deferred tax assets on Capital loss on sale of Investment in 'PVR BluO Entertainment Limited' and loss on fair valuation of 'iPic Entertainment Inc.' Investment on account of reasonable certainity.

[2] 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.

8 Other assets

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Prepaid expenses	1,236	892	1,280	1,059
Deferred rent	6,988	6,661	902	966
	8,224	**7,553**	**2,182**	**2,025**
Capital advances				
Unsecured, considered good	1,340	1,672	-	-
Unsecured, considered doubtful	-	-	-	-
	1,340	**1,672**	**-**	**-**
Allowance for doubtful capital advances	-	-	-	-
	1,340	**1,672**	**-**	**-**
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	97	411
Unsecured, considered doubtful	-	-	7	9
	-	**-**	**104**	**420**
Allowance for doubtful advances	-	-	(7)	(9)
	-	**-**	**97**	**411**
Others				
Advance income tax (net of provision)	55	94	-	-
Income tax paid under protest (Refer note 35(i))	890	890	-	-
Balances with statutory authorities	-	-	732	1,430
	945	**984**	**732**	**1,430**
Total	**10,509**	**10,209**	**3,011**	**3,866**

Notes

to the financial statements for the year ended March 31, 2018
(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, 2018	March 31, 2017
Food and beverages	1,193	969
Stores and spares	661	723
	1,854	**1,692**

10 Current investments

	March 31, 2018	March 31, 2017
Investments (unquoted)		
National savings certificates (refer note 5B)	106	96
(Deposited with various State tax Authorities)		
	106	**96**

11 Trade receivables

	March 31, 2018	March 31, 2017
Secured, considered good	215	72
Unsecured, considered good	13,435	8,748
Unsecured, considered doubtful	1,161	873
	14,811	**9,693**
Allowance for doubtful debts	(1,161)	(873)
	13,650	**8,820**

12 Cash and cash equivalent

	Non-current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash on hand	-	-	532	305
Balances with banks:				
On current accounts	-	-	1,131	885
Deposits with original maturity of less than 3 months	-	-	85	74
	-	**-**	**1,748**	**1,264**
Other bank balances				
Deposits with remaining maturity for more than 3 months but less than 12 months	-	-	495	498
Deposits with remaining maturity for more than 12 months	124	138	-	-
Unpaid and unclaimed dividend accounts (refer note (b) below)	-	-	8	8
	124	**138**	**503**	**506**
Amount disclosed under non-current other financial assets (refer note 6)	(124)	(138)	-	-
	-	**-**	**2,251**	**1,770**

Note:

(a) 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.

(b) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.

(c) Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs.

The specified bank notes as defined under the notification issued by the Ministry of Finance, Department of Economic dated 8 November, 2016 are no longer in existence. Hence, the Company has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2013. Disclosure made in the previous year financial statement is as below:

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	409	4	413
(+) Permitted receipts (including withdrawal from bank)	-	6,903	6,903
(-) Permitted payments	-	(182)	(182)
(-) Amount deposited in Banks	(409)	(6,358)	(6,767)
Closing cash in hand as on 30 December 2016	-	367	367

Note: For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

13 Loans

	March 31, 2018	March 31, 2017
Loan and advances to related parties (Unsecured, considered good)		
Loan to wholly owned subsidiary Company	-	2,000
Advances recoverable in cash or kind	-	2
	-	**2,002**
Loan to others		
Loan to employees		
Unsecured, considered good	102	427
Loan to body corporate		
Unsecured, considered good	-	98
Unsecured, considered doubtful	55	-
	157	**525**
Allowance for doubtful loan	(55)	-
	102	**2,527**
a. Loans and advances to related parties include		
PVR Pictures Limited (unsecured loan)	-	2,000
b. Advances recoverable in cash or kind		
Zea Maize Private Limited	-	2
c. Loans and advances in the nature of loans given to subsidiaries (Refer note 40)		
PVR Pictures Limited		
Balance at the end of the year	-	2,000
Maximum amounts outstanding during the year	2,000	2,000
There was no repayment schedule in respect of this loan. It was repayable on demand and has been repaid during the year.		

14 Share capital

	March 31, 2018	March 31, 2017
Authorised share capital		
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**
Issued, subscribed and fully paid-up shares		
Equity shares of ₹ 10 each fully paid	4,674	4,674
Total issued, subscribed and fully paid-up share capital	**4,674**	**4,674**

Notes

to the financial statements for the year ended March 31, 2018

(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, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	110,700,000	11,070	93,700,000	9,370
Increased in year on account of Business combination (Refer Note 45 (i) & 45 (ii))	-	-	17,000,000	1,700
Balance at the end of the year	**110,700,000**	**11,070**	**110,700,000**	**11,070**

ii. Authorised Non-cumulative convertible Preference shares

	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	590,000	2,015	-	-
Increased during previous year on account of Business combination (Refer Note 45 (i) & 45 (ii))	-	-	590,000	2,015
Balance at the end of the year	**590,000**	**2,015**	**590,000**	**2,015**

iii. Issued, Subscribed and fully paid up equity shares

	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,738,588	4,674	46,686,938	4,669
Shares Issued during the year:				
Employee stock options plan (ESOP) (Refer note 32)	-	-	51,650	5
Shares outstanding at the end of the year	**46,738,588**	**4,674**	**46,738,588**	**4,674**

b Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2018		March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹ 10 each fully paid				
Mr. Ajay Bijli	5,260,298	11.25	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:

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
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	204,126
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).

15 Other equity

	March 31, 2018	March 31, 2017
Securities premium		
Amount received (on issue of shares) in excess of the face value has been classified as securities premium.	47,125	47,125
Share option outstanding account (Refer note 32)		
The share option outstanding account is used to record value of equity-settled share based payment transactions with employees. The amount recorded in this account are transferred to security premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	305	-
Debenture redemption reserve (DDR)		
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 atlease 25% of the value of debentures issued and accordingly the Company has created the same.	7,285	4,922
Capital reserve (Refer Note 45)		
Reserve created under the scheme of arrangement (Business Combination). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.	602	602
General reserve		
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.	4,030	4,030
Retained earnings		
Retained earnings comprise of the Company's accumulated undistributed earning after taxes including Other Comprehensive Income(OCI).	41,596	33,944
Total reserves and surplus	**100,943**	**90,623**

Notes

to the financial statements for the year ended March 31, 2018

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

15A Distribution made and Proposed

	March 31, 2018	March 31, 2017
Cash Dividends on equity shares approved and paid:		
Final Dividend for the year as approved in AGM	935	935
Interim Dividend declared by erstwhile Company Bijli Holdings Private Limited (refer note 45(i))	-	36
	935	971
Proposed dividends on Equity shares [1]		
Final Dividend for the year ended March 31, 2018: ₹ 2 per share (March 31, 2017: ₹ 2 per share)	935	935
	935	**935**

[1] 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Debentures				
Secured Rated Listed Non-Convertible Debentures (net of transaction cost)	46,909	43,729	9,385	1,850
Term loans				
Secured term loans from banks	6,973	13,856	6,883	6,525
Other loans				
Secured Vehicle loans from banks	-	50	50	47
Secured Finance lease obligation from body corporate (refer note 33)	2,274	2,869	594	524
	56,156	**60,504**	**16,912**	**8,946**
Amount disclosed under the head 'other payable' (refer note 20)	-	-	(16,912)	(8,946)
	56,156	**60,504**	**-**	**-**

Notes:

a. Secured Rated Listed Non-Convertible Debentures (NCD):

Particulars	Effective Interest Rate	Date of Allotment	Repayment Period	Repayment Ratio	Amount
60 (March 31, 2017: 80) of ₹ 1,000,000 each	11.40%	1-Jan-10	7th to 10th year	20:20:30:30	600
500 (March 31, 2017: 500) of ₹ 1,000,000 each	10.95%	25-Feb-14	5th year	100	5,000
500 (March 31, 2017: 500) of ₹ 1,000,000 each	10.75%	10-Jun-14	5th year	100	5,000
1,000 (March 31, 2017: 1,000) of ₹ 1,000,000 each	11.00%	16-Oct-14	4th to 7th year	25:25:25:25	10,000
500 (March 31, 2017: 500) of ₹ 1,000,000 each	11.00%	24-Nov-14	5th to 7th year	30:30:40	5,000
1,000 (March 31, 2017: 1,000) of ₹ 1,000,000 each	10.75%	9-Jan-15	6th and 7th year	50:50	10,000
335 (March 31, 2017: 500) of ₹ 1,000,000 each	8.90%	29-Jul-16	1st,2nd and 3rd year	33:33:34	3,350
500 (March 31, 2017: 500) of ₹ 1,000,000 each	7.84%	12-Jan-17	3 Years and 6 months	100	5,000
250 (March 31, 2017: Nil) of ₹ 1,000,000 each	8.05%	3-Apr-17	4th year	100	2,500
500 (March 31, 2017: Nil) of ₹ 1,000,000 each	8.15%	3-Apr-17	5th year	100	5,000
500 (March 31, 2017: Nil) of ₹ 1,000,000 each	7.85%	18-Aug-17	5th year	100	5,000
					56,450

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 ₹ 50 lakhs (March 31, 2017: ₹ 97 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, 2018	March 31, 2017
Secured Rated Listed Non-Convertible Debentures:		
Repayable within 1 year	9,450	1,850
Repayable within 1 - 3 year	25,000	20,450
Repayable after 3 years	22,000	23,500
Term Loan:		
Repayable within 1 year	6,883	6,525
Repayable within 1 - 3 year	5,098	11,148
Repayable after 3 years	1,875	2,708
Secured Vehicle loans:		
Repayable within 1 year	50	47
Repayable within 1 - 3 year	-	50
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 8.70%p.a to 9.05% pa.

(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.

17 Provisions

	Long-term		Short-term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for gratuity (net) (refer note 31)	517	288	-	-
Provision for leave benefits	423	335	261	298
	940	**623**	**261**	**298**

18 Short-term borrowings (at amortised cost)

	March 31, 2018	March 31, 2017
Unsecured Commercial paper (net of transaction cost)	9,873	10,920
Secured bank overdraft	2	1,523
	9,875	**12,443**

Notes:

i. Bank overdraft is secured by first *pari passu* charge on all current assets of the Company including inventories and receivables both present and future. It carries variable interest rate based on respective banks/ body corporate benchmark rate, effective rate of interest varying in between 8.75% to 10.45% p.a.

Notes

to the financial statements for the year ended March 31, 2018

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

ii. In respect of Commercial Paper maximum amount outstanding during the year was ₹ 11,500 lakhs (March 31, 2017 : ₹ 11,000 lakhs) with a maturity period of 3 months.

iii. The Company had ₹ 11,648 lakhs (March 31, 2017: ₹ 4,477 lakhs) of undrawn committed borrowing facility available as at the year ended March 31, 2018.

19 Trade payable

	March 31, 2018	March 31, 2017
Total outstanding dues of trade payable other than micro and small enterprises (Refer note 37)	23,489	18,244
	23,489	**18,244**

20 Other Payables

	March 31, 2018	March 31, 2017
Payables on purchase of fixed assets	6,522	10,384
Security deposits	510	495
Current maturities of long-term borrowings (refer note 16)	16,912	8,946
Interest accrued but not due on borrowings		
- Vehicle loan	-	1
- Debentures	179	186
Unpaid dividends[1]	8	8
	24,131	**20,020**

[1]Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

21 Other Current liabilities

	March 31, 2018	March 31, 2017
Advances from customers	3,539	2,621
Employee benefits payables	2,818	2,562
Statutory dues payable	2,323	1,704
	8,680	**6,887**

22 Revenue from operations

	March 31, 2018	March 31, 2017
Sale of services [refer (a) below]	162,262	143,747
Sale of food and beverages	60,766	55,054
Other operating revenue [refer (b) below]	1,584	1,400
	224,612	**200,201**

(a) Sale of services

	March 31, 2018	March 31, 2017
Income from sale of movie tickets	124,806	112,564
Advertisement income	29,486	24,502
Convenience fees	5,971	5,815
Virtual print fees	1,724	866
Income from film production	275	-
	162,262	**143,747**

(b) Details of other operating revenue

	March 31, 2018	March 31, 2017
Food court income	1,102	990
Gaming income	444	372
Management fees	38	38
	1,584	**1,400**

23 Other income

	March 31, 2018	March 31, 2017
Government grant	1,367	3,721
Net gain on redemption of mutual fund Investments	53	444
Interest earned on		
Bank deposits	56	94
NSC's Investments	16	14
Interest Income from financial assets at amortised cost	840	1,059
Others	57	247
Exchange differences (net)	1	21
Other non-operating income (net) (includes excess liability written back ₹ 239 lakhs (March 31, 2017: ₹ 66 lakhs)	563	418
	2,953	**6,018**

24 Employee benefit expense

	March 31, 2018	March 31, 2017
Salaries, wages, allowances and bonus	21,423	18,384
Contribution to provident and other funds	990	1,007
Employee stock option scheme (refer note 32)	295	5
Staff welfare expenses	1,490	1,126
	24,198	**20,522**

25 Finance costs

	March 31, 2018	March 31, 2017
Interest on		
Debentures	5,128	4,252
Term loans	1,485	2,195
Banks and others[1]	958	850
Other financial charges	764	700
	8,335	**7,997**

[1] Includes interest on Finance lease obligation of ₹ 377 lakhs (March 31, 2017: ₹ 400 lakhs)

26 Depreciation and amortisation expense

	March 31, 2018	March 31, 2017
Depreciation on tangible assets	13,442	11,602
Amortisation on intangible assets	677	637
	14,119	**12,239**

Notes

to the financial statements for the year ended March 31, 2018

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

27 Other operating expenses

	March 31, 2018	March 31, 2017
Rent	40,805	38,312
Less: Rental income from sub-lessees	(270)	(488)
Net rent expenses	**40,535**	**37,824**
Electricity and water charges (net of recovery)	14,682	13,569
Common area maintenance (net of recovery)	10,949	10,511
Repairs and maintenance	9,219	8,839
Marketing expenses	3,624	3,413
Rates and taxes	1,574	3,053
Security service charges	2,470	2,433
Travelling and conveyance	2,435	2,245
Legal and professional fees[1]	2,328	1,917
Communication costs	872	984
Net loss on disposal of property, plant and equipment	32	628
Printing and stationery	467	530
Insurance	280	333
CSR expenditure (refer note 39)	232	185
Allowance for doubtful debts and advances	350	514
Bad debts/advances written off	18	405
Less: Utilised from provisions	- 18	(376) 29
Directors' sitting fees	12	11
Miscellaneous expenses	726	639
	90,805	**87,657**

[1] Payment to auditors (included in legal and professional charges above)

As auditor:		
Audit fee	24	28
Limited Review	24	20
Tax audit fee	2	2
Other Certifications	-	1
Reimbursement of out of pocket expenses	1	3
	51	**54**

28 Exceptional Items

	March 31, 2018	March 31, 2017
Net loss incurred on sale of Investment in 'PVR BluO Entertainment Limited (Refer Note 51)	59	-
Assets written off	-	245
Business acquisition related cost (Refer note 45 (iii))	-	163
Net loss after Income tax of erstwhile subsidiaries till March 31, 2016 (Refer Note 45(ii))	-	87
	59	**495**

29 Components of other comprehensive income

	March 31, 2018	March 31, 2017
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	(175)	(223)
Gain/(loss) on equity instruments designated at FVTOCI (Refer note 5A)	(888)	-
Tax impact on re-measurement loss on defined benefit plans	63	81
	(1,000)	**(142)**

30 Earning per share (EPS)

	March 31, 2018	March 31, 2017
The following reflects the profit and shares data used in the basic and diluted EPS computations:		
Net Profit after tax	**12,142**	**9,292**
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	46,738,588	46,686,938
-Number of equity shares issued on May 31, 2016	-	34,000
-Number of equity shares issued on July 29, 2016	-	650
-Number of equity shares issued on September 01, 2016	-	17,000
Number of equity shares outstanding at the end of the year	-	46,738,588
Weighted number of equity shares of ₹ 10 each outstanding during the year	**46,738,588**	**46,725,661**
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year	46,738,588	46,686,938
Number of equity shares outstanding at the end of the year	-	46,738,588
Weighted number of equity shares of ₹ 10 each outstanding during the year	**46,738,588**	**46,725,661**
Add: Effect of stock options 300,000 (March 31, 2017: Nil)	202,027	-
Weighted number of equity shares of ₹ 10 each outstanding during the year	46,940,615	46,725,661
Basic earnings per equity share (in ₹)	25.97	19.89
Diluted earnings per equity share (in ₹)	25.86	19.89

31 Gratuity plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 days last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with two insurance companies in the form of a qualifying insurance policies. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets. Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments and debt instruments. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

As the plan assets include investments in quoted mutual funds, the Company has diversified the market risk.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Notes

to the financial statements for the year ended March 31, 2018

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

Statement of profit and loss

Net employee benefit expense recognised in employee cost

Particulars	March 31, 2018	March 31, 2017
Current service cost	192	138
Interest cost on benefit obligation	14	16
Net benefit expense	206	154

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, 2018	March 31, 2017
Defined benefit obligation	1,882	1,556
Fair value of plan assets	1,365	1,268
Plan asset/(liability)	(517)	(288)

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

Particulars	March 31, 2018	March 31, 2017
Opening defined benefit obligation	1,556	1,139
Interest cost	100	80
Current service cost	192	138
Benefits paid	(132)	(68)
Actuarial losses/(gain) – experience	179	141
Actuarial losses/(gain) – demographic assumptions	-	56
Actuarial losses/(gain) – financial assumptions	(13)	49
Acquisitions (credit)/ cost	-	21
Closing defined benefit obligation	**1,882**	**1,556**

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

Particulars	March 31, 2018	March 31, 2017
Opening fair value of plan assets	1,268	605
Return on plan assets greater/(lesser) than discount rate	(7)	23
Interest income on plan assets	86	64
Benefits paid	(132)	(68)
Contribution by employer	150	644
Closing fair value of plan assets	1,365	1,268

The Company expects to contribute ₹ 550 lakhs (March 31, 2017 ₹ 445 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	March 31, 2018	March 31, 2017
Funds managed by Insurer*	99.16	99.52
Bank balances	0.84	0.48

* 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.

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

Particulars	March 31, 2018	March 31, 2017
	(%)	(%)
Discount rate	7.10	6.70
Expected rate of return on plan assets	7.10	6.70
Salary increase	10.50 for first 2 years and 9.00 thereafter	10.50 for first 2 years and 9.00 thereafter
Employee turnover		
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	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of defined benefit obligation	1,882	1,556	1,139	937	822
Fair value of plan assets	1,365	1,268	604	246	142
Asset / (liability) recognised	(517)	(288)	(535)	(691)	(680)

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	2017-18	2016-17
Experience adjustment on plan liabilities	7.10	6.70
Experience adjustment on plan assets	7.10	6.70

Sensitivity analysis

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

A quantitative sensitivity analysis for significant assumptions as at March 31, 2017 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(61.45)	67.72
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	61.94	57.33
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(47.32)	66.90

Notes

to the financial statements for the year ended March 31, 2018

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

Maturity profile of defined benefit obligation:

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	1,121

Expected benefit payments for the year ending March 31, 2017	Amount
March 31, 2018	445
March 31, 2019	321
March 31, 2020	262
March 31, 2021	261
March 31, 2022	239
March 31, 2023 to March 31, 2027	941

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

Defined Contribution Plan:

Particulars	March 31, 2018	March 31, 2017
Charged to Statement of Profit & Loss (including Capital work in progress of ₹ 48 lakhs (March 31, 2017: ₹ 51 lakhs)	789	845

32 Employee Stock Option Plans

The Company has provided stock options to its employees. During the year 2017-18, 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. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
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	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	240,000	1,400	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	240,000	1,400	-	-
Exercisable at the end of the year	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31,2018	March 31, 2017
Dividend yield (%)	0.12%	-
Expected volatility	24.16%	-
Risk-free interest rate	6.17%	-
Exercise price (₹)	1400	-
Expected life of option granted in years	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 ₹ 247 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. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
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	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
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	-	-
Exercisable at the end of the year	-	-	-	-

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to the financial statements for the year ended March 31, 2018

(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 31,2018	March 31, 2017
Dividend yield (%)	0.12%	-
Expected volatility	24.16%	-
Risk-free interest rate	6.17%	-
Exercise price (₹)	1400	-
Expected life of option granted in years	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 ₹ 58 lakhs is recorded in financial statements in current year of which ₹ 10 lakhs is capitalised under Capital work-in progress and balance ₹ 48 lakhs is debited in statement of profit and loss.

PVR ESOS 2012:

Particulars	Description
Date of grant	January 14, 2013
Date of Shareholder's approval	September 13, 2012
Date of Board Approval	August 01, 2012
Number of options granted	550,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than ten years from the date of grant of options.
Exercise Period	Within a period of three years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
Market value as at January 11, 2013	₹ 287.25
Weighted average fair value of options granted on the date of grant	₹ 147.85

The details of activity under PVR ESOS 2012 have been summarised below:

Particulars	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	34,650	200
Granted/Forfeited/Expired during the year	-	-	-	-
Exercised during the year	-	-	34,650	200
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life of options (in years)	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31,2018	March 31, 2017
Dividend yield (%)	-	0.70%
Expected volatility	-	36.99%
Risk-free interest rate	-	7.80%
Exercise price (₹)	-	200
Expected life of option granted in years	-	6

The Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 200. As a result, an expense of ₹ Nil lakhs (March 2017: ₹ Nil) is recorded in the financial statements.

PVR ESOS 2013:

Particulars	Description
Date of grant	August 21, 2013
Date of Shareholder's approval	August 20, 2013
Date of Board Approval	May 28, 2013
Number of options granted	50,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than ten years from the date of grant of options.
Exercise Period	Within a period of three years from the date of vesting.
Vesting Conditions	Subject to continued employment with the Company. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
Market value as at August 21, 2013	₹ 365.35
Weighted average fair value of options granted on the date of grant	₹ 241.14

The details of activity under PVR ESOS 2013 have been summarised below:

Particulars	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	17,000	200
Granted/Forfeited/Expired during the year	-	-	-	-
Exercised during the year	-	-	17,000	200
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life of options (in years)	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31,2018	March 31, 2017
Dividend yield (%)	-	0.27%
Expected volatility	-	39.51%
Risk-free interest rate	-	8.63%
Exercise price (₹)	-	200
Expected life of option granted in years	-	6

The Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 200. As a result, an expense of ₹ Nil lakhs (March 2017: ₹ 5 lakhs) is recorded in these standalone financial statements.

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.

Notes

to the financial statements for the year ended March 31, 2018

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

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 31,2018	March 31, 2017
Lease payments for the year recognised in statement of profit and loss	40,805	38,312
Lease payments for the year recognised in Capital work in progress	28	71
Minimum lease payments :		
Within one year	25,030	23,106
After one year but not more than five years	69,423	67,950
More than five years	48,539	40,560

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 31,2018	March 31, 2017
Sub-lease rent receipts	924	1,015

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 31,2018		March 31, 2017	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	898	593	899	524
After one year but not more than five years	2,670	2,238	3,259	2,537
More than five years	42	37	352	332
Total minimum lease payments	3,610	2,868	4,510	3,393
Less: amounts representing finance charges	(742)	-	(1,117)	-
Present value of minimum lease payments	2,868	2,868	3,393	3,393

34 Capital & Other Commitments

(a) Capital Commitments

Particulars	March 31,2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	6,661	8,665

(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.

35 Contingent liabilities

S.No.	Particulars	March 31,2018	March 31, 2017
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 ₹ 890 lakhs which is appearing under note 'Other assets'}.	1,105	6,966
b)	Possible exposure on account of entertainment tax exemption treated as capital subsidy on the grounds of ongoing assessments at assessing officer level.	-	999
c)	Demand of entertainment tax under Assam amusement and betting tax Act, 1939 where appeal is pending before Supreme Court.	334	334
d)	Notice from Entertainment tax Department Chennai against short deposit of Entertainment Tax on regional movies.	43	43
e)	Notice from Commercial tax Department, Indore against alleged collection of Entertainment tax during exemption period.	823	823
f)	Notice from Entertainment tax Department Maharashtra in respect of levy of Entertainment tax on convenience fees.	161	143
g)	Show cause notices raised by Service tax Commissionerate. New Delhi. (The Company has already deposited under protest an amount of ₹ 90 lakhs)	2,537	2,537
h)	Demand raised with regard to service tax on food and beverages. The Company has paid ₹ 184 lakhs	2,492	2,492
i)	Possible exposure of Service tax on sale of food and beverages.	6,076	5,303
j)	Demand of Sales tax under Various States VAT Acts where appeal is pending before competent authority (the Company has paid an amount of ₹ 54 lakhs under protest).	1,032	1,285
k)	Claims against the Company not acknowledged as debts.	171	419
l)	Demand of entertainment tax under rule 22 of Punjab entertainment tax (Cinematographs shows) Rules, 1954	144	-
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.

36 Un-hedged Foreign Currency exposure

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

Particulars	Currency	March 31,2018	March 31, 2017
a) Cash in Hand	Thai Bhat	0.29	0.27
	Hong Kong Dollar	0.18	0.06
	Korean Won	0.00	0.00
	UK Pound	1.05	0.90
	Singapore Dollar	0.61	0.39
	US Dollar	1.49	1.22
	Euro	8.55	1.91
	Dirham	0.83	0.74
	Chinese Yuan	0.42	-
	LKR	0.01	-
Total		**13.43**	**5.49**
b) Payable for purchase of Property, Plant and Equipment	US Dollar	761.09	277.53

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to the financial statements for the year ended March 31, 2018

(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 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.

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 ₹ 232 lakhs through its foundation PVR Nest & others. PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

Particulars	March 31,2018	March 31, 2017
Gross amount required to be spent by the Company during the year	232	165
Amount spent during the year (refer note 27)	232	185

40 Disclosure required under Sec 186(4) of the Companies Act 2013

Full particulars of loans given, investment made, guarantee given, security provided together with purpose in terms of section 186(4) of the Companies Act, 2013

Particulars	Rate of Interest (p.a)	Due Date	Secured/ Unsecured	March 31,2018	March 31, 2017
PVR Pictures Limited[1]	11%	Repayable on demand, within a period of 14 days from such demand	Unsecured	-	2,000
Sandhya Prakash Limited[2]	18%	13 monthly instalments adjusted with lease rentals till April 2018.	Unsecured	55	98

[1] The loan had been given to PVR Pictures Limited, a wholly owned subsidiary Company, for meeting their working capital requirements which has been repaid during the year.

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

41 Significant Investments in subsidiaries, joint ventures and associates

The Company has following investment in subsidiaries as at March 31, 2018.

Particulars	Rate of Interest (p.a)	Secured/ Unsecured	March 31,2018	March 31, 2017
PVR Pictures Limited	Subsidiary	India	100%	100%
PVR BluO Entertainment Limited (till August 31, 2017)	Subsidiary	India	Refer Note 51	51%
Zea Maize Private Limited	Subsidiary	India	70% (82.4% through convertible preference share)	70% (80% through convertible preference share)
P V R Lanka Limited (Refer Note 5A)	Subsidiary	Sri Lanka	100%	NA
Erstwhile PVR Leisure Limited	Subsidiary	India	NA	Refer note 45 (ii)
Erstwhile Lettuce Entertain You Limited	Subsidiary	India	NA	Refer note 45 (ii)

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, 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
Financial Assets					
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	-	102	-	-
Other financial assets	6	-	24,599	-	-
Total			**40,775**	**-**	**1,693**
Financial Liabilities					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	18	1	56,294		
- Other borrowings	18	3	26,649	-	-
Trade payables	19	-	23,489	-	-
Other payables	20	-	7,219	-	-
Total			**113,651**	**-**	**-**

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to the financial statements for the year ended March 31, 2018

(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, 2017 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
Financial Assets					
Investments - FVTPL	5B	2	197	-	-
Trade receivables	11	-	8,820	-	-
Cash and cash equivalents	12	-	1,264	-	-
Other bank balances	12	-	506	-	-
Loans	13	-	2,527	-	-
Other financial assets	6	-	21,011	-	-
Total			**34,325**	**-**	**-**
Financial Liabilities					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	18	1	45,579	-	-
- Other borrowings	18	3	36,314		
Trade payables	19	-	18,244	-	-
Other payables	20	-	11,074	-	-
Total			**111,211**	**-**	**-**

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.

44 Related Party Disclosure

Names of related parties and related party relationship

Subsidiaries	PVR Pictures Limited
	PVR bluO Entertainment Limited upto August 31, 2017 (Refer note 51)
	Zea Maize Private Limited
	P V R Lanka Limited
	Erstwhile PVR Leisure Limited (Refer note 45(ii))
	Erstwhile Lettuce Entertain You Limited (Refer note 45(ii))
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. Sanjai Vohra – Director
	Mr. Vikram Bakshi – Director
	Mr. Sanjay Khanna - Director
Relatives of Key Management Personnel	Mrs. Selena Bijli, Wife of Mr. Ajay Bijli
	Ms. Niharika Bijli, Daughter of Mr. Ajay Bijli
	Mr. Aamer Krishan Bijli, Son of Mr. Ajay Bijli
Enterprises having significant influence over the Company	Erstwhile Bijli Holding Private Limited (Refer note 45(i))
Other Investment	Vkaao Entertainment Private Limited (50% each held by PVR Pictures Limited and Big tree Entertainment Private Limited)
Enterprises over which Key management personnel and their relatives are able to exercise significant influence	PVR Nest
	Priya Exhibitors Private Limited

Particulars	Subsidiary Companies		Key Management Personnel and their relatives		Other Investment		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17	**31-Mar-18**	31-Mar-17	**31-Mar-18**	31-Mar-17
Transactions during the year								
Remuneration paid								
Ajay Bijli	-	-	745	730	-	-	-	-
Sanjeev Kumar	-	-	645	630	-	-	-	-
Niharika Bijli	-	-	-	14	-	-	-	-
Sitting fees and commission								
Other independent directors	-	-	26	20	-	-	-	-
Rent Expense								
Priya Exhibitors Private Limited	-	-	-	-	-	-	288	288
Film Distributors Share expense								
PVR Pictures Limited	1,817	2,859	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	77	-	-	-
Expenses on Food, Brewerage & Bowling (Staff Welfare etc.)								
Zea Maize Private Limited	10	17	-	-	-	-	-	-
PVR bluO Entertainment Limited	0.3	1	-	-	-	-	-	-
Purchases of Goods								
Zea Maize Private Limited	265	69	-	-	-	-	-	-
Purchases of Capital Goods								
Zea Maize Private Limited	25	-	-	-	-	-	-	-
Management Fees Incurred								
PVR bluO Entertainment Limited	4	5	-	-	-	-	-	-
Income From Film Production								
PVR Pictures Limited	27	-	-	-	-	-	-	-
Income From Sales of Tickets of Films								
PVR Pictures Limited	98	76	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	3	-	-	-
Income From Sales of F&B								
PVR bluO Entertainment Limited	0.6	-	-	-	-	-	-	-

Notes

to the financial statements for the year ended March 31, 2018

(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-18	31-Mar-17	**31-Mar-18**	31-Mar-17	**31-Mar-18**	31-Mar-17	**31-Mar-18**	31-Mar-17
Transactions during the year								
Interest Received								
PVR Pictures Limited	44	104	-	-	-	-	-	-
Final Dividend Paid								
Ajay Bijli	-	-	105	145	-	-	-	-
Sanjeev Kumar	-	-	75	82	-	-	-	-
Selena Bijli	-	-	4	3	-	-	-	-
Aamer Krishan Bijli	-	-	6	7	-	-	-	-
Inter Corporate Loans Given								
PVR Pictures Limited	275	4,775	-	-	-	-	-	-
Inter Corporate Loans Refund								
PVR Pictures Limited	2,275	3,375	-	-	-	-	-	-
Inter Corporate Loans Taken								
PVR Leisure Ltd.	-	-	-	-	-	-	-	-
Donation given								
PVR Nest	-	-	-	-	-	-	215	166
Investment during the year								
P V R Lanka Limited	136	-	-	-	-	-	-	-
Zea Maize Private Limited	150	-	-	-	-	-	-	-
Balance outstanding at the end of the year								
Trade Payable								
PVR Pictures Limited	219	49	-	-	-	-	-	-
Zea Maize Private Limited	23	-	-	-	-	-	-	-
Vkaao Entertainment Private Limited	-	-	-	-	45	-	-	-
PVR bluO Entertainment Limited	-	1	-	-	-	-	-	-
Advance Recoverable								
Zea Maize Private Limited	-	2	-	-	-	-	-	-
Security Deposits Given								
Priya Exhibitors Private Limited	-	-	-	-	-	-	144	144
Security Deposits Received								
Lettuce Entertain You Ltd.	-	-	-	-	-	-	-	-
Inter Corporate Loans Taken								
PVR Leisure Limited	-	-	-	-	-	-	-	-
Inter Corporate Loans Given								
PVR Pictures Limited	-	2,000	-	-	-	-	-	-
Investment in Equity Share Capital								
PVR bluO Entertainment Limited	-	4,340	-	-	-	-	-	-
P V R Lanka Limited	137	-	-	-	-	-	-	-
PVR Pictures Limited	2,102	2,102	-	-	-	-	-	-
Zea Maize Private Limited	500	500	-	-	-	-	-	-
Investment in Preference Share Capital								
Zea Maize Private Limited	500	350	-	-	-	-	-	-

Notes:

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(b) The financial figures in above note exclude expenses reimbursed to/by related parties

(c) No amount has been provided as doubtful debts or advance/ written off or written back in the year in respect of debts due from/to above related parties.

(d) The financial figures in above note excludes GST/Sales tax/Service tax, as applicable.

(e) The Company has given corporate guarantee for availing Bank Overdraft facility for one of its subsidiary amounting ₹ 100 lakhs (March 31, 2017 : ₹ 100 lakhs)

45 Business Combinations

(i) Amalgamation of Bijli Holdings Private Limited with PVR Limited

In the previous year, pursuant to the scheme of amalgamation, approved by Hon'ble High Court of Delhi on September 15, 2016, between PVR Limited (the Company) and Bijli holdings Private Limited (BHPL), BHPL was merged with the Company from the appointed date i.e. January 01, 2016.

BHPL was forming part of the promoter group of the Company, which was holding 10,031,805 equity shares in the Company constituting 21.55% of the Company's paid-up equity share capital. Consequent upon amalgamation of BHPL with the Company, individual promoters of the Company, directly hold shares in the Company in the same proportion as they held through the erstwhile BHPL. The amalgamation has resulted in simplification of the shareholding structure and reduction of shareholding Tiers as well as demonstrates the promoter's direct commitment to and engagement to the Company.

Pursuant to the above, BHPL stands merged with the Company following 'Purchase Method' of accounting as per the Accounting standard 14 'Accounting for Amalgamation', issued by the Institute of Chartered Accountants of India, basis approved scheme by Hon'ble High Court of Delhi of Delhi.

Upon the scheme becoming effective, the authorised share capital of PVR shall automatically stand enhanced by the authorised share capital of BHPL.

Assets acquired and liabilities assumed

Particulars		Amount
Assets		
Loans and advances		1
Cash and bank balances		77
Total	**A**	**78**
Liabilities		
Trade Payables		21
Other current liabilities		1
Total	**B**	**22**
Capital Reserve	A-B	56

Pursuant to the approved scheme, 10,031,805 fully paid up equity shares of the face value of ₹ 10 each credited as fully paid up in the share capital of the Company to the members of BHPL in the ratio of their equity shareholding in BHPL. There was no change in the promoter shareholding of the Company, pursuant to this scheme. The promoter continues to hold the same percentage of shares in the Company, pre and immediately post the amalgamation of BHPL.

(ii) Amalgamation of Lettuce Entertain you Limited, PVR Leisure Limited with PVR Limited

In the previous year, pursuant to the scheme of amalgamation, approved by Hon'ble High Court of Delhi on January 04, 2017, between PVR Limited (the Company) and PVR Leisure Limited (PVR Leisure) and Lettuce Entertain you Limited (Lettuce), later Companies were amalgamated with the Company from the appointed date i.e. April 01, 2015. Lettuce and PVR Leisure are individually referred to as 'Amalgamating Company and collectively referred to as 'Amalgamating Companies' and PVR is referred to as 'Amalgamated Company' for the purpose of this clause. Amalgamating Companies are subsidiaries of the Company and are engaged in similar/ related businesses. Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage of the stakeholders.

Pursuant to the above, Amalgamating Companies stands merged with the Company following 'Purchase Method' of accounting as per the Accounting standard 14 'Accounting for Amalgamation', issued by the Institute of Chartered Accountants of India, basis approved scheme by Hon'ble High Court of Delhi. Upon the scheme becoming effective, the authorised share capital of PVR shall automatically stand enhanced by the authorised share capital of Amalgamating Companies.

Notes

to the financial statements for the year ended March 31, 2018

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

Assets acquired and liabilities assumed

Particulars	PVR Leisure Limited	Lettuce Entertain you Limited
Assets		
Cash and cash equivalents	21	30
Fixed assets	-	496
Inventories	-	56
Investment – PVR BluO Entertainment Limited	4,340	-
Deferred tax assets	-	498
Trade receivables	-	3
Loans and advances	2,460	48
Other current assets	30	-
Total	**6,851**	**1,131**
Liabilities		
Provisions	-	2
Trade payables	2	151
Other current liabilities	-	49
Borrowings	-	950
Total	**2**	**1,152**
Net	**6,849**	**(21)**
Add: Net Liability of Lettuce Entertain you Limited	(21)	21
Net	**6,828**	**-**
Value of Investment of PVR Leisure in PVR Limited	6,282	
Capital Reserve	**546**	

Pursuant to the approved scheme, entire paid-up equity and non-cumulative convertible preference share capital of PVR Leisure as held by the Company directly, and the entire paid-up equity share capital of Lettuce held by the Company through PVR Leisure, upon the scheme becoming effective shall stand cancelled on the effective date and no shares of the Company shall be issued or allotted in consideration for amalgamation.

Had the Company was required to follow the Ind AS 103, 'Business Combination' the entities under common control should have used 'Pooling of Interest method', according to which, recognised capital reserve would had been ₹ 468 lakhs as against ₹ 545 lakhs recognised in books as per the approved order of Hon'ble High Court.

(iii)Acquisition of Cinema exhibition undertaking of DLF Utilities Limited

The Company during financial year ended March 31, 2017, acquired part of the Cinema exhibition undertaking of DLF Utilities Limited (operated under the brand name of 'DT Cinemas') on a slump sale basis. The sale and transfer of the said Cinema exhibition undertaking, as a going concern was completed on May 31, 2016 and the same was accounted as per Ind AS 103, 'Business combination' in financial year 2016-17.

Particulars	Amount
Total Consideration payable for taking the part of the cinema exhibition business of DLF Utilities	43,250
Fair value of tangible assets acquired	(9,038)
(Company had appointed an Independent valuer to value the tangible assets acquired from DLF Utilities Limited)	
Other net liability related to cinema exhibition business acquired by the Company	388
Goodwill	**34,600**

Out of the total consideration payable to DLF Utilities Limited as mentioned above, ₹ 10,000 lakhs are payable on obtaining two separate regulatory approvals, ₹ 5,000 lakhs payable on obtaining each approval. Company during the last year had received one such approval and had paid ₹ 5,000 lakhs accordingly and balance ₹ 5,000 lakhs had been paid on receipt of second approval during the year ended March 31, 2018.

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.

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, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Effect of Increase/ decrease in floating Interest rate by 100 basis points (1%) for term loans	177	246	(177)	(246)

(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.

Notes

to the financial statements for the year ended March 31, 2018

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

(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 31,2018	March 31, 2017
Trade receivables	13,650	8,820
Loans	102	2,527
Cash and cash equivalents	1,748	1,264
Other bank balances other than cash and cash equivalents	503	506
Other financial assets	24,599	21,011

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. 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, 2018, Company has impaired Trade receivables of ₹ 1,161 lakhs (March 31, 2017: ₹ 873 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 2018	For the year ended 31 March 2017
Balance at the beginning of the year	873	581
Impairment loss recognised / (reversed)	288	395
Amount written off	-	103
Balance at the end of the year	1,161	873

(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, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
On demand	2	1,523	-	-
Less than 3 months	11,874	12,574	30,570	24,111
3 to 12 months	15,102	7,372	-	5,069
1 to 5 years	56,211	59,351	138	138
More than 5 years	37	1,374	-	-
Total	**83,226**	**82,194**	**30,708**	**29,318**

*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. 32(i)) and capital & other commitments (Note No.33).

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 31,2018**	March 31, 2017
Long term debt		73,068	69,450
Payable for purchase of fixed assets		6,522	10,384
Total	(A)	**79,590**	**79,834**
Equity	(B)	**105,617**	**95,297**
Gearing ratio	(A/B)	**75%**	**84%**

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, 2018 in the Board meeting dated May 04, 2018, 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 31,2018**	March 31, 2017
Salary, allowance and bonus	1,364	1,242
Contribution to provident and other funds	48	51
Rent	28	71
Electricity and water charges	59	17
Repairs and maintenance	117	40
Rates and taxes	310	327
Travelling and conveyance	93	87
Architects & professional	560	841
Insurance	10	27
Communication cost	7	5
Security service charges	215	213
Finance cost	429	256
Other miscellaneous expenses	11	64
Total	**3,251**	**3,241**

Notes

to the financial statements for the year ended March 31, 2018

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

50 Income tax expense

Particulars	March 31,2018	March 31, 2017
(a) Income tax expense reported in the statement of profit or loss comprises:		
Current income tax:		
Current tax	4,598	3,156
Deferred tax:		
Relating to origination and reversal of temporary differences	2,258	3,718
Less: MAT credit entitlement	-	1,255
MAT credit (entitlement)/reversal for earlier years	-	(197)
Total deferred tax	**2,258**	**2,266**
Income tax expense reported in the statement of profit or loss	**6,856**	**5,422**
Effective Income tax rate	**36.1%**	**36.8%**
(b) Statement of Other Comprehensive Income		
Net loss/ (gain) on remeasurements of defined benefit plans	63	81
(c) Statement of Other Comprehensive Income		
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	18,998	14,714
Statutory income tax rate	34.6%	34.6%
Computed tax expense	6,575	5,092
Adjustments in respect of current income tax of previous years	220	151
Non-deductible expenses for tax purposes	61	179
Income tax charged to statement of profit & loss	**6,856**	**5,422**
(d) MAT credit entitlement		
Opening Balance	7,864	6,412
Add: MAT credit entitlement/(reversal) for earlier years	-	197
Add: MAT credit entitlement for current year	-	1,255
Less: MAT credit utilisation during the year	(557)	-
Closing Balance	**7,307**	**7,864**
(e) Deferred tax asset /(Liability)		
Opening Balance	(3,554)	(525)
Less: Impact of differences in W.D.V. block under Income Tax and Books of Accounts	(2,642)	(3,508)
Add: Tax income / (expenses) on account of business combinations	-	609
Add: Tax income / (expenses) on other timing differences	449	(130)
Closing balance	**(5,747)**	**(3,554)**

51 During the year ended March 31, 2018, the Company has sold its stake in one of its subsidiary Companies '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 (refer note 5A)	(4,340)
Incidental expenses	(45)
Working Capital adjustment**	(60)
Net loss on sale of Investment shown under exceptional item	**(59)**

* As on date of sale of investment, PVR bluO Entertainment Limited had ₹ 1,411 lakhs as cash and cash equivalent.
** The said amount is outstanding for settlement by the Company as at the year ended March 31, 2018.

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 crystalise 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 ₹ 1,032 lakhs from the period July 01, 2017 to March 31, 2018 in the financial statements.

53 Previous year financial statements for the year March 31, 2017 were audited by another firm of Chartered Accountants.

As per report of even date
For **B S R & Co. LLP**
ICAI Firm Registration Number: 101248W / W-100022
Chartered Accountants

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

Independent Auditor's Report

To the Members of PVR Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of PVR Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the 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 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as '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 the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 Consolidated Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We are also responsible to 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 ability of Group and of its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS 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 Group and its joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

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 and on the other financial information of the subsidiaries and joint ventures, the aforesaid Consolidated Ind AS Financial Statements give the information required by the 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 of its joint ventures as at 31 March 2018 and their Consolidated Profit and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows for the year ended on that date.

Other Matters

1. The comparative financial information of the of the Group and its joint ventures for the year ended 31 March 2017 prepared in accordance with Ind AS, included in these Consolidated Ind AS Financial Statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 30 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

2. We did not audit the Financial Statements of a subsidiary, whose Financial Statements reflect total assets of ₹ 129 lakhs and net assets of ₹ 128 lakhs as at 31 March 2018, total revenues of ₹ Nil lakhs and net cash inflows amounting to ₹ 127.5 lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial statements also include the Group's share of net loss of ₹ 72.56 lakhs and other comprehensive income of ₹ Nil lakhs for the year ended 31 March 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of two joint ventures whose Financial Statements have not been audited by us. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS 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, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

   Our opinion above on the Consolidated Ind AS 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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Financial Statements and the Other Financial Information of subsidiaries and joint ventures, 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 Ind AS Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards 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 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in and outside India, none of the directors of the Holding Company, subsidiary companies and joint ventures incorporated in and outside India is disqualified as on 31 March 2018 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 and outside India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

   g) 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 report of the other auditors on separate Financial Statements as also the other Financial Information of the subsidiaries and joint ventures, as noted in the 'Other matters' paragraph:

      i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the

Consolidated Financial Position of the Group and its joint ventures. Refer Note 36 to the Consolidated Ind AS 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 2018;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint ventures incorporated in and outside India during the year ended 31 March 2018; and

iv. The disclosures in the Consolidated Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Consolidated Ind AS Financial Statements for the year ended 31 March 2017 have been disclosed. Refer Note 12 to the Consolidated Ind AS Financial Statements.

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

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: 4 May 2018

Annexure A to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of PVR Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to the Consolidated Ind AS Financial Statements of PVR Limited (hereinafter referred to as 'the Holding Company'), its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control reference to 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to the Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 the Consolidated Ind AS Financial Statements was 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 system with reference to the Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Ind AS Financial Statements, 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 Consolidated Ind AS 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 system with reference to the Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Ind AS Financial Statements

A Company's internal financial control with reference to the Consolidated Ind AS 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 control with reference to the Consolidated Ind AS 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 the Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Consolidated Ind AS 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 the Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the Consolidated Ind AS Financial Statements and such internal financial controls with reference to the Consolidated Ind AS Financial Statements were operating effectively as at 31 March 2018, based on the internal control with reference to the Consolidated Ind AS Financial Statements criteria established by the Holding 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.

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 the Consolidated Ind AS Financial Statements insofar as it relates to 1 subsidiary Company and 1 joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary Company and joint venture incorporated in India. Our report is not modified in respect of this matter.

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

Jiten Chopra
Partner
Membership No.: 092894

Place: Gurugram
Date: 4 May 2018

Consolidated Balance Sheet

as at March 31, 2018

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

Particulars	Note	March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	112,695	104,473
Capital work-in-progress	3	10,169	10,557
Goodwill	4	42,660	42,660
Goodwill on consolidation	4	787	705
Other intangible assets	4	2,843	3,030
Equity accounted Investees	5A	227	-
Financial assets			
Investments	5B	1,761	101
Other financial assets	6	21,443	17,838
Deferred tax assets (net) (includes MAT credit entitlement)	7A	1,560	4,326
Other non current assets	8	10,964	10,840
Total non-current assets	A	**205,109**	**194,530**
Current assets			
Inventories	9	1,980	1,904
Financial assets			
Investments	10	106	96
Trade receivables	11	15,561	10,208
Cash and cash equivalents	12	2,776	2,475
Other bank balances	12	503	515
Loans	13	103	525
Other financial assets	6	3,281	3,704
Other current assets	8	5,465	8,612
Total current assets	B	**29,775**	**28,039**
Total assets	A+B	**234,884**	**222,569**
Equity and liabilities			
Equity			
Equity share capital	14	4,674	4,674
Other equity	15	102,862	91,827
Equity attributable to equity holders of the Parent Company		**107,536**	**96,501**
Non-controlling interests	16	81	4,050
Total equity	A	**107,617**	**100,551**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	56,156	60,504
Provisions	18	1,001	710
Deferred tax liabilities (net) (includes MAT credit entitlement)	7B	59	91
Total non-current liabilities	B	**57,216**	**61,305**
Current liabilities			
Financial liabilities			
Borrowings	19	9,983	12,508
Trade payables	20	25,111	19,762
Other payables	21	24,163	20,077
Provisions	18	267	325
Other current liabilities	22	10,527	8,041
Total current liabilities	C	**70,051**	**60,713**
Total equity and liabilities	A+B+C	**234,884**	**222,569**
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

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

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

Particulars	Notes	March 31, 2018	March 31, 2017
Income			
Revenue from operations	23	233,411	211,943
Other income	24	3,134	6,225
Total Income		**236,545**	**218,168**
Expenses			
Movie exhibition cost		53,766	46,516
Consumption of food and beverages		15,907	14,010
Employee benefits expense	25	25,407	22,051
Finance costs	26	8,371	8,058
Depreciation and amortisation expense	27	15,369	13,838
Other operating expenses	28	98,147	98,004
Total expenses		**216,967**	**202,477**
Profit before share of profit of equity accounted investees, exceptional item and tax		**19,578**	**15,691**
Share of profit/(loss) of equity accounted investees (net of tax)	5A	(73)	-
Profit before exceptional items and tax		**19,505**	**15,691**
Exceptional items	29	59	407
Profit before tax		**19,446**	**15,284**
Tax expense:			
Current tax		4,889	3,330
Deferred tax (including MAT credit entitlement)		2,155	2,370
Total tax expenses		**7,044**	**5,700**
Net profit after tax		**12,402**	**9,584**
Non-controlling interests		68	(5)
Net profit after tax and after adjustment of non controlling interests		**12,470**	**9,579**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent period	30	(987)	(148)
Items that will be reclassified to profit or loss in subsequent period		-	-
Other comprehensive income for the year (net of tax)		**(987)**	**(148)**
Total comprehensive income for the year (comprising profit and other comprehensive income)		**11,483**	**9,431**
Net Profit attributable to:			
Owners of the Company		12,470	9,579
Non-controlling interests		(68)	5
Other Comprehensive Income attributable to:			
Owners of the Company		(987)	(148)
Non-controlling interests [#]		0	0
Total Comprehensive Income attributable to:			
Owners of the Company		11,483	9,431
Non-controlling interests		(68)	5
Earnings per equity share on Net profit after tax	31		
[Nominal Value of share ₹ 10 (March 31, 2017: ₹ 10)]			
Basic		26.68	20.50
Diluted		26.57	20.50
[#] Amount below ₹ 1 lakhs			
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

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

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

A. Equity Share Capital (Refer note 14)

	March 31, 2018	March 31, 2017
Balance at the beginning of the year	4,674	4,669
Changes in equity share capital during the year	-	5
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	
As at April 01, 2016	**385**	**47,364**	**2,703**	**4,343**	**75**	**28,563**	**20**	**-**	**83,453**
Profit for the year	-	-	-	-	-	9,579	-	-	9,579
Other comprehensive income (net of taxes) (Refer note 30)	-	-	-	-	-	-	(148)	-	(148)
Total Comprehensive Income	**385**	**47,364**	**2,703**	**4,343**	**75**	**38,142**	**(128)**	**-**	**92,884**
Exercise of share options	-	98	-	-	-	-	-	-	98
Employee stock compensation for options	-	-	-	-	5	-	-	-	5
transferred from stock options outstanding	-	80	-	-	(80)	-	-	-	-
Transfer to Debenture redemption reserve (Refer note 15)	-	-	2,269	-	-	(2,269)	-	-	-
Transfer from Debenture redemption reserve (Refer note 15)	-	-	(50)	-	-	50	-	-	-
Dividends (including CDT)	-	-	-	-	-	(1,169)	-	-	(1,169)
Adjustment on account of Business combination (refer note 42 (i) & (ii))	217	(417)	-	-	-	59	-	-	(141)
Goodwill created on account additional investment in Zea Maize Private Limited	-	-	-	151	-	-	-	-	151
At March 31, 2017	**602**	**47,124**	**4,922**	**4,494**	**-**	**34,813**	**(128)**	**-**	**91,827**
Profit for the year	-	-	-	-	-	12,470	-	-	12,470
Other comprehensive income (net of taxes) (Refer note 30)	-	-	-	-	-	-	(99)	(888)	(987)
Total Comprehensive Income	**602**	**47,124**	**4,922**	**4,494**	**-**	**47,283**	**(227)**	**(888)**	**103,310**
Employee stock compensation for options granted	-	-	-	-	305	-	-	-	305
Transfer to Debenture redemption reserve (Refer note 15)	-	-	2,413	-	-	(2,413)	-	-	-
Transfer from Debenture redemption reserve (Refer note 15)	-	-	(50)	-	-	50	-	-	-
Dividends (including CDT)	-	-	-	-	-	(1,127)	-	-	(1,127)
Adjustment on account of sale of investment in PVR bluO Entertainment Limited (refer note 52)	-	-	-	-	-	305	-	-	305
Goodwill created on account of additional investment in Zea Maize Private Limited	-	-	-	69	-	-	-	-	69
At March 31, 2018	**602**	**47,124**	**7,285**	**4,563**	**305**	**44,098**	**(227)**	**(888)**	**102,862**

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

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

Consolidated Cash Flow Statement

for the year ended March 31, 2018

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

Particulars	March 31, 2018	March 31, 2017
Cash flow from operating activities:		
Profit before tax	19,446	15,284
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	13,651	12,477
Amortisation of intangible assets	1,718	1,361
Net loss on disposal of property, plant and equipment	37	636
Interest Income	(942)	(1,345)
Allowance for doubtful debts and advances	366	569
Bad debts/advances written off	22	29
Finance costs	7,579	7,298
Equity-settled share-based payments	295	5
Unspent liabilities written back	(239)	(89)
Exceptional items	59	245
Rent expenses (pertaining to deferred rent)	1,018	1,260
Share of loss of equity accounted investees	73	-
Profit on sale of Movie on demand (Vkaoo) platform	(114)	-
	42,969	**37,730**
Working capital adjustments:		
Increase/(Decrease) in provisions	286	(303)
Increase/(Decrease) in trade & other payables	8,834	2,493
Decrease/(Increase) in trade receivables	(5,747)	(1,624)
Decrease/(Increase) in inventories	(173)	142
Decrease/(Increase) in loans and advances and other assets	2,622	(3,168)
Cash generated from operations	**48,791**	**35,270**
Direct taxes paid (net of refunds)	(4,165)	(3,309)
Net cash flow from/(used in) operating activities (A)	**44,626**	**31,961**
Cash flows (used in) investing activities		
Purchase of PPE, Intangible assets, CWIP and Capital advance	(34,002)	(63,305)
Security deposits given to Mall Developers	(4,011)	(5,246)
Proceeds from sale of PPE	148	63
Redemption of current non-trade investments	24	(12)
Investment in iPic Entertainment Inc.	(2,581)	-
Loan received from body Corporate	43	-
Investment in Vkaao Entertainment Private Limited	(300)	-
Investment in PVR Pictures International Pte. Limited [#]	(0)	-
Interest received	110	288
Fixed deposits with banks (includes escrow deposit for the year ended March 31, 2017)	30	5,003
Net cash flow from/(used in) investing activities (B)	**(40,539)**	**(63,209)**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including securities premium	-	103
Proceeds from long term borrowings	12,500	15,085
Repayment of long-term borrowings	(8,946)	(11,636)
Proceeds from short-term borrowings	37,500	20,936
Repayment of short-term borrowings	(38,506)	(10,000)
Payment of Dividend and tax thereon	(1,127)	(1,169)
Interest paid on Borrowings	(8,016)	(7,304)
Net cash flow from/(used in) financing activities (C)	**(6,595)**	**6,015**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(2,508)**	**(25,233)**
Cash and cash equivalents at the beginning of the year	903	26,136
Cash and cash equivalent received on sale of investment in PVR BluO Entertainment Limited (refer note 52)	4,281	-
Cash and cash equivalents at the end of the year	**2,676**	**903**

Consolidated Cash Flow Statement

for the year ended March 31, 2018

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

Particulars	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Cash on hand	536	319
With banks - on deposit accounts	85	74
With banks - on current accounts	2,155	2,082
Sub-total	**2,776**	**2,475**
Less: Bank overdraft	(100)	(1,572)
Total cash and cash equivalent for cash flow statement	**2,676**	**903**

Amount below ₹ 1 lakhs

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 ₹ 232 lakhs (March 31, 2017: ₹ 185 lakhs) towards corporate social responsibility (CSR) expenditure (Refer note 39).
- Amendment to Ind AS 7: Effective 1 April 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of these consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities is as below:

Particulars	Non - current borrowings[1]	Current borrowings
Opening balance as at April 01, 2017[2]	**69,671**	**11,000**
Cash flows during the year:		
- Proceeds	12,500	37,500
- Repayment	(8,946)	(38,506)
Non-cash changes due to:		
- Mark to market of derivative liability	-	-
- Others	-	-
Closing balance as at March 31, 2018[2]	73,225	9,994

[1]Includes current maturities of non-current borrowings.

[2]Opening and closing balance excludes transaction cost.

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated financial statements

As per report of even date

For **B S R & Co. LLP**

ICAI Firm Registration Number: 101248W / W-100022

Chartered Accountants

Jiten Chopra

Partner

Membership Number: 092894

Place: Gurugram

Date: May 04, 2018

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

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 04, 2018

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, 2018 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 Company's holdings therein is as under:

S. No.	Subsidiary Company	Country of Incorporation	Parent Company	Percentage of ownership as on March 31, 2018
1	PVR Pictures Limited	India	PVR Limited	100%
2	Zea Maize Private Limited	India	PVR Limited	82.4%
3	P V R Lanka Limited	Sri Lanka	PVR Limited	100%
4	PVR bluO Entertainment Limited upto August 31, 2017 (refer note 52)	India	PVR Limited	Nil

(ii) The joint ventures which are considered in the consolidation and the Group's holdings therein is as under:

S. No.	Joint Venture	Country of Incorporation	Shareholder	Percentage of ownership as on March 31, 2018
1	Vkaao 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, 2018.

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. The Group had adopted Ind AS with effect from April 01, 2016, with transition date of April 01, 2015, pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015.

These consolidated financial statements for the year ended March 31, 2018 are approved by the Audit Committee and Board of Directors on May 04, 2018.

(b) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), 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.

- 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;

Notes

to the Consolidated financial statements for the year ended March 31, 2018

- 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 untill the date on which significant influence or joint control ceases.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Summary of Significant accounting policy

(a) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Group classifies all other assets as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of classification of assets and liabilities as current and non-current.

(b) **Property, plant and equipment (PPE)**

(i) Recognition and Measurement:

PPE and Capital work in progress (including Pre-operative expenses) 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.

Cost of PPE not ready for it's intended use as at the reporting date is disclosed as Capital work-in-progress.

(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.

(iii) Transition to Ind AS:

On transition to Ind AS, the Group had elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

(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 equipment's	15	8
Gaming equipment's	15	13.33
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 ₹ 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.

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(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) Transition to Ind AS

Group had elected to continue with the carrying value of all of its intangible assets using the transition provisions of Ind AS, measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

(iv) 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. 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 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.

(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) Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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.

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.

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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 01, 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. 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

The amount collected on sale of a gift voucher is recognised as a liability and transferred to revenue when redeemed or on expiry.

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.

(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 istallments 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. 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.

(l) **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

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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.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Computation of Goodwill:

Particulars	March 31, 2018	March 31, 2017
Investment in equity shares of PVR Pictures Limited	6,000	6,000
Less: PVR Limited's share in the net assets of its subsidiary PVR Pictures Limited	4,433	4,433
Less: Amount pertaining to the production business undertaking of PVR Pictures Limited merged with PVR Limited pursuant to the scheme of arrangement approved by the Court.	1,254	1,254
Balance (A)	**313**	**313**
Investment in equity shares of Zea Maize Private Limited	500	500
Less: PVR Limited share in the net assets of its subsidiary Zea Maize Private Limited	294	294
Balance (B)	**206**	**206**
Investment in compulsory convertible preference share capital of Zea Maize Private Limited	500	350
Less: PVR Limited share in the net assets of its subsidiary Zea Maize Private Limited	232	164
Balance (C)	**268**	**186**
Balance (A+B+C) (Refer note 4)	**787**	**705**

Computation of Capital reserve:

Particulars	March 31, 2018	March 31, 2017
Investment in Equity share capital of PVR Leisure Limited	-	2,324
Less: PVR Limited's share in net assets of its subsidiary	-	2,081
Goodwill (A)	-	**243**
Investment in compulsory convertible preference share capital of PVR Leisure Limited	-	1,376
Less: Preference share value in PVR Subsidiary PVR Limited's share in net assets of its subsidiary	-	2,004
Capital Reverse (B)	-	**(628)**
Reversal of Capital Reserve due to merger of PVR Leisure Limited in the Parent Company.	-	385
Capital Reverse (C)	-	**385**
Net Capital Reserve (A+B+C)	-	-

(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 Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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.

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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 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 by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares (unless the effect is anti-dilutive), which includes all stock options granted to employees.

(r) Provisions

General

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best management estimates.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the 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

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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

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 P&L. 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 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.

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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**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ('MCA') has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 01, 2018. The Company has evaluated the effect of this on the consolidated financial statements and the impact is not likely to be material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ('MCA') has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018.

The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is likely to be insignificant.

3 Property, plant and equipment

Particulars	Freehold Land	Building	Plant and Machinery	Furniture and Fittings	Office Equipment's	Vehicles	Leasehold Improvements	Total	Capital work in progress
At March 31, 2016	2	10	44,819	11,639	2,522	370	39,812	99,174	
Additions	-	-	10,803	2,772	704	228	6,577	21,084	
Addition on account of Business combination (Refer Note 42 (ii))	-	-	3,786	494	138	-	3,966	8,384	
Disposals and discard	-	-	(858)	(279)	(26)	(45)	(334)	(1,542)	
At March 31, 2017	**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 PVR bluO Entertainment Limited (refer note 52)	-	-	(4,833)	(354)	(212)	-	(2,473)	(7,872)	
Disposals and discard	-	-	(104)	(333)	(34)	-	(47)	(518)	
At March 31, 2018	**2**	**10**	**66,336**	**17,896**	**4,054**	**553**	**57,817**	**146,668**	
Depreciation									
At April 1, 2016	-	-	4,681	1,775	611	80	3,782	10,929	
Charge for the year	-	-	5,451	1,954	679	108	4,285	12,477	
Addition on account of Business combination (Refer Note 42 (ii))	-	-	(218)	(30)	(8)	-	(70)	(326)	
Disposals and discard	-	-	(201)	(149)	(17)	(9)	(77)	(453)	
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 PVR bluO Entertainment Limited (refer note 52)	-	-	(1,046)	(94)	(146)	-	(553)	(1,839)	
Disposals and discard	-	-	(68)	(303)	(34)	-	(61)	(466)	
At March 31, 2018	**-**	**-**	**14,816**	**5,485**	**1,826**	**290**	**11,556**	**33,973**	
Net Block									
At March 31, 2017	**2**	**10**	**48,837**	**11,076**	**2,073**	**374**	**42,101**	**104,473**	**10,557**
At March 31, 2018	**2**	**10**	**51,520**	**12,411**	**2,228**	**263**	**46,261**	**112,695**	**10,169**

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				
	Opening	Addition	Disposals and discard	Total	Opening	Charge for the year	Disposals and discard	Total	Net Block
March 31, 2017	3,258	1,518	(308)	4,468	69	383	(17)	435	4,033
March 31, 2018	4,468	-	-	4,468	435	414	-	849	3,619

iii. Capitalised borrowing cost

The amount of borrowing costs capitalised was ₹ 429 lakhs (March 31, 2017: 256 lakhs) during the year.

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

4 Intangible assets

Particulars	Goodwill		Other Intangible assets			
	Goodwill on consolidation	Goodwill	Software Development	Copyrights	Film Rights	Total
	A	B	C	D	E	C+D+E
At April 1, 2016	519	8,060	1,572	144	2,293	4,009
Additions	186	-	636	-	647	1,283
Addition on account of Business Combination (Refer Note 42 (ii))	-	34,600	25	-	-	25
Disposals and discard	-	-	(9)	-	(170)	(179)
At March 31, 2017	**705**	**42,660**	**2,224**	**144**	**2,770**	**5,138**
Additions	82	-	495	-	1,256	1,751
Adjustment on account of sale of Investment in PVR bluO Entertainment Limited (refer note 52)	-	-	(46)	(144)	-	(190)
Disposals and discard	-	-	(107)	-	(119)	(226)
At March 31, 2018	**787**	**42,660**	**2,566**	**-**	**3,907**	**6,473**
Amortisation						
At April 1, 2016	-	-	258	19	592	869
For the year	-	-	397	19	945	1,361
Addition on account of Business Combination (Refer Note 42 (ii))	-	-	(4)	(1)	-	(5)
Deductions/ Adjustments	-	-	(8)	-	(109)	(117)
At March 31, 2017	**-**	**-**	**643**	**37**	**1,428**	**2,108**
For the year	-	-	454	7	1,257	1,718
Adjustment on account of sale of Investment in PVR bluO Entertainment Limited (refer note 52)	-	-	(29)	(44)	-	(73)
Deductions/ Adjustments	-	-	(4)	-	(119)	(123)
At March 31, 2018	**-**	**-**	**1,064**	**-**	**2,566**	**3,630**
Net Block						
At March 31, 2017	**705**	**42,660**	**1,581**	**107**	**1,342**	**3,030**
At March 31, 2018	**787**	**42,660**	**1,502**	**-**	**1,341**	**2,843**

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 Parent Company, and accordingly is monitored together as one CGU. The goodwill that arose on such acquisitions is 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, 2018, total market capitalisation of PVR is ₹ 568,411 lakhs significant part of which represents value of the cinema exhibition business which is higher than the carrying value of Goodwill.

5A Equity accounted investees

	March 31, 2018	March 31, 2017
Investment in joint ventures (unquoted)		
(i) Vkaao Entertainment Private Limited[1]	227	-
Equity share of ₹ 10 each 3,000,000 (March 31, 2017: Nil)		
(ii) PVR Pictures International Pte Limited[2][#]	0	-
Equity share of SGD 1 each 500 (March 31, 2017: Nil)		
	227	**-**

[#] amount below ₹ 1 lakhs

[1] During the year ended March 31, 2018, PVR Pictures Limited (wholly owned subsidiary of the Parent Company) has 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:

Percentage ownership interest	March 31, 2018 50%	March 31, 2017
Non current assets	250	-
Current assets (including cash and cash equivalents ₹ 27 lakhs)	348	-
Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions)	(144)	-
Net assets	**454**	**-**
Group's share of net assets (50%)	227	
Carrying amount of interest in joint ventures	**227**	

Statement of profit and loss	March 31, 2018	March 31, 2017
Revenue	87	-
Employee benefits expense	(43)	-
Depreciation and amortisation expense	(24)	-
Other expenses	(165)	-
Profit	**(145)**	**-**
Other comprehensive income	-	-
Total comprehensive income	**(145)**	**-**
Group's share of profit (50%)	(73)	-
Group's share of OCI (50%)	-	-
Group's share of Total Comprehensive Income (50%)	**(73)**	**-**

[2] During the year ended March 31, 2018, PVR Pictures Limited (wholly owned subsidiary of the Parent Company) has 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.

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

5B Investments

		March 31, 2018	March 31, 2017
(i)	Quoted equity shares		
	Equity shares at FVTOCI		
	iPic Entertainment Inc.[1]	2,581	-
	Common membership units of $ 18.13 each 220,629 (March 31, 2017 : Nil)		
	Less: Diminution in the value of Investment (refer note 30)	(888)	-
	Net value of Investment	**1,693**	**-**
(ii)	Unquoted Government securities		
	Government Securities- at amortised cost		
	National savings certificates	174	197
	(Deposited with various tax authorities)		
		1,867	**197**
	Less: Amount disclosed under current investment (Refer note 10) (being due for maturity within next 12 month)	106	96
		1,761	**101**
	Aggregate amount of unquoted investment	401	197
	Aggregate amount of quoted investment	2,581	-
	Aggregate amount of impairment in value of investments	888	-

[1] During the year ended March 31, 2018, Parent Company had acquired a minority stake for a value of USD4 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Non-current bank balances (refer note 12)		127	145	-	-
Interest accrued on:					
Fixed deposits		18	16	14	13
National saving certificate		22	25	40	54
Others		-	-	25	21
	(A)	**167**	**186**	**79**	**88**
Government grant receivable[1]	(C)	1,994	1,691	1,838	1,752
Revenue earned but not billed	(B)	-	-	192	336
Security deposit					
Unsecured, considered good		19,282	15,961	1,172	1,528
Unsecured, considered doubtful		328	318	-	-
		19,610	**16,279**	**1,172**	**1,528**
Allowance for doubtful security deposit		(328)	(318)	-	-
	(D)	**19,282**	**15,961**	**1,172**	**1,528**
Total [A+B+C+D]		**21,443**	**17,838**	**3,281**	**3,704**

[1] 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, 2018	March 31, 2017
Deferred tax asset[1]			
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis		587	283
Allowance for doubtful debts and advances		542	424
Others		473	398
Gross deferred tax asset		**1,602**	**1,105**
Less: Deferred tax liability			
Impact of differences in depreciation/amortisation in block of tangible and intangible assets as per tax books and financial books		7,349	4,925
Gross deferred tax liability		**7,349**	**4,925**
Deferred tax assets/(liability) (net)	A	**(5,747)**	**(3,820)**
Add: MAT credit entitlement[2]	B	7,307	8,146
Net deferred tax Assets (Includes MAT credit entitlement)	A+B	**1,560**	**4,326**

[1] The Parent Company has not accounted for Deferred tax assets on Capital loss on sale of Investment in 'PVR BluO Entertainment Limited' and loss on fair valuation of 'iPic Entertainment Inc.' Investment on account of reasonable certainity.

[2] 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.

7B Deferred tax Liabilities (net) (Includes MAT credit entitlement)

		March 31, 2018	March 31, 2017
Deferred tax liability			
Impact of differences in depreciation/amortisation in block of tangible and intangible assets as per tax books and financial books		227	259
Gross deferred tax liability		**227**	**259**
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis		34	36
Unabsorbed depreciation and business losses		-	37
Gross deferred tax asset		34	73
Net deferred tax liability	A	**193**	**186**
Less: MAT credit entitlement	B	134	95
Deferred tax Liabilities (net) (Includes MAT credit entitlement)	A-B	**59**	**91**

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

8 Other assets

(unsecured, considered good unless otherwise stated)

	Non-current		Current	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Prepaid expenses	1,238	897	1,292	1,097
Deferred rent	6,988	6,828	902	987
[A]	**8,226**	**7,725**	**2,194**	**2,084**
Capital advances				
Unsecured, considered good	1,494	1,847	-	-
Unsecured, considered doubtful	2	2	-	-
	1,496	**1,849**	**-**	**-**
Allowance for doubtful capital advances	(2)	(2)	-	-
[B]	**1,494**	**1,847**	**-**	**-**
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good[1]	25	-	2,143	5,021
Unsecured, considered doubtful	-	-	7	9
	25	**-**	**2,150**	**5,030**
Allowance for doubtful advances	-	-	(7)	(9)
[C]	**25**	**-**	**2,143**	**5,021**
Others				
Advance income tax (net of provision)	321	378	-	-
Income tax paid under protest (Refer note 36(i))	890	890	-	-
Balances with statutory authorities	8	-	1,128	1,507
[D]	**1,219**	**1,268**	**1,128**	**1,507**
Total [A+B+C+D]	**10,964**	**10,840**	**5,465**	**8,612**

[1] During the year ended March 31, 2018, PVR Pictures Limited has given an advance of ₹ 25 lakhs to its joint venture Company PVR Pictures International Pte. Limited against which share allotment is pending.

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

	March 31, 2018	March 31, 2017
Food and beverages	1,319	1,171
Stores and spares	661	722
Traded goods	-	11
	1,980	**1,904**

10 Current investments

	March 31, 2018	March 31, 2017
Unquoted debt securities (Government Securities- at amortised cost)		
National Savings Certificates (refer note 5B)	106	96
(Deposited with various State tax authorities)		
	106	**96**

11 Trade receivables

	March 31, 2018	March 31, 2017
Secured, considered good	215	72
Unsecured, considered good	15,346	10,136
Unsecured, considered doubtful	1,211	921
	16,772	**11,129**
Allowance for doubtful debts	(1,211)	(921)
	15,561	**10,208**

12 Cash and cash equivalent

	Non-current		Current	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Cash and cash equivalents				
Cash on hand	-	-	536	319
Balances with banks:				
On current accounts	-	-	2,155	2,082
Deposits with original maturity of less than 3 months	-	-	85	74
	-	**-**	**2,776**	**2,475**
Other bank balances				
Deposits with remaining maturity for more than 3 months but less than 12 months	-	-	495	507
Deposits with remaining maturity for more than 12 months	127	145	-	-
Unpaid and unclaimed dividend accounts (refer note (b) below)	-	-	8	8
	127	**145**	**503**	**515**
Amount disclosed under non-current assets (refer note 6)	(127)	(145)	-	-
	-	**-**	**3,279**	**2,990**

Note:

(a) 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.

(b) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend.

(c) Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs.

The specified bank notes as defined under the notification issued by the Ministry of Finance, Department of Economic dated 8 November, 2016 are no longer in existence. Hence, the Company has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2013. Disclosure made in the previous year financial statement is as below:

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	423	8	431
(+) Permitted receipts (including withdrawal from bank)	-	7,035	7,035
(+) Amount withdrawal from bank	-	2	2
(-) Permitted payments	-	(206)	(206)
(-) Amount deposited in Banks	(423)	(6,451)	(6,874)
Closing cash in hand as on 30 December 2016	**-**	**388**	**388**

Note: For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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to the Consolidated financial statements for the year ended March 31, 2018

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

13 Loans

	March 31, 2018	March 31, 2017
Loan to others		
Loan to employees		
Unsecured, considered good	103	427
Loan to body corporate (refer note 40)		
Unsecured, considered good	-	98
Unsecured, considered doubtful	55	-
	158	525
Allowance for doubtful loans	(55)	-
Total	103	525

14 Share capital

	March 31, 2018	March 31, 2017
Authorised share capital		
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
Issued, subscribed and fully paid-up equity shares		
Equity shares of ₹ 10 each fully paid	4,674	4,674
Total issued, subscribed and fully paid-up share capital	4,674	4,674

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

i. Authorised Equity shares

	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	110,700,000	11,070	93,700,000	9,370
Increased during the year on account of Business combination (Refer Note 42 (i) & (ii))	-	-	17,000,000	1,700
Balance at the end of the year	110,700,000	11,070	110,700,000	11,070

ii. Authorised Non-cumulative convertible Preference shares

	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	590,000	2,015	-	-
Increased during the year on account of Business combination (Refer Note 42 (ii))	-	-	590,000	2,015
Balance at the end of the year	590,000	2,015	590,000	2,015

iii. Issued, subscribed and fully paid-up equity shares

	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,738,588	4,674	46,686,938	4,669
Shares Issued during the year:				
Employee stock options plan (refer note 33)	-	-	51,650	5
Shares outstanding at the end of the year	**46,738,588**	**4,674**	**46,738,588**	**4,674**

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, 2018		March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹ 10 each fully paid				
Mr. Ajay Bijli	5,260,298	11.25	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:

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
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	204,126
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).

Notes

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

15 Other equity

	March 31, 2018	March 31, 2017
Securities premium		
Amount received (on issue of shares) in excess of the face value has been classified as securities premium.	47,124	47,124
Share option outstanding account (Refer note 33)		
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.	305	-
Debenture redemption reserve (DDR)		
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.	7,285	4,922
Capital reserve		
Reserve created under the scheme of arrangement (Business Combination). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.	602	602
General reserve		
The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.	4,563	4,494
Retained earnings		
Retained earnings comprise of the Group's accumulated undistributed earning after taxes including Other Comprehensive Income (OCI).	42,983	34,685
Total reserves and surplus	**102,862**	**91,827**

Notes

15A Distribution made and Proposed

	March 31, 2018	March 31, 2017
Cash Dividends on equity shares approved and paid:		
Final Dividend for the year as approved in AGM	935	935
Interim Dividend declared by erstwhile Company Bijli Holdings Private Limited (refer note 42(i))	-	36
	935	971
Proposed dividends on Equity shares:*		
Final Dividend for the year ended March 31, 2018: ₹ 2 per share (March 31, 2017: ₹ 2 per share)	935	935
	935	**935**

*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, 2018	March 31, 2017
(a) PVR bluO Entertainment Limited (refer note 52)		
Non-controlling Interest in Equity	-	1,790
Non-controlling Interest in Securities premium	-	2,052
Non-controlling Interest in Non-Equity		
Share of profit/(loss) brought forward	-	61
Share of profit/(loss) of the current year	-	44
	-	**3,947**
(b) Zea Maize Private Limited		
Non-controlling Interest in Equity	1	1
Non-controlling Interest in Securities premium	167	160
Non-controlling Interest in Non-Equity		
Share of profit/(loss) brought forward	(58)	(28)
Share of profit/(loss) of the current year	(29)	(30)
	81	**103**
Note:		
Non-controlling Interest in Equity of subsidiaries	1	1,791
Non-controlling Interest in Securities premium of a subsidiaries	167	2,212
Non-controlling Interest in Non-Equity of subsidiaries	(87)	47
	81	**4,050**

17 Long term borrowings (at amortised cost)

	Non-current portion		Current maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Debentures				
Secured Rated Listed Non-Convertible Debentures (net of transaction cost)	46,909	43,729	9,385	1,850
Term loans				
Secured term loans from banks	6,973	13,856	6,883	6,525
Other loans				
Secured vehicle loans from banks	-	50	50	47
Secured finance lease obligation from body corporate (refer note 34(iii))	2,274	2,869	594	524
	56,156	**60,504**	**16,912**	**8,946**
Amount disclosed under the head 'other payables' (refer note 21)	-	-	(16,912)	(8,946)
	56,156	**60,504**	**-**	**-**

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(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
60 (March 31, 2017: 80) of ₹ 1,000,000 each	11.40%	1-Jan-10	7th to 10th year	20:20:30:30	600
500 (March 31, 2017: 500) of ₹ 1,000,000 each	10.95%	25-Feb-14	5th year	100	5,000
500 (March 31, 2017: 500) of ₹ 1,000,000 each	10.75%	10-Jun-14	5th year	100	5,000
1,000 (March 31, 2017: 1,000) of ₹ 1,000,000 each	11.00%	16-Oct-14	4th to 7th year	25:25:25:25	10,000
500 (March 31, 2017: 500) of ₹ 1,000,000 each	11.00%	24-Nov-14	5th to 7th year	30:30:40	5,000
1,000 (March 31, 2017: 1,000) of ₹ 1,000,000 each	10.75%	9-Jan-15	6th and 7th year	50:50	10,000
335 (March 31, 2017: 500) of ₹ 1,000,000 each	8.90%	29-Jul-16	1st,2nd and 3rd year	33:33:34	3,350
500 (March 31, 2017: 500) of ₹ 1,000,000 each	7.84%	12-Jan-17	3 Years and 6 months	100	5,000
250 (March 31, 2017: Nil) of ₹ 1,000,000 each	8.05%	3-Apr-17	4th year	100	2,500
500 (March 31, 2017: Nil) of ₹ 1,000,000 each	8.15%	3-Apr-17	5th year	100	5,000
500 (March 31, 2017: Nil) of ₹ 1,000,000 each	7.85%	18-Aug-17	5th year	100	5,000
					56,450

- 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 Parent Company both present and future.

b. (i) Term loan from banks are secured by first *pari passu* charge over all movable and immovable fixed assets of the Parent Company (excluding immovable properties at Gujarat, a flat at Bangalore, vehicles hypothecated to banks and assets taken on finance lease) and receivables of the Parent Company both present and future.

(ii) Vehicle loans of ₹ 50 lakhs (March 31, 2017: ₹ 97 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) Term Loan from banks carries variable interest rate based on respective bank benchmark rate, effective rate of interest varying in between 8.70%p.a to 9.05% pa.

(iv) 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.

(v) 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, 2018	March 31, 2017
Secured Rated Listed Non-Convertible Debentures:		
Repayable within 1 year	9,450	1,850
Repayable within 1 - 3 year	25,000	20,450
Repayable after 3 years	22,000	23,500
Term Loan:		
Repayable within 1 year	6,883	6,525
Repayable within 1 - 3 year	5,098	11,148
Repayable after 3 years	1,875	2,708
Secured vehicle loans:		
Repayable within 1 year	50	47
Repayable within 1 - 3 year	-	50
Repayable after 3 years	-	-

18 Provisions

	Long-term		Short-term	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Provision for employee benefits				
Provision for gratuity (net) (refer note 32)	559	343	4	15
Provision for leave benefits	442	367	263	310
	1,001	**710**	**267**	**325**

19 Short-term borrowings (at amortised cost)

	March 31, 2018	March 31, 2017
Unsecured loan from subsidiary's director (repayable on demand)	10	16
Unsecured commercial paper	9,873	10,920
Secured bank overdraft	100	1,572
	9,983	**12,508**

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 8.75% to 10.45% p.a. The Parent Company has given corporate guarantee for availing Bank Overdraft facility for one of its subsidiary amounting ₹ 100 lakhs (March 31, 2017 : ₹ 100 lakhs).

ii. In respect of Commercial Paper maximum amount outstanding during the year was ₹ 11,500 lakhs (March 31, 2017 : ₹ 11,000 lakhs) with a maturity period of 3 months.

iii. At March 31, 2018, the Group had available ₹ 11,650 lakhs (March 31, 2017: ₹ 4,528 lakhs) of undrawn committed borrowing facilities.

20 Trade payable

	March 31, 2018	March 31, 2017
Total outstanding dues of trade payables other than micro and small enterprises (refer note 38)	25,111	19,762
	25,111	**19,762**

21 Other Payables

	March 31, 2018	March 31, 2017
Payables on purchase of fixed assets	6,549	10,435
Security deposits	515	501
Current maturities of long-term borrowings (refer note 17)	16,912	8,946
Interest accrued but not due on borrowings		
- Vehicle loans	-	1
- Debentures	179	186
Unpaid dividends[1]	8	8
	24,163	**20,077**

[1]Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

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

22 Other Current liabilities

	March 31, 2018	March 31, 2017
Advances from customers	5,084	3,482
Employee benefits payables	2,924	2,687
Statutory dues payable	2,519	1,872
	10,527	**8,041**

23 Revenue from operations

	March 31, 2018	March 31, 2017
Sale of services [refer (a) below]	168,311	150,382
Sale of food and beverages [refer (b) below]	62,495	57,942
Other operating revenue [refer (c) below]	2,605	3,619
	233,411	**211,943**

(a) Details of services rendered

	March 31, 2018	March 31, 2017
Income from sale of movie tickets	124,707	112,488
Advertisement income	29,693	25,176
Income from movie production and distribution	6,216	6,037
Convenience fees	5,971	5,816
Virtual print fees	1,724	865
	168,311	**150,382**

(b) Details of products sold

	March 31, 2018	March 31, 2017
Sale of food and beverages	62,428	57,813
Sale of traded goods	67	129
	62,495	**57,942**

(c) Details of other operating revenue

	March 31, 2018	March 31, 2017
Food court Income	1,102	990
Gaming Income	1,465	2,596
Management fees	38	33
	2,605	**3,619**

24 Other income

	March 31, 2018	March 31, 2017
Government grant	1,367	3,721
Net gain on redemption of mutual fund Investments	141	541
Interest earned on		
Bank deposits	60	110
NSC's Investments	16	14
Interest Income from financial assets at amortised cost	841	1,076

24 Other income (Contd.)

	March 31, 2018	March 31, 2017
Others	25	145
Profit on sale of Movie on demand (Vkaoo) platform under slump sale	114	-
Exchange differences (net)	1	21
Other non-operating income (net) (includes excess liability written back ₹ 239 lacs (March 31, 2017: ₹ 89 lacs)	569	597
	3,134	**6,225**

25 Employee benefit expense

	March 31, 2018	March 31, 2017
Salaries, wages, allowances and bonus	22,528	19,744
Contribution to provident and other funds (refer note 32)	1,035	1,083
Employee stock option scheme (refer note 33)	295	5
Gratuity expense (unfunded) (refer note 32)	24	18
Staff welfare expenses	1,525	1,201
	25,407	**22,051**

26 Finance costs

	March 31, 2018	March 31, 2017
Interest on		
Debentures	5,128	4,252
Term loans	1,485	2,195
Banks and others[1]	967	851
Other financial charges	791	760
	8,371	**8,058**

[1] Includes interest on finance lease obligation of ₹ 377 lakhs (March 31, 2017 : ₹ 400 lakhs)

27 Depreciation and amortisation expense

	March 31, 2018	March 31, 2017
Depreciation on tangible assets	13,651	12,477
Amortisation on intangible assets	1,718	1,361
	15,369	**13,838**

28 Other expenses

	March 31, 2018	March 31, 2017
Rent (refer note 34)	41,397	39,558
Less: Rental income from sub-lessees	(283)	(543)
Net rent expenses	**41,114**	**39,015**
Electricity and water charges (net of recovery)	14,908	14,031
Common area maintenance (net of recovery)	11,259	11,205
Repairs and maintenance	9,390	9,161
Movie production, distribution and print charges	4,916	6,237
Marketing expenses	4,076	4,210

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

28 Other expenses (Contd.)

		March 31, 2018		March 31, 2017
Rates and taxes		1,624		3,133
Security service charges		2,491		2,504
Travelling and conveyance		2,578		2,392
Legal and professional fees (refer below note)		2,591		2,046
Communication costs		895		1,002
Loss on disposal of PPE and intangible assets (net)		37		636
Printing and stationery		478		558
Insurance		285		345
CSR Expenditure (refer note 39)		232		185
Allowance for doubtful debts and advances		366		569
Bad Debts/advances written off	22		405	
Less: Utilised from provisions	-	22	(376)	29
Directors' sitting fees		12		11
Miscellaneous expenses		873		735
		98,147		**98,004**

Notes:

(a) Payment to auditors (included in legal and professional charges above)

As auditor:		
Audit fee	34	46
Limited Review	24	20
Tax audit fee	4	7
Other Certifications	-	7
Reimbursement of out of pocket expenses	1	4
	63	**84**

29 Exceptional Items

	March 31, 2018	March 31, 2017
Net loss incurred on sale of investment in PVR BluO Entertainment Limited (Refer note 52)	59	-
Assets written off	-	245
Business acquisition related cost (Refer note 42(iii))	-	162
	59	**407**

30 Components of Other comprehensive income

	March 31, 2018	March 31, 2017
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	(162)	(229)
Gain/(loss) on equity instruments designated at FVTOCI (refer note 5B)	(888)	-
Income tax on re-measurement loss on defined benefit plans	63	81
	(987)	**(148)**

31 Earning per share (EPS)

The following reflects the profit and shares data used in the basic and diluted EPS computations:

	March 31, 2018	March 31, 2017
Net Profit after tax	12,470	9,579
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	46,738,588	46,686,938
-Number of equity shares issued on May 31, 2016	-	34,000
-Number of equity shares issued on July 29, 2016	-	650
-Number of equity shares issued on September 01, 2016	-	17,000
Number of equity shares outstanding at the end of the year	-	46,738,588
Weighted number of equity shares of ₹ 10 each outstanding during the year	46,738,588	46,725,661
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year	**46,738,588**	**46,686,938**
Number of equity shares outstanding at the end of the year	-	46,738,588
Weighted number of equity shares of ₹ 10 each outstanding during the year	**46,738,588**	**46,725,661**
Add: Effect of stock options 300,000 (March 31, 2017: Nil)	202,027	-
Weighted number of equity shares of ₹ 10 each outstanding during the year	**46,940,615**	**46,725,661**
Basic earnings per equity share (in ₹)	**26.68**	**20.50**
Diluted earnings per equity share (in ₹)	26.57	20.50

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 31,2018	March 31, 2017	March 31,2018	March 31, 2017
Current service cost	192	138	13	14
Interest cost on benefit obligation	14	16	3	4
Past service cost	-	-	8	-
Net benefit expense	**206**	**154**	**24**	**18**

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Balance sheet

Benefit Assets/ liabilities

Particulars	Funded		Unfunded	
	March 31,2018	March 31, 2017	**March 31,2018**	March 31, 2017
Defined benefit obligation	1,882	1,556	46	70
Fair value of plan assets	1,365	1,268	-	-
Plan asset/(liability)	**(517)**	**(288)**	**(46)**	**(70)**

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

Particulars	Funded		Unfunded	
	March 31,2018	March 31, 2017	**March 31,2018**	March 31, 2017
Opening defined benefit obligation	**1,556**	**1,139**	**70**	**58**
Interest cost	100	80	3	4
Past service cost	-	-	8	-
Current service cost	192	138	13	14
Benefits paid	(132)	(68)	(2)	(12)
Actuarial losses/(gain) – experience	179	141	(13)	6
Actuarial losses/(gain) – demographic assumptions	-	56	-	-
Actuarial losses/(gain) – financial assumptions	(13)	49	(2)	-
Acquisitions (credit)/ cost	-	21	0	-
Adjustment on account of sale of Investment in PVR bluO Entertainment Limited (refer note 52)	-	-	(31)	-
Closing defined benefit obligation	**1,882**	**1,556**	**46**	**70**

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

Particulars	**March 31, 2018**	March 31, 2017
Opening fair value of plan assets	1,268	605
Return on plan assets greater/(lesser) than discount rate	(7)	23
Interest income on plan assets	86	64
Benefits paid	(132)	(68)
Contribution by employer	150	644
Closing fair value of plan assets	1,365	1,268

The Parent Company expects to contribute ₹ 500 lakhs (March 31, 2017 ₹ 445 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	**March 31, 2018**	March 31, 2017
Funds managed by Insurer*	99.16	99.52
Bank balances	0.84	0.48

* 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.

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

Particulars	March 31, 2018	March 31, 2017
	(%)	(%)
Discount rate	7.10	6.70
Expected rate of return on plan assets	7.10	6.70
Increase in compensation cost	10.50 for first 2 years and 9.00 thereafter	10.50 for first 2 years and 9.00 thereafter
Employee turnover		
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	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of defined benefit obligation	1,882	1,556	1,139	937	822
Fair value of plan assets	1,365	1,268	604	246	142
Asset / (liability) recognised	(517)	(288)	(535)	(691)	(680)

Historical information: Non Funded

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of defined benefit obligation	46	70	59	41	28
Fair value of plan assets	-	-	-	-	-
Asset / (liability) recognised	(46)	(70)	(59)	(41)	(28)

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	2017-18	2016-17
Experience adjustment on plan liabilities	7.10	6.70
Experience adjustment on plan assets	7.10	6.70

Sensitivity analysis

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

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A quantitative sensitivity analysis for significant assumptions of the Parent Company as at March 31, 2017 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(61.45)	67.72
Effect of Increase/decrease in Salary escalation by 1% on Defined benefit obligations	61.94	57.33
Effect of Increase/decrease in withdrawal rate by 5% on Defined benefit obligations	(47.32)	66.90

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

Maturity profile of defined benefit obligation of the Parent Company:

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	1158

Expected benefit payments for the year ending March 31, 2017	Amount
March 31, 2018	450
March 31, 2019	322
March 31, 2020	263
March 31, 2021	262
March 31, 2022	241
March 31, 2023 to March 31, 2027	976

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

Defined Contribution Plan:

Particulars	2017-18	2016-17
Charged to statement of profit & loss (including Capital work in progress of ₹ 48 lakhs (March 31, 2017: ₹ 51 lakhs)	812	845

33 Employee Stock Option Plans

The Parent Company has provided stock options to its employees. During the year 2017-18, 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. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
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	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
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	-	-
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 31,2018	March 31, 2017
Dividend yield (%)	0.12%	-
Expected volatility	24.16%	-
Risk-free interest rate	6.17%	-
Exercise price (₹)	1,400	-
Expected life of option granted in years	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 ₹ 247 lakhs is recorded in financial statements in current year.

PVR ESOS 2017:

Date of grant	August 11, 2017
Date of Shareholder's approval	July 24, 2017
Date of Board Approval	May 30, 2017
Number of options granted	60,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than three years from the date of grant of options.
Exercise Period	Within a period of two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Parent Company. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
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	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
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	-	-
Exercisable at the end of the year	-	-	-	-

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to the Consolidated financial statements for the year ended March 31, 2018

(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 31,2018	March 31, 2017
Dividend yield (%)	0.12%	-
Expected volatility	24.16%	-
Risk-free interest rate	6.17%	-
Exercise price (₹)	1400	-
Expected life of option granted in years	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 ₹ 58 lakhs is recorded in financial statements in current year of which ₹ 10 lakhs is capitalised under Capital work-in progress and balance ₹ 48 lakhs is debited in statement of profit and loss.

PVR ESOS 2012:

Date of grant	January 14, 2013
Date of Shareholder's approval	September 13, 2012
Date of Board Approval	August 01, 2012
Number of options granted	550,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than ten years from the date of grant of options.
Exercise Period	Within a period of three years from the date of vesting
Vesting Conditions	Subject to continued employment with the Parent Company. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
Market value as at January 11, 2013	₹ 287.25
Weighted average fair value of options granted on the date of grant	₹ 147.85

The details of activity under PVR ESOS 2012 have been summarised below:

Particulars	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	34,650	200
Granted/Forfeited/Expired during the year	-	-	-	-
Exercised during the year	-	-	34,650	200
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life of options (in years)	-		-	

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31,2018	March 31, 2017
Dividend yield (%)	-	0.70%
Expected volatility	-	36.99%
Risk-free interest rate	-	7.80%
Exercise price (₹)	-	200
Expected life of option granted in years	-	6

The Parent Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 200. As a result, an expense of ₹ Nil lakhs (March 2017: ₹ Nil) is recorded in the financial statements.

PVR ESOS 2013:

Date of grant	August 21, 2013
Date of Shareholder's approval	August 20, 2013
Date of Board Approval	May 28, 2013
Number of options granted	50,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than ten years from the date of grant of options.
Exercise Period	Within a period of three years from the date of vesting.
Vesting Conditions	Subject to continued employment with the Parent Company. Further, Nomination and Remuneration Committee may also specify certain performance parameters subject to which options would vest.
Market value as at August 21, 2013	₹ 365.35
Weighted average fair value of options granted on the date of grant	₹ 241.14

The details of activity under PVR ESOS 2013 have been summarised below:

Particulars	2017-18		2016-17	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	17,000	200
Granted/Forfeited/Expired during the year	-	-	-	-
Exercised during the year	-	-	17,000	200
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life of options (in years)	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31,2018	March 31, 2017
Dividend yield (%)	-	0.27%
Expected volatility	-	39.51%
Risk-free interest rate	-	8.63%
Exercise price (₹)	-	200
Expected life of option granted in years	-	6

The Parent Company measures the cost of ESOP using the fair value method. The option has been granted on an exercise price of ₹ 200. As a result, an expense of ₹ Nil lakhs (March 2017: ₹ 5 lakhs) is recorded in these consolidated financial statements.

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(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	2017-18	2016-17
Lease payments for the year recognised in statement of profit and loss	40,949	39,558
Lease payments for the year recognised in Capital work in progress	28	81
Minimum lease payments:		
Within one year	25,076	24,269
After one year but not more than five years	69,498	73,090
More than five years	48,539	52,240

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	March 31,2018	March 31, 2017
Sub-lease rent receipts	925	1,070

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 31,2018		March 31, 2017	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Within one year	898	593	899	524
After one year but not more than five years	2,670	2,238	3,259	2,537
More than five years	42	37	352	332
Total minimum lease payments	3,610	2,868	4,510	3,393
Less: amounts representing finance charges	(742)	-	(1,117)	-
Present value of minimum lease payments	2,868	2,868	3,393	3,393

35 Capital & Other Commitments

(a) Capital Commitments

Particulars	March 31,2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	7,320	9,784

(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.

36 Contingent Liabilities

S.No.	Particulars	March 31,2018	March 31, 2017
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 ₹ 890 lakhs (March 31, 2017 : ₹ 890 Lakhs) which is appearing under note 'Other assets'}.	1,105	6,966
b)	Possible exposure on account of entertainment tax exemption treated as capital subsidy on the grounds of ongoing assessments at assessing officer level.	-	999
c)	Demand of entertainment tax under Assam Amusement and Betting Tax Act, 1939 where appeal is pending before Supreme Court.	334	334
d)	Notice from Entertainment Tax Department Chennai against short deposit of Entertainment Tax on regional movies.	43	43
e)	Notice from Commercial Tax Department, Indore against alleged collection of Entertainment tax during exemption period.	823	823
f)	Notice from Entertainment Tax Department Maharashtra in respect of levy of Entertainment tax on Convenience fees.	161	143
g)	Show cause notices raised by Service tax Commissionerate. New Delhi. (The Parent Company has already deposited under protest an amount of ₹ 90 lakhs)	2,537	2,537
h)	Demand raised with regard to service tax on food and beverages. The Company has paid ₹ 184 lakhs	2,492	2,492
i)	Possible exposure of Service tax on sale of food and beverages.	6,076	5,303
j)	Demand of Sales tax under Various States VAT Acts where appeal is pending before competent authority (the Parent Company has paid an amount of ₹ 54 lakhs under protest).	1,032	1,285
k)	Claims against the Company not acknowledged as debts.	171	419
l)	Demand of entertainment tax under rule 22 of Punjab entertainment tax (Cinematographs shows) Rules, 1954	144	-
m)	Sales tax matter in subsidiaries	190	187
n)	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.

37 Un-hedged Foreign Currency exposure

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

Particulars	Currency	March 31,2018	March 31, 2017
a) Cash in Hand	Thai Bhat	0.29	0.31
	Hong Kong Dollar	0.18	0.06
	Korean Won	0.00	0.00
	UK Pound	1.05	0.90
	Singapore Dollar	0.61	0.39
	US Dollar	1.49	1.27
	LKR	0.01	-
	Euro	8.55	1.91
	Chinese Yuan	0.42	-
	Dirham	0.83	0.74
Total		**13.43**	**5.58**
b) Payable for purchase of Property, Plant and Equipment	US Dollar	761.09	277.53

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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 ₹ 232 lakhs through its foundation PVR Nest & others. PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

Particulars	March 31,2018	March 31, 2017
Gross amount required to be spent by the Parent Company during the year	232	165
Amount spent during the year (refer note 28)	232	185

40 Disclosure required under Sec 186(4) of the Companies Act 2013

Full particulars of loans given, investment made, guarantee given, security provided together with purpose in terms of Section 186(4) of the Companies Act, 2013

Investment made

Particulars	Full particulars	Purpose	March 31,2018	March 31, 2017
Vkaao Entertainment Private Limited	Equity share of ₹ 10 each 3,000,000 (March 31, 2017: Nil)	Vkaao is engaged in the business of private screening of movies (Movie on Demand) for its consumers through theatres	227	-
PVR Pictures International Pte. Limited[1]	Equity share of SGD 1 each 500 (March 31, 2017: Nil)	Movie distribution business outside of India	0	-

Loan given

Particulars	Rate of Interest (p.a)	Due Date	Secured/ Unsecured	March 31,2018	March 31, 2017
Sandhya Prakash Limited[2]	18%	13 monthly instalments adjusted with lease rentals till April 2018.	Unsecured	55	98

[1] During the year ended March 31, 2018, PVR Pictures Limited has given an advance of ₹ 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'.

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

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, 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
Financial Assets:					
Investments - FVTOCI	5B	1	-	-	1,693
Investments - Amortised cost	5B	2	174	-	-
Loans	13	-	103	-	-
Trade receivables	11	-	15,561	-	-
Cash and cash equivalent	12	-	2,776	-	-
Other bank balances	12	-	503	-	-
Other financial assets	6	-	24,724	-	-
Total			**43,841**	**-**	**1,693**
Financial Liabilities:					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	19	1	56,294	-	-
- Other borrowings	19	3	16,774	-	-
Trade payables	20	-	25,111	-	-
Other payables	21	-	7,251	-	-
Total			**105,430**	**-**	**-**

The carrying value & fair value of financial instruments by categories as of March 31, 2017 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
Financial Assets:					
Investments - Amortised cost	10	2	197	-	-
Loans	13	-	525	-	-
Trade receivables	11	-	10,208	-	-
Cash and cash equivalent	12	-	2,475	-	-
Other bank balances	12	-	515	-	-
Other financial assets	6	-	21,542	-	-
Total			**35,462**	**-**	**-**
Financial Liabilities:					
Borrowings (including current maturities)					
- Secured Rated Listed Non -Convertible Debentures	19	1	45,579	-	-
- Other borrowings	19	3	23,871	-	-
Trade payables	20	-	19,762	-	-
Other payables	21	-	11,131	-	-
Total			**100,343**	**-**	**-**

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.

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- 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

(i) Amalgamation of Bijli Holdings Private Limited with PVR Limited

In previous year, Pursuant to the scheme of amalgamation, approved by Hon'ble High Court of Delhi on September 15, 2016, between PVR Limited (the Parent Company) and Bijli holdings Private Limited (BHPL), BHPL was merged with the Parent Company from the appointed date i.e. January 01, 2016.

BHPL was forming part of the promoter group of the Parent Company, which was holding 10,031,805 equity shares in the Parent Company constituting 21.55% of the Parent Company's paid-up equity share capital. Consequent upon amalgamation of BHPL with the Parent Company, individual promoters of the Parent Company, directly hold shares in the Parent Company in the same proportion as they held through the erstwhile BHPL. The amalgamation has resulted in simplification of the shareholding structure and reduction of shareholding Tiers as well as demonstrates the promoter's direct commitment to and engagement to the Parent Company.

Pursuant to the above, BHPL stands merged with the Parent Company following 'Purchase Method' of accounting as per the Accounting standard 14 'Accounting for Amalgamation', issued by the Institute of Chartered Accountants of India, basis approved scheme by Hon'ble High Court of Delhi of Delhi.

Upon the scheme becoming effective, the authorised share capital of the Parent Company shall automatically stand enhanced by the authorised share capital of BHPL.

Assets acquired and liabilities assumed

Particulars		Amount
Assets		
Loans and advances		1
Cash and bank balances		77
Total	A	**78**
Liabilities		
Trade Payables		21
Other current liabilities		1
Total	B	**22**
Capital Reserve	A-B	56

Pursuant to the approved scheme, 10,031,805 fully paid up equity shares of the face value of ₹ 10 each credited as fully paid up in the share capital of the Parent Company to the members of BHPL in the ratio of their equity shareholding in BHPL. There was no change in the promoter shareholding of the Parent Company, pursuant to this scheme. The promoter continues to hold the same percentage of shares in the Parent Company, pre and immediately post the amalgamation of BHPL.

(ii) Amalgamation of Lettuce Entertain you Limited, PVR Leisure Limited with PVR Limited

In previous year, Pursuant to the scheme of amalgamation, approved by Hon'ble High Court of Delhi on January 04, 2017, between PVR Limited (the Parent Company) and PVR Leisure Limited (PVR Leisure) and Lettuce Entertain you Limited (Lettuce), later Companies were amalgamated with the Parent Company from the appointed date i.e. April 01, 2015. Lettuce and PVR Leisure are individually referred to as 'Amalgamating Company and collectively referred to as 'Amalgamating Companies' and the Parent Company is referred to as 'Amalgamated Company' for the purpose of this clause. Amalgamating Companies are subsidiaries of the Company and are engaged in similar/related businesses. Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage of the stakeholders.

Pursuant to the above, Amalgamating Companies stands merged with the Parent Company following 'Purchase Method' of accounting as per the Accounting standard 14 'Accounting for Amalgamation', issued by the Institute of Chartered Accountants of India, basis approved scheme by Hon'ble High Court of Delhi. Upon the scheme becoming effective, the authorised share capital of the Parent Company shall automatically stand enhanced by the authorised share capital of Amalgamating Companies.

Assets acquired and liabilities assumed

Particulars	PVR Leisure Limited	Lettuce Entertain you Limited
Assets		
Cash and cash equivalents	21	30
Fixed Assets	-	496
Inventories	-	56
Investment – PVR BluO Entertainment Limited	4,340	-
Deferred Tax Assets	-	498
Trade receivables	-	3
Loans and advances	2,460	48
Other current assets	30	-
Total	**6,851**	**1,131**
Liabilities		
Provisions	-	2
Trade payables	2	151
Other current liabilities	-	49
Borrowings	-	950
Total	**2**	**1,152**
Net	**6,849**	**(21)**
Add: Net Liability of Lettuce Entertain you Limited	(21)	21
Net	**6,828**	**-**
Value of Investment of PVR Leisure in PVR Limited	6,282	-
Capital reserve	**546**	**-**

Pursuant to the approved scheme, entire paid-up equity and non-cumulative convertible preference share capital of PVR Leisure as held by the Parent Company directly, and the entire paid-up equity share capital of Lettuce held by the Company through PVR Leisure, upon the scheme becoming effective shall stand cancelled on the effective date and no shares of the Parent Company shall be issued or allotted in consideration for amalgamation.

Had the Parent Company was required to follow the Ind AS 103, 'Business Combination' the entities under common control should have used 'Pooling of Interest method', according to which, recognised capital reserve would had been ₹ 468 lakhs as against ₹ 545 lakhs recognised in books as per the approved order of Hon'ble High Court.

(iii) Acquisition of Cinema exhibition undertaking of DLF Utilities Limited

The Parent Company during last year, acquired part of the Cinema exhibition undertaking of DLF Utilities Limited (operated under the brand name of 'DT Cinemas') on a slump sale basis. The sale and transfer of the said Cinema exhibition undertaking, as a going concern has been completed on May 31, 2016 and the same has been accounted as per Ind AS 103, 'Business combination' in financial year 2016-17.

Particulars	Amount
Total Consideration payable for taking the part of the cinema exhibition business of DLF Utilities	43,250
Fair value of tangible assets acquired	(9,038)
(Company had appointed an Independent valuer to value the tangible assets acquired from DLF Utilities Limited)	
Other net liability related to cinema exhibition business acquired by the Company	388
Goodwill	**34,600**

Out of the total consideration payable to DLF Utilities Limited as mentioned above, ₹ 10,000 lakhs are payable on obtaining two separate regulatory approvals, ₹ 5,000 lakhs payable on obtaining each approval. The Parent Company during the last year had received one such approval and had paid ₹ 5,000 lakhs accordingly and balance ₹ 5,000 lakhs had been paid on receipt of second approval during the year ended March 31, 2018.

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

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, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Effect of Increase/ decrease in floating Interest rate by 100 basis points (1%) for term loans`	177	246	(177)	(246)

(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 31,2018	March 31, 2017
Trade Receivables	15,561	10,208
Cash and cash equivalents	2,776	2,475
Other bank balances	503	515
Loans	103	525
Other financial assets	3,281	3,704

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, 2018, Company has impaired Trade receivables of ₹ 1,211 lakhs (March 31, 2017: ₹ 921 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 2018	For the year ended 31 March 2017
Balance at the beginning of the year	921	618
Impairment loss recognised / (reversed)	290	406
Amount written off	-	103
Balance at the end of the year	1,211	921

(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:

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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

- 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, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
On demand	100	1,588	-	-
Less than 3 months	11,875	12,574	32,224	25,686
3 to 12 months	15,102	7,372	-	5,069
1 to 5 years	56,211	59,351	138	138
More than 5 years	37	1,374	-	-
Total	**83,325**	**82,259**	**32,362**	**30,893**

*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(ii)) 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 31,2018**	March 31, 2017
Long term debt		73,068	69,450
Payable for purchase of fixed assets		6,549	10,435
Total	(A)	**79,617**	**79,885**
Equity	(B)	**107,536**	**96,501**
Gearing ratio	(A/B)	**74%**	**83%**

45 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, 2018 in the Board meeting dated May 04, 2018, 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 31,2018**	March 31, 2017
Salary, allowance and bonus	1,364	1,244
Contribution to provident and other funds	48	51
Rent	28	81
Electricity and water charges	59	17
Repairs and maintenance	117	40
Rates and taxes	310	340
Travelling and conveyance	93	87
Architects & professional	560	849
Insurance	10	27
Communication cost	7	5
Security service charges	215	213
Finance cost	429	256
Other miscellaneous expenses	11	64
Total	**3,251**	**3,274**

47 Income tax expense

Particulars	March 31,2018	March 31, 2017
(a) Income tax expense reported in the statement of profit or loss comprises:		
Current income tax:		
Current tax	4,889	3,292
Income tax for earlier years	-	38
Total current tax	**4,889**	**3,330**
Deferred tax:		
Relating to origination and reversal of temporary differences	2,155	3,878
Less: MAT credit entitlement	-	1,336
MAT credit (entitlement)/reversal for earlier years	-	(172)
Total deferred tax	**2,155**	**2,370**
Income tax expense reported in the statement of profit or loss	**7,044**	**5,700**
Effective Income tax rate	**36.2%**	**37.3%**
(b) Statement of Other Comprehensive Income		
Net loss/ (gain) on re-measurements of defined benefit plans	63	81
(c) Statement of Other Comprehensive Income		
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	19,446	15,284
Statutory income tax rate	34.61%	34.61%
Computed tax expense	6,730	5,288
Adjustments in respect of current income tax of previous years	253	(134)
Non-deductible expenses for tax purposes	61	546
Income tax charged to statement of profit & loss	**7,044**	**5,700**
(d) MAT credit entitlement		
Opening Balance	8,241	6,733
Add: MAT credit entitlement/(reversal) for earlier years	-	172
Less: Adjustment on account of sale of Investment in PVR bluO Entertainment Limited (refer note 52)	(85)	-
Less: MAT credit entitlement for current year	-	1,336
Less: MAT credit entitlement utilisation for the year	(715)	-
Closing Balance	**7,441**	**8,241**
(e) Deferred tax asset/(Liability)		
Opening Balance	(4,006)	(400)
Less: Impact of differences in W.D.V. block under Income tax and Books of accounts	(2,617)	(3,391)
Add: Effect of carry forward of losses and unabsorbed depreciation	6	(283)
Add: Tax income / (expenses) on other timing differences	516	68
Less: Adjustment on account of sale of Investment in PVR bluO Entertainment Limited (refer note 52)	161	0
Closing balance	**(5,940)**	**(4,006)**

48 Related Party Disclosure

Names of related parties and related party relationship:

Subsidiaries	PVR Pictures Limited
	PVR bluO Entertainment Limited till August 31, 2017 (refer note 52)
	Zea Maize Private Limited
	P V R Lanka Limited
	Erstwhile PVR Leisure Limited (Refer note 42(ii))
	Erstwhile Lettuce Entertain You Limited (Refer note 42(ii))
Other Investment	PVR Pictures International Pte Limited (Refer note 5A)
	Vkaao Entertainment Private Limited (Refer note 5A)
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. Sanjai Vohra – Director
	Mr. Vikram Bakshi – Director
	Mr. Sanjay Khanna - Director

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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

Key Management Personnel	Mr. Chirag Gupta, Director
	Mr. Ankur Gupta, Director
Relatives of Key Management Personnel	Mrs. Selena Bijli, Wife of Mr. Ajay Bijli
	Ms. Niharika Bijli, Daughter of Mr. Ajay Bijli
	Mr. Aamer Krishan Bijli, Son of Mr. Ajay Bijli
	Mr. Satya Narain, Father of Mr. Ankur Gupta
Enterprises owned or significantly influenced by key management personnel or their relatives	PVR Nest
	Priya Exhibitors Private Limited
	Cinestar Limited

Particulars	Key Management Personnel and there relatives		Other Investment		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17	**31-Mar-18**	31-Mar-17
Transactions during the year						
Remuneration Paid						
Mr. Ajay Bijli	745	730	-	-	-	-
Mr. Sanjeev Kumar	645	630	-	-	-	-
Ms. Niharika Bijli	-	14	-	-	-	-
Mr. Chirag Gupta	15	15	-	-	-	-
Mr. Ankur Gupta	15	15	-	-	-	-
Sitting fees/ commission						
Other independent directors	26	20	-	-	-	-
Rent Expense						
Priya Exhibitors Private Limited	-	-	-	-	288	288
Mr. Satya Narain	26	26	-	-	-	-
Film Distributors Share expense						
Vkaao Entertainment Private Limited	-	-	77	-	-	-
Income From Sales Of Tickets of Films						
Vkaao Entertainment Private Limited	-	-	3	-	-	-
CSR Expense						
PVR Nest	-	-	-	-	215	166
Final Dividend Paid						
Mr. Ajay Bijli	105	145	-	-	-	-
Mr. Sanjeev Kumar	75	82	-	-	-	-
Mrs. Selena Bijli	4	3	-	-	-	-
Mr. Aamer Krishan Bijli	6	7	-	-	-	-
Loan Taken						
Mr. Chirag Gupta	-	16	-	-	-	-
Loan repaid						
Mr. Chirag Gupta	6	-	-	-	-	-
Balance outstanding at the end of the year						
Trade Payable						
Vkaao Entertainment Private Limited			45			
Mr. Chirag Gupta	3	6	-	-	-	-
Mr. Ankur Gupta	4	3	-	-	-	-
Security Deposit Given						
Priya Exhibitors Private Limited	-	-	-	-	144	144
Mr. Satya Narain	6	6	-	-	-	-
Loan from Directors						
Mr. Chirag Gupta	10	16	-	-	-	-
Investment in Equity Share Capital						
Vkaao Entertainment Private Limited	-	-	300	-	-	-
PVR Pictures International Pte. Limited	-	-	25	-	0.25	-

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(b) The financial figures in above note exclude expenses reimbursed to/by related parties.

(c) No amount has been provided as doubtful debts or advance/ written off or written back in the year in respect of debts due from/to above related parties.

(d) The financial figures in above note excludes GST/Sales tax/Service tax, as applicable.

(e) The Parent Company has given corporate guarantee for availing Bank Overdraft facility for one of its subsidiary amounting ₹ 100 lakhs (March 31, 2017 : ₹ 100 lakhs)

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 Company and make strategic decisions. The Company is engaged primarily in the business Movie exhibition and Others allied activities (includes Movie production, distribution & gaming etc.) under the brand 'PVR'.

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.

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Company basis.

Particulars	Movie exhibition		Others (includes Movie production, distribution & gaming etc.)		Elimination		Total	
	March' 31, 2018	March 31, 2017	**March' 31, 2018**	March 31, 2017	**March' 31, 2018**	March 31, 2017	**March' 31, 2018**	March 31, 2017
Revenue								
Revenue from operations	222,691	198,967	10,719	12,976	-	-	233,411	211,943
Inter segment sales	98	76	2,120	2,952	(2,218)	(3,027)	-	-
Other income	2,953	6,021	230	307	(48)	(104)	3,134	6,225
Total Revenue	**225,742**	**205,064**	**13,069**	**16,235**	**(2,266)**	**(3,131)**	**236,545**	**218,168**
Segment Results								
Operating profit	18,762	15,212	536	473	207	6	19,505	15,691
Exceptional items							(59)	(407)
Income tax							(7,044)	(5,700)
Net Profit before NCI	-	-	-	-	-	-	**12,402**	**9,584**
Other Information								
Total assets	226,039	205,017	8,845	17,553	-	-	234,884	222,569
Unallocated assets	6,919	7,526	2,259	2,233	-	-	9,178	9,759
Total Allocated Assets	**219,120**	**197,491**	**6,586**	**15,320**	-	-	**225,706**	**212,810**
Total liabilities	123,291	118,969	3,976	3,049	-	-	127,267	122,018
Unallocated liabilities	83,122	82,081	167	156	-	-	83,289	82,237
Total allocated liabilities	**40,169**	**36,888**	**3,809**	**2,893**	-	-	**43,978**	**39,781**
Capital Employed (allocable)	178,951	160,603	2,777	12,426	-	-	181,728	173,029
Capital Employed (unallocable)							(74,111)	(72,478)
Capital expenditure	31,160	62,311	2,842	994	-	-	34,002	63,305
Depreciation/amortisation	14,119	12,239	1,250	1,599	-	-	15,369	13,838
Provision for doubtful debts and advances	350	514	16	55	-	-	366	569

Note:

- **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' financial figures reported above are not strictly comparable from previous year on account of sale of Investment in PVR BluO Entertainment Limited (refer note 52)

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(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, 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
Parent Company:								
PVR Limited	98.14	105,618	97.35	12,140	101.26	(999)	97.01	11,140
Indian Subsidiaries:								
PVR Pictures Limited	3.66	3,938	3.27	408	(1.06)	10	3.65	419
PVR bluO Entertainment Limited[1]			1.09	136			1.18	136
Zea Maize Private Limited	0.42	457	(1.68)	(210)	(0.51)	5	(1.79)	(205)
Foreign Subsidiaries:								
P V R Lanka Limited	0.12	128	(0.04)	(5)	0.31	(3)	(0.07)	(8)
Share of Non Controlling interest								
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)
Total	**100**	**107,617**	**100**	**12,470**	**100**	**(987)**	**100**	**11,483**

General Instructions for the preparation of consolidated financial statements' for the year ending March 31, 2017:

Name of the Entity	Net assets i.e. Total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income (OCI)		Share in Total comprehensive income (OCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent Company:								
PVR Limited	94.78	95,297	97.00	9,291	96.48	(143)	97.02	9,150
Indian Subsidiaries:								
PVR Pictures Limited	3.50	3,520	2.90	278	2.95	(4)	2.91	274
PVR bluO Entertainment Limited[1]	7.81	7,855	1.24	119	0.46	(1)	1.25	118
Zea Maize Private Limited	0.51	513	(1.91)	(183)	0.41	(1)	(1.95)	(184)
Share of Non Controlling interest								
PVR bluO Entertainment Limited	-	-	(0.46)	(44)	(0.22)	0	(0.47)	(44)
Zea Maize Private Limited	-	-	0.31	30	(0.08)	0	0.32	30
Elimination	(6.60)	(6,634)	0.92	88			0.93	87
Adjustment on account of Business Combination				87				
Total	**100**	**100,551**	**100**	**9,579**	**100**	**(148)**	**100**	**9,431**

Notes:
There are no subsidiaries which have not been considered in the Consolidated financial statement.

[1]Share of profit/loss of PVR bluO Entertainment Ltd. 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 PVR bluO Entertainment Limited during the year (refer note 52).

51 During the 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 09, 2016 in Democratic Socialist Republic of Sri Lanka, to subscribe 320,569 number of equity shares of LKR 100 each.

52 During the year ended March 31, 2018, the Group has sold its stake in one of its subsidiary Companies '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)
Net loss on sale of Investment shown under exceptional item	**(59)**

* As on date of sale of investment, PVR bluO Entertainment Limited had ₹ 1,411 lakhs as cash and cash equivalent.
** The said amount is outstanding for settlement by the Company as at the year ended March 31, 2018.
Further, in consolidation the difference between cost of Investment and PVR share in net worth of PVR BluO Entertainment Limited has been recognised in other equity.

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)
Profit on Slump Sale	**114**

54 During the year ended March 31, 2018, an additional capital was infused amounting to ₹ 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 crystalise 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 ₹ 1,032 lakhs from the period July 01, 2017 to March 31, 2018 in the financial statements.

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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

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.

57 Previous year financial statements for the year March 31, 2017 were audited by another firm of Chartered Accountants.

As per report of even date
For **B S R & Co. LLP**
ICAI Firm Registration Number: 101248W / W-100022
Chartered Accountants

Jiten Chopra
Partner
Membership Number: 092894

Place: Gurugram
Date: May 04, 2018

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

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 04, 2018

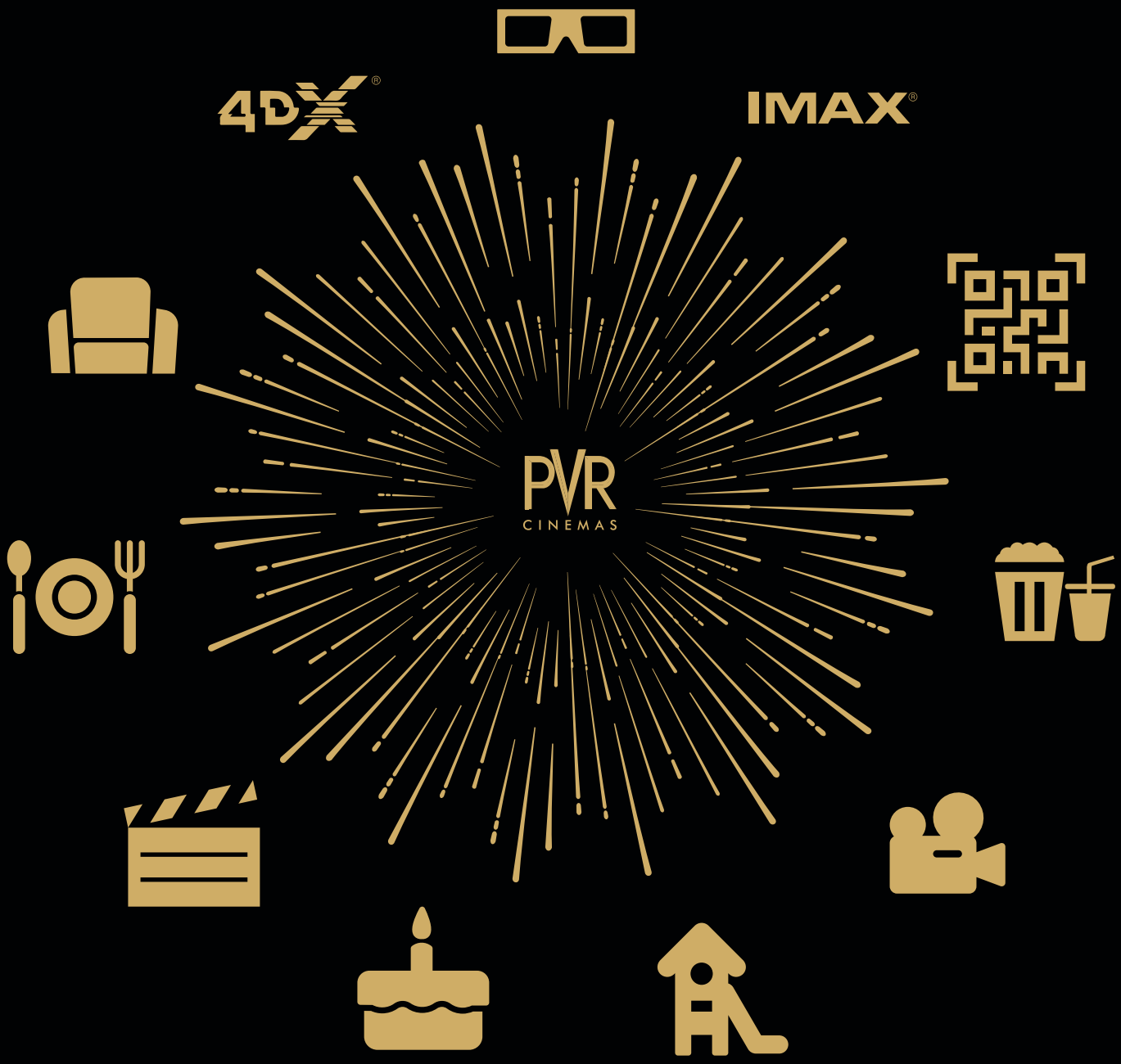
Summarised Financial Statement of Subsidiaries

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

S. No.	Particulars	PVR Pictures Limited		P V R Lanka Limited (Foreign Subsidiary)		Zea Maize Private Limited		PVR BluO Entertainment Limited (Subsidary till August 31, 2017)	
		March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**August 31, 2017**	March 31, 2017
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	April to March	April to March	April to March	April to March	April to March	April to March	April to August	April to March
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian subsidiary	Indian subsidiary	LKR, 1LKR=0.4185	NA	Indian subsidiary	Indian subsidiary	Indian subsidiary	Indian subsidiary
3	Share Capital	1,680	1,680	136	-	5	4	3,652	3,652
4	Reserve and Surplus	2,258	1,839	(8)	-	453	508	4,339	4,403
5	Total Assets	7,713	7,908	129	-	793	738	9,154	9,039
6	Total liabilities	3,775	4,388	1	-	336	226	1,163	984
7	Investments	325	-	-	-	-	-	-	-
8	Turnover	7,971	8,944	-	-	967	481	2,311	5,657
9	Profit before taxation	614	500	(5)	-	(210)	(194)	(82)	168
10	Provision for taxation	206	222	-	-	-	-	(18)	55
11	Profit after taxation	408	279	(5)	-	(210)	(194)	(64)	113
12	Other comprehensive income (net of tax)	10	(4)	-	-	5	(1)	0	(1)
13	Proposed Dividend	-	-	-	-	-	-	-	-
14	% of shareholding as on March 31,	100%	100%	100%	-	70%	70%	0%	51%

Notes

PVR Vision 2020: 1,000 Screens





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/ concept, content and design at **AICL** (hello@aicl.in)

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, 2018
3.	Type of Audit observation	Un-modified Standalone Financial Statements
4.	Frequency of observation	N.A.
5.	To be signed by- • Ajay Bijli (Managing Director) DIN:00531142	
	• Nitin Sood (Chief Financial Officer)	
	• Jiten Chopra, Partner (Auditor of the company) M No. 092894 B S R & Co. LLP FRN No. : 101248W/W-100022	
	• Sanjai Vohra (Audit Committee Chairman) DIN: 00700879	

Date : 04.05.2018
Place: Gurugram

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, 2018
3.	Type of Audit observation	Un-modified Consolidated Financial Statements
4.	Frequency of observation	N.A.
5.	To be signed by- • Ajay Bijli (Managing Director) DIN:00531142	
	• Nitin Sood (Chief Financial Officer)	
	• Jiten Chopra, Partner (Auditor of the company) M No. 092894 B S R & Co. LLP FRN No. : 101248W/W-100022	
	• Sanjai Vohra (Audit Committee Chairman) DIN: 00700879	

Date : 04.05.2018
Place: Gurugram