DUPLICATE

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
16th Floor, Tower II
Indiabulls Finance Centre
S B Marg, Elphinstone (W)
Mumbai 400013
India

T +91 22 6626 2600
F +91 22 6626 2601

Independent Auditor's Report

To the Members of PVR Pictures Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of PVR Pictures Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. 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.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

5. 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 financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. Further to our comments in annexure II, as required by Section 143(3) of the Act, we report that:

    a. we have sought obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

    f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 May 2016 as per Annexure II expressed an unmodified opinion.

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 does not have any pending litigations which would impact its financial position

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir Pillai

per **Sudhir N. Pillai**
Partner
Membership No.: 105782

Place : Mumbai
Date : 26 May 2016

Annexure I to the Independent Auditor's Report of even date to the members of PVR Pictures Limited, on the financial statements for the year ended 31 March 2016

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

Annexure I to the Independent Auditor's Report of even date to the members of PVR Pictures Limited, on the financial statements for the year ended 31 March 2016

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir Pillai

per **Sudhir N. Pillai**
Partner
Membership No.: 105782

Place : Mumbai

Date : 26 May 2016

Annexure II to the Independent Auditor's Report of even date to the members of PVR Pictures Limited, on the financial statements for the year ended 31 March 2016

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of PVR Pictures Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on IFCoFR 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 the company's 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 financial statements, whether due to fraud or error.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

Annexure II to the Independent Auditor's Report of even date to the members of PVR Pictures Limited, on the financial statements for the year ended 31 March 2016

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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir Pillai

per **Sudhir N. Pillai**
Partner
Membership No.: 105782

Place: Mumbai
Date: 26 May 2016

PVR Pictures Limited
Balance Sheet

(₹)

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3.1	143,333,336	143,333,336
(b) Reserves and surplus	3.2	131,210,799	109,900,850
Non-current liabilities			
(a) Deferred tax liabilities (Net)	3.3	11,318,238	-
(b) Other long term liabilities	3.4	500,000	-
(c) Long-term provisions	3.5	4,740,815	3,701,000
Current liabilities			
(a) Short-term borrowings	3.6	60,297,542	20,000,000
(b) Trade payables	3.7	44,567,627	46,445,839
(c) Other current liabilities	3.8	51,848,133	19,509,080
(d) Short-term provisions	3.9	28,684,088	16,867,251
TOTAL		**476,500,578**	**359,757,356**
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	3.10	2,707,617	1,079,392
(ii) Intangible assets	3.11	141,270,449	118,174,798
(iii) Intangible assets under development		4,737,830	-
(b) Long-term loans and advances	3.12	77,695,873	50,280,834
Current assets			
(a) Trade receivables	3.13	101,186,934	84,718,199
(b) Cash and cash equivalents	3.14	33,447,427	47,867,628
(c) Short-term loans and advances	3.15	103,467,407	26,253,142
(d) Other current assets	3.16	11,987,041	31,383,363
TOTAL		**476,500,578**	**359,757,356**
Summary of Significant accounting policies and other explanatory information	2		

Notes 1 to 3.34 form an integral part of the financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Sudhir N. Pillai
Partner

Place: Mumbai
Date: 26 May 2016

For and on behalf of the Board of Directors

Ajay Bijli
Managing Director
Din No.- 00531142

Sanjeev Kumar
Director
Din No.- 00208173

Rajesh Pacheria
Chief Financial Officer

Manish Mehta
Company Secretary

Place: Gurgaon
Date: 26 May 2016

Place: Gurgaon
Date: 26 May 2016

PVR Pictures Limited
Statement of Profit and Loss

(₹)

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
Revenue from operations	3.17	813,555,142	502,603,437
Other income	3.18	5,613,669	13,529,518
Total revenue		819,168,811	516,132,955
Expenses			
Operating expense	3.19	647,841,050	374,460,506
Employee benefits expense	3.20	43,811,674	28,454,722
Finance costs	3.21	330,602	114,110
Depreciation and amortisation expense	3.22	66,341,017	59,136,162
Other expenses	3.23	28,216,281	23,717,424
Total expenses		786,540,624	485,882,924
Profit before tax		32,628,187	30,250,031
Less: Tax expense			
(1) Current tax		-	-
(2) Deferred tax credit		11,318,238	-
(3) Excess provision for earlier years		-	10,000
(4) Minimum alternate tax		6,653,000	6,177,000
(5) Minimum alternate tax credit		(6,653,000)	(6,177,000)
Profit for the year		**21,309,949**	**30,240,031**
Earnings per equity share:			
Basic and diluted earnings per equity share	3.26	0.59	0.84
Summary of Significant accounting policies and other explanatory information	2		

Notes 1 to 3.34 form an integral part of the financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Sudhir N. Pillai
Partner

Place: Mumbai
Date: 26 May 2016

For and on behalf of the Board of Directors

Ajay Bijli
Managing Director
Din No.- 00531142

Sanjeev Kumar
Director
Din No.- 00208173

Rajesh Pacheria
Chief Financial Officer

Place: Gurgaon
Date: 26 May 2016

Manish Mehta
Company Secretary

Place: Gurgaon
Date: 26 May 2016

PVR Pictures Limited
Cash Flow Statement

Particulars		Year ended 31 March 2016	Year ended 31 March 2015
		₹	₹
Cash Flow from Operating Activities			
Profit before taxes		32,628,187	30,250,031
Adjustments for :			
Depreciation and Amortisation expense		66,341,017	59,136,162
Interest income		(3,018,780)	(833,509)
Interest expense		330,602	114,110
Provison for doubtful debts		-	621,136
Sundry balance written off		1,227,196	415,423
Inventory written off		-	78,474
Profit on sale of fixed assets		-	(18,978)
Short term gain on mutual funds		(1,095,090)	(2,079,709)
Bad debts		-	2,459,141
Provision for doubtful debts no longer required		-	(2,459,141)
Sundry balances written back		(152,710)	(634,394)
Operating Profit before working capital changes		**96,260,422**	**87,048,746**
Adjustments for :			
Movement in working capital			
Decrease / (Increase) in inventories		-	351,469
(Increase) / Decrease in Trade receivables		(17,695,931)	13,353,288
Decrease / (Increase) in Short term loans and advances		(77,214,265)	6,612,818
(Increase) / Decrease in Other current assets		19,396,322	(23,031,184)
(Increase) / Decrease in Long term loans and advances		1,371,189	14,889,362
Increase / (Decrease) in Trade payables		(1,878,212)	(31,373,378)
Increase / (Decrease) in Other current liabilities		19,185,764	(21,469,432)
(Decrease) / Increase in Short-term provisions		18,469,837	6,846,215
Increase / (Decrease) in Long-term provisions		1,039,815	799,937
Increase / (Decrease) in Other long-term liabilities		500,000	(16,873,873)
Net Changes in working capital		**(36,825,481)**	**(49,894,778)**
Direct taxes paid		(22,133,229)	9,395,752
Net Cash generated from operating activities	**(A)**	**37,301,712**	**46,549,720**
Cash flow from investing activities			
Purchase of tangible assets		(2,246,212)	(302,352)
Sale of fixed assets		-	18,978
Purchase of film rights		(88,818,681)	(42,979,881)
Sale of film rights		-	2,225,804
Interest received		3,018,780	833,509
Purchases of investments		(322,500,000)	(247,500,000)
Sale / redemption of investments		323,595,090	249,579,709
Additions to intangbles under development		(4,737,830)	
Net Cash generated used in investing activities	**(B)**	**(91,688,853)**	**(38,124,233)**

PVR Pictures Limited Mumbai

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS MUMBAI

PVR Pictures Limited
Cash Flow Statement

Particulars		Year ended 31 March 2016	Year ended 31 March 2015
		₹	₹
Cash flow from financing activities			
Interest paid		(33,060)	(114,110)
Term loan taken		60,000,000	20,000,000
Term loans (repaid)		(20,000,000)	(20,000,000)
Net Cash generated used in financing activities	**(C)**	**39,966,940**	**(114,110)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**(14,420,201)**	**8,311,377**
Cash and cash equivalents at the beginning of the year		47,867,628	39,556,251
Cash and cash equivalents at the end of the year		33,447,427	47,867,628
Net increase / (decrease) as disclosed above		**(14,420,201)**	**8,311,377**

Notes:

1.Cash and cash equivalents as at year end includes:

a. Balances with banks		
- In current accounts	33,382,490	47,550,189
b. Cash on hand	64,937	317,439
Total	33,447,427	47,867,628

2.The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statement' as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Sudhir N. Pillai
Partner

Place: Mumbai
Date: 26 May 2016

For and on behalf of the Board of Directors

Ajay Bijli
Managing Director
Din No.- 00531442

Sanjeev Kumar
Director
Din No.- 00208173

Rajesh Pacheria
Chief Financial Officer

Manish Mehta
Company Secretary

Place: Gurgaon
Date: 26 May 2016

Place: Gurgaon
Date: 26 May 2016

PVR Pictures Limited

Significant accounting policies and other explanatory information

Background and nature of operations

PVR Pictures Limited (the 'Company') is in the business of distribution of Hindi and English titles. The Company seeks to invest in films where the Company retains periodic and perpetual ownership of Intellectual Property Rights (IPRs), although ownership may be shared with co-producers, directors and / or actors where necessary. Also, Company distributes the films by entering into distribution agreements without obtaining the ownership of the films. The broad objective of the Company is to build a reservoir of such acquired IPRs. Such acquired IPRs will be exploited worldwide and across various platforms, such as theatrical, music, home video, satellite and all other modes which may come up in future.

1. (a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and with the applicable provisions of the Companies Act, 2013 (the 'Act') and the accounting principles generally accepted in India ('India GAAP') and comply with the Accounting Standards ('AS') as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

The accounting policies have been consistently applied unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company considers 12 months to be its normal operating cycle.

(b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual future period's results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the period in which revisions are made.

2. Significant accounting policies

2.1 Fixed assets and depreciation / amortisation

(i) Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses related directly/indirectly to the acquisition/ construction and installation of the fixed assets for bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets is provided on pro-rata basis to the period of use, under the straight line method, as per the useful life of the assets prescribed under Schedule II to the Companies Act, 2013

PVR Pictures Limited Mumbai

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS MUMBAI

(ii) Intangible assets

A. Film Rights

The intellectual property rights acquired/ created in relation to films are capitalised as film rights. The Company's amortisation policy is as below:

(a) In case where theatrical rights/ satellite rights/ home video rights are acquired (primarily for foreign films)

- Cost of theatrical rights is amortised on domestic theatrical release of the movie as per allocation mentioned in the agreement, in cases where allocation is not mentioned then 25% of the cost is amortised.

- 40% of the cost amortised on the sale of Satellite rights.
In cases where there is no theatrical release, 65% of the cost is amortised at time of sale of satellite rights.

- 10% of the cost is amortised on the outright sale of Home Video rights,

a. In cases where the sale is on Minimum Guarantee Basis, such 10% is amortised at the time of sale.
b. In cases where the sale is on Consignment basis, an estimate of future revenue potential is expected up to 3 years from the date of release on Home Video. In such cases 7.5% of the total cost (75% of 10% cost) is amortised in the First year of sale and balance 1.25% (12.5% of 10%) is amortised equally for Second and Third year.

- balance 25% cost is amortised on the second sale of satellite rights.

(b) In case where theatrical rights/ satellite rights/ home video rights are acquired for a limited period of 1 to 5 years entire cost of movie rights acquired is amortised on first theatrical release of the movie. The said amortisation relates to domestic theatrical rights, international theatrical rights, television rights, music rights, video rights and others.

In case these rights are not exploited along with or prior to the first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited or at the end of 1 year from the date of first theatrical release, whichever occurs earlier.

In case circumstances indicate that the realisable value of a right is less than its unamortised cost, an impairment loss is recognised for the excess of unamortised cost over the managements estimate of film rights realisable value.

In respect of unreleased films, payments towards film rights are classified under "Long term loans and advances" as Capital advances.

B. Software

Cost related to purchased software, is capitalised and amortised on a straight-line basis over their estimated useful lives of five years, as prescribed under Schedule II of the Companies Act, 2013.

PVR Pictures Limited Mumbai

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS MUMBAI

(iii) Intangible assets under development

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expense.

2.2 Revenue recognition

Income from film distribution

Revenue from assignment of domestic theatrical exhibition rights of films is accounted for as per the terms of the assignment on the theatrical exhibition of the films or on the date of agreement to assign the rights, whichever is later. The revenue is recognised on gross basis.

Income from sale of all other rights other than film distribution

Revenue from other rights such as satellite rights, overseas rights, music rights, video rights, etc. is recognised on the date when the rights are made available to the assignee for exploitation.

Income from sales of goods is recognised on transfer of significant risks and rewards of ownership to the customers and when no significant uncertainty exists regarding realisation of the consideration.

Digital revenue is recognised on the date when revenue is contracted or declared.

Film consultancy income is recognised on monthly basis as per agreement terms.

2.3 Other income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

On disposal of current investments, the difference between the carrying amount and the disposal proceeds is recognised in the statement of profit and loss.

2.4 Foreign currency transactions

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities as at the balance sheet date are translated at the rate of exchange prevailing at the date of Balance Sheet. Non monetary assets and liabilities are recorded at the rates prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss.

PVR Pictures Limited Mumbai

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2.5 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.6 Employee benefits

Defined contribution plan

The Company's contributions paid or payable during the year to the provident fund is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

The Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost for past services is recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gains and losses are recognised immediately in the statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms.

2.7 Earnings per share

Earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

2.8 Taxation

Current tax

Current income-tax expense is recognised in accordance with the provisions of Indian Income Tax Act, 1961. Minimum alternate tax (MAT) paid in accordance to the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT credit is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

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Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits/losses offered for income taxes and the profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the period that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date and recognized only if there is virtual certainity supported by convincing evidence that such deferred tax asset can be realised against future taxable profits.

2.9 Provisions and contingencies

Provisions are recognised when there is present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the outflow required to settle the obligations at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

2.10 Impairment

In accordance with Accounting Standard 28 on "Impairment of Assets" as specified under section 133 of the Act with Rule 7 of the Companies(Accounts) Rules, 2014 (as amended) the carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus where applicable.

2.11 Leases

The Company has evaluated all existing leases as 'Operating leases'

Aggregate of lease rentals payable under the non-cancellable operating lease arrangements (over the initial and subsequent periods of lease) are charged to the statement of profit and loss on straight line basis over the period of the lease.

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3.1 Share capital

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹4 each (Previous year Face value ₹4 each)	100,000,000	400,000,000	100,000,000	400,000,000
Issued, subscribed and paid up				
Equity Shares of ₹4 each (Previous year Face value ₹4 each fully paid up)	35,833,334	143,333,336	35,833,334	143,333,336

a. Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	35,833,334	143,333,336	35,833,334	143,333,336
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	35,833,334	143,333,336	35,833,334	143,333,336

b. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of total equity shares 35,833,334 equity shares (Previous year 35,833,334) are held by PVR Limited, the holding company and its nominees.

c. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	Number	% of holding	Number	% of holding
PVR Limited and its nominees	35,833,334	100%	35,833,334	100%

d. Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of ₹ 4 per share. Each holder of equity shares is entitled to one vote per share.

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3.2 Reserves and surplus

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
a. Securities premium account		
Balance at the beginning of the year	13,823,880	13,823,880
Balance at the end of the year	13,823,880	13,823,880
b. Surplus		
Balance at the beginning of the year	96,076,970	65,836,939
Add: Net profits transferred from statement of profit and loss	21,309,949	30,240,031
Balance at the end of the year	117,386,919	96,076,970
Total	**131,210,799**	**109,900,850**

3.3 Deferred tax liabilities (net)

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Deferred tax (liabilities)		
On timing difference between book depreciation and depreciation as per Income tax act, 1961.	(29,933,395)	(25,435,572)
Deferred tax (liabilities)	**(29,933,395)**	**(25,435,572)**
Deferred tax assets		
Effect of expenditure debited to statement of profit and loss but allowable for tax purposes in following years	1,659,069	1,259,264
Carried forward business losses and unabsorbed depreciation	15,094,674	22,436,669
Provision for doubtful debts and advances	1,861,414	1,739,639
Deferred tax assets	**18,615,157**	**25,435,572**
Deferred tax assets / (liabilities) (net)	**(11,318,238)**	**-**

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3.4 Other long-term liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Security deposit received	500,000	-
Total	**500,000**	**-**

3.5 Long-term provisions

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
(a) Provision for employee benefits		
Gratuity (refer Note 3.31)	2,998,409	2,534,000
Leave encashment (refer Note 3.31)	1,506,831	1,167,000
Leave travel allowance	235,575	-
Total	**4,740,815**	**3,701,000**

3.6 Short-term borrowings

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Unsecured		
(a) Loans and advances from related parties		
from holding company	60,297,542	20,000,000
Total	**60,297,542**	**20,000,000**

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3.7 Trade Payables

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Dues to micro and small enterprises (Also refer note (a) below)	-	-
Dues to others	44,567,627	46,445,839
Total	**44,567,627**	**46,445,839**

a) Based on information available with the Company there are no dues to Micro, Small and Medium Enterprises, as defined in Micro, Small and Medium Enterprises Development Act 2006 as at 31 March, 2016.

3.8 Other current liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
(a) Income received in advance	23,940,818	2,264,923
(b) Duties and taxes payable	5,925,259	3,716,690
(c) Other payables		
Advance received from customers	15,514,538	1,824,382
Expense payable	6,467,518	11,703,085
Total	**51,848,133**	**19,509,080**

3.9 Short-term provisions

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
(a) Provision for employee benefits		
Salary and reimbursements	6,609,841	1,793,124
Gratuity (refer note 3.31)	330,328	248,000
Contribution to provident fund	295,319	226,573
Leave encashment (refer note 3.31)	182,335	140,000
Bonus	269,265	115,554
(b) Provision for tax		
MAT Payable	20,997,000	14,344,000
Total	**28,684,088**	**16,867,251**

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3.10 Tangible assets

(₹)

Particulars	Plant and equipment	Furniture and Fixtures	Vehicles	Total
Gross block				
Balance as at 1 April 2014	4,464,424	452,730	-	**4,917,154**
Additions	302,352	-	-	**302,352**
Adjustments/disposals	2,127,969	248,703	-	**2,376,672**
Balance as at 31 March 2015	2,638,807	204,027	-	**2,842,834**
Additions	246,212		2,000,000	**2,246,212**
Adjustments/disposals	-	-	-	**-**
Balance as at 31 March 2016	2,885,019	204,027	2,000,000	**5,089,046**
Accumulated Depreciation				
Balance as at 1 April 2014	2,509,570	360,668	-	**2,870,238**
Depreciation Charge	1,216,369	53,507	-	**1,269,876**
Adjustments /disposals	2,127,969	248,703	-	**2,376,672**
Balance as at 31 March 2015	1,597,970	165,472	-	**1,763,442**
Depreciation Charge	581,492	16,695	19,800	**617,987**
Adjustment / disposals	-	-	-	**-**
Balance as at 31 March 2016	2,179,462	182,167	19,800	**2,381,429**
Net Block				
Balance as at 31 March 2015	**1,040,837**	**38,555**	**-**	**1,079,392**
Balance as at 31 March 2016	**705,557**	**21,860**	**1,980,200**	**2,707,617**

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3.11 Intangible assets

(₹)

Particulars	Computer Software	Film Rights	Total
Gross block			
Balance as at 1 April 2014	1,702,906	318,875,112	**320,578,018**
Additions	-	42,979,881	**42,979,881**
Adjustments/Amounts written off *	416,000	40,739,067	**41,155,067**
Balance as at 31 March 2015	1,286,906	321,115,926	**322,402,832**
Additions	-	88,818,681	**88,818,681**
Adjustments/Amounts written off *		6,217,649	**6,217,649**
Balance as at 31 March 2016	1,286,906	403,716,958	**405,003,864**
Accumulated Amortisation			
Balance as at 1 April 2014	1,283,104	184,007,907	**185,291,011**
Amortisation Charge	206,348	57,659,938	**57,866,286**
Amounts written off *	416,000	38,513,263	**38,929,263**
Balance as at 31 March 2015	1,073,452	203,154,582	**204,228,034**
Amortisation Charge	158,882	65,564,148	**65,723,030**
Amounts written off *		6,217,649	**6,217,649**
Balance as at 31 March 2016	1,232,334	262,501,081	**263,733,415**
Net block			
Balance as at 31 March 2015	**213,454**	**117,961,344**	**118,174,798**
Balance as at 31 March 2016	**54,572**	**141,215,877**	**141,270,449**

*This relates to film rights whose license term has expired and no longer available for exploitation.

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3.12 Long-term loans and advances

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
a. Capital advances		
Unsecured, considered good	9,505,313	10,896,360
b. Security deposits		
Unsecured, considered good	125,000	115,000
c. Mat Credit recoverable	20,997,000	14,344,000
d. Other loans and advances		
Advance tax (Net of provision)	47,058,702	24,925,474
Prepaid expenses	9,858	-
Total	**77,695,873**	**50,280,834**

3.13 Trade receivables

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	97,422,977	82,366,330
	97,422,977	82,366,330
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3,763,957	2,351,869
Unsecured, considered doubtful	3,396,664	3,396,664
Less: Provision for doubtful debts	(3,396,664)	(3,396,664)
	3,763,957	2,351,869
Total	**101,186,934**	**84,718,199**

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3.14 Cash and cash equivalents

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
a. Balances with banks		
- In current accounts	33,382,490	47,550,189
b. Cash on hand	64,937	317,439
Total	**33,447,427**	**47,867,628**

3.15 Short-term loans and advances

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
a. Advance recoverable in cash or kind		
Unsecured, considered good	95,144,946	22,165,588
Unsecured, considered doubtful	2,233,237	2,233,237
Less: Provision for doubtful advances	(2,233,237)	(2,233,237)
	95,144,946	22,165,588
b. Security deposits		
Unsecured, considered good	480,000	679,752
	480,000	679,752
c. Other loans and advances		
Prepaid expenses	156,273	1,103,831
Balance with Statutory/government authorities	6,974,643	2,165,937
Loans to employees	711,545	138,034
	7,842,461	3,407,802
Total	**103,467,407**	**26,253,142**

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3.16 Other current assets

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
a. Other receivables		
Advance given to suppliers	11,987,041	31,383,363
Total	**11,987,041**	**31,383,363**

3.17 Revenue from operations

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Revenue from distribution and exhibition of film and other right (Gross)	813,555,142	502,603,437
Total	**813,555,142**	**502,603,437**

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3.18 Other income

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Interest income	2,950,936	833,509
Short term gains on mutual funds	1,095,090	2,079,709
Profit on sale of fixed assets	-	18,978
Interest on staff loan	67,844	-
Sundry balances written back	152,710	634,394
Provision for doubtful debts no longer required	-	2,459,141
Net gain on foreign currency transactions and translation	1,347,089	569,861
Other non-operating income	-	6,933,926
Total	**5,613,669**	**13,529,518**

3.19 Operating expense

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Film distribution expenses (net)	533,126,126	278,309,069
Film print	49,039,591	32,718,616
Film promotion	63,967,433	60,883,092
Commission	1,707,900	2,549,729
Total	**647,841,050**	**374,460,506**

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3.20 Employee benefits expense

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Salaries, wages and bonus	40,609,294	25,561,036
Gratuity (refer note 3.31)	546,737	772,000
Leave encashment (refer note 3.31)	528,966	199,000
Contribution to provident fund (refer note 3.31)	1,729,323	1,440,544
Staff welfare expenses	397,354	482,142
Total	**43,811,674**	**28,454,722**

3.21 Finance costs

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Interest expense	330,602	114,110
Total	**330,602**	**114,110**

3.22 Depreciation and amortisation expense

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Depreciation on Tangible assets (refer note 3.10)	617,987	1,269,876
Depreciation on Intangible assets (refer note 3.11)	65,723,030	57,866,286
Total	**66,341,017**	**59,136,162**

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3.23 Other expenses

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Legal and professional fees	3,516,451	3,600,615
Travelling and conveyance expenses	13,299,679	8,377,069
Rent (refer note 3.29)	1,384,487	1,402,668
Communication expenses	1,838,332	2,187,093
Printing and stationery	424,666	824,804
Electricity expenses	167,342	161,368
Repairs and maintenance - others	454,689	84,108
Loss on sale of inventory	-	20,113
Inventory written off	-	78,474
Payment to auditors (refer note 3.28)	1,425,263	844,393
Provision for doubtful debts (refer note 3.13)	-	621,136
Office expenses	2,950,620	1,680,488
Bad debts written off	-	2,459,141
Miscellaneous expenses	2,754,752	1,375,954
Total	**28,216,281**	**23,717,424**

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3.24 Contingent liabilities (not provided for) in respect of

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Claims against the company not acknowledged as debts	Nil	Nil

3.25 Estimated value of contracts remaining to be executed on capital account (net of advances)

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Estimated value of contracts remaining to be executed on capital account (net of advances)	54,737,865	38,984,501

3.26 Earnings per share (EPS)

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
Net profit after tax (₹)	21,309,949	30,240,031
Weighted average number of equity shares outstanding during the year	35,833,334	35,833,334
Nominal value of shares (₹)	4.00	4.00
Earnings per share (basic and diluted) (₹)	0.59	0.84

3.27 Segment information

The Company operates under a single (primary) business segment viz. "Film distribution". Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments with the requirement of Accounting Standard 17 on Segment Reporting, as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

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3.28 Payment to auditors (excluding service tax)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Statutory audit	850,000	700,000
Tax audit	150,000	120,000
Other services	400,000	-
Out of pocket expenses	25,263	24,393
Total	**1,425,263**	**844,393**

3.29 Disclosure for non-cancellable operating leases

The Company has entered into 4 (31 March 2015: 7) cancellable leases and / or leave or license arrangements for office premises and / or godowns at various locations.

The lease rent charges of premises recognised in the statement of profit and loss during the year ended 31 March 2016 is ₹1,384,487 (31 March 2015: ₹1,402,668).

Significant leasing arrangements:

a) The period of lease for the premises varies by location and ranges from 1 to 3 years.

b) Renewal of the lease at the end of the initial term is at mutual consent of both parties.

3.30 Purchase, sales and stock-raw materials

Product	UOM	Opening stock		Purchase		Sales		Closing stock	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Raw Prints	Mtrs.	-	-	-	-	-	-	-	-
Previous year	Mtrs.	74,933	429,943	-	-	74,933	429,943	-	-

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3.31 Employee benefits

The relevant disclosures in pursuance of Accounting Standard [AS 15 (revised) 2005] "Employee Benefits" as specified under section 133 of the Act, read with.Rule 7 of the Companies (Accounts) Rules 2014 (as amended) are as follows:

i) The Company has recognised, in the statement of profit and loss the following expense under defined contribution plan.

Benefit (Contribution to)	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Provident fund	1,729,323	1,440,544
Total	**1,729,323**	**1,440,544**

ii) The Company accounts for gratuity under defined benefit plan (unfunded)

iii) Details of the gratuity plan are as follows:

Description	As at 31 March 2016	As at 31 March 2015
	₹	₹
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	2,782,000	2,010,000
b. Current service cost	580,493	446,000
c. Interest cost	217,459	173,000
d. Actuarial (gain)/loss	(251,215)	153,000
e. Benefits paid	-	-
f. Obligation as at end of the year	3,328,737	2,782,000
Current	330,328	248,000
Non Current	2,998,409	2,534,000
2. Reconciliation of fair value of assets and obligations		
a. Present value of obligation as at end of the year	3,328,737	2,782,000
b. Amount recognised in the Balance Sheet – Liability	**(3,328,737)**	(2,782,000)
3. Expense recognised in the year		
a. Current service cost	580,493	446,000
b. Interest cost	217,459	173,000
c. Actuarial (gain)/loss	(251,215)	153,000
d. Expense /(Gain) to be recognised in the year	**546,737**	772,000
4. Assumptions		
a. Discount rate (per annum)	7.75	7.80
b. Rate of escalation in salary (per annum)	8.00	8.00

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iv) The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.

v) Experience adjustment

Particulars	Period ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	₹	₹	₹	₹	₹
Defined benefit obligation at end of the period	3,328,737	2,782,000	2,010,000	1,201,853	837,669
Plan assets at end of the period	-	-	-	-	-
Net asset (liability)	(3,328,737)	(2,782,000)	(2,010,000)	(1,201,853)	(837,669)
Experience gain /(loss) adjustments on plan liabilities	264,739	(197,000)	(147)	(52,653)	176,231
Experience gain /(loss) adjustments on plan assets	-	-	-	-	-

vi) Bifurcation of leave encashment at the end of year (unfunded)

Particulars	As at 31 March 2016	As at 31 March 2015
	₹	₹
Current	182,335	140,000
Non current	1,506,831	1,167,000
Total	**1,689,166**	**1,307,000**

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Significant accounting policies and other explanatory information

3.32 Related party disclosures

In accordance with the requirements of Accounting Standard (AS)-18 "Related Party Disclosures" specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are as follows:

A. List of Related parties and relationships

Sr. No.	Relationship	Related Party
a)	Holding company	PVR Limited
b)	Fellow subsidiaries	PVR Bluo Entertainment Limited PVR Leisure Limited Lettuce Entertain You Limited
c)	Key managerial personnel	Mr. Ajay Bijli – Managing Director Mr. Sanjeev Kumar – Director Mr. Ravi Kumar Sinha – Director Mr. Sanjay Khanna – Director

PVR Pictures Limited Mumbai

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

B. Details of transactions with related parties:

Particulars	Holding company	
	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Transaction during the year		
Income from film distribution	138,324,347	110,070,758
Reimbursement of expenses	6,514,100	6,712,649
Interest expenses	330,602	114,110
Loan taken	60,000,000	20,000,000
Loan repaid	20,000,000	20,000,000
	As at 31 March 2016	As at 31 March 2015
	₹	₹
Balance outstanding at the end of the year		
Trade receivables	27,408,926	9,154,423
Trade payables	-	-
Other long term liabilities	-	-
Short-term borrowings	60,297,542	20,000,000

3.33 Earnings and expenditure in foreign currency (accrual basis)

Sr. No.	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
		₹	₹
a)	**Expenditure in foreign currency (On accrual basis)**		
i)	Royalty and print costs	38,447,400	21,381,310
ii)	Technical and professional fees	193,152	-
iii)	Travelling and conveyance	8,767,741	4,579,409
	Total	**47,408,293**	**25,960,719**

PVR Pictures Limited Mumbai

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Significant accounting policies and other explanatory information

Sr. No.	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
		₹	₹
b)	**Earnings in foreign exchange (On accrual basis)**		
i)	Sale of film rights	3,788,200	10,275,462
ii)	Sale of satellite rights	21,856,978	13,578,060
	Total	**25,645,178**	**23,853,522**

3.34 Previous year comparatives

Previous year's figures have been regrouped / recasted wherever necessary to confirm to current year's classification.

The schedules referred to above form an integral part of the financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Sudhir N. Pillai
Partner

Place: Mumbai
Date: 26 May 2016

For and on Behalf of the Board of Directors

Ajay Bijli
Managing Director
Din No.- 00531142

Rajesh Pacheria
Chief Financial Officer

Place: Gurgaon
Date: 26 May 2016

Sanjeev Kumar
Director
Din No.- 00208173

Manish Mehta
Company Secretary

Place: Gurgaon
Date: 26 May 2016