



LEADERS IN INNOVATION

**PVR**  
CINEMAS

ANNUAL  
REPORT  
**2015**



## **Board of Directors**

Mr. Ajay Bijli	Chairman cum Managing Director
Mr. Sanjeev Kumar	Joint Managing Director
Mr. Vicha Poolvaraluk	Director
Ms. Renuka Ramnath	Director
Mr. Ravinder Singh Thakran	Director
Mr. Vikram Bakshi	Director
Mr. Sanjai Vohra	Director
Mr. Amit Burman	Director
Mr. Sanjay Khanna	Director
Mr. Sanjay Kapoor	Director
Mr. Narayan Ramachandran	Alternate Director

## **Company Secretary**

Mr. N. C. Gupta

## **Auditors**

S. R. Batliboi & Co. LLP  
Chartered Accountants,  
Firm's Registration No.: 301003E  
Gurgaon

## **Main Bankers**

Indusind Bank Limited  
HDFC Bank Limited  
Axis Bank Limited  
ICICI Bank Limited

## **Registered Office**

61, Basant Lok, Vasant Vihar, New Delhi - 110057  
CIN : L74899DLI995PLC067827  
Tel. : 08800900009  
Website : [www.pvrcinemas.com](http://www.pvrcinemas.com)  
Email Id : [cosec@pvrcinemas.com](mailto:cosec@pvrcinemas.com)

## **Corporate Office**

Block A, 4th Floor, Building No. 9, DLF Cyber City, Phase – III,  
Gurgaon – 122002, Haryana, India

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# Directors' Report

## Dear Shareholders

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended March 31, 2015.

## I. Financial Highlights

(Rs. In Crores)

Particulars	Financial Years	
	2014-15	2013-14
Income from Operations	1,383.98	1,271.19
Other Income	5.23	5.72
<b>Total</b>	<b>1,389.21</b>	<b>1,276.91</b>
Less: Total Expenditure	1,199.72	1,062.47
<b>Earnings before interest, tax and depreciation amortization (EBITDA)</b>	<b>189.49</b>	<b>214.44</b>
Less :Finance Cost	76.33	76.88
Depreciation & Amortization Expenses	99.54	78.79
<b>Profit before Tax</b>	<b>13.62</b>	<b>58.77</b>
Total Tax expenses/ (Credit)	-	0.90
<b>Net Profit after Tax</b>	<b>13.62</b>	<b>57.87</b>
<b>Earnings per equity share</b>		
<b>Basic</b>	<b>3.30</b>	<b>14.16</b>
<b>Diluted</b>	<b>3.30</b>	<b>14.13</b>
Balance as per last financial statement	192.68	89.86
Transferred from subsidiary companies pursuant to the Scheme of Amalgamation	-	63.89
<b>Profit available for appropriation</b>	<b>206.30</b>	<b>211.62</b>
<b>Appropriations</b>		
Proposed Dividend on Equity Shares	4.15	10.28
Tax on proposed Equity Dividend	0.85	1.78
Transfer to Debenture Redemption Reserve	6.47	1.09
Transfer to General Reserve on Dividend declared	-	5.79
Adjustment of depreciation	9.36	-
Dividend Tax for previous year	0.04	-
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>185.43</b>	<b>192.68</b>

## PVR Limited

### 2. Dividend

Your Directors have recommended a Final dividend of Re. 1.00 (Rupee One) per Equity Share for the financial year ended March 31, 2015 for your approval. The Dividend outgo will amount to Rs. 4.15 Crores (exclusive of Dividend Distribution Tax of Rs. 0.85 Crores).

### 3. Transfer to Reserve:

The Company has transferred Rs. 6.47 Crores to the Debenture Redemption Reserve.

### 4. Financial Review:

During the year under review Your Company entertained 59.2 million patrons in its cinemas, down by 1% as compared to the previous year, owing to disappointing box office performance of the movie content released during the year. The adverse impact of poor content quality to an extent was mitigated by improvement in non-box office revenues. Food and beverage revenues during the Financial Year 2014-15 showed a strong growth of 17% over Financial Year 2013-14 on account of success of the various strategic initiatives taken by the company. Sponsorship Income showed a robust growth of 18% over same period last year. During the year, the company has opened 9 new properties with 50 screens and currently operates a network of 474 screens spread over 106 properties in 43 cities across the country. The company continues its aggressive expansion plan and intends to add approx 60-70 screens during the Financial Year 2015-16.

During the Financial year ended March 31, 2015, the total income has increased from Rs. 1276.91 Crores during the preceding financial year to Rs. 1,389.21 Crores in the year under review registering a growth of 8.79%.

On 9th June, 2015, Your Company has entered into definitive agreements to acquire the cinema exhibition business of DLF Utilities Limited, which is operated under the brand name of "DT Cinemas", on a slump sale basis for an aggregate consideration of approximately Rs. 500 (Five hundred) Crores. DT Cinemas (DT) currently operates 29 screens with approximately 6,000 seats across 8 properties in the National Capital Region and Chandigarh. In the next 12 months, DT proposes to add 10 new screens at its two properties in the National Capital Region. The proposed transaction will be subject to approval

of applicable statutory and regulatory approvals and satisfaction of customary conditions precedent.

In order to partly fund, the cost of acquisition of "DT Cinemas" your Company has raised funds to the tune of Rs. 350 Crores by issue of 50,00,000 equity share of face value of Rs. 10/- each at a premium of Rs. 690/- each share, allotted on 22nd July, 2015 to the following funds:

NAME	NO. OF SHARES	AMOUNT
Plenty CI Fund I Ltd.	4,33,143	30,32,00,100
Multiples Private Equity Fund II LLP	4,47,095	31,29,66,500
Plenty Private Equity Fund I Limited	41,19,762	2,88,38,33,400
<b>TOTAL</b>	<b>50,00,000</b>	<b>3,50,00,00,000</b>

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

### 5. Future Outlook

While performance stood tepid in quarter four of Financial Year 2014-15, however consumer sentiment came back in first quarter of Financial Year 2015-16. Box office revenues have been very strong, with movies like Bajrangi Bhaijaan, a Salman Khan starrer, Bahubali & Drishyam.

Driven by strong box office performance during the first quarter in Financial Year 2015-16, your directors expect the momentum to continue in the forthcoming quarters on the back of strong content by movie pipeline. The content pipeline looks pretty promising and we expect a blockbuster Financial Year 2015-16. Our growing circuit of high quality cinemas and our company-wide emphasis on customer service excellence remain critical factors in our ability to generate positive operating results over the long-term. We have maintained the position as the leading multiplex player in India and soon will pass the 500 screens mark in next few months.

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

As on March 31, 2015 the Company had two Wholly-Owned Subsidiary companies namely PVR Pictures Limited and PVR Leisure Limited. PVR

Leisure Ltd. has two subsidiary companies namely PVR Bluoo Entertainment Limited and Lettuce Entertain You Limited.

Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its subsidiary companies.

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 'I' 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](http://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 Clause 49 of the Listing Agreement.

A report on Corporate Governance with a certificate from a practicing Company Secretary is enclosed 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 Clause 49 of the listing agreement is enclosed 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 such of the Directors as are liable to retire by rotation, shall

retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently, Mr. Vicha Poolvaraluk and Ms. Renuka Ramnath will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment in accordance with the provisions of the Companies Act, 2013.

Your Directors recommend, their 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. Naresh Chandra Gupta  
Company Secretary
- Mr. Nitin Sood  
Chief Financial Officer

During the year, there was no change (appointment or cessation) in the office of any KMP.

## 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' respectively, 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

## **PVR Limited**

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure '3' which forms part of this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration as per the limits set out in the said rules is attached as Annexure '4' which forms part of this report.

### **12. Employees Stock Option Plan**

During the year 1,91,668 Equity Shares under PVR Employees Stock Option Scheme 2011, 2,14,500 Equity Shares under PVR Employees Stock Option Scheme 2012 and 16,500 Equity Shares under PVR Employees Stock Option Scheme 2013, were allotted to the permanent employees of the Company against same numbers of options exercised by them.

### **13. Meetings of the Board of Directors**

During the Financial Year 2014-15, six Board Meetings were held. 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, Board's focus, regulatory compliances and Corporate Governance, etc are reviewed. Similarly, for evaluation of Directors' performance, his/her 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 Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

In compliance with the Companies Act, 2013 and clause 49 of the Listing Agreement, 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, 2015 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

The Company's Auditors, M/s. S. R. Batliboi & Co., LLP, Chartered Accountants having firm's Registration No.: 301003E will retire at the ensuing Annual General Meeting of the Company and being eligible for reappointment, have confirmed their eligibility and consented for re-appointment under Section 141 of the Companies Act, 2013 and the Rules framed there under as Statutory Auditors of the Company for the Financial Year 2015-16. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of 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 '5'.

There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2014-15 which call for any explanation from the Board of Directors.

## 18. Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated

Financial Statements for the Financial Year 2014-15.

During the period under review Consolidated Turnover grew by 9.36% to Rs. 1485.98 Crores as compared to Rs. 1358.83 Crores in the previous year. Net Profit after Tax for the year at Rs. 11.64 Crores is lower by Rs. 38.75 Crores as compared to Rs. 50.39 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 KPMG. 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.



## PVR Limited

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-1 : Cinema audits are conducted on a regular basis throughout the year.
  - Tier-2 : 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 analyze 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 and audit by the Internal Auditors – M/s KPMG.

## 21. Development and Implementation of Risk Management

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report. 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 '6' 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 '7' which forms part of this report. Apart from this the Company also releases a detailed Business Responsibility Report and be available on its website [www.pvrcinemas.com](http://www.pvrcinemas.com)

## 24. Change in Capital Structure and Listing of Shares

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and BSE - Ltd (BSE).

During the year under review following shares were allotted and admitted for trading on NSE and BSE.

The Company allotted 1,91,668 Equity Shares under PVR Employees Stock Option Scheme 2011, 2,14,500 Equity Shares under PVR Employees Stock Option Scheme 2012 and 16,500 Equity Shares under PVR Employees Stock Option Scheme 2013, to the permanent employees of the Company against same numbers of options exercised by them.

The paid up equity share capital as on March 31, 2015 was Rs. 41,52,88,880. During the year under review, the Company issued 4,22,668 ESOP of Rs.10/- per equity shares. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity. After the close of the Financial Year, 19,800 Equity Shares were allotted under PVR Employees Stock Option Scheme 2012. Further 50,00,000 Equity Shares were allotted on 22<sup>nd</sup> July, 2015 to three funds at a price of Rs. 700/- each share inclusive of share premium of Rs. 690/- each share details of which has already been provided in this report.

## 25. 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, 2015 in the prescribed Form No. MGT-9 is attached as Annexure '8' and forms part of this report.

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

Pursuant to Section 134(3)(g) of the Companies Act, 2013 (Act) a statement containing of loans, guarantee or investment under Section 186 of the Act as at end of the Financial Year 2014-15 is attached as Annexure '9' which forms part of this report.

## 27. 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 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 Note no. 43 of the Standalone Financial Statements.

## 28. Disclosure on Audit Committee

The Audit Committee as on 31<sup>st</sup> March 2015 comprises of the following independent directors.

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

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

## 29. 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 provide for adequate safeguards against victimization 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. The Company has also framed a policy on "Prevention of Sexual Harassment" at the workplace.

There were two cases reported during the year under review under the POSH Policy and necessary action was taken by the committee in due course of time. The enthusiasm and unstinting efforts of employees have immensely supported the Company to maintain its leadership position in its industry. Your Company has under taken various steps to further improve its overall performance.

## **PVR Limited**

### **30. Disclosure on Deposit under Chapter V**

The Company has neither accepted nor renewed any deposits during the Financial Year 2014-15 in terms of Chapter V of the Companies Act, 2013.

### **31. Code of Conduct**

The Board of Directors has approved 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. All Management Staff were given appropriate training in this regard.

### **32. Transfer to Investor Education and Protection Fund**

The Company has transferred a sum of Rs. 96,632 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. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividends.

### **33. Acquisition of entire share capital held by L Capital Eco Limited in PVR Leisure Limited**

On 5<sup>th</sup> March, 2015 the Company executed Shares Investment Agreement with L Capital Eco Limited to acquire from them 8,60,000 equity shares and 5,86,667 Compulsory Convertible

Preference Shares of PVR Leisure Limited at a consolidated amount of Rs. 37 Crores.

### **34. Amalgamation of PVR Leisure Limited and Lettuce Entertain You Limited**

The Directors of your Company in order to optimize group legal entity structure and to ensure greater alignment with the business and to achieve operational synergies, have approved merger of PVR Leisure Limited (a Wholly-Owned Subsidiary of the Company) and Lettuce Entertain You Limited (a Wholly-Owned Subsidiary of PVR Leisure Ltd.) Transferor Companies with PVR Limited, Transferee Company w.e.f the appointed date 1<sup>st</sup> April, 2015 subject to the approvals to be obtained from members, creditors and Hon'ble Delhi High Court besides other regulatory authorities.

### **35. Acquisitions of Equity Share Capital of Zea Maize (P) Ltd.**

On 25<sup>th</sup> March, 2015, the Company has executed Shareholders Agreement for the acquisition of 70% equity share capital of Zea Maize (P) Ltd., which runs the Delhi based popcorn 'Chain 4700 BC Popcorn' for a consideration of about Rs. 5 crores to serve its gourmet popcorn to around 35 PVR Cinemas & later its services will be extended to Company's other Cinemas in Tier I cities.

### **36. Acknowledgements**

Your Directors thank the various Central and State Government Departments, Organizations 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**

Place: Gurgaon  
Date: 22<sup>nd</sup> July, 2015

**Ajay Bijli**  
Chairman cum Managing  
Director

**FORM - AOC I**

(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 2014-15**
**(Rs. in lakhs)**

Sr. No.	Particulars	Details	Details	Details	Details
1	Name of the Subsidiary	PVR Pictures Limited	PVR Leisure Limited	PVR bluO Entertainment Limited	Lettuce Entertain You Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-Apr-14 To 31-Mar-15	01-Apr-14 To 31-Mar-15	01-Apr-14 To 31-Mar-15	01-Apr-14 To 31-Mar-15
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
4	Share Capital	1,433	2,194	3,652	955
5	Reserves & surplus	1,099	5,609	4,148	(1,052)
6	Total asseets	3,598	7,804	9,967	1,055
7	Total liabilities	1,065	2	2,167	1,152
8	Investments	-	-	-	-
9	Turnover	5,161	163	5,239	577
10	Profit before taxation	303	138	175	(539)
11	Provision for taxation	0.10	18	62	-
12	Profit after taxation	302	120	113	(539)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	51%	100%

**FY 2013-14**
**(Rs. in lakhs)**

Sr. No.	Particulars	Details	Details	Details	Details
1	Name of the Subsidiary	PVR Pictures Limited	PVR Leisure Limited	PVR bluO Entertainment Limited	Lettuce Entertain You Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-Apr-13 To 31-Mar-14	01-Apr-13 To 31-Mar-14	01-Apr-13 To 31-Mar-14	01-Apr-13 To 31-Mar-14
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
4	Share Capital	1,433	2,194	3,436	955
5	Reserves & surplus	797	5,489	3,622	(513)
6	Total asseets	3,860	7,712	9,734	1,192
7	Total liabilities	1,631	30	2,676	750
8	Investments	-	2,200	-	-
9	Turnover	3,910	335	5,159	469
10	Profit before taxation	254	120	(552)	(454)
11	Provision for taxation	67	42	(23)	16
12	Profit after taxation	186	78	(529)	(470)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	53.68%	51%	100%

**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**

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

**C. Terms of Reference**

The Board of Directors of the Company re-constituted the existing Remuneration Committee of Directors and change its name to "Nomination and Remuneration Committee". Its 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 :

**I. 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. Organization 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 organization 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.

## **PVR Limited**

### 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.
- a) “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 categorized into following business levels.
  - a) Financial
  - b) People
  - c) Customer
  - d) Process

**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 : 245	
		B	Mr. Sanjeev Kumar, Joint Managing Director	1 : 171	
(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	15%	
		D	Mr. N.C.Gupta, CS	12%	
(iii)	The percentage increase in the median remuneration of employees in the financial year;			8.5%	
(iv)	The number of permanent employees on the rolls of company;			4409	
(v)	The explanation on the relationship between average increase in remuneration and company performance;		The average increase is based on the objectivities of remuneration policy of the company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the company to retain its industry competitiveness.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company		% increase in total income in 2014-15 as compared to 2013-14	8.79%	
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage <b>increase over decrease</b> in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Financial Year ended	Closing Share Price	Market Capitalisation	Price Earning Ratio
		31.03.2015	Rs. 662.90/-	Rs. 2752.95 Crs	214.50
		31.03.2014	Rs. 468.85/-	Rs. 1927.26 Crs	34.25
(viii)	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;		The average % increase has been 11% in case of managerial personnel while for others it is about 8.5%. This is based on Remuneration Policy of the Company that rewards people differentially based on their contribution to the success of the company. Further contribution by the key managerial personnel to the business has high impact and change in their remuneration is based on third party report on market benchmarking of similar role.		
(ix)	Comparison of the <b>each</b> remuneration of the Key Managerial Personnel against the performance of the company;		The performance of the Company depends on different parameters namely number of screens, PAT, EBIDTA, Net Sales, Net operating cash flow from business and accordingly remuneration of the KMP is governed. The remuneration of the KMP is fixed based on benchmarking report from a third party.		
(x)	The key parameters for any variable component of remuneration availed by the directors;		The key parameters are a) Net Sales b) PAT c) EBIDTA d) Net Operating Cash Flow from Business		
(xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and		NONE		
(xii)	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		



## ANNEXURE - A

## Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	N a m e	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of Appointment	Last employment held
1	2	3	4	5	6	7	8	9
1	Gautam Dutta	Chief Executive Officer	1,62,15,929	Graduate	26	46	05/06/2006	Rediffusion DY&R
2	Nitin Sood	Chief Financial Officer	1,38,57,144	C.A.	19	40	12/12/2005	Dimensions Consulting (P) Ltd.
3	Kamal Gianchandani	Chief Business Planning & Strategy – PVR Cinemas	98,42,997	Post Graduate	20	44	01/05/2013	Reliance Big Entertainment Pvt. Ltd.
4	Ashawni Kumar Handa	Chief Development Officer	91,29,144	Post Graduate	25	47	22/07/2003	Max India Limited
5	N C Gupta	Chief – Legal & Company Secretary	89,76,054	C.A. & C.S.	50	71	01/06/1994	Priya Exhibitors Pvt. Ltd.
6	Meenakshi Vajpai	Chief Information Officer	80,00,013	Post Graduate	25	52	02/06/2014	Bharti Airtel Limited
7	Rakesh Kaul	Sr. VP – Projects	68,27,688	Graduate	30	55	28/07/1999	Hotel Imperial
8	Vijay Kapoor	Sr. VP – Development	67,96,176	C.A. (inter) & Graduate	22	48	18/02/2008	EROS City Developers Pvt. Ltd. (Eros Group)

**Notes:**

Mr. Kamal Gianchandani has also been drawing remuneration of Rs. 9707577 from PVR Pictures Limited, a Wholly-Owned Subsidiary of the Company.



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the Financial Year Ended on 31st March, 2015**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s 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 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) 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
  - (h) 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**);

## PVR Limited

- (vi) Other laws as are applicable to the Company are based on the reports of the heads of the Department:
- All the Labour laws as applicable to the company;
  - All the Environmental laws as applicable to the company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India (**Not applicable, as not notified during the period under review**).
- The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above except to the extent as mentioned below:

- The Company could not re-submit the form GNL-2 dated 08<sup>th</sup> July, 2014 filed regarding the Private Placement Offer Letter i.e. PAS-4, due to non-communication by MCA and later on it was declared as invalid and not being taken on record. In lieu of the same the company will compound the same whenever the procedure regarding the same will be notified by MCA as more than 300 days has been lapsed for filing the e-form.
- Form GNL-2 for the filing of record of Private Placement offer letter for the allotment of Non-Convertible Debenture dated 16.06.2014, 16.10.2014 and 24.11.2014 for the amount of Rs. 50 Cr., 100 Cr. And 50 Cr. respectively, was not filed by the company. In lieu of the same the company will compound the same whenever the procedure regarding the same will be notified by MCA as more than 300 days has been lapsed for filing the e-form.
- During the year the Company had issued and allotted 4,22,668 (Four Lakh Twenty Two Thousand Six Hundred and Sixty Eight), Equity Shares to its employees under respective PVR ESOS schemes, regarding which the process of payment of stamp duty to the Revenue Department is in process.
- The Company did not file the form MGT-14 for the Resolutions passed by Board by circulation on 30.04.2014 regarding the following approvals:
  - to borrow money in excess of aggregate of the Company's paid up share capital and free reserves apart from temporary loans up to Rs. 1500 Crores as per Section 180(1) (c),
  - to mortgage or create a charge, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company as per Section 180(1) (a) and
  - To issue of Non-Convertible Debentures of Rs. 250 Cr as per Section 42, 102 and 114 of the Companies Act, 2013.

### 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:

- All Cinematograph Acts and Rules as applicable to the Company;
- Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations;
- 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 and Non-executive directors and Independent Directors. 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 applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has:

- (i) Issued and allotted 4,22,668 (Four Lakh Twenty Two Thousand Six Hundred and Sixty Eight) to its employees under PVR ESOS 2011, PVR ESOS 2012 and PVR ESOS 2013;
- (ii) Issued and allotted 3,000 (Three Thousand) Listed, Rated, Secured Redeemable Non-Convertible Debentures of Rs.10, 00,000/- each as Placement qualified institutions.
- (iii) The Members of the company have provided their approval to the Board of Directors to borrow money in excess of Paid-up Capital & Free Reserves as per Section 180(1) (a) and to create a charge on the assets of the Company in lieu of the money borrowed up to Rs. 1,500 Crores as per Section 180(1) (c) of the Companies Act, 2013.

**Arun Gupta & Associates**

Date: 22/07/2015  
Place: New Delhi

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

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.

To  
The Members,  
**PVR Limited**

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

**Management’s Responsibility**

1. The Company’s Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws, rules and regulations.
2. 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, rules and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor’s Responsibility**

3. Our responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
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.

**Arun Gupta & Associates**

Date: 22/07/2015  
Place: New Delhi

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

**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:

- Power factor is being maintained above 0.95 with the use of capacitor banks. These banks are used to neutralize the inductive current by providing capacitive current. As a result a power factor improves and gets rebate applicable on energy bills from Electricity Distribution Companies (Tata Power/BSES).
- Switching on/off procedure is being followed for entire lighting and other load within the premises. Timers are being used to ensure this.
- The air conditioning system preventive maintenance routine services are monitored to make the system efficient. Also regulation of the AHU timings for proper utilization has further helped in saving electricity consumption.
- All the new fittings are with LED or energy saver which uses less electrical power as compared to old GL lamps.
- Temperature sensors are being put in Audi's for better control on AC.
- Seat lights of LED's are used in place of GSL light to save energy.
- Outside consultants have been appointed to suggest energy saving measures over and above the existing system. They will suggest on optimization of energy distribution, Lux level of various areas, design aspects of electrical and HVAC system etc. so that other aspects of energy conservation and equipment efficiency can be maintained.
- Installed Variable Frequency Drives (VFD) for various Air Handling Units (AHU's) to conserve energy.
- Close monitoring of AC Plant, AHU's, pumps, running hours by installation of Running Hours Meters & Energy Meters.
- Building Signage with LED's based Technology to save energy and longer life span.
- Postal windows: we are replacing the FLT's with LED's in phase manner.

**ii) Technology Absorption:**

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

**iii) Foreign Exchange Earnings & Outgo**

**Expenditure in foreign currency (on accrual basis)**

**(Rs. in lakhs)**

<b>Particulars</b>	<b>March 31, 2015</b>	March 31, 2014
Travelling	59	87
Professional fees (including expenses, net of withholding tax)	92	86
Others	22	25
<b>Total</b>	<b>173</b>	198

## PVR Limited

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

(Rs. in lakhs)

Particulars	March 31, 2015	March 31, 2014
Advertisement Income	7	-
Income from sale of tickets and food and beverages	207	-

### (iii) CIF value of imports

(Rs. in lakhs)

Particulars	March 31, 2015	March 31, 2014
Capital Goods	496	474
Store and spares	346	-

For and on behalf of the Board

Place: Gurgaon

Date: 22<sup>nd</sup> July, 2015

**Ajay Bijli**

Chairman cum Managing Director

### CSR REPORT

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	<p>PVR Limited CSR activities, approved by the CSR committee, through:</p> <ol style="list-style-type: none"> <li>1. PVR Nest Foundation</li> <li>2. PVR Nest foundation works for Children at Risk (Childscapes) on their complete rehabilitation, education, nutrition, healthcare and employability, additionally; through its infrastructure - business enterprise - PVR Cinemas.</li> </ol> <p>The company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <a href="http://www.pvrcinemas.com">www.pvrcinemas.com</a></p>
2	The Composition of the CSR Committee:	<ol style="list-style-type: none"> <li>1. Ajay Bijli - Chairman and Managing Director, PVR Limited.</li> <li>2. Sanjeev Kumar - Joint Managing Director, PVR Limited.</li> <li>3. Sanjai Vohra - Independent Director.</li> <li>4. Narayan Ramachandran - Alternate Director</li> </ol>
3	Average net profit of the company for last three financial years.	Rs. 49,77,00,000
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 10,000,000
5	<p>Details of CSR spent during the financial year.</p> <p>(1) Total amount to be spent for the financial year;</p> <p>(2) Amount unspent, if any;</p> <p>(3) Manner in which the amount spent during the financial year is detailed below.</p>	<p>10,000,000</p> <p>NIL</p> <p>The manner in which the amount is spent is detailed in the Annexure A1.</p>



### Utilisation of fund for the year 2014-2015

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 programs was undertaken	Amount Outlay (budget) project or programs wise Sub Heads : 1. Direct expenditure on projects or programs 2. Overheads	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
1	<b>Children at Risk</b> (Childscapes)	Education and social development of the most vulnerable sections of our society. a) Promoting education, healthcare, nutrition and rehabilitation to Children at risks (Street Children).	Delhi -(Vasant Vihar, Naraina, Saket, Vikas Puri)	10,000,000	1 Direct Expenses - 40,46,117 2 Overhead -40,22,936 *	8,049,053	Direct - 9,00,152 Implementing Agency- 71,48,901
	<b>TOTAL</b>			<b>10,000,000</b>			

\* The Overhead cost includes the donations forwarded to :

→ Jammu Flood Relief	500,000	for Jammu Flood relief activities
→ Goonj	500,000	for flood relief activities
→ DN Woollens	85,000	Blankets for J&K Flood relief
→ Cequin	20,000	Cequin works for the empowerment of women
→ Zion D Costa	200,000	Sponsorship of education of under privileged / deprived children.
→ Khushii	100,000	Khushii is an NGO which works for bringing education to less privileged children
→ Ashoka	250,000	Sponsorship of social entrepreneurship for solving social problems
→ Give India	75,000	GiveIndia reaches out for donations under three causes: Destitute Women, Girl child education and Vocational training for women
<b>Total</b>	<b>1,730,000</b>	

Reason for not spending the two percent of the average net profit of the last three financial years or any part thereof

The Company has spent Rs. 1 crore i.e equivalent to 2% of its average net profits for last three financial years in accordance with Company's CSR policy through PVR Nest, a Company's registered trust. However due to delayed planning and changes carried out in the programme planning, approximately 80% amount could be spent by the PVR Trust on CSR activities and the balance amount has already being committed in the 1st quarter of FY 2015-16 for CSR activities.

#### Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sd/- Mr. Ajay Bijli Managing Director	Sd/- Mr. Ajay Bijli Chairman-CSR Committee
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**Annexure - '8'**

**FORM No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2015**  
*[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, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032 Tel : +91-40-23420 815-824 Fax: +91-40-23420 814 Website: www.kcpl.karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Motion picture Exhibition in cinemas	59141	60%

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

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	PVR Pictures Limited	U74899DL2001PLC111997	Subsidiary	100%	
2	PVR Leisure Limited	U55101DL2012PLC239565	Subsidiary	100%	

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

## i) Category-wise ShareHolding

Category	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 Total	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1,864,165		1,864,165	4.53	2,223,455		2,223,455	5.35	(0.82)
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	10,031,805		10,031,805	24.40	10,031,805		10,031,805	24.16	0.24
e) Banks/ FI									
f) Any Other....									
<b>Sub-total (A) (1) :</b>	11,895,970		11,895,970	28.93	12,255,260		12,255,260	29.51	(0.58)
(2) Foreign									
a) NRIs- Individuals									
b) Other- Individuals									
c) Bodies Corp.									
d) Banks/ FI									
e) Any Other....									
<b>Sub-total (A) (2) :</b>	-		-	-	-		-	-	-
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	11,895,970		11,895,970	28.93	12,255,260		12,255,260	29.51	(0.58)
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	1,799,981		1,799,981	4.38	3,205,633		3,205,633	7.72	(3.34)
b) Banks/ FI	6,577		6,577	0.02	5,319		5,319	0.01	0.01
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies A55									
g) FIs									
h) Foreign Venture Capital Funds	8,002,123		8,002,123	19.47	9,750,276		9,750,276	23.48	(4.01)
i) Others (specify)									
<b>Sub-total (B) (1) :</b>	9,808,681		9,808,681	23.87	12,961,228		12,961,228	31.21	(7.34)

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 Total	Physical	Total Shares	% of Total	Demat	Physical	Total Shares	% of	
<b>2. Non- Institutions</b>									
a) Bodies Corp.	2,355,385		2,355,385	5.73	1,493,452	1	1,493,453	3.60	2.13
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1,970,412	5,424	1,975,836	4.81	1,766,377	1,298	1,767,675	4.26	0.55
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	882,492	13,200	895,692	2.18	978,032	-	978,032	2.36	(0.18)
c) Others (specify)									
Non Resident Indians	639,042		639,042	1.55	608,934		608,934	1.47	0.08
Foreign Bodies	13,451,224		13,451,224	32.72	11,453,955		11,453,955	27.58	5.14
Trust	1,323		1,323	-	115		115	-	-
Clearing Members	83,067		83,067	0.20	10,236		10,236	0.02	0.18
<b>Sub-total (B) (2) :</b>	<b>19,382,945</b>	<b>18,624</b>	<b>19,401,569</b>	<b>47.19</b>	<b>16,311,101</b>	<b>1,299</b>	<b>16,312,400</b>	<b>39.29</b>	<b>7.90</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>29,191,626</b>	<b>18,624</b>	<b>29,210,250</b>	<b>71.06</b>	<b>29,272,329</b>	<b>1,299</b>	<b>29,273,628</b>	<b>70.50</b>	<b>0.56</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total(A+B+C)</b>	<b>41,087,596</b>	<b>18,624</b>	<b>41,106,220</b>	<b>99.99</b>	<b>41,527,589</b>	<b>1,299</b>	<b>41,528,888</b>	<b>100.01</b>	<b>(0.02)</b>

ii) Shareholding of Promoters

SI 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 total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	BIJLI HOLDINGS PVT LTD	10,031,805	24.40	0.60	10,031,805	24.16	0.59	(0.25)
2	AJAY BIJLI	1,864,165	4.53	-	1,256,649	3.03	-	(1.51)
3	AAMER KRISHAN BIJLI	-	-	500,000	1.20	-	-	1.20
4	SANJEEV KUMAR	-	-	266,806	0.64	-	-	0.64
5	SALENA BIJLI	-	-	200,000	0.48	-	-	0.48
	Total	11,895,970	28.94	0.60	12,255,260	29.51	0.59	0.57

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

SI. 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	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares
1	<b>BIJLI HOLDINGS PRIVATE LIMITED</b> 01/04/2014 During the year 31/01/2015	10,031,805 No Change 10,031,805	24.40 No Change 24.16	-	10,031,805 No Change 10,031,805	24.40 No Change 24.16	-
2	<b>Mr. AJAY BIJLI</b> 01/04/2014 05/09/2014 10/10/2014 27/03/2015 31/01/2015	1,864,165 1,934,287 1,956,649 1,256,649 1,256,649	4.53 4.69 4.74 3.03 3.03	-	1,864,165 1,934,287 1,956,649 1,256,649 1,256,649	4.66 4.69 4.74 3.03 3.03	-
3	<b>AAMER KRISHAN BIJLI</b> 01/04/2014 27/03/2015 31/03/2015	- 500,000.00 500,000.00	- 1.20 1.20	-	- 500,000.00 500,000.00	- 1.20 1.20	-
4	<b>SANJEEV KUMAR</b> 01/04/2014 During the year 31/03/2015	266,806.00 No Change 266,806.00	0.67 No Change 0.64	-	266,806.00 No Change 266,806.00	0.67 No Change 0.64	-
5	<b>SELENA BIJLI</b> 01/04/2014 27/03/2015 31/03/2015	- 200,000.00 200,000.00	- 0.48 0.48	-	- 200,000.00 200,000.00	- 0.48 0.48	-

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

Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year		
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	<b>BIJLI HOLDINGS PVT LTD</b>					
	01/04/2014	10,031,805	25.07	10,031,805	25.07	
	During the year	No Change	No Change	No Change	No Change	
	31/01/2015	10,031,805	24.16	10,031,805	24.16	
2	<b>L CAPITAL ECO LTD</b>					
	01/04/2014	6,244,898	15.16	6,244,898	15.16	
	During the year	No Change	No Change	No Change	No Change	
	31/01/2015	6,244,898	15.04	6,244,898	15.04	
3	<b>MULTIPLES PRIVATE EQUITY FUND I LIMITED</b>					
	01/04/2014	4,649,326	11.62	4,649,326	11.62	
	20/06/2014	4,433,421	10.76	4,433,421	10.76	
	30/06/2014	4,083,715	9.91	4,083,715	9.91	
	04/07/2014	3,976,852	9.65	3,976,852	9.65	
	11/07/2014	3,541,960	8.60	3,541,960	8.60	
	18/07/2014	3,526,985	8.56	3,526,985	8.56	
	25/07/2014	3,473,978	8.43	3,473,978	8.43	
	05/09/2014	3,138,965	7.62	3,138,965	7.62	
	19/09/2014	2,982,595	7.24	2,982,595	7.24	
	30/09/2014	2,908,125	7.05	2,908,125	7.05	
		31/03/2015	2,908,125	7.00	2,908,125	7.00
	4	<b>MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED</b>				
01/04/2014		2,557,000	6.39	2,557,000	6.39	
04/07/2014		2,535,922	6.16	2,535,922	6.16	
11/07/2014		2,535,189	6.15	2,535,189	6.15	
01/08/2014		2,524,180	6.13	2,524,180	6.13	
08/08/2014		2,502,802	6.08	2,502,802	6.08	
05/09/2014		2,493,363	6.05	2,493,363	6.05	
12/09/2014		2,452,563	5.95	2,452,563	5.95	
19/09/2014		2,441,165	5.92	2,441,165	5.92	
30/09/2014		2,426,037	5.88	2,426,037	5.88	
31/10/2014		2,401,603	5.82	2,401,603	5.82	
07/11/2014		2,399,820	5.82	2,399,820	5.82	
14/11/2014		2,383,028	5.78	2,383,028	5.78	
21/11/2014		2,353,472	5.69	2,353,472	5.69	
31/12/2014		2,320,000	5.60	2,320,000	5.60	
16/01/2015		2,301,203	5.56	2,301,203	5.56	
20/02/2015		2,300,932	5.54	2,300,932	5.54	
	31/03/2015	2,300,932	5.54	2,300,932	5.54	
5	<b>AJAY BIJLI</b>					
	01/04/2014	1,864,165.00	4.66	1,864,165	4.66	
	05/09/2014	1,934,297.00	4.69	1,934,297	4.69	
	10/10/2014	1,956,649.00	4.74	1,956,649	4.74	
	27/03/2015	1,256,649.00	3.03	1,256,649	3.03	
		31/03/2015	1,256,649.00	3.03	1,256,649	3.03
6	<b>MULTIPLES PRIVATE EQUITY FUND</b>					
	01/04/2014	1,595,572	3.99	1,595,572	3.99	
	20/06/2014	1,521,477	3.69	1,521,477	3.69	
	30/06/2014	1,402,059	3.40	1,402,059	3.40	
	04/07/2014	1,364,818	3.31	1,364,818	3.31	
	11/07/2014	1,215,482	2.95	1,215,482	2.95	
	18/07/2014	1,210,356	2.94	1,210,356	2.94	
	25/07/2014	1,192,029	2.89	1,192,029	2.89	
	05/09/2014	1,077,042	2.61	1,077,042	2.61	
	19/09/2014	1,023,379	2.48	1,023,379	2.48	
	30/09/2014	997,825	2.42	997,825	2.42	
		31/03/2015	997,825	2.40	997,825	2.40

**PVR Limited**

Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	<b>MORGAN STANLEY ASIA (SINGAPORE) PTE.</b>				
	01/04/2014	1,178,551	2.95	1,178,551	2.95
	04/04/2014	1,101,080	2.75	1,101,080	2.75
	11/04/2014	1,065,997	2.66	1,065,997	2.66
	18/04/2014	1,057,708	2.64	1,057,708	2.64
	25/04/2014	1,033,812	2.58	1,033,812	2.58
	02/05/2014	1,030,714	2.58	1,030,714	2.58
	09/05/2014	1,015,728	2.54	1,015,728	2.54
	16/05/2014	996,925	2.43	996,925	2.43
	05/09/2014	1,761,925	4.28	1,761,925	4.28
	19/09/2014	1,906,925	4.63	1,906,925	4.63
	17/10/2014	2,054,425	4.98	2,054,425	4.98
	24/10/2014	2,081,478	5.05	2,081,478	5.05
	07/11/2014	2,128,478	5.16	2,128,478	5.16
	14/11/2014	2,126,989	5.16	2,126,989	5.16
	28/11/2014	2,129,966	5.15	2,129,966	5.15
	05/12/2014	2,128,897	5.14	2,128,897	5.14
19/12/2014	-	-	-	-	
31/03/2015	-	-	-	-	
8	<b>TREE LINE ASIA MASTER FUND (SINGAPORE) PTE LTD</b>				
	01/04/2014	910,000.00	2.27	910,000	2.27
	13/02/2015	-	-	-	-
	31/03/2015	-	-	-	-
9	<b>MACQUARIE BANK LIMITED</b>				
	01/04/2014	857,732	2.14	857,732	2.14
	23/05/2014	645,000	1.57	645,000	1.57
	30/05/2014	210,000	0.51	210,000	0.51
	06/06/2014	-	-	-	-
	04/07/2014	29,545	0.07	29,545	0.07
	12/12/2014	-	-	-	-
	31/03/2015	-	-	-	-
10	<b>IDFC STERLING EQUITY FUND</b>				
	01/04/2014	653,169	1.63	653,169	1.63
	02/05/2014	631,653	1.58	631,653	1.58
	09/05/2014	296,880	0.74	296,880	0.74
	16/05/2014	291,979	0.71	291,979	0.71
	23/05/2014	-	-	-	-
	31/03/2015	-	-	-	-

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

Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
I	N.C. Gupta				
	01/04/2014	39,333	0.10	39,333	0.10
	03/04/2014	39,882	0.09	39,882	0.09
	15/05/2014	39,333	0.09	39,333	0.09
	22/05/2014	39,882	0.09	39,882	0.09
	07/08/2014	103,564	0.25	103,564	0.25
	18/09/2014	87,564	0.21	87,564	0.21
	20/11/2014	85,930	0.20	85,930	0.20
	12/02/2015	129,264	0.31	129,264	0.31
	31/03/2015	129,264	0.31		

Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Nitin Sood				
	01/04/2014	90,844	0.22	90,844	0.22
	03/04/2014	90,836	0.22	90,836	0.22
	15/05/2014	90,844	0.22	90,844	0.22
	22/05/2014	90,836	0.22	90,836	0.22
	04/09/2014	117,244	0.28	117,244	0.28
	13/11/2014	136,400	0.33	136,400	0.33
	20/11/2014	145,556	0.35	145,556	0.35
	12/02/2015	154,502	0.37	154,502	0.37
	31/03/2015	203,658	0.49	203,658	0.49

#### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	57,934	2,000	335	60,269
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	109	-	-	109
<b>Total (i+ii+iii)</b>	<b>58,043</b>	<b>2,000</b>	<b>335</b>	<b>60,378</b>
<b>Change in Indebtedness during the financial year:</b>				
Addition	34,280	-	27	34,307
Reduction	18,323	500	-	18,823
<b>Net Change</b>	<b>15,957</b>	<b>(500)</b>	<b>27</b>	<b>15,484</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	73,806	1,500	362	75,668
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	194	-	-	194
<b>Total (i+ii+iii)</b>	<b>74,000</b>	<b>1,500</b>	<b>362</b>	<b>75,862</b>



## PVR Limited

### 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 section 17(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 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(A)	32,529,600	22,539,600	55,069,200
	Ceiling as per the Act			

#### B. Remuneration to other directors :

Particulars of Remuneration	Name of Directors					Total Amount
	Amit Burman	Vikram Bakshi	Sanjai Vohra	Sanjay Kapoor	Sanjay Khanna	
Independent Directors						
· Fee for attending board committee meetings	160,000	100,000	NIL	220,000	200,000	680,000
· Commission	100,000	100,000	700,000	700,000	100,000	1,700,000
· Others, please specify	-	-	-	-	-	-
Total (1)	260,000	200,000	700,000	920,000	300,000	2,380,000
Other Non-Executive Directors	<b>Renuka Ramnath</b>	<b>Ravinder Singh Thakran</b>	<b>Narayan Ramachandran</b>	<b>Vicha Poolvaraluk</b>		
· Fee for attending board committee meetings	NIL	NIL	NIL	NIL		
· Commission	NIL	NIL	NIL	NIL		
· Others, please specify	NIL	NIL	NIL	NIL		
Total (2)	NIL	NIL	NIL	NIL		
Total (B) = (1+2)	NIL	NIL	NIL	NIL		
	NIL	NIL	NIL	NIL		
Total Managerial Remuneration	NIL	NIL	NIL	NIL		
Overall Ceiling as per the Act	N.A	N.A	N.A	N.A.		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/IWTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary - Naresh Chandra Gupta	CFO - Nitin Sood	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,794,538	11,118,330	18,912,868
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	44,480,020	43,321,835	87,801,855
	(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	52,274,558	54,440,165	106,714,723

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal the made, if any (give details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding	N.A	N.A	None	N.A	N.A
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding	N.A	N.A	None	N.A	N.A
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding	N.A	N.A	None	N.A	N.A

**Annexure '9'**

**Particulars of Loans, Guarantee or Investment under Section 186 of the Companies as on 31.03.2015**

(Rs. In Lacs.)

Sl. No.	Name of the Entity	Amount
	<b>LOAN MADE TO:</b>	
1	PVR Pictures Ltd.	200
2	Sandhya Prakash Ltd.	98

# Management Discussion and Analysis

The following Management Discussion and Analysis Section should be read in conjunction with the financial statements and notes to accounts for the period ended 31st March, 2015. This discussion contains certain forward looking statements based on current expectations, which entail various risks and uncertainties that could cause the actual results to differ materially from those reflected in them. All references to “PVR”, “we”, “our”, “Company” in this report refers to PVR Limited and should be construed accordingly.

## Industry Structure & Development

The Indian film Industry has been witnessing significant growth on the back of differentiated content, wider release across digital screens and aggressive promotions by production houses. The film industry is estimated to be worth INR 126.4 billion in 2014. The industry is heavily dependent on domestic theatricals recording a revenue growth @ 10% of CAGR which contributes 74 % to the industry’s revenues. Factors such as rapid urbanization, penetration of multiplex in tier II and tier III cities, increasing sophistication in production and marketing of films and audience’s receptivity to differentiated content are together expected to help the industry sustain its growth over the next few years and be worth INR 204 billion by 2019.

Domestic theatricals will continue to remain the main source of revenue for the industry. Digital technology, apart from securely delivering films in a cost efficient and secure manner across the country, has also helped cut revenue losses owing to piracy. Wider reach and coordinated release of movies has been a key revenue driver for the industry.

(Source: FICCI- KPMG Indian Media and Entertainment Report 2015)

## Opportunities

### Largest Industry

The Indian film industry is one of the largest globally with a history of steady growth. With films being the most popular form of mass entertainment in India, the film industry has witnessed robust double-digit growth over the past decade.

### Under screened market:

India continues to be heavily under screened with 8 screens per million available, unlike in the United States, where there are 117 screens per million. The opportunity is huge and the exhibition industry is expanding its supply.

### Penetration into tier II and tier III markets

With metros and most of the tier I markets getting saturated, the focus is now shifting to the tier II and tier III cities which are experiencing rapid urbanization and greater economic growth. With lower real estate prices in smaller towns and the leeway to launch a no frills cinema, the exhibitors are able to considerably bring down the cost per screen.

## Digital dominance

Digitization has changed the landscape of Indian cinema in several ways. Widespread release of movies across several screens, curtailment of piracy, reduced cost of prints, lower storage and maintenance expenditure and release of small budget films in a cost effective

manner are some advantages offered by this technology.

Over the past few years the industry has steadily shifted from releasing films with physical prints to digital distribution. The industry achieved around 90-95 percent digitization of screens and almost all commercially viable properties have been covered. Digital distribution has enabled films to broaden their reach and most films now garner about 60-80 percent of their revenue in the first week of release.

Digital technology is now enabling reaching the unserved population which sits near the bottom of the pyramid. The key advantages of digital technology are affordability, security and timely access.

#### **Emergence of 3D films:**

3D films are slowly gaining prominence both in Hindi and Hollywood films released in India. 3D technology comes at a price but allows multiplexes to marginally increase ticket prices and provide a differentiated experience to the viewer. Moreover, this viewing experience cannot be readily replicated on the television and internet.

#### **Transparency of ticket sales & In Cinema Advertising:**

The industry has witnessed a marked improvement in transparency of ticket sales over the years. Systems and processes introduced by multiplex chains in addition to digitization of theatres, online ticket booking are the key contributor. The growing penetration of digital distribution has given rise to the growth of cinema advertising, giving the advertiser the flexibility to target a captive audience in the desired region. Currently, an exhibitor's revenue comprises 70 percent ticket sales, 20 percent food and beverage and 10 percent cinema advertising. While the proportion of each is expected to remain the same, the volume in absolute terms is expected to go up.

#### **Distribution of Hollywood content:**

2014 was a good year for Hollywood films in India, the gross box office collections of top 10 films increased from INR 3.2 billion (2013) to INR 4.2 billion (2014). In 2014, franchise movies such as 'Amazing Spider Man 2', 'Transformers 4: Age of Extinction', 'X-Men: Days of Future Past' continued to perform well at the box office and generated close to INR 2.1 billion in gross box office collections in India.

#### **Growth of Multiplexes**

During the year, industry added approximately 200 screens with major growth coming from expansion of multiplexes in tier II and tier III cities. Growth of the

multiplex industry will be highly correlated to the level of real estate development as most players intend to grow both organically and inorganically. Organic growth of the industry will be mostly through greenfield investments as most multiplex players do not perceive value from converting single screens into multiplexes. In the short run, organic growth will be limited by the bottlenecks created due to slowing development of malls and commercial real estate.

#### **Shortening of the movie shelf life**

First week business has increased, driven by the wider release and number of prints. The first week and weekend contribute almost 60-80 percent of a film's total collection. Even within the first week, the trend is getting skewed towards the weekend. Considering this, multiplex chains are experimenting with pricing

strategies to maximize revenue. By adopting a differential pricing model for weekdays and weekends, they are able to maximize footfalls across the week.

#### **Threats/Risks and Mitigation Measures**

##### **Piracy**

Piracy has been one of the biggest thorns in the flesh for the industry. Can-cording is one of the most common ways of piracy, where pirates illegally record the movie in the theatres and release it online as well as make duplicated DVDs and sell it on the black market. The pirated versions of the movies are released within a day or two of the release of the movie and the DVDs are available the next day in the market.

2014 also saw increased cooperation between the industry and the government to tackle the issue of piracy on a larger scale. The number of piracy cases registered in India reduced by 10 per cent this year as compared to a 16 per cent drop in the entire Asia Pacific region. Industry is now leveraging technology to track the culprits in an effort to curb piracy.

In this context, it is important that industries collaborate and create efficient mechanisms for content protection. With cooperation from the government and internet service providers, site-blocking measures can combat online piracy. The initiatives of Telugu film industry are a significant step in that direction. A major deterrent to piracy will come only from a change in mindset on the part of consumers.

##### **Quality of Content:**

Success in the film exhibition business is heavily dependent on the flow of the content and quality of content being released during the year. The success

## **PVR Limited**

of a release can be highly unstable and seasonal, therefore impacts the performance of the business.

With the advent of more and more professional entities into film production, the industry is becoming better and organized and is all set to roll out quality movies on a consistent basis thus producing quality movies for cinema goers. A film that is strong on content is well cast and marketed, can earn good returns.

### **Slow Development of Malls**

Emergence of multiplex screens in the last decade has dramatically changed the film exhibition space in India, however there is still a huge opportunity to rapidly increase the number of cinema screens in the next decade without causing oversupply.

Consolidation in the exhibition industry and a positive outlook in the economic and social conditions of the country could see investments being made to improve the infrastructure and increase screen density, but it would be important for both Central and State Governments to update and amend the regulations on priority. Currently, it would be easier to open a mall than it is to open a cinema hall, the licenses required to open a cinema hall are complex and time consuming and often discourage an investor.

Currently, there are only 4 film cities in the country, located in Mumbai, Hyderabad, Noida and Chennai. New film cities will not only help increase employment and tax revenue, but can also ease the strong pressure on the existing film cities.

### **Rising cost of talent**

One of the unique characteristics of Indian film industry is the concentration of power in the hands of top few actors, and now directors and technicians. Until a couple of decades ago, actors did not pay much attention to the business aspect of cinema. Many actors now have their own production and mostly enter into co-production deals with studios. Industry sources continue to emphasize that the current system is unsustainable from a long term perspective as the high talent acquisition costs lead to higher risk and in certain cases impact the return.

### **Slow uptake of merchandising in India**

Unlike other countries, India's merchandising market is still not mature. Most Indian filmmakers have a relatively limited reach across the globe with piracy having its spillover effects on film merchandising as well. Also due to diverse audience, the 'one size fits all' approach does not hold true for India. Absence of iconic figures, compromising product quality, limited

popularity period and demand of film's merchandise are various other factors.

### **Ticket price controls**

There is a growing demand for differential ticket pricing depending on the star cast, content and scale of the movie. Today a tent pole movie such as 'PK' can be sold out at INR 500 per ticket, however the hit is taken by smaller movies which do not get premium screening slots due to potentially poor occupancy. While differential pricing is increasingly being used by the larger exhibitors across their networks, a broader adoption will encourage smaller movies to release at the time when larger films are in the theatres.

The industry expects the governments to relax regulations on fixed number of shows and cap on ticket pricing and let the exhibitors decide on the admission rates according to demand. Flexible pricing will also help to reduce black-marketing of tickets since theatre owners will have freedom to revise the rates according to the audience inflow.

### **Higher Tax Regime**

High entertainment tax acts as a major impediment to the growth of exhibition industry, as the overall tax implication is as high as 40-50 percent in states like Maharashtra, Uttar Pradesh, Bihar and Karnataka. Hence, it is imperative that the entertainment tax structure across the country be rationalized by bringing down rates of entertainment taxes.

Also, it will be useful to provide tax holiday benefits for infrastructural development on setting up cineplexes in tier II and tier III cities to incentivize the sector and boost growth and development of such cities.

### **Cable and satellite rights**

With a share of 12 per cent in 2014, Cable & Satellite (C&S) rights continued to be the second largest contributor to the overall industry's revenue. The film revenues from sale of C&S rights de-grew by 2.7 per cent to INR 1,470 million in 2014.

The television networks are now premiering new movies back on the movie channels. They are also launching strong marketing campaigns to mark the premiere of movies.

### **After multiplexes, its time for megaplexes**

Continuous innovation and technology evolution have been the key drivers of the exhibition industry. Certain players are now developing megaplexes with 11-15

screens capable of showing 60-80 screenings per day. Such megaplexes would be built at an average cost of about INR 20- 25 million per screen and would have a capacity of 2000 to 2500 seats.

## Product wise analysis

The Revenue Growth under various heads during the year under review is summarised as under:

## Revenue Growth

Particulars	Year ended (Rs) Lacs		
	31.03.2015	31.03.2014	Growth(%)
Income from Ticket Sales/ Revenue Sharing	82,449	79,516	3.7
Sale of Food and Beverages	34,817	29,808	16.80
Advertisement & Royalty Income	16,874	14,246	18.45
Other Operating Income	4,508	3,771	19.54
<b>Net Operating Income</b>	<b>1,38,648</b>	<b>1,27,341</b>	<b>8.9</b>
Other Income	273	350	(22)
<b>Total Income</b>	<b>1,38,921</b>	<b>1,27,691</b>	<b>8.8</b>

## Performance of the Company

The Company's financial performance is discussed under the head "Financial Highlights" in Directors Report to the Shareholders.

### Operating performance

#### 1. Footfalls & Occupancy

We entertained around 59.2 million patrons at our cinemas during FY 2014-15 as compared to 59.9 million patrons during the FY 2013-14, registering a fall of 1%. With the addition of 50 new screens in 2014-15 and the movie pipe-line in 2015-16, your Company expects a robust growth in footfalls during the current year.

#### 2. Future Outlook

Future outlook for the FY 2015-16 is positive and barring the unforeseen circumstances the company's performance is expected to show continued growth.

## Internal Control Systems and their adequacy

The Company has adequate internal control systems commensurate with its size and need. M/s KPMG

periodically review all control systems and assists in monitoring and upgrading the effectiveness of control systems. The Audit Committee also reviews this process.

## Material Developments in Human Resources:

### Recruitment & Selection

At PVR, we believe in hiring potential talent and develop their skills further by putting up a structured and extensive training programme to develop them of professionals who would handle patrons by providing highest level of customer services in the entertainment world.

The stern process of selection encompasses evaluating candidates based on their educational background, Skill & Industry experience. Our linkage with best education and training institutes ensures constant supply of resources that are industry trained and ready to deliver on the values that govern the organization.

### Industrial Relations

With our fair management practices across the board we ensure a congenial work environment and a good quality of work life.

# 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 mandatory under Clause 49 of the Listing Agreement, 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 optimize 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 31<sup>st</sup> March, 2015, the Company had eleven Directors on the Board. The Board is comprised of two Executive Directors and nine Non Executive Directors out of which five are Independent Directors and one is an Alternate Director.

Mr. Ajay Bijli, the promoter and Executive Director is the Chairman of the Board and accordingly, the number of the Independent Directors is half of total number of Directors.

The terms of reference of the Board of Directors are in accordance with that *inter-alia* specified in Clause 49 of the Listing Agreement and other applicable provisions of the Companies Act, 2013.

The composition of the Board of Directors during the financial year 2014-15, the details regarding directorship/membership in Committees of public companies, attendance in last Annual General Meeting & Board Meetings held during the financial year 2014-15 are as follows:

Name of the Directors	Category	Shareholding in the Company (No. of shares)	No. of Board Meetings attended during the financial year.	Attendance at the last AGM held on September 29, 2014.	Number of other Directorships* as on 31.03.2015	Number of Committee Memberships and Chairmanship in all Companies including PVR Limited	
						Membership	Chairmanship
Ajay Bijli	Promoter, Chairman cum Managing Director	12,56,649	4	No	3	4	2
Sanjeev Kumar	Promoter, Joint Managing Director	2,66,806	6	Yes	2	1	
Renuka Ramnath	Non Executive, Non Independent	-	2	No	10	1	
Ravinder Singh Thakran	Non Executive, Non Independent	-	0	No			
Vicha Poolvaraluk	Non Executive, Non Independent	-	1	No	1		
Sanjay Khanna	Non Executive, Independent	-	6	No	3	2	
Vikram Bakshi	Non Executive, Independent	-	3	No	1	2	1
Sanjai Vohra	Non Executive, Independent	2961	4	Yes	2	4	2
Amit Burman	Non Executive, Independent	-	4	No	6	5	2
Sanjay Kapoor	Non Executive, Independent	-	6	No	2	4	
Narayan Ramachandra	Alternate Director for Mr. Ravinder Singh Thakran	-	4	No	3	1	

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

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

**The Board of Directors met six (6) times during the year as follows:**

- 29<sup>th</sup> May, 2014
- 4<sup>th</sup> July, 2014
- 31<sup>st</sup> July 2014
- 31<sup>st</sup> October, 2014
- 30<sup>th</sup> January, 2015
- 27<sup>th</sup> March, 2015

### Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 30<sup>th</sup> January 2015 to review the performance of Non-independent Directors (including the Chairman of the Company) and the Board as whole. The Independent Directors

also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### Limit on the number of Directorships

In compliance with Clause 49 of the Listing Agreement, the Director on the Board of the Company does not serve as Independent Directors in more than 7 listed companies or in case he is 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 and structured 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 Subsidiaries for the information of the Board. Supplementary agenda in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the



## **PVR Limited**

Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.

### ***Invitees & Proceedings:***

Apart from the Board members and the Company Secretary, the CFO is invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being 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 Board 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, if any.

### ***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 formal induction program 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 induction for Independent Directors include interactive sessions with Executive Committee Members, Business and Functional Heads, visit to company's multiplexes etc. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

## **Evaluation of Board's Performance**

During the year, the Board adopted a formal 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 Boards 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 Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, 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](http://www.pvrcinemas.com). All Board members and senior management that includes Company's executives' one level below the Board have affirmed compliance with the said Code. 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 during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. N C Gupta, Company Secretary as 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 listing agreement 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 a well-qualified Audit Committee. As on March 31, 2015, the Audit Committee is comprised of five Non Executive and 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 Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.

### Composition and Attendance

During the year under review the Audit Committee met Four times on 29<sup>th</sup> May 2014, 31<sup>st</sup> July 2014, 31<sup>st</sup> October 2014 and 30<sup>th</sup> January 2015 and the maximum gap between any such two meetings did not exceed four months as stipulated under Clause 49.

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	4
Mr. Vikram Bakshi	Independent	2
Mr. Sanjay Kapoor	Independent	4

## Nomination and Remuneration Committee

#### Terms of Reference

The Nomination and Remuneration Committee of the Board was reconstituted by the Board and till March 31, 2015 consisted of five members with majority of Independent Directors. The Nomination and Remuneration Committee is empowered:

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personals.
- Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- Conduct Annual performance review of MD and CEO and Senior Management Employees;
- Administration of Employee Stock Option Scheme (ESOS);
- Formulate a policy relating to remuneration for the Directors, Committee 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. Ajay Bijli	Executive	2
Mr. Amit Burman	Independent	2
Mr. Sanjay Kapoor	Independent	2
Ms. Renuka Ramnath	Non-executive	1

The Committee met twice on 29<sup>th</sup> May, 2014 and 29<sup>th</sup> January, 2015.

### Remuneration Policy

The Remuneration policy of the Company is aimed at rewarding performance, based on review of the

## PVR Limited

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](http://www.pvrcinemas.com).

### Remuneration paid to Directors

#### Executive Directors

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

Mr. Ajay Bijli, Chairman cum Managing Director (CMD) and Mr. Sanjeev Kumar, Joint Managing Director (JMD)

of the Company were paid the following remuneration and perquisites during the year under review:

Amount (Rs.)

Remuneration	Mr. Ajay Bijli	Mr. Sanjeev Kumar
Salary	2,16,60,000	1,50,00,000
Perquisites (HRA)	1,08,30,000	75,00,000
Total	3,24,90,000	2,25,00,000

#### Non Executive Directors

Further, the following Non-Executive Directors of the Company were paid remuneration (Sitting fees) and commission for their overall engagement and contribution for the Company's business and for attending meetings of the Board/Committee of the Directors as follows:

Name of the Directors	Sitting Fees (Rs.)	Commission(Rs.)	No. of Shares held
Mr. Sanjay Khanna	2,00,000	1,00,000	NIL
Ms. Renuka Ramnath	NIL	NIL	NIL
Mr. Amit Burman	1,60,000	1,00,000	NIL
Mr. Ravinder Singh Thakran	NIL	NIL	NIL
Mr. Vikram Bakshi	1,00,000	1,00,000	NIL
Mr. Vicha Poolvaraluk	NIL	NIL	NIL
Mr. Sanjai Vohra	NIL	7,00,000	2,961
Mr. Sanjay Kapoor	2,20,000	7,00,000	NIL
Mr. Narayan Ramachandran	NIL	NIL	NIL

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

### Stakeholders Relationship Committee

#### Terms of Reference

Pursuant to the Companies Act, 2013 the nomenclature of Investor Grievance Committee was changed to Stakeholders Relationship Committee w.e.f 4<sup>th</sup> July, 2014. 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	No. of meetings attended
Mr. Vikram Bakshi (Chairman)	Independent	0
Mr. Sanjeev Kumar	Executive	1
Mr. Ajay Bijli	Executive	1
Mr. Sanjay Khanna	Independent	1

During the year under review the Stakeholders Relationship Committee met once on 31<sup>st</sup> January 2015.

Mr. N C Gupta, 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	184
Total Complaints redressed	184
Pending as on 31 <sup>st</sup> March 2015	Nil

The transfer/transmission/split of physical share certificates is approved normally once in a fortnight 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@pvr cinemas.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. Narayan Ramachandran	Alternate Non Executive	2

The Terms of Reference of the Committee are as follows:

- to frame the CSR Policy and its review from time-to-time.
- to ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- 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.pvr cinemas.com](http://www.pvr cinemas.com).

#### Risk Management Committee:

The revised Clause 49 mandates constitution of the

Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company. Accordingly the committee has been constituted which comprises of the following members:

- Mr. Ajay Bijli - Chairman
- Mr. Sanjay Kapoor – Independent Director
- Mr. Sanjai Vohra – Independent Director
- Mr. Amit Burman – Independent Director
- Mr. N. C Gupta – Company Secretary
- Mr. Nitin Sood – Chief Financial Officer
- Mr. Gautam Dutta – Chief Operating Officer

## 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.pvr cinemas.com](http://www.pvr cinemas.com).

The company has followed the Accounting Standards notified under section 133 of the Companies Act 2013 readwith 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 Listing Agreement with the Stock Exchanges.

In compliance with the revised SEBI regulations on prevention of insider trading, the Company has revised the existing code of conduct on prevention of insider trading to meet the requirements of revised regulations. The new code also lays down guidelines which advises management, employees on procedures to be followed

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and disclosures to be made, while dealing with the shares of the company and cautioning them of the consequences of violations.

Vigil mechanism Policy: Section 177(9) of the Companies Act 2013 and revised clause 49 II (F) of the Listing Agreement requires that a Company shall establish a vigil mechanism for directors and employees for reporting concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The vigil mechanism provides for adequate safeguards against victimization 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 Clause 49 of the Listing Agreement.

### CMD/CFO Certification

The Certificate from Mr. Ajay Bijli, Chairman cum Managing Director and Mr. Nitin Sood, Chief Financial

Officer in terms of Clause 49 (IX) of the listing agreement with the stock exchanges for the year under review as placed before the Board is enclosed at the end of this report.

### Reappointment / Appointment of Directors

Mr. Vicha Poolvaraluk and Ms. Renuka Ramnath will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. A brief resume of the directors being appointed / re-appointed, the nature of their expertise in specific functions areas, name of companies in which they have held directorships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM. Your directors recommend their reappointment at the ensuing AGM.

### LAST THREE AGMs OF THE COMPANY

#### Annual General Meetings:

Details of the last three Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Day & Date	Time	Venue	Special Resolutions passed
2011-12	Friday, September 28, 2012	10:00 A.M	The Mapple Emerald, Rajokri, NH-8 Delhi – 110 038	None
2012-13	Friday, September 27, 2013	10:00 A.M	The Mapple Emerald, Rajokri, NH-8 Delhi – 110 038	None
2013-14	Monday, September 29, 2014	10:30A.M.	The Mapple Emerald, Rajokri, NH-8, Delhi-110038	Yes

### POSTAL BALLOT

#### Resolutions passed during the year through Postal Ballot:

During the year under review, following Special Resolutions were passed by way of Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014:

- Payment of remuneration to the Independent Directors not exceeding one percentage of the Net Profits of the Company for the Financial Year 2013-14 and onwards.*

The notice of the Postal Ballot was published in Business Standards (English Daily) and Jansatta (Hindi Vernacular newspaper).

M/s Arun Gupta & Associates, Company Secretaries, New Delhi were appointed as scrutinizers by the Board.

Mr. Arun Gupta had submitted his report on 22<sup>nd</sup> May, 2014 for Postal Ballot notice dated 9<sup>th</sup> April, 2014 based on which the result was declared by the Company.

#### Procedure for Postal Ballot:

- The Board of Directors of the Company, vide a resolution dated 7<sup>th</sup> April 2014, had appointed M/s Arun Gupta & Associates, Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- The Company had completed the dispatch of the Postal Ballot Notice together with the Explanatory Statement on 21<sup>st</sup> April, 2014, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 4<sup>th</sup> April, 2014.

- iii. The voting under the postal ballot was kept open from 21<sup>st</sup> April, 2014 to 21<sup>st</sup> May, 2014 (either physically or through electronic mode).
- iv. Particulars of postal ballot forms received from the Members using the electronic platform of Karvy were entered in a register separately maintained for the purpose.
- v. The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi. All postal ballot forms received/receivable up to the close of working hours on 21<sup>st</sup> May, 2014 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii. Envelopes containing postal ballot forms received after close of business hours on 21<sup>st</sup> May, 2014 had not been considered for his scrutiny.
- viii. On 23<sup>rd</sup> May, 2014 Mr. Ajay Bijli, CMD announced the following results of the postal ballot as per the Scrutinizer's Report:

Description	No. of Ballot Forms	No. of Shares
Total number of Ballot forms with notice dispatched to members by post/emails	32558	41106220
Total number of Physical Ballot Forms received	33	14886240
Total number of electronic ballot forms received via Karvy e- voting platform	50	10266
Number of invalid physical ballot forms	0	0
Number of invalid electronic ballot forms	0	0
Number of valid physical ballot forms	33	14886240
Number of valid electronic ballot forms	50*	10266
Votes in favour of the resolution (both physical ballot forms and electronic ballot forms)	68**	14878818
Votes against the resolution (Both physical ballot forms and electronic ballot forms)	18**	17,661
Percentage of votes in favour of the resolution (Both physical ballot forms and electronic ballot forms)	68	99.881%
Percentage of votes against the resolution (Both physical ballot forms and electronic ballot forms)	18	0.119%

\*Out of 50 valid Electronic forms, a member holding 28 shares has indicated only 1 share in favour of the resolution.

\*\*3 shareholders holding 96 shares in total has voted for 47 shares in favour of the Resolution and 49 shares in against of the Resolution.

2. 2.1 *Authorising the Board of Directors of the Company to borrow funds in excess of aggregate of the Company's paid up share capital and free reserves (apart from temporary loans obtained from Company's banker in the ordinary course of business).*
- 2.2 *Authorising the Board of Directors to mortgage or create a charge, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.*
- 2.3 *Authorising the Board of Directors of the Company to make offer(s) or invitation for subscription of Non Convertible Debentures on private placement as per the provisions of Section 42 of the Companies Act 2013 read with the*

*Companies (Prospectus and allotment of Securities) Rules 2014.*

The notice of the Postal Ballot was published in Business Standards (English Daily) and Jansatta (Hindi Vernacular newspaper).

M/s Arun Gupta & Associates, Company Secretaries, New Delhi were appointed as scrutinizers by the Board. Mr. Arun Gupta had submitted his report on 9<sup>th</sup> June, 2014 for Postal Ballot notice dated 2<sup>nd</sup> May, 2014 based on which the result was declared by the Company.

#### **Procedure for Postal Ballot:**

- i. The Board of Directors of the Company, vide a resolution dated 30<sup>th</sup> April 2014, had appointed

## PVR Limited

- M/s Arun Gupta & Associates, Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- ii. The Company had completed the dispatch of the Postal Ballot Notice together with the Explanatory Statement on 8<sup>th</sup> May, 2014, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 2<sup>nd</sup> May, 2014.
  - iii. The voting under the postal ballot was kept open from 8<sup>th</sup> May, 2014 to 7<sup>th</sup> June, 2014 (either physically or through electronic mode).
  - iv. Particulars of postal ballot forms received from the Members using the electronic platform of Karvy were entered in a register separately maintained for the purpose.
  - v. The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
  - vi. All postal ballot forms received/receivable up to the close of working hours on 7<sup>th</sup> June, 2014 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
  - vii. Envelopes containing postal ballot forms received after close of business hours on 7<sup>th</sup> June, 2014 had not been considered for his scrutiny.
  - viii. On 9<sup>th</sup> June, 2014 Mr. Ajay Bijli, CMD announced the following results of the postal ballot as per the Scrutinizer's Report:

Description	No. of	No. of Shares Ballot Forms
Total number of Ballot forms with notice dispatched to members by post/emails	32768	41106220
Total number of Physical Ballot Forms received	28	14027943
Total number of electronic ballot forms received via Karvy e- voting platform	41	3250
Number of invalid physical ballot forms	0	0
Number of invalid electronic ballot forms	0	0
Number of valid physical ballot forms	28	14027943
Number of valid electronic ballot forms	41	3250
Votes in favor of the <b>Resolution No. 1</b> (both physical ballot forms and electronic ballot forms)	57*	14029988
Votes against the <b>Resolution No. 1</b> (Both physical ballot forms and electronic ballot forms)	13	1205
Percentage of votes in favor of the <b>Resolution No. 1</b> (Both physical ballot forms and electronic ballot forms)	57*	99.991%
Percentage of votes against the <b>Resolution No. 1</b> (Both physical ballot forms and electronic ballot forms)	13	0.009%
Votes in favor of the <b>Resolution No. 2</b> (both physical ballot forms and electronic ballot forms)	61	14030786
Votes against the <b>Resolution No. 2</b> (Both physical ballot forms and electronic ballot forms)	8	407
Percentage of votes in favor of the <b>Resolution No. 2</b> (Both physical ballot forms and electronic ballot forms)	61	99.997%
Percentage of votes against the <b>Resolution No. 2</b> (Both physical ballot forms and electronic ballot forms)	8	0.003%
Votes in favor of the <b>Resolution No. 3</b> (both physical ballot forms and electronic ballot forms)	61*	14030828
Votes against the <b>Resolution No. 3</b> (Both physical ballot forms and electronic ballot forms)	9	365
Percentage of votes in favor of the <b>Resolution No. 3</b> (Both physical ballot forms and electronic ballot forms)	61*	99.997%
Percentage of votes against the <b>Resolution No. 3</b> (Both physical ballot forms and electronic ballot forms)	9	0.003%

3. *Authorising the Board of Directors of the Company to make offer(s) or invitation for subscription of Non Convertible Debentures on private placement as per the provisions of Section 42 of the Companies Act 2013 read with the Companies (Prospectus and allotment of Securities) Rules 2014.*

The notice of the Postal Ballot was published in Business Standards (English Daily) and Jansatta (Hindi Vernacular newspaper).

M/s Arun Gupta & Associates, Company Secretaries, New Delhi were appointed as scrutinizers by the Board. Mr. Arun Gupta had submitted his report on 29<sup>th</sup> December, 2014 for Postal Ballot notice dated 31<sup>st</sup> October, 2014 based on which the result was declared by the Company.

**Procedure for Postal Ballot:**

- i. The Board of Directors of the Company, vide a resolution dated 31<sup>st</sup> October 2014, had appointed M/s Arun Gupta & Associates, Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- ii. The Company had completed the dispatch of the Postal Ballot Notice together with the Explanatory Statement on 24<sup>th</sup> November, 2014, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s)

appeared on the Register of Members/list of beneficiaries as on 20<sup>th</sup> November, 2014.

- iii. The voting under the postal ballot was kept open from 27<sup>th</sup> November, 2014 to 26<sup>th</sup> December, 2014 (either physically or through electronic mode).
- iv. Particulars of postal ballot forms received from the Members using the electronic platform of Karvy were entered in a register separately maintained for the purpose.
- v. The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi. All postal ballot forms received/receivable up to the close of working hours on 26<sup>th</sup> December, 2014 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii. Envelopes containing postal ballot forms received after close of business hours on 26<sup>th</sup> December, 2014 had not been considered for his scrutiny.
- viii. On 29<sup>th</sup> December, 2014 Mr. Ajay Bijli, CMD announced the following results of the postal ballot as per the Scrutinizer’s Report:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares
(A)	Total Postal Ballot forms received in Physical Mode	35	22827643
	Total number of electronic ballot forms received via Karvy e- voting platform	64	5041560
(B)	Number of invalid physical ballot forms	3	101
	Number of invalid electronic ballot forms	1	60
(c)	Number of valid physical ballot forms	31	22827466
	Number of valid electronic ballot forms	63	4984379
(D)	Votes in favour of the resolution (both physical ballot forms and electronic ballot forms)	87 (27+60)	27811747 (22827406+4984341)
(E)	Votes against the resolution (Both physical ballot forms and electronic ballot forms)	7 (4+3)	98 (60+38)
(F)	Postal Ballot forms with not voted for / against the resolution	1	76

- (G) Percentage of votes in favour of the resolution (Both physical ballot forms and electronic ballot forms): **99.9996%**
- (H) Percentage of votes against the resolution (Both physical ballot forms and electronic ballot forms): **0.0004%**



## PVR Limited

### 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](http://www.pvrcinemas.com). The website also displays official news releases.

All material information about the Company is promptly sent through e-mail and facsimile to the Stock Exchanges where the shares of the Company are listed.

The Company in accordance with MCA's Green Initiative shall send Annual Reports, all other communications, correspondences etc. through E-mail. Majority of the members of your Company have registered their E-mail ID for the dispatch / service of

above documents through E-mail.

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 : 29<sup>th</sup> September, 2015  
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.

- First quarterly results : July, 2015  
Second quarterly / Half yearly results : October, 2015  
Third quarterly results : January, 2016  
Annual results for the year ending : May, 2016  
on 31st March, 2016

Annual General Meeting for the year ending on 31<sup>st</sup> March, 2016: September, 2016

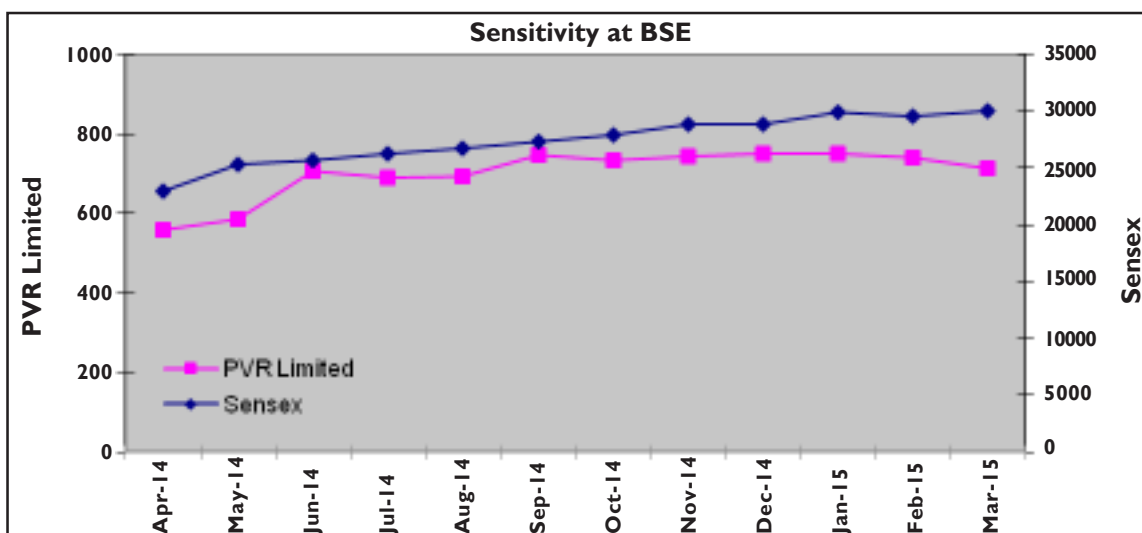
3. Book Closure Date : 22.09.2015 to 29.09.2015 (both days inclusive)
4. Dividend Payment : on or before 10<sup>th</sup> October, 2015
5. Listing on Stock Exchanges : BSE Limited (BSE)  
National Stock Exchange of India Limited (NSE)
6. Stock Code : BSE Script Code: 532689;  
NSE Symbol: PVR  
ISIN: INE 191H01014

7. Market Price Data

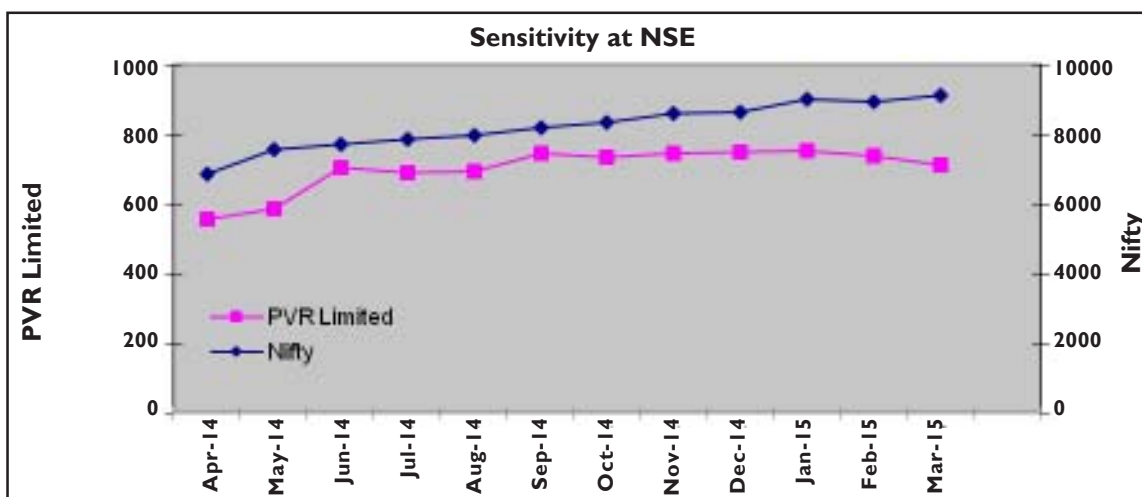
Monthly High Low for the year under review				
	NSE		BSE	
Month	High	Low	High	Low
Apr-14	556.75	475	557.4	479.8
May-14	589	490	586.95	490
Jun-14	705	570	704.95	570
Jul-14	689.75	596.25	690	597.1
Aug-14	699.8	605	694.65	605
Sep-14	749	666.5	746.5	666.3
Oct-14	735	608.10	734.5	603
Nov-14	748.2	681	745	682.65
Dec-14	723.95	605	750	608
Jan-15	750	646.85	751	572
Feb-15	740	607.3	739.45	655
Mar-15	713.8	645.2	712.65	650

8. Performance of PVR Share Price in Comparison to:

**BSE SENSEX**



**NSE NIFTY SENSEX**



**NSE NIFTY SENSEX**

## PVR Limited

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 31/03/2015						
Category	Amount	No. of Cases	% of Cases	Total Shares	Amount	% Amount
1-5000		27950	97.723854	1261315	12613150	3.037199%
5001- 10000		292	1.020943	216078	2160780	0.520308%
10001- 20000		148	0.517464	222391	2223910	0.535509%
20001- 30000		45	0.157337	115338	1153380	0.277730%
30001- 40000		12	0.041957	41943	419430	0.100997%
40001- 50000		23	0.080417	106398	1063980	0.256202%
50001- 100000		22	0.076920	150129	1501290	0.361505%
100001 & Above		109	0.381106	39415296	394152960	94.910550%
<b>TOTAL</b>		<b>28601</b>	<b>100.00 %</b>	<b>41528888</b>	<b>415288880</b>	<b>100.00%</b>

- 11 (b). Shareholding Pattern

Consolidated Shareholding Pattern as on 31/03/2015				
Category	Cases	No. of Holders	Total Shares	% to Equity
FOREIGN CORPORATE BODIES		3	11453955	27.580693%
PROMOTERS BODIES CORPORATE		3	11555260	27.824631%
FOREIGN INSTITUTIONAL INVESTORS		48	9096118	21.903110%
MUTUAL FUNDS		33	3205633	7.719044%
RESIDENT INDIVIDUALS		26707	2448984	5.897061%
BODIES CORPORATES		412	1493453	3.596179%
PROMOTER GROUP		2	700000	1.685574%
FOREIGN PORTFOLIO INVESTORS		9	654158	1.575188%
NON RESIDENT INDIANS		494	608934	1.466290%
EMPLOYEES		12	231804	0.558175%
H U F	840	64919	0.156323%	
CLEARING MEMBERS		33	10236	0.024648%
BANKS	3	5319	0.012808%	
TRUSTS	2	115	0.000277%	
<b>Total</b>	<b>28601</b>		<b>41528888</b>	<b>100.00 %</b>

12. Dematerialization of shares and liquidity

Our Equity Shares are traded in dematerialized 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 31<sup>st</sup> March 2015 is as follows:

Category	No. of Holders	Total Shares	% To Equity
PHYSICAL	304	1299	0.003128%
N S D L	21470	40574515	97.701906%
C D S L	6827	953074	2.294966%
<b>Total</b>	<b>28601</b>	<b>41528888</b>	<b>100.00 %</b>

13. Address for correspondence : Mr. N.C. Gupta  
 Company Secretary & Compliance Officer  
 PVR Limited
- Registered Office:**  
 61, Basant Lok, Vasant  
 Vihar, New Delhi – 110057
- Corporate Office:**  
 Block A, 4<sup>th</sup> Floor, Building No. 9A,  
 DLF Cyber City,  
 Phase-III, Gurgaon, 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 clause 49 of the listing agreement relating to corporate governance is published as an Annexure to the Director's Report.

# CMD's Declaration

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

It is hereby declared that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct for the Directors and Senior Management in respect of Financial Year ended March 31, 2015.

Place: Gurgaon, Haryana

Date: July 22<sup>nd</sup>, 2015

**Ajay Bijli**

Chairman cum Managing Director

# CMD and CFO's Certification

We, Ajay Bijli, Chairman cum Managing Director and Nitin Sood, Chief Financial Officer of PVR Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and cash flow statements for the year and 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.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, wherever applicable:
  - a) Deficiencies in the design or operation of internal controls, if any, which come to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
  - b) Significant changes in internal control over financial reporting during the year;
  - c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - d) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Gurgaon  
Date: July 22<sup>nd</sup>, 2015

**Ajay Bijli**  
Chairman cum Managing Director

**Nitin Sood**  
Chief Financial Officer



## **Certificate on compliance under Clause 49 of the Listing Agreements**

To the Members of **M/s. PVR Limited**

1. We have examined the compliance of condition of Corporate Governance by **M/s PVR Limited** for the period ended on March 31, 2015 with the relevant records and documents maintained by the Company, furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors.
2. 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.
3. 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.
4. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges.

For **Arun Gupta & Associates**  
Company Secretaries

**Arun Kumar Gupta**  
(Proprietor)  
M. No. : 21227  
C.P. No.: 8003

Place: New Delhi  
Date: July 22<sup>nd</sup>, 2015

# Independent Auditor's Report

## To the Members of PVR Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of PVR Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2015, its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) 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 financial statements – Refer Note 34 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

**per Vikas Mehra**  
Partner  
Membership Number: 94421  
Place of Signature: Gurgaon  
Date: May 29, 2015

## **Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date Re: PVR Limited (‘the Company’)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year in accordance with a programme of verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies identified during the year which were not material have been properly dealt with in the books of accounts.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loan to a wholly owned subsidiary company listed in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was Rs. 400 lacs and the year-end balance of loan granted to such party is Rs. 200 lacs.
- (b) The loan granted are re-payable on demand. As informed, the Company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. For loans granted since April 1, 2014 was interest bearing for which payment of interest has been received during the year.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



## PVR Limited

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service

tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, except as follows:

Name of the statute	Nature of the dues	Amount Rs. in Lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of Entertainment tax as Capital receipt and other disallowance	433	2006-07, 2008-09 and 2009-10	High Court
Income Tax Act, 1961		614	2007-11	Income Tax Appellate Tribunal
Income Tax Act, 1961		126	2007-08, 2011-12 and 2012-13	Commissioner of Income Tax (Appeal)
Finance Act 1994 (Service Tax Provision) along with Rules	Chargeability of services and disallowances of CENVAT	628	Various dates	Custom Excise and Service Tax Appellate Tribunal
UP VAT Act, 2007/ Maharashtra VAT Act, 2002	Value added tax	125	2006-07, 2007-08, 2010-12 and 2013-14	Joint Commissioner/ Deputy Commissioner
Maharashtra VAT Act, 2002	Value added tax	39	2005-06 to 2008-09	Tribunal

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or debenture holders, there are no dues to any financial institutions.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E

**per Vikas Mehra**  
Partner  
Membership No.: 94421  
Place of Signature : Gurgaon  
Date : May 29, 2015

# Standalone Financial Statements

## Balance Sheet as at March 31, 2015

(Rs. in lakhs)

	Notes	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	4,153	4,111
Reserves and surplus	4	35,684	35,016
		<b>39,837</b>	<b>39,127</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	63,087	47,007
Deferred tax liabilities (net)	6	-	-
Other long term liabilities	7	238	305
Long-term provisions	8	777	624
		<b>64,102</b>	<b>47,936</b>
<b>Current liabilities</b>			
Short-term borrowings	9	4,699	3,205
Trade payables	10	14,257	14,991
Other current liabilities	10	12,707	16,078
Short-term provisions	8	865	1,694
		<b>32,528</b>	<b>35,968</b>
<b>Total</b>		<b>136,467</b>	<b>123,031</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	68,069	61,680
Intangible assets	12	9,125	10,187
Capital work-in-progress		4,960	7,569
Pre-operative expenses (pending allocation)	13	1,858	2,551
Non-current investments	14	8,032	4,306
Loans and advances	15	29,545	25,284
Other non-current assets	17	2,219	2,081
		<b>123,808</b>	<b>113,658</b>
<b>Current assets</b>			
Current investments	16	38	28
Inventories	18	1,103	906
Trade receivables	19	6,756	4,526
Cash and bank balances	20	1,230	1,712
Loans and advances	15	3,230	2,109
Other current assets	17	302	92
		<b>12,659</b>	<b>9,373</b>
<b>Total</b>		<b>136,467</b>	<b>123,031</b>
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No.: 301003E  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership No. 94421

Place: Gurgaon  
Date: May 29, 2015

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

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142

**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173

**Nitin Sood**  
Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2015

(Rs. in lakhs)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations (net)	21	138,398	127,119
Other income	22	523	572
<b>Total revenue (I)</b>		<b>138,921</b>	<b>127,691</b>
<b>EXPENSES</b>			
Film exhibition cost		35,319	34,108
Consumption of food and beverages		10,029	8,547
Employee benefits expense	23	12,903	11,539
Other expenses	24	61,504	52,858
Exceptional items	25	217	(805)
<b>Total expenses (II)</b>		<b>119,972</b>	<b>106,247</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)</b>		<b>18,949</b>	<b>21,444</b>
Less:			
Depreciation and amortization expense	26	9,954	7,879
Finance costs	27	7,633	7,688
<b>Profit before tax</b>		<b>1,362</b>	<b>5,877</b>
<b>Tax expense:</b>			
Current tax		341	1,313
MAT credit entitlement		(341)	(1,313)
Income tax provision for earlier years		-	11
Deferred tax charge		-	79
<b>Total tax expenses/ (credit)</b>		<b>-</b>	<b>90</b>
<b>Profit after tax</b>		<b>1,362</b>	<b>5,787</b>
<b>Earnings per equity share:</b>			
	28		
<b>[nominal Value of share Rs. 10 (March 31, 2014: Rs. 10)]</b>			
Basic earning per equity share		3.30	14.16
Diluted earning per equity share		3.30	14.13
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No.: 301003E  
Chartered Accountants

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

per **Vikas Mehra**  
Partner  
Membership No. 94421  
Place: Gurgaon  
Date: May 29, 2015

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142

**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173

**Nitin Sood**  
Chief Financial Officer

## Cash Flow Statement for the year ended March 31, 2015

(Rs. in lakhs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	1,362	5,877
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	9,954	7,879
Loss/(profit) on disposal and discard of fixed assets (net)	1,004	(995)
Interest income	(150)	(68)
Profit on redemption on current non trade investments	(123)	(282)
Interest expense	7,633	7,688
Employee stock compensation expense	110	219
Unspent liabilities written back	(95)	(21)
Exceptional items pertaining to CWIP and security deposit w/off	739	794
Expenses pertaining to before acquisition in relation to company acquired	-	316
Provision for doubtful debts and advances (net)	266	583
<b>Operating profit before working capital changes</b>	<b>20,700</b>	<b>21,990</b>
Movements in working capital :		
Decrease/(Increase) in trade receivables	(2,467)	(1,043)
(Increase) in inventories	(197)	42
(Increase) in loans and advances and other current assets	(4,744)	(3,044)
Increase in current liabilities and provisions	(668)	4,384
Cash generated from operations	12,624	22,329
Direct taxes paid (net of refunds)	(591)	(1,433)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>12,033</b>	<b>20,896</b>
<b>Cash flows (used in) investing activities</b>		
Purchase of tangible assets	(15,595)	(15,435)
Purchase of intangible assets	(293)	(522)
Proceeds from sale of fixed assets	31	5,290
Purchase of a subsidiary shares	(3,700)	-
Investment in current non trade investments	(25,760)	(45,779)
Redemption of current non trade investments	25,846	46,068
Loan given to a body corporate	(98)	-
Loan taken from subsidiary	1,500	-
Loans given to subsidiaries	(200)	-
Loans refunded by subsidiaries	200	300
Interest received	133	36
Fixed deposits with banks placed	(655)	(1,333)
Fixed deposits with banks encashed	611	1,241
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(17,980)</b>	<b>(10,134)</b>
<b>Cash flow (used in)/from financing activities</b>		
Proceeds from issuance of share capital including share premium	684	537
Proceeds from long term borrowings	30,000	21,714
Repayment of long-term borrowings	(16,122)	(26,301)
Proceeds from short-term borrowings	7,994	10,995
Repayment of short-term borrowings	(8,000)	(10,000)
Payment of Dividend and tax thereon	(1,206)	(465)
Interest paid	(7,869)	(8,458)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>5,481</b>	<b>(11,978)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(466)</b>	<b>(1,216)</b>
Cash and cash equivalents at the beginning of the year	1,257	2,002
Add: Cash acquired on amalgamation	-	471
<b>Cash and cash equivalents at the end of the year</b>	<b>791</b>	<b>1,257</b>



## Cash Flow Statement for the year ended March 31, 2015 (Continued)

(Rs. in lakhs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	137	480
Remittances in transit	57	86
With banks - on deposit accounts	54	12
With banks - on current accounts	543	679
With banks - on unpaid and unclaimed dividend accounts		
<b>Total cash and cash equivalent</b>	<b>791</b>	<b>1,257</b>
Summary of significant accounting policies	2.1	

**Note 1.** The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard 3 on Cash Flow Statement.

**Note 2.** The total purchase consideration for acquiring interest in the subsidiary company has been discharged by means of cash and cash equivalents.

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No. : 301003E  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership No. 94421

Place: Gurgaon  
Date: May 29, 2015

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

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142

**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173

**Nitin Sood**  
Chief Financial Officer

**Notes to the financial statements for the year ended March 31, 2015**

**1. Corporate information**

PVR Limited (the Company) is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on leading stock exchanges in India. The Company is in the business of exhibition and production of films. The Company also earns revenue from in-cinema advertisements/product displays and sale of food and beverages at cinema location.

**2. Basis of preparation**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 Statement of significant accounting policies**

**(a) Change in accounting policy**

**(i) Depreciation on Fixed Assets**

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current financial year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes relating to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year financial is likely to hold good for future years also.

**(ii) Useful lives/ depreciation rates**

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and

residual value of all its fixed assets. The management believes that depreciation rates being used fairly reflect its estimate of the useful lives and residual value of the fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Due to change in this accounting policy, depreciation on fixed assets is higher by Rs 1,632 lakhs. Out of this, an amount of Rs 936 lakhs has been charged to Reserves and Surplus equivalent to the amount of WDV of assets whose life had expired as on March 31, 2014 and Rs 696 lakhs has been charged to statement of Profit and loss.

**(iii) Change in method of valuation of food and beverages**

During the year effective from April 01, 2014, the Company has changed the method of valuation of food & beverage items from First In First Out (FIFO) to Weighted Average method. The impact of such change is immaterial.

**(iv) Employee stock compensation cost**

Till 27 October 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dealt with the grant of share-based payments to employees. Among other matter, these guidelines prescribed accounting for grant of share-based payments to employees. Hence, the company being a listed entity was required to comply with these Guidelines as well as the Guidance Note on Accounting for Employee Share-based Payments with regard to accounting for employee share-based payments. Particularly, in case of conflict between the two requirements, the SEBI guidelines were prevailing over the ICAI Guidance Note. For example, in case of equity settled option expiring unexercised after vesting, the SEBI guidelines required expense to be reversed through the statement of Profit and Loss whereas the reversal of expense through the statement of profit and loss is prohibited under the ICAI Guidance Note. In these cases, the company was previously complying with the requirement of SEBI guidelines.

From 28 October 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations don't contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from

## Notes to the financial statements for the year ended March 31, 2015

the date of notification of new regulation, i.e., 28 October 2014.

Since there are no equity settled options expiring unexercised after 28 October 2014, the change in accounting policy did not have any material impact on financial statements of the company for the current year. However due to application of the regulation, the manner of presentation of "Employee Stock Option Outstanding Account" under the head "Reserves and Surplus" has changed. The company has changed this presentation for the current as well as previous year.

### (b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### (c) Tangible fixed assets

Fixed Assets 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 fixed assets 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 the various locations.

### (d) Depreciation on tangible fixed assets

Leasehold Improvements are amortized over the estimated useful life varying in between 20-25 years or unexpired period of lease (whichever is lower) on a straight line basis.

Cost of structural improvements at premises where the Company has entered into an agreement with the parties to operate and manage Multiscreen/Single Screen Cinemas on revenue sharing basis are amortized over the estimated useful life or the period of agreement (varying in between 18-25 years)(whichever is lower) on a straight line basis.

Assets costing Rs. 5,000 and below are fully depreciated in the year of acquisition.

Depreciation on all other assets is provided on Straight-Line Method at the rates computed based on estimated useful life of the assets, which are equal to the

corresponding rates prescribed in 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:

Particulars	Life as per Schedule II	Life considered by Company
Concession Equipments	15 years	8 years
House Keeping Equipments	15 years	13.48 years
Voltage controller	15 years	21.05 years
Gaming Equipments	15 years	13.33 years
Furniture & Fixtures	8 years	5 to 10.53 years
Vehicles	8 years	5 years

The Company has kept the residual value @5% of original cost except sound and projections @10% of original cost based on technical assessment.

### (e) Intangible assets

#### Software and Website Development

Cost relating to purchased software and software licenses are capitalized and amortized on a straight-line basis over their estimated useful lives of 6 years.

#### Goodwill

Goodwill arising out of amalgamation is amortized on straight line basis over the estimated useful life estimated by the management not exceeding a period of 10 years.

#### Film Right's

The intellectual property rights acquired/ created in relation to films are capitalized as film rights. The amortization policy is as below:

- i 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 amortization 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 amortized over the remaining license period based on an



**Notes to the financial statements for the year ended March 31, 2015**

estimate of future revenue potential subject to a maximum period of 10 years.

- ii. 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 amortized on first theatrical release of the movie. The said amortization 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 recognized in the statement of profit and loss when the asset is derecognized.

**(f) Expenditure on new projects (Pre-operative expenses)**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized 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. Income earned during construction period is adjusted against the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its originally assessed standard of performance.

**(g) Borrowing Costs**

Borrowing cost includes interest, amortization 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(h) Impairment of tangible and intangible 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 groups 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.

**(i) Investments**

Investments that are readily realizable 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 fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments. Investments which are due for maturity within next twelve months are reclassified as Current 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.

**(j) Inventories**

Inventories are valued as follows:

**a) Food and beverages**

Lower of cost and net realizable value. Cost is determined on Weighted average basis.

**b) Stores and spares**

Lower of cost and net realizable value. Cost is determined on First In First Out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

**(k) Leases**

**Where the Company is the lessee**

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are

## Notes to the financial statements for the year ended March 31, 2015

capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on an ongoing basis

### Where the Company is the lessor

Leases in which the Company does not transfer substantially all risks and benefits of ownership of the assets are classified as operating lease. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on ongoing basis. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of profit and loss

### (l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company collects entertainment tax, sales tax and service tax on behalf of government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from respective revenues. The following specific recognition criteria must also be met before revenue is recognized.

#### i. Sale of Tickets of Films

Revenue from sale of tickets of films is recognized as and when the film is exhibited.

#### ii. Revenue Sharing

Income from revenue sharing is recognized in accordance with the terms of agreement with parties to operate and manage Multiscreen/ Single screen cinemas.

#### iii. Sale of Food and Beverages

Revenue from sale of food and beverages is recognized upon passage of title to customers, which coincides with their delivery.

#### iv. Income from Film Production

Revenues from film produced, co-produced/co-owned are accounted for based on the terms of the agreement.

#### (a) Income from Theatrical Distribution

The revenue from theatrical distribution is recognized once the movie is released based on "Daily Collection Report" submitted by the exhibitor.

#### (b) Income from sale of other rights other than theatrical distribution

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

#### v. Advertisement Revenue

Advertisement revenue is recognized as and when advertisement is displayed at the cinema halls.

#### vi. Management Fee

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreements.

#### vii. Convenience Fee

Convenience fee is recognized as and when the ticket is sold on electronic portals. Further, in case of fixed contracts, revenue is recognized on accrual basis in accordance with the terms of the relevant agreements.

#### viii. Rental and Food court Income

Rental Income is recognized on accrual basis for the period the space of cinema and food court is let out under the operating lease arrangement.

#### ix. Gaming Income

Revenue from gaming is recognized as and when the games are played by patrons.

#### x. Interest Income

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

#### xi. Dividend Income

Revenue is recognized when the Company's right to receive dividend is established by the reporting date.

#### xii. Virtual Print Fees Income

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreements.

### (m) Foreign currency Translations

#### i. Initial Recognition

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

**Notes to the financial statements for the year ended March 31, 2015**

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

**(n) Retirement and other employee benefits**

i. **Provident Fund**

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 recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. **Gratuity**

Gratuity is a defined benefit obligation. The Company has created an approved gratuity fund for the future payment of gratuity to the employees. The Company accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary. Gratuity liability of an employee, who leaves the Company before the close of the year and which is remaining unpaid, is provided on actual computation basis.

iii. **Compensated absence**

Short term compensated absences are provided for based on estimates. Long term compensated balances are provided for based on actuarial

valuation. The actuarial valuation is done as per projected unit credit method. Leave encashment liability of an employee, who leaves the Company before the close of the year and which is remaining unpaid, is provided for on actual computation basis.

iv. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

**(o) Income taxes**

Tax expense 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.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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 realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

## Notes to the financial statements for the year ended March 31, 2015

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes 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 recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, 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.

### (p) Earnings Per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting dividend on preference shares and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (q) Provisions

A provision is recognized when the Company has a present obligation 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.

### (r) Cash and Cash equivalents

Cash and cash equivalents in the financial statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

### (s) Employee Stock Compensation Cost

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for

Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized 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 recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense, together with a corresponding increase in the "Employee Stock options outstanding account" in reserves. The cumulative expense recognized 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.

### (t) Government grants and subsidies

Grants and subsidies from the government are recognized 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 recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

### (u) 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### (v) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### 3. Share Capital

(Rs. in lakhs)

	As at March 31, 2015	As at March 31, 2014
<b>Authorised share capital</b> 93,700,000 (March 31, 2014: 93,700,000) equity shares of Rs. 10 each	9,370	9,370
<b>Issued, subscribed and fully paid-up shares</b> 41,528,888 (March 31, 2014: 41,106,220) equity shares of Rs. 10 each fully paid	4,153	4,111
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>4,153</b>	<b>4,111</b>

#### a. Reconciliation of the share outstanding at the beginning and at the end of the reporting year

(Rs. in lakhs)

Equity shares	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	41,106,220	4,111	39,616,995	3,962
Shares Issued during the year - ESOP (refer note 31)	422,668	42	398,942	40
Shares Issued during the year - pursuant to the composite scheme of amalgamation (refer note 29)	-	-	1,090,283	109
<b>Shares outstanding at the end of the year</b>	<b>41,528,888</b>	<b>4,153</b>	<b>41,106,220</b>	<b>4,111</b>

#### b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Bijli Holdings Private Limited	10,031,805	24.16	10,031,805	24.40
L Capital Eco Limited	6,244,898	15.04	6,244,898	15.19
Multiples Private Equity Fund I Limited	2,908,125	7.00	4,649,326	11.31
Major Cineplex Group Public Company Limited	2,300,932	5.54	2,557,000	6.22

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. As at March 31, 2015, 693,878 (March 31, 2014, 693,878) equity shares issued on preferential basis during F.Y. 2012-13 are under lock in till January 11, 2016.

## Notes to the financial statements for the year ended March 31, 2015

- e. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date, wherever applicable is given below:

	(Aggregate No. of Shares)				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Equity shares bought back during the previous year pursuant to scheme of buy back for a total consideration of Rs. 1582 Lakhs.	-	-	-	1,388,328	-
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.	422,668	398,942	204,126	141,620	64,930
Equity shares allotted as fully paid up pursuant to the scheme of amalgamation for consideration other than cash (refer note 29)	-	1,090,203	-	-	-

- f. **Share reserved for issue under options**

For details of share reserved for issue under the employee stock options (ESOP) plan of the Company (refer note 31).

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### 4. Reserves and surplus

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Securities premium account</b>		
Balance as per last financial statements	11,068	47,585
Add : additions on ESOPs exercised	642	497
Add : transferred from stock options outstanding	214	86
Add: Balance of the subsidiary companies transferred pursuant to scheme of Amalgamation (refer note 29)	-	5,959
Less premium applied pursuant to scheme of Amalgamation (refer note 29)	-	(42,880)
Less : premium applied in writing off the expenses incurred pursuant to the scheme of Amalgamation (refer note 29)	-	(179)
<b>Closing Balance</b>	<b>11,924</b>	<b>11,068</b>
<b>Debenture redemption reserve</b>		
Balance as per last financial statements	385	276
Add: Transfer from surplus balance in the statement of profit and loss	647	109
<b>Closing Balance</b>	<b>1,032</b>	<b>385</b>
<b>Employee stock option outstanding (refer note 31)</b>		
Gross employee stock compensation for options granted in earlier years	476	480
Add: Gross Compensation for options granted during the year	-	83
Less: deferred employee stock compensation	(54)	(212)
Less: adjustment on account of forfeiture	(53)	-
Less: transferred to securities premium on exercise of stock option	(214)	(86)
<b>Closing Balance</b>	<b>155</b>	<b>265</b>
<b>General reserve</b>		
Balance as per last financial statements	4,030	3,451
Add : Transfer from surplus balance in the statement of profit and loss	-	579
<b>Closing Balance</b>	<b>4,030</b>	<b>4,030</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	19,268	8,986
Balance of subsidiary companies transferred pursuant to the scheme of Amalgamation (refer note 29)	-	6,389
Adjustment of Depreciation (refer note 2.1(a)(ii))	(936)	-
Profit for the year	1,362	5,787
Less: Appropriations		
Proposed final equity dividend (amount per share Re.1 (March 31, 2014 : Rs.2.5))	(415)	(1,028)
Tax on proposed equity dividend	(85)	(174)
Dividend and tax thereon for previous year (including dividend tax for Rs. 0.6 lakhs (March 31,2014: Rs. 3.20 lakhs)	(4)	(4)
Transfer to debenture redemption reserve	(647)	(109)
Transfer to general reserve	-	(579)
Total appropriations	(1,151)	(1,894)
<b>Net surplus in the statement of profit and loss</b>	<b>18,543</b>	<b>19,268</b>
<b>Total reserves and surplus</b>	<b>35,684</b>	<b>35,016</b>

## Notes to the financial statements for the year ended March 31, 2015

### 5. Long-term borrowings

(Rs. in lakhs)

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Debentures</b>				
Secured Redeemable Non-Convertible Debentures (NCD) (refer note (a) below)	36,000	7,900	-	-
<b>Term loans</b>				
Secured term loans from banks	26,775	33,507	6,732	3,696
Secured term loans from body corporate	172	5,422	750	5,991
<b>Other loans and advances</b>				
Secured car finance loans from banks	140	178	38	35
	<b>63,087</b>	<b>47,007</b>	<b>7,520</b>	<b>9,722</b>
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(7,520)	(9,722)
	<b>63,087</b>	<b>47,007</b>	-	-

#### Notes:

#### a. Secured Redeemable Non-Convertible Debentures (NCD):

(Rs. In lakhs)

Particulars	Interest Rate	Issue Date	Repayment	Ratio of repayment	Amount
100 (March 31, 2014: 290) 11.40% of Rs. 1,000,000 each	11.40%	1-Jan-10	From 7th to 10th years	20:20:30:30	1,000
500 (March 31, 2014: 500) 10.95% of Rs. 1,000,000 each	10.95%	25-Feb-14	On 5th year	100	5,000
500 (March 31, 2014: Nil) 10.75% of Rs. 1,000,000 each	10.75%	10-Jun-14	On 5th year	100	5,000
1000 (March 31, 2014: Nil) 11% of Rs. 1,000,000 each	11.00%	16-Oct-14	From 4th to 7th years	25:25:25:25	10,000
500 (March 31, 2014: Nil) 11% of Rs. 1,000,000 each	11.00%	24-Nov-14	From 5th to 7th years	30:30:40	5,000
1000 (March 31, 2014: Nil) 10.75% of Rs. 1,000,000 each	10.75%	9-Jan-15	On 6th & 7th year	50:50	10,000
					<b>36,000</b>

All Debentures are secured by mortgage on immovable properties (excluding immovable properties at Gujarat, Bangalore) ranking pari passu and secured by first pari passu charge on movable fixed assets of the Company (excluding vehicles hypothecated to banks) and all receivables of the Company both present and future.

- b. (i) Term loan from banks and body corporate are secured by first pari passu charge over all fixed assets of the Company (excluding immovable properties at Gujarat, Bangalore and vehicles hypothecated to banks) and receivables of the Company both present and future.
- (ii) Term loan from banks and body corporate are also guaranteed by the personal guarantee of two of its promoter directors of the Company to the extent of Nil (March 31, 2014: Rs 93 lakhs).
- (iii) Car loans of Rs. 178 lakhs (March 31, 2014: Rs. 213 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.



## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

(iv) Above loans are repayable in equal/ unequal monthly/ quarterly instalments as follows:

(Rs. In lakhs)

Particulars	March 31, 2015	March 31, 2014
<b>Debentures:</b>		
Repayable within 1 year	-	-
Repayable within 1 - 3 year	400	580
Repayable after 3 years	35,600	7,320
<b>Term Loan:</b>		
Repayable within 1 year	7,482	9,687
Repayable within 1 - 3 year	16,018	18,198
Repayable after 3 years	10,929	20,731
<b>Secured car finance loans from banks:</b>		
Repayable within 1 year	38	35
Repayable within 1 - 3 year	90	81
Repayable after 3 years	50	97

(v) Term Loan from banks and body corporate carries variable interest rate based on respective bank/ body corporate benchmark rate, effective rate of interest varying in between 11.00%p.a to 12.25% pa.

- c. As at and for the year ended March 31, 2015, the Company has not been able to meet certain financial covenants in respects of its borrowings from Banks and Debenture holders. The Company is in the process of applying the waiver to respective lenders and is hopeful of securing the same. In view of above, no adjustment is considered necessary by the management.

#### 6. Deferred tax Liabilities/ (Assets) (net)

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Deferred tax liability</b>		
Impact of differences in depreciation in block of tangible and intangible assets as per tax books and financial books	2,369	3,184
<b>Gross deferred tax liability</b>	<b>2,369</b>	<b>3,184</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	443	437
Provision for doubtful debts and advances	158	127
Unabsorbed depreciation and business losses*	1,768	2,620
<b>Gross deferred tax asset</b>	<b>2,369</b>	<b>3,184</b>
<b>Net deferred tax liability/ (Asset)</b>	<b>-</b>	<b>-</b>

**Note:\*** In terms of the accounting policy followed by the Company, deferred Tax Asset on account of carried forward unabsorbed business losses and depreciation has been recognised only to the extent of liabilities, on the principle of virtual certainty.

#### 7. Other long term liabilities

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Retention money	238	305
	<b>238</b>	<b>305</b>

## Notes to the financial statements for the year ended March 31, 2015

### 8. Provisions

(Rs. In lakhs)

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for gratuity (refer note 30)	583	487	108	193
Provision for leave benefits	194	137	257	298
	<b>777</b>	<b>624</b>	<b>365</b>	<b>491</b>
<b>Other provisions</b>				
Proposed dividend on equity share	-	-	415	1,028
Provision for tax on proposed dividend on equity share	-	-	85	175
	-	-	<b>500</b>	<b>1,203</b>
	<b>777</b>	<b>624</b>	<b>865</b>	<b>1,694</b>

### 9. Short-term borrowings

(Rs. In lakhs)

	March 31, 2015	March 31, 2014
Unsecured loan from a subsidiary company	1,500	-
Unsecured commercial paper	-	2,000
Secured bank overdraft	3,199	1,205
	<b>4,699</b>	<b>3,205</b>

#### Notes:

- Bank overdraft is secured by first pari passu charge over 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 11.70% to 12.50% p.a.
- In respect of Commercial Paper maximum amount outstanding during the year was Rs. 4,000 lakhs (March 31, 2014 : Rs. 4,000 lakhs ).
- Loan taken from subsidiary is repayable on demand and carries interest @ of 8.5% p.a.

### 10. Other Current Liabilities

(Rs. In lakhs)

	March 31, 2015	March 31, 2014
Trade payables (refer note 36 for details of dues to micro and small enterprises)	14,257	14,991
	<b>(A) 14,257</b>	<b>14,991</b>
<b>Other liabilities</b>		
Payables on purchase of fixed assets	2,277	3,475
Current maturities of long-term borrowings (refer note 5)	7,520	9,722
Security deposits	362	335
Interest accrued but not due on borrowings		
Term loans	5	27
Debentures	189	82
Advances from customers	1,299	1,396
Unpaid dividends	8	8
Statutory dues payable	1,047	1,033
	<b>(B) 12,707</b>	<b>16,078</b>
<b>Total [A+B]</b>	<b>26,964</b>	<b>31,069</b>
<b>Included in Trade payables:</b>		
Payable to PVR Pictures Ltd., a subsidiary company	92	321
Payable to PVR Leisure Ltd., a subsidiary company	1	7
<b>Included in Security Deposit:</b>		
Lettuce Entertain You limited, a subsidiary company	7	7

## Notes to the financial statements for the year ended March 31, 2015

## 11. Tangible Assets

(Rs. In lakhs)

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Leasehold Improvements	Total
<b>Gross Block</b>								
At April 1, 2013	3,092	597	17,184	6,686	1,788	261	22,378	51,986
Additions	-	-	9,318	2,726	505	242	7,423	20,214
Adjustment on account of Amalgamation	-	-	11,477	5,624	212	155	6,039	23,507
Disposals and discard	(3,090)	(582)	(411)	(108)	(36)	(188)	(144)	(4,559)
Other adjustments- Borrowing costs	-	-	412	-	-	-	657	1,069
<b>At March 31, 2014</b>	<b>2</b>	<b>15</b>	<b>37,980</b>	<b>14,928</b>	<b>2,469</b>	<b>470</b>	<b>36,353</b>	<b>92,217</b>
Additions*	-	-	7,170	2,308	396	20	6,401	16,295
Disposals and discard	-	-	(898)	(669)	(47)	(97)	(772)	(2,483)
Other adjustments- Borrowing costs	-	-	166	-	-	-	337	503
<b>At March 31, 2015</b>	<b>2</b>	<b>15</b>	<b>44,418</b>	<b>16,567</b>	<b>2,818</b>	<b>393</b>	<b>42,319</b>	<b>106,532</b>
<b>Depreciation</b>								
At April 1, 2013	-	343	6,415	2,864	699	147	5,882	16,350
Charge for the year	-	(13)	2,840	1,394	362	48	2,085	6,716
Adjustment on account of Amalgamation	-	-	4,085	1,997	44	107	2,174	8,407
Disposals and discard	-	(325)	(233)	(159)	(5)	(146)	(68)	(936)
<b>At March 31, 2014</b>	<b>-</b>	<b>5</b>	<b>13,107</b>	<b>6,096</b>	<b>1,100</b>	<b>156</b>	<b>10,073</b>	<b>30,537</b>
Charge for the year	-	-	3,777	1,802	812	67	3,077	9,535
Disposals and discard	-	-	(631)	(420)	(33)	(65)	(460)	(1,609)
<b>At March 31, 2015</b>	<b>-</b>	<b>5</b>	<b>16,253</b>	<b>7,478</b>	<b>1,879</b>	<b>158</b>	<b>12,690</b>	<b>38,463</b>
<b>Net Block</b>								
<b>At March 31, 2014</b>	<b>2</b>	<b>10</b>	<b>24,873</b>	<b>8,832</b>	<b>1,369</b>	<b>314</b>	<b>26,280</b>	<b>61,680</b>
<b>At March 31, 2015</b>	<b>2</b>	<b>10</b>	<b>28,165</b>	<b>9,089</b>	<b>939</b>	<b>235</b>	<b>29,629</b>	<b>68,069</b>

\* Addition for the year is net of reversal of provisional capitalisation of Rs. 1100 lakhs.

## Notes to the financial statements for the year ended March 31, 2015

### 12. Intangible Assets

(Rs. in lakhs)

	Goodwill*	Software Development	Film Rights'	Total
<b>Gross Block</b>				
At April 1, 2013	-	767	1,804	2,571
Additions	-	441	-	441
Addition on account of Amalgamation	10,075	108	-	10,183
Disposals and discard	-	-	-	-
<b>At March 31, 2014</b>	<b>10,075</b>	<b>1,316</b>	<b>1,804</b>	<b>13,195</b>
Additions	-	293	-	293
Disposals and discard	-	-	-	-
<b>At March 31, 2015</b>	<b>10,075</b>	<b>1,609</b>	<b>1,804</b>	<b>13,488</b>
<b>Amortisation</b>				
At April 1, 2013	-	302	1,516	1,818
For the year	-	155	-	155
Addition on account of Amalgamation	1,008	27	-	1,035
Deductions/ Adjustments	-	-	-	-
<b>At March 31, 2014</b>	<b>1,008</b>	<b>484</b>	<b>1,516</b>	<b>3,008</b>
For the year	1,008	347	-	1,355
Deductions/ Adjustments	-	-	-	-
<b>At March 31, 2015</b>	<b>2,016</b>	<b>831</b>	<b>1,516</b>	<b>4,363</b>
<b>Net Block</b>				
<b>At March 31, 2014</b>	<b>9,067</b>	<b>832</b>	<b>288</b>	<b>10,187</b>
<b>At March 31, 2015</b>	<b>8,059</b>	<b>778</b>	<b>288</b>	<b>9,125</b>

\* Refer note 29

### 13 Pre-operative expenses (pending allocation)

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Balance as per the last financial statements	2,551	3,472
Addition on account of Amalgamation	-	880
Salaries, allowances and bonus	844	1,026
Contribution to provident and other funds (refer note 30)	44	45
Staff welfare expenses	26	18
Rent	112	135
Rates and taxes	172	164
Communication costs	7	8
Professional charges	437	296
Travelling and conveyance	111	129
Insurance	29	9
Repairs and maintenance	32	62
Common area maintenance	6	24
Electricity and water charges	56	64
Security service charges	77	99
Borrowing cost		
Debentures	-	11
Term loans	321	586
Brokerage	-	-
Equipment Hire	-	-
Miscellaneous expenses	5	11
	<b>4,830</b>	<b>7,039</b>
Less : Project management fees received*	-	30
Less : Allocated to fixed assets capitalised during the year	2,916	4,083
Less: Pre-operative expenses written off as exceptional items	-	342
Less: Pre-operative expenses charged to Profit and loss	56	33
	<b>1,858</b>	<b>2,551</b>

**Note:**

\* Project management fees received represent recovery from PVR BluO Entertainment Limited, a subsidiary company of Nil (March 31, 2014 : Rs. 30 lakhs).

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### 14. Non-current investments

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Non-trade Investment (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments of subsidiaries (unquoted)</b>		
PVR Pictures Limited Equity share of Rs. 4 each 35,833,334 (March 31, 2014 : 35,833,334)	1,602	1,602
PVR Leisure Limited Equity share of Rs. 10 each 1,900,000 (March 31, 2014 : 1,020,000)	4,906	2,582
PVR Leisure Limited Share warrant of Rs. 100 each 1 (March 31, 2014 : 1)	0	0
PVR Leisure Limited Preference shares of Rs. 341.52 each 586,667 (March 31, 2014 : Nil)	1,376	-
<b>Investment in Government Securities (unquoted)</b>		
National Savings Certificates * (Deposited with various tax authorities)	186	150
<b>Trade Investment (valued at cost unless stated otherwise) (unquoted)</b>		
2,000 (March 31, 2014: 2,000) Equity Shares in Gupta Infrastructure (I) Pvt Ltd of Rs. 10 each, fully paid up	0	0
	8,070	4,334
Less: Amount disclosed under current investment (refer note 16) (being due for maturity within next 12 month)	(38)	(28)
	<b>8,032</b>	<b>4,306</b>
Aggregate amount of unquoted investment	8,070	4,334

#### \* Notes :

1. Held in the name of the Managing Director in the interest of the Company.	36	36
2. Held in the name of the Employee in the interest of the Company.	68	41
3. Held in the name of the Developer in the interest of the Company.	8	8
4. Held in the name of the promoters of the erstwhile subsidiary company (now merged, refer note 29)	74	65

## Notes to the financial statements for the year ended March 31, 2015

### 15. Loans and advances

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Capital advances</b>				
Unsecured, considered good	1,907	1,388	-	-
Unsecured, considered doubtful	32	32	-	-
	<b>1,939</b>	<b>1,420</b>	-	-
Provision for doubtful capital advances	(32)	(32)	-	-
	<b>(A) 1,907</b>	<b>1,388</b>	-	-
<b>Security deposit</b>				
Unsecured, considered good	19,054	16,599	-	-
Unsecured, considered doubtful	206	186	-	-
	<b>19,260</b>	<b>16,785</b>	-	-
Provision for doubtful security deposit	(206)	(186)	-	-
	<b>(B) 19,054</b>	<b>16,599</b>	-	-
<b>Loan and advances to related parties</b>				
Unsecured, considered good				
Interest free loan to wholly owned subsidiary companies	-	-	200	200
Advances recoverable in cash or kind	-	-	-	169
Loan to Key management personnel	-	-	395	-
	-	-	<b>595</b>	<b>369</b>
<b>(C)</b>				
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	108	128	888	677
Unsecured, considered doubtful	-	-	217	208
	<b>108</b>	<b>128</b>	<b>1,105</b>	<b>885</b>
Provision for doubtful advances	-	-	(217)	(208)
	<b>(D) 108</b>	<b>128</b>	<b>888</b>	<b>677</b>
<b>Other loans and advances</b>				
Unsecured, considered good				
Advance income tax (net of provision)	1,475	1,226	-	-
Income tax paid under protest	890	890	-	-
MAT credit entitlement	4,837	4,496	-	-
Prepaid expenses	1,274	557	558	503
Loan to Body corporate	-	-	98	-
Loan to employees	-	-	650	458
Balances with statutory/ government authorities	-	-	441	102
	<b>(E) 8,476</b>	<b>7,169</b>	<b>1,747</b>	<b>1,063</b>
<b>Total (A+B+C+D+E)</b>	<b>29,545</b>	<b>25,284</b>	<b>3,230</b>	<b>2,109</b>

#### Notes:

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

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Subsidiary Companies:</b>				
PVR Pictures Limited (unsecured loan)	-	-	200	200
PVR Pictures Limited (advances)	-	-	-	169
<b>Key Management Personnel:</b>				
Chief Financial Officer	-	-	395	-
<b>Security Deposits with a related party</b>				
Priya Exhibitors Private Limited	66	66	-	-

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### b. Loans and advances in the nature of loans given to subsidiaries

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>i. PVR Pictures Limited</b>				
Balance at the end of the year	-	-	200	200
Maximum amounts outstanding during the year	-	-	400	669

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

- c. The asset of Rs. 4,837 lakhs (March 31, 2014 : Rs. 4,496 lakhs) recognized by the Company as 'MAT credit entitlement' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

#### 16 Current investments

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Government securities ( unquoted and stated at cost)</b>		
National Savings Certificates (refer note 14) (Deposited with various state tax authorities)	38	28
	<b>38</b>	<b>28</b>

#### 17 Other Assets

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Non-current bank balances (refer note 20)	92	31	-	-
<b>(A)</b>	<b>92</b>	<b>31</b>	<b>-</b>	<b>-</b>
Others				
Interest accrued on:				
Fixed Deposits	7	2	9	15
National Saving Certificate	45	14	18	35
Others	-	-	19	15
Revenue earned but not billed	-	-	256	27
Entertainment tax recoverable*	2,075	2,034	-	-
<b>(B)</b>	<b>2,127</b>	<b>2,050</b>	<b>302</b>	<b>92</b>
<b>Total (A+B)</b>	<b>2,219</b>	<b>2,081</b>	<b>302</b>	<b>92</b>

#### Notes:

\*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 State Government Schemes but in certain cases, it is subject to final orders yet to be received from respective authorities.

## Notes to the financial statements for the year ended March 31, 2015

### 18 Inventories (Valued at lower of cost and net realizable value)

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Food and beverages	654	681
Stores and spares	449	225
	<b>1,103</b>	<b>906</b>

### 19 Trade receivables

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Outstanding for a period more than six months from the date they are due for payment</b>				
Secured, considered good	-	-	41	38
Unsecured, considered good	-	-	488	367
Unsecured, considered doubtful	-	-	463	191
Provision for doubtful receivables	-	-	(463)	(191)
<b>(A)</b>	-	-	<b>529</b>	<b>405</b>
<b>Other receivables</b>				
Secured, considered good	-	-	74	74
Unsecured, considered good	-	-	6,153	4,047
Unsecured, considered doubtful	-	-	18	53
Provision for doubtful receivables	-	-	(18)	(53)
<b>(B)</b>	-	-	<b>6,227</b>	<b>4,121</b>
<b>Total (A+B)</b>	-	-	<b>6,756</b>	<b>4,526</b>

#### Trade receivables include:

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Receivable from subsidiary companies:</b>				
Outstanding for a period more than six months from the date they are due for payment				
PVR bluO Entertainment Limited	-	-	-	138
Lettuce Entertain You Limited	-	-	80	100
Other receivables				
Lettuce Entertain You Limited	-	-	26	65



## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### 20 Cash and bank balances

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Cash and cash equivalents</b>				
<b>Balance with banks:</b>				
On current accounts	-	-	543	679
Deposits with original maturity of less than 3 months	-	-	54	12
Cash on hand	-	-	137	480
Remittances in transit	-	-	57	86
	-	-	<b>791</b>	<b>1,257</b>
<b>Other bank balances</b>				
Deposits with maturity for more than 12 months	92	31	14	44
Deposits with maturity for more than 3 months but less than 12 months	-	-	417	403
Unpaid and unclaimed dividend accounts	-	-	8	8
	<b>92</b>	<b>31</b>	<b>439</b>	<b>455</b>
Amount disclosed under non-current assets (refer note 17)	(92)	(31)	-	-
	-	-	<b>1,230</b>	<b>1,712</b>

**Note:**

Deposits are pledged with Banks/ Government Authorities.

#### 21 Revenue from operations (net)

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Sale of product- Foods and beverages	34,817	29,808
Sale of services	99,536	94,086
Other operating revenue	4,045	3,225
	<b>138,398</b>	<b>127,119</b>
<b>Details of products sold</b>		
Sale of food and beverages	34,817	29,808
	<b>34,817</b>	<b>29,808</b>

All items of food and beverages are indigenously procured by the Company.

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Details of services rendered</b>		
Income from sale of film tickets (net of entertainment tax Rs 20,367 lakhs March 31, 2014: Rs. 19,214 lakhs)	82,448	79,516
Advertisement income	16,874	14,246
Management fees	214	324
	<b>99,536</b>	<b>94,086</b>
<b>Details of other operating revenue</b>		
Convenience fees	2,028	1,420
Food court Income	1,409	1,344
Rent Income	24	43
Gaming Income	409	418
Virtual Print Fees received	175	-
	<b>4,045</b>	<b>3,225</b>

**Notes to the financial statements for the year ended March 31, 2015**

**22 Other income**

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Interest income on</b>		
Bank deposits	45	40
Long term Investments	17	15
Others	88	13
Net gain on redemption of current non trade investments	123	282
Foreign exchange difference (net)	-	1
Excess Liabilities written back (net)	95	21
Other non-operating income (net)	155	200
	<b>523</b>	<b>572</b>

**23 Employee benefit expense**

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Salaries, allowances and bonus	11,138	9,584
Contribution to provident and other funds (refer note 30)	846	881
Employee stock option scheme (refer note 31)	110	219
Staff welfare expenses	809	855
	<b>12,903</b>	<b>11,539</b>

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### 24 Other expenses

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Rent (refer note 32)	27,009	22,849
Less: Rental income from sub-lessees	(579)	(681)
Rent (net)	26,430	22,168
Rates and taxes	2,194	1,711
Communication costs	724	634
Legal and professional charges (refer below note)	1,101	823
Advertisement and publicity	2,205	2,207
Travelling and conveyance	1,591	1,517
Printing and stationery	447	379
Insurance	245	297
Common area maintenance (net of recovery of Rs. 6 lakhs (March 31, 2014: Rs. 6 lakhs))	7,293	6,185
Repairs and maintenance	5,397	4,835
Electricity and water charges (net of recovery of Rs. 50 lakhs (March 31, 2014 : Rs. 156 lakhs))	10,794	9,304
Security service charges	1,592	1,380
CSR Expenditure	100	20
Provision for doubtful debts and advances	266	219
Bad Debts written off	-	209
Loss on disposal and discard of fixed assets (net)	478	248
Pre-operative expenses written off	56	33
Directors' sitting fees	8	11
Miscellaneous expenses	583	678
	<b>61,504</b>	<b>52,858</b>

#### Notes:

i. Rent includes amount paid to key management personnel	-	133
ii. Professional charges include amount paid to independent directors	-	33
iii. Payment to auditors (included in legal and professional charges above)		
Audit fee	28	26
Limited Review	19	17
Tax audit fee	3	3
Other Certifications	6	1
Reimbursement of out of pocket expenses	3	3
	<b>59</b>	<b>50</b>

#### 25 Exceptional Items

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Profit from sale of a Multiplex property	-	(1,915)
Assets written off (refer note below)	739	1,110
Amount received on closure of a Multiplex	(522)	-
	<b>217</b>	<b>(805)</b>

#### Note:

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Fixed Assets, Preoperative expenses and capital work in progress of certain projects written off	470	639
Expenses pertaining to before acquisition	-	316
Write off & Provision for doubtful Security deposits	33	155
Entertainment tax of earlier years	236	-

## Notes to the financial statements for the year ended March 31, 2015

### 26 Depreciation and amortisation expense

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Depreciation of tangible assets	9,535	6,716
Amortisation of intangible assets	1,355	1,163
	10,890	7,879
Less: transferred to reserves	(936)	-
	<b>9,954</b>	<b>7,879</b>

### 27 Finance costs

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Interest on		
Debentures	1,934	371
Term loans	4,823	6,433
Banks and others	446	404
Bank and other charges	430	480
	<b>7,633</b>	<b>7,688</b>

### 28 Earning per share (EPS)

The following reflects the profit and shares data used in the basic and diluted EPS computations:

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Profit after tax	1,362	5,787
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	41,106,220	39,616,995
-Number of equity shares issued on April 01, 2013	-	1,090,283
-Number of equity shares issued on May 28, 2013	-	40,000
-Number of equity shares issued on July 04, 2013	-	43,333
-Number of equity shares issued on Sept 30, 2013	-	9,733
-Number of equity shares issued on Oct 30, 2013	-	79,539
-Number of equity shares issued on Nov 29, 2013	-	80,004
-Number of equity shares issued on Dec 31, 2013	-	43,333
-Number of equity shares issued on Jan 31, 2014	-	13,100
-Number of equity shares issued on Feb 28, 2014	-	89,900
-Number of equity shares issued on Apr 30, 2014	89,533	-
-Number of equity shares issued on Jun 30, 2014	8,333	-
-Number of equity shares issued on Sept 01, 2014	46,200	-
-Number of equity shares issued on Oct 31, 2014	146,602	-
-Number of equity shares issued on Jan 30, 2015	132,000	-
Number of equity shares outstanding at the end of the year	41,528,888	41,106,220
<b>Weighted number of equity shares of Rs. 10 each outstanding during the year</b>	<b>41,304,863</b>	<b>40,859,224</b>
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year	41,106,220	39,616,995
Number of equity shares outstanding at the end of the year	41,528,888	41,106,220
<b>Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)</b>	<b>41,304,863</b>	<b>40,859,224</b>
Add: Effect of stock options vested and outstanding for 185,300 (March 31, 2014: 136,002) equity shares	131,899	85,976
<b>Weighted number of equity shares of Rs. 10 each outstanding during the year</b>	<b>41,436,762</b>	<b>40,945,200</b>
Basic earnings per equity share (in Rs.)	3.30	14.16
Diluted earnings per equity share (in Rs.)	3.30	14.13

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### 29. Composite Scheme of Amalgamation between the Company, Cine Hospitality Private Limited (CHPL) and along with Cinemax India Limited (CIL) & its subsidiaries in accordance with section 391-394 of The Companies Act, 1956

During the previous year ended March 31, 2014, pursuant to the scheme of arrangement, approved by Hon'ble High Court of Delhi on February 12, 2014, in between PVR Limited (the Company) and Cinemax India Limited (CIL) along with its subsidiaries viz. Vista Entertainment Limited, Growel Entertainment Limited, Nikmo Entertainment Limited, Odeon Shrine Multiplex Limited and Cinemax Motion Pictures Limited which were in the business of running multiplexes and Cine Hospitality Private Limited (CHPL) which was the Holding Company of CIL and wholly owned subsidiary of the Company. CIL along with its subsidiaries and CHPL were amalgamated with the Company from the appointed date i.e. April 1, 2013

Pursuant to the above, CHPL 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. All the assets and liabilities of CHPL were fair valued, the difference in the value of net assets merged (Rs. 27,026 lakhs) and value of investment (Rs.37,101 lakhs) in CHPL has been treated as goodwill amounting to Rs. 10,075 lakhs, Goodwill has been amortised in books over a period of 10 years on straight line method basis during the previous year.

Further to above, CIL along with its subsidiaries stands merged with the Company following "Pooling of Interest Method" and accordingly, all the assets, liabilities and debts including reserves of CIL & its subsidiaries have been recorded at their respective book values as on the appointed date as per the Accounting standard 14 "Accounting for Amalgamation", issued by the Institute of Chartered Accountants of India. The difference between the value of net assets acquired (Rs. 13,748 lakhs) and fair value of investment in CIL of Rs. 30,532 lakhs was adjusted/added with securities premium account/ Surplus of statement of Profit & Loss. Accordingly, Rs. 36,921 lakhs have been adjusted with Securities premium account and Rs. 6389 lakhs has been added to surplus of statement of Profit & Loss during the previous year.

Further, the Company had issued 10,90,283 equity shares in the swap ratio of 4 equity shares of PVR Limited of Rs. 10 each against each 7 equity shares of Rs. 5 each of CIL to erstwhile shareholders of CIL in accordance with the Scheme during the previous year.

#### 30. 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. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

#### Statement of profit and loss

##### Net employee benefit expense recognized in employee cost

	(Rs. in lakhs)	
	2014-15	2013-14
Current service cost	99	139
Interest cost on benefit obligation	65	32
Expected return on plan assets	(13)	(10)
Net actuarial loss/(gain) recognised in the year	69	115
Net benefit expense	220	276
Actual return on plan assets	33	19

#### Balance Sheet

##### Benefit Assets/ Liabilities

	(Rs. in lakhs)	
	2014-15	2013-14
Defined benefit obligation	937	822
Fair value of plan assets	246	142
Plan asset/(liability)	(691)	(680)

## Notes to the financial statements for the year ended March 31, 2015

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

(Rs. in lakhs)

	2014-15	2013-14
Opening defined benefit obligation	822	428
Interest cost	65	32
Current service cost	99	139
Benefits paid	(137)	(57)
Acquisition Cost	-	157
Actuarial losses/(gain) on obligation	88	123
Closing defined benefit obligation	937	822

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

(Rs. in lakhs)

	2014-15	2013-14
Opening fair value of plan assets	142	152
Expected return	13	10
Benefits paid	(128)	(29)
Contribution by employer	200	-
Actuarial Gain/(losses)	19	8
Closing fair value of plan assets	246	142

The Company expects to contribute Rs. 200 lakhs (31<sup>st</sup> March 2014 Rs. 410 lakhs) to gratuity fund in the year 2015-16.

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

	2014-15	2013-14
	%	%
Investments with insurer	96.17	95.76%
Bank balances with the insurer	3.83	4.24%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

	2014-15	2013-14
	%	%
Discount rate	7.80	8.60
Expected rate of return on plan assets	8.50	7.50
Increase in compensation cost	8	9
<b>Employee turnover</b>		
M Grade	25	20
E Grade	60	80

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. The assumption for employee turnover has been changed during the year based on the trend in the industry.

Defined Contribution Plan:

(Rs. in lakhs)

	2014-15	2013-14
Contribution to Provident Fund		
Charged to statement of profit and loss	573	528
Charged to Pre-operative expenses	44	45

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

Details of provision for gratuity for last 5 years are as follows:

(Rs. in lakhs)

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	937	822	428	311	228
Fair value of plan assets	(246)	(142)	(152)	(156)	(168)
Plan asset/(liability)	(691)	(680)	(276)	(155)	(61)
Experience adjustment on plan liabilities (loss)/gain	(76)	(106)	(30)	(25)	33
Experience adjustment on plan assets (loss)/gain	19	8	3	(0)	(2)
Actuarial Gain/(Loss) due to changes in assumptions	(13)	(17)	(2)	1	-

#### 31. Employee Stock Option Plans

The Company has provided stock option scheme to its employees. As at March 31, 2015, the following schemes are in operation:

##### PVR ESOS 2008:

Date of grant	January 30, 2009
Date of Shareholder's approval	January 5, 2009
Date of Compensation Committee of Board Approval	January 30, 2009
Number of options granted	500,000
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 two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at January 30, 2009	Rs. 88
Weighted average fair value of options granted on the date of grant	Rs. 37.10

The details of activity under PVR ESOS 2008 have been summarized below:

	2014-15		2013-14	
	Number of options	Weighted Average Exercise Price (Rs.)	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	88	32,940	88
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	88	32,940	88
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	88	-	88
Exercisable at the end of the year	-	88	-	88
Weighted average remaining contractual life of options (in years)	Nil	88	Nil	88

The weighted average share price at the date of exercise for stock options was Rs. Nil (March 31, 2014: Rs. 544.81)

The Company measures the cost of ESOP using the intrinsic value method. However, the options in earlier years were granted on then prevailing market price of Rs. 88. As a result, there is no expense to be recorded in the financial statements.

## Notes to the financial statements for the year ended March 31, 2015

### PVR ESOS 2011:

Date of grant	October 05, 2011
Date of Shareholder's approval	October 04 2011
Date of Compensation Committee of Board Approval	October 05, 2011
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 two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at October 04, 2011	Rs. 116.15
Weighted average fair value of options granted on the date of grant	Rs. 41.17

The details of activity under PVR ESOS 2011 have been summarized below:

	2014-15		2013-14	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	235,002	116.15	502,004	116.15
Granted during the year	-	-	-	-
Forfeited during the year	43,334	-	-	-
Exercised during the year	191,668	116.15	267,002	116.15
Expired during the year	-	-	-	-
Outstanding at the end of the year	Nil	116.15	235,002	116.15
Exercisable at the end of the year	Nil	116.15	51669	116.15
Weighted average remaining contractual life of options (in years)	Nil	116.15	2.51	116.15

The weighted average share price at the date of exercise for stock options was Rs. Nil (March 31, 2014: Rs. 524.17)

The Company measures the cost of ESOP using the intrinsic value method. However, the options in earlier years were granted on then prevailing market price of Rs. 116.15. As a result, there is no expense to be recorded in the financial statements.

### 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 Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at January 11, 2013	Rs. 287.25
Weighted average fair value of options granted on the date of grant	Rs. 147.85



## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

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

	2014-15		2013-14	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	451,000	200	550,000	200
Granted during the year	-		-	
Forfeited during the year	60,300		-	
Exercised during the year	214,500	200	99,000	200
Expired during the year	-		-	
Outstanding at the end of the year	176,200	200	451,000	200
Exercisable at the end of the year	19,800	200	84,333	200
Weighted average remaining contractual life of options (in years)	3.79	200	4.79	200

The weighted average share price at the date of exercise for stock options was Rs. 639.70 (March 31, 2014: 533.20)

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

	March 31, 2015	March 31, 2014
Dividend yield (%)	0.70%	0.70%
Expected volatility	36.99%	36.99%
Risk-free interest rate	7.80%	7.80%
Exercise price (Rs.)	Rs. 200.00	Rs. 200.00
Expected life of option granted in years	6	6

The Company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs 76.17 lakhs (March 31, 2014: Rs. 188.01 lakhs) is recorded in the statements of profit and loss and amount of Rs 9.50 lakhs has been reversed in preoperative expenditure due to ESOP forfeited during the year.

#### 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 Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at August 21, 2013	Rs.365.35
Weighted average fair value of options granted on the date of grant	Rs. 241.14

## Notes to the financial statements for the year ended March 31, 2015

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

	March 31, 2015	March 31, 2014
	Number of Options	Number of Options
Outstanding at the beginning of the year	50,000	-
Granted during the year	-	50,000
Forfeited during the year	-	-
Exercised during the year	16,500	-
Expired during the year	-	-
Outstanding at the end of the year	33,500	50,000
Exercisable at the end of the year	-	-
Weighted average fair value of options granted on the date of grant	4.39	5.39

The weighted average share price at the date of exercise for stock options was Rs. 674.40.

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

	March 31, 2015	March 31, 2014
Dividend yield (%)	0.27%	0.27%
Expected volatility	39.51%	39.51%
Risk-free interest rate	8.77%	8.77%
Exercise price (Rs.)	Rs. 200.00	Rs. 200.00
Expected life of option granted in years	6	6

The Company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs. 33.63 lakhs (March 31, 2014: Rs. 30.73 lakhs) is recorded in the statements of profit and loss.

In March 2005, the ICAI has issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employees based share plan, having grant on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in said guidance note, the impact on the reported net profit and earnings per share would be as follows:

	(Rs. in lakhs)	
Particulars	2014-15	2013-14
Profit after tax and before appropriation, as reported	1,362	5,787
Add - Employee stock compensation under Intrinsic Value method	110	219
Less - Employee stock compensation under Fair Value	91	528
Proforma Profit/(Loss)	1,381	5,478
Basic		
- As reported	3.30	14.16
- Proforma	3.34	13.41
Diluted		
- As reported	3.30	14.13
- Proforma	3.34	13.38

**Notes to the financial statements for the year ended March 31, 2015**

**32. Leases**

- i. Rental expenses in respect of operating leases are recognized as an expense in the statement of profit and loss and pre-operative expenditure (pending allocation), as the case may be.

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

- a. Disclosure for assets taken under non-cancellable leases, where the Company is presently carrying commercial operations is as under:

Particulars	(Rs. in lakhs)	
	2014-15	2013-14
Lease payments for the year recognized in statement of profit and loss	27,009	22,849
Lease payments for the year recognized in pre-operative expenditure	113	135
Minimum lease payments :		
Not later than one year	19,419	16,538
Later than one year but not later than five years	58,375	53,504
Later than five years	30,360	28,372

- ii. Rental income/Sub-Lease income in respect of operating leases are recognized 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	(Rs. in lakhs)	
	2014-15	2013-14
Sub-lease rent receipts for the year recognized in the statement of profit and loss under various heads	1,270	1,379

The Company has given spaces of cinemas/ food courts under operating lease arrangements taken on lease or being operated under revenue sharing arrangements. The Company has common fixed assets for operating multiplex/giving on rent. Hence separate figures for the fixed assets given on rent are not ascertainable.

**33. Capital and Other commitments**

**(a) Capital Commitments**

(Rs. in lakhs)

Particulars	March 31, 2015	March 31, 2014
	Estimated amount of contracts remaining to be executed on capital account and not provided for {net of capital advances of Rs.1,939 lakhs (March 31, 2014 : Rs 1,421 lakhs)}	5,273

**(b) Other Commitments**

As per the incentive scheme of some State Governments for exemption from payment of entertainment tax, the Company is under obligation to operate the respective Multiplexes for a certain number of years.

## Notes to the financial statements for the year ended March 31, 2015

### 34. Contingent Liabilities (not provided for) in respect of:

Particulars	(Rs. in lakhs)	
	March 31, 2015	March 31, 2014
a) Appeals filed by the Company 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, 2012, 2011, 2010, 2009, 2008, 2007, 2006 respectively. (the Company has paid an amount of Rs. 890 lakhs which is appearing in the Schedule of Loans and Advances)	2,224	2,110
b) Possible demand on account of entertainment tax exemption treated as capital subsidy for assessment year 2012-13 to 2014-15 on the grounds of ongoing assessments	3,444	3,653
c) Show cause notices raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on invoices. (the company has already deposited under protest an amount of Rs. 100 lakhs which is appearing under loan and advances)	2,110	539
d) Possible exposure of Service tax on sale of food and beverages for financial year 2014-15	1,614	-
e) Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT (TDS). CIT(A) has decided the matter in favour of the Company. Matter is Pending before ITAT.	115	115
f) Demand of Sales tax under Various State VAT Acts where appeal is pending before competent authority (the Company has paid an amount of Rs. 77 lakhs under protest)	225	332
g) Demand of entertainment tax under Assam Amusement and Betting tax Act, 1939 where appeal is pending before High Court	334	334
h) Appeal filed by CR Retails Malls ( India) Ltd., against the order of Chief Controlling Revenue Authority, Pune against the demand of deficit stamp duty indemnified by the company.	-	91
i) Notice from Entertainment Tax department Chennai against short deposit of Entertainment tax on regional movies	43	43
j) Notice from Commercial Tax department, Indore against alleged collection of Entertainment tax during exemption period	823	823
k) Claims against the Company not acknowledged as debts	553	255
l) Amount involved/ exposure in respect of matter under litigation with various parties including developers	364	364
m) Labour cases pending *	<b>Amount not ascertainable</b>	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.

## PVR Limited

### Notes to the financial statements for the year ended March 31, 2015

#### 35. Derivative Instruments and un-hedged Foreign Currency Exposure:

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

(Rs. in lakhs)

Particulars	Currency	March 31, 2015	March 31, 2014
Cash in Hand	Thai Bhat	0.27	0.05
	Hongkong Dollar	0.04	0.04
	Sterling Pound	0.08	0.08
	Singapore Dollar	0.19	0.20
	US Dollar	0.64	1.68
	Euro	0.31	1.07
	Dirham	0.29	-
Trade Receivables	US Dollar	0.72	

#### 36. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprise Development Act, 2006 which comes into force with effect from October 02, 2006. As per the act, the Company is required to identify the Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of terms agreed with the suppliers. The Company has sent the confirmation letters to its suppliers at the year end, to identify the supplier registered with the act. As per the information available with the Company, none of the supplier has confirmed that they have registered with the Act. In view of this, the liability of interest has not been provided nor is required disclosure done.

37. The Company has applied to the Ministry of Corporate Affairs for approval of the Remuneration paid as minimum remuneration to its Managing Director and Joint Managing Director for financial year 2014-15. The approval of Central Government is awaited.

38. The Board of directors has approved the merger of PVR Leisure Limited and Lettuce Entertain You Limited, (subsidiary company of PVR Leisure Limited) with PVR Limited which is subject to the approvals of the shareholders of the Company. The scheme in relation to the merger shall be finalised in due course and shall be approved by the constituted committee. Pending approval of the scheme at various levels. No adjustment is required to be done at this stage.

#### 39. (i) Expenditure in foreign currency (on accrual basis)

(Rs. in lakhs)

Particulars	2014-15	2013-14
Travelling	59	87
Professional fees (including expenses, net of withholding tax)	92	86
Others	22	25
Total	173	198

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

Particulars	2014-15	2013-14
Advertisement Income	7	-
Income from sale of tickets and food and beverages	207	-

#### (iii) CIF value of imports

Particulars	2014-15	2013-14
Capital Goods	496	474
Store and spares	346	-

## Notes to the financial statements for the year ended March 31, 2015

### 40. Corporate Social Responsibility:

During the year, the Company has spent Rs. 100 lakhs, through its foundation PVR Nest. PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

(Rs. in lakhs)

Particulars	2014-15	2013-14
Gross amount required to be spent by the Company during the year	100	-
Amount spent during the year	100	-

### 41. Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain inter corporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

(Rs. in lakhs)

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	March 31,2015	March 31,2014
PVR Pictures Ltd.*	Nil	Repayable on demand	Unsecured	200	200
Sandhya Prakash Ltd.**	18%	Repayable in 21 equal installments	Unsecured	98	-

\* The loan has been given to PVR Pictures Ltd., a wholly owned subsidiary company, for meeting their working capital requirements.

\*\* The loan has been given to Sandhya Prakash Ltd. for their capital expenditure requirement, where the Company has an existing cinema location and leasing arrangement.

### 42. Segment Information

#### Business Segments:

The Company is engaged in the business of film exhibition and production. There are no separately identifiable business segment considering the proportion of revenues, profits and assets of the Company. Hence no separate disclosures have been made in line with Accounting Standard – 17 on Segment Reporting.

#### Geographical Segments:

The Company sells its products and services within India with Nil income from overseas market and do not have any operations in economic environments with different set of risks and returns. Hence, it is considered operating in a single geographical segment.

### 43. Related Party Disclosure

Names of related parties and related party relationship	
<b>(a) Related parties where control exists</b>	
Subsidiaries	PVR Pictures Limited PVR Leisure Limited PVR bluO Entertainment Limited Lettuce Entertain You Limited
<b>(b) Related parties with whom transactions have taken place during the year</b>	
Key Management Personnel	Ajay Bijli, Chairman cum Managing Director Sanjeev Kumar, Joint Managing Director
Relatives of Key Management Personnel	Mrs. Salena Bijli, Wife of Mr Ajay Bijli Mrs. Sandhuo Rani, Mother of Mr Ajay Bijli
Enterprises having significant influence over the Company	Bijli Holding Private Limited
Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	PVR Nest Priya Exhibitors Private Limited

## Notes to the financial statements for the year ended March 31, 2015

## Related Party Disclosure

(Rs. in lakhs)

Transactions during the year	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to exercise significant influence	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Remuneration paid</b>								
Ajay Bijli (net of recovery)	-	-	-	-	325	339	-	-
Sanjeev Kumar	-	-	-	-	225	338	-	-
Salena Bijli	-	-	-	-	30	30	-	-
<b>Rent &amp; other Expense</b>								
Priya Exhibitors Private Limited	-	-	-	-	-	-	222	221
<b>Film Distributors Share expense (net of recovery towards publicity)</b>								
PVR Pictures Limited	1,101	1,145	-	-	-	-	-	-
<b>Expenses on Food, Beverage &amp; Bowling (Staff Welfare etc.)</b>								
Letteuce Entertain You Ltd.	21	13	-	-	-	-	-	-
PVR bluO Entertainment Limited	3	0.42	-	-	-	-	-	-
<b>Expenses Incurred On Behalf &amp; Reimbursement</b>								
PVR bluO Entertainment Limited	-	0.13	-	-	-	-	-	-
<b>Rental and other Income</b>								
Letteuce Entertain You Ltd.	225	245	-	-	-	-	-	-
<b>Purchases of Goods</b>								
Letteuce Entertain You Ltd.	7	4	-	-	-	-	-	-
<b>Reimbursement of Expenses</b>								
PVR Pictures Limited	-	3	-	-	-	-	-	-
<b>Management Fees Incurred</b>								
PVR Leisure Ltd.	-	29	-	-	-	-	-	-
Letteuce Entertain You Ltd.	18	-	-	-	-	-	-	-
PVR bluO Entertainment Limited	14	5	-	-	-	-	-	-
<b>Management Fees Earned</b>								
PVR bluO Entertainment Limited	20	176	-	-	-	-	-	-
<b>Income From Sales Of Tickets of Films</b>								
PVR Pictures Limited	67	50	-	-	-	-	-	-
PVR bluO Entertainment Limited	0.30	-	-	-	-	-	-	-
<b>Interest Received</b>								
PVR Pictures Limited	1	-	-	-	-	-	-	-
<b>Interest Paid</b>								
PVR Leisure Ltd.	1	-	-	-	-	-	-	-

**Notes to the financial statements for the year ended March 31, 2015**  
**Related Party Disclosure**

(Rs. in lakhs)

Transactions during the year	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to exercise significant influence	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Advance Recovered from</b>								
PVR Pictures Limited	169	-	-	-	-	-	-	-
<b>CSR expense</b>								
PVR Nest	-	-	-	-	-	-	100	20
<b>Final Dividend Paid</b>								
Bijli Holding Private Limited	-	-	251	100	-	-	-	-
Ajay Bijli	-	-	-	-	48	23	-	-
Sanjeev Kumar	-	-	-	-	7	3.4	-	-
Salena Bijli	-	-	-	-	-	0	-	-
Sandhuuro Rani	-	-	-	-	-	0	-	-
<b>Loan given to related parties</b>								
PVR Pictures Limited	200	-	-	-	-	-	-	-
<b>Loan refunded from related parties</b>								
PVR Pictures Limited	200	300	-	-	-	-	-	-
<b>Loan taken from related parties</b>								
PVR Leisure Limited	1,500	-	-	-	-	-	-	-
<b>Balance outstanding at the end of the year</b>								
<b>Trade Receivable</b>								
PVR bluO Entertainment Limited	-	138	-	-	-	-	-	-
Lettuce Entertain You Ltd.	106	166	-	-	-	-	-	-
<b>Trade Payable</b>								
PVR Pictures Limited	92	321	-	-	-	-	-	-
PVR Leisure Ltd.	1	7	-	-	-	-	-	-
<b>Security Deposits Given</b>								
Priya Exhibitors Private Limited	-	-	-	-	-	-	66	66
<b>Security Deposits Received</b>								
Lettuce Entertain You Ltd.	7	7	-	-	-	-	-	-
<b>Inter Corporate Loans Given</b>								
PVR Pictures Limited	200	200	-	-	-	-	-	-



**Notes to the financial statements for the year ended March 31, 2015**  
**Related Party Disclosure**

(Rs. in lakhs)

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to exercise significant influence	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Inter Corporate Loans Taken</b>								
PVR Leisure Limited	1,500	-	-	-	-	-	-	-
<b>Advance Receivable in Cash or Kind</b>								
PVR Pictures Limited	-	169	-	-	-	-	-	-
<b>Investment in Equity Share Capital</b>								
PVR Leisure Ltd.	4,906	2,582	-	-	-	-	-	-
PVR Pictures Limited	1,602	1,602	-	-	-	-	-	-
<b>Investment in Preference Share Capital</b>								
PVR Leisure Ltd.	1,376	-	-	-	-	-	-	-
<b>Investment in Share Warrant</b>								
PVR Leisure Ltd.	0,001	0,001						
<b>Guarantees Taken (Personal Guarantees)</b>								
Ajay Bijli	-	-	-	-	-	*	-	-
Sanjeev Kumar	-	-	-	-	-	*	-	-

**Notes:**

- (a) \*The Company has availed loans from banks and a body corporate aggregating to Rs. Nil (March 31, 2014 : Rs. 93 lakhs) which are further secured by personal guarantee of two directors of the Company.
- (b) The remuneration to the key management 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.
- (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.



## Notes to the financial statements for the year ended March 31, 2015

44. (a) Previous year's figures have been re-grouped/ re-arranged where necessary to conform to current year's classification.
- (b) The figures in the financial statements and notes thereto have been rounded off to nearest rupees in lakhs.

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No.: 301003E  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership No. 94421

Place: Gurgaon  
Date: May 29, 2015

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

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142

**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173

**Nitin Sood**  
Chief Financial Officer

# Independent Auditor's Report

To the Members of PVR Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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, issued by the Institute of Chartered Accountants of India, as 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the

consolidated financial statements. 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 paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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, as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiaries, incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 36 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India.

#### Other Matter

The accompanying consolidated financial statements include total assets of Rs 12,457.19 lacs as at March 31, 2015, and total revenues of Rs 5901.90 lacs and net cash inflows Rs 29.55 lacs for the year ended on that date, in respect of certain subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, 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 and the financial statements and other financial information certified by the Management

#### For S.R. Batliboi & Co. LLP

Chartered Accountants  
ICAI Firm Registration No. : 301003E

#### per Vikas Mehra

Partner  
Membership No.: 94421

Place of Signature : Gurgaon  
Date: May 29, 2015

#### Annexure referred to in paragraph I under the heading "Report on other legal and regulatory requirements" of our report of even date

#### Re: PVR Limited ('the Company')

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management of Holding Company during the year in accordance with a programme of verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Holding Company the nature of its assets. Discrepancies identified during the year which were not material are under reconciliation and have been properly dealt with in the books of accounts of Holding Company. In respect of the covered entities of the Group, and as reported by the other auditors who audited the financial statements of the aforesaid subsidiary, all fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of

its assets. No material discrepancies were noticed on such verification.

- (ii) (a) The management of the Holding Company and the Covered entities of the Group have conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered entities of the Group and the nature of their business.
- (c) The Holding Company and the Covered entities of the Group are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Holding Company has granted unsecured loan to one of its wholly owned subsidiary companies listed in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was Rs. 400 lacs and the year-end balance of loan granted to such party is Rs. 200 lacs. According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain entities of the Group, the Covered entities of the Group have granted unsecured loan to a fellow subsidiary company and the holding company a sum of Rs. 950 lacs and Rs. 1500 lacs respectively, maximum amount involved during the year and balance at the end of the year was Rs. 2450 lacs.
- (b) The loan granted by Holding Company to one of its wholly owned subsidiaries are re-payable on demand. As informed, the Company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. For loans granted since April 1, 2014 was interest bearing for which payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Holding Company

## PVR Limited

and the Covered entities of the Group.

- (vii) (a) The Holding Company and the Covered entities of the Group are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective covered entities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of

provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the covered entities of the Group.

- (c) According to the records of the Holding Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount Rs. in Lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of Entertainment tax as Capital receipt and other disallowance	433	2006-07, 2008-09 and 2009-10	High Court
Income Tax Act, 1961		614	2007-11	Income Tax Appellate Tribunal
Income Tax Act, 1961		126	2007-08, 2011-12 and 2012-13	Commissioner of Income Tax (Appeal)
Finance Act 1994 (Service Tax Provision) along with Rules	Chargeability of and Services disallowances of CENVAT	628	Various dates	Custom Excise and Service Tax Appellate Tribunal
UP VAT Act, 2007/ Maharashtra VAT Act, 2002	Value added tax	125	2006-07, 2007-08, 2010-12 and 2013-14	Joint Commissioner/ Deputy Commissioner
Maharashtra VAT Act, 2002	Value added tax	39	2005-06 to 2008-09	Tribunal

According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of certain covered entities, of the Group, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entities of the Group in accordance with the relevant provisions of the Companies Act, 1956 (I of 1956) and rules made thereunder.
- (viii) The Holding Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year. The Covered entities of the Group either have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year or have registered for a period of less than five years and hence are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements of certain covered entities, of the Group, we are of the opinion that the Holding Company and Covered entities of the Group have not defaulted in their repayment of

dues to a financial institution, bank or debenture holders.

- (x) According to the information and explanations given to us, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management and the report other auditors who audited the financial statements of certain covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the covered entities of the Group.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other covered entities of the group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. : 301003E

**per Vikas Mehra**  
Partner  
Membership No.: 94421

Place of signature: Gurgaon  
Date: May 29, 2015

# Consolidated Financial Statements

## Consolidated Balance Sheet as at March 31, 2015

(Rs. in lakhs)

	Notes	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	4,153	4,111
Reserves and surplus	5	36,766	35,819
Share application money pending allotment		0	0
		<b>40,919</b>	<b>39,930</b>
<b>Minority interest</b>	6	<b>3,832</b>	<b>7,710</b>
<b>Non-current liabilities</b>			
Long-term borrowings	7	63,547	47,902
Deferred tax liabilities (net)	8	105	43
Other long term liabilities	9	238	305
Long-term provisions	10	833	664
		<b>64,723</b>	<b>48,914</b>
<b>Current liabilities</b>			
Short-term borrowings	11	3,199	3,205
Trade payables	12	15,195	16,188
Other current liabilities	12	14,131	17,546
Short-term provisions	10	884	1,730
		<b>33,409</b>	<b>38,669</b>
<b>Total</b>		<b>142,883</b>	<b>135,223</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	13	75,233	69,906
Intangible assets	14	10,489	11,754
Goodwill on Consolidation	14	313	313
Capital work-in-progress		6,108	8,064
Pre-operative expenses (pending allocation)	15	1,932	2,588
Non-current investments	16	148	122
Loans and advances	17	30,748	26,626
Other non-current assets	19	2,224	2,085
		<b>127,195</b>	<b>121,458</b>
<b>Current assets</b>			
Current investments	18	38	2,228
Inventories	20	1,260	1,063
Trade receivables	21	7,670	5,230
Cash and bank balances	22	2,573	2,726
Loans and advances	17	3,843	2,342
Other current assets	19	304	176
		<b>15,688</b>	<b>13,765</b>
<b>Total</b>		<b>142,883</b>	<b>135,223</b>
Summary of significant accounting policies	3.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No.: 301003E  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership No. 94421

Place: Gurgaon  
Date: May 29, 2015

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

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142

**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173

**Nitin Sood**  
Chief Financial Officer

**Consolidated Statement of Profit and Loss** for the year ended March 31, 2015  
(Rs. in lakhs)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations (net)	23	147,712	134,811
Other income	24	886	1,072
<b>Total revenue (I)</b>		<b>148,598</b>	<b>135,883</b>
<b>EXPENSES</b>			
Film Exhibition cost		34,218	32,949
Consumption of food and beverages		10,738	9,231
Employee benefits expense	25	14,304	12,949
Other expenses	26	68,371	58,455
Exceptional items	27	217	(321)
<b>Total expenses (II)</b>		<b>127,848</b>	<b>113,263</b>
<b>Earnings before interest, tax, depreciation, amortization and prior period adjustment (EBITDA) (I)-(II)</b>		<b>20,750</b>	<b>22,620</b>
Less:		-	-
Depreciation and amortization expense	28	11,680	9,438
Finance costs	29	7,825	7,951
<b>Profit/(loss) before tax</b>		<b>1,245</b>	<b>5,231</b>
<b>Tax expense:</b>			
Current tax		461	1,404
MAT credit entitlement		(442)	(1,367)
Income tax provision for earlier years		-	16
Deferred tax charge/ (credit)		62	139
		<b>81</b>	<b>192</b>
<b>Profit after tax (before adjustment for share of minority interest)</b>		<b>1,164</b>	<b>5,039</b>
Add: Share of loss transferred to Minority Interest		112	566
<b>Profit for the year</b>		<b>1,276</b>	<b>5,605</b>
<b>Earnings per equity share:</b>	30		
<b>[ Nominal Value of share Rs. 10 (March 31, 2014: Rs.10)]</b>			
Basic earning per equity share		3.09	13.72
Diluted earning per equity share		3.09	13.69
Summary of significant accounting policies	3.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No.: 301003E  
Chartered Accountants

per **Vikas Mehra**  
Partner  
Membership No. 94421

Place: Gurgaon  
Date: May 29, 2015

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

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142

**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173

**Nitin Sood**  
Chief Financial Officer



## Consolidated Cash Flow Statement for the year ended March 31, 2015

(Rs. in lakhs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>1,245</b>	<b>5,231</b>
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	11,680	9,438
Loss/(profit) on disposal and discard of fixed assets (net)	1,014	(510)
Interest income	(158)	(178)
Profit on redemption on current non trade investments	(227)	(567)
Dividend Received	(79)	(15)
Interest expense	7,825	7,951
Employee stock compensation expense	110	219
Unspent liabilities written back	(101)	(21)
Exceptional items pertaining to CWIP and security deposit w/off	739	1,278
Expenses pertaining to before acquisition in relation to company acquired	-	316
Provision for doubtful debts and advances (net)	332	601
<b>Operating profit before working capital changes</b>	<b>22,380</b>	<b>23,743</b>
Movements in working capital :		
Decrease/(Increase) in trade receivables	(2,773)	(1,308)
(Increase) in inventories	(197)	12
(Increase) in loans and advances and other current assets	(4,963)	(3,137)
Increase in current liabilities and provisions	(696)	5,191
Cash generated from operations	<b>13,751</b>	<b>24,501</b>
Direct taxes paid (net of refunds)	(685)	(1,539)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>13,066</b>	<b>22,962</b>
<b>Cash flows (used in) investing activities</b>		
Purchase of tangible assets	(16,238)	(17,337)
Purchase of intangible assets	(702)	(1,804)
Proceeds from sale of fixed assets	32	5,290
Purchase of a subsidiary shares	(3,700)	-
Investment in current non trade investments	(41,964)	(67,665)
Redemption of current non trade investments	44,354	69,682
Loan given to a body corporate	(98)	-
Dividend received	79	15
Interest received	139	127
Fixed deposits with banks placed	(656)	(1,333)
Fixed deposits with banks encashed	672	1,250
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(18,082)</b>	<b>(11,775)</b>
<b>Cash flow (used in)/from financing activities</b>		
Proceeds from issuance of share capital including share premium	1,003	1,210
Proceeds from long term borrowings	29,495	21,012
Repayment of long-term borrowings	(16,122)	(26,301)
Proceeds from short-term borrowings	7,994	10,000
Repayment of short-term borrowings	(8,000)	(9,037)
Payment of Dividend and tax thereon	(1,217)	(464)
Interest paid	(8,273)	(8,642)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>4,880</b>	<b>(12,222)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(136)</b>	<b>(1,035)</b>
Cash and cash equivalents at the beginning of the year	2,270	3,305
<b>Cash and cash equivalents at the end of the year</b>	<b>2,134</b>	<b>2,270</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2015 (Continued)

(Rs. in lakhs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	152	505
Remittances in transit	62	90
With banks - on deposit accounts	54	12
With banks - on current accounts	1,866	1,663
With banks - on unpaid and unclaimed dividend accounts		
<b>Total cash and cash equivalent</b>	<b>2,134</b>	<b>2,270</b>
Summary of significant accounting policies	3.1	

**Note 1.** The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard 3 on Cash Flow Statement.

**Note 2.** The total purchase consideration for acquiring interest in the subsidiary company has been discharged by means of cash and cash equivalents.

As per our report of even date

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

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No.: 301003E  
Chartered Accountants  
per **Vikas Mehra**  
Partner  
Membership No. 94421  
Place: Gurgaon  
Date: May 29, 2015

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142  
**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173  
**Nitin Sood**  
Chief Financial Officer

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

#### 1. Background of the Company and Principles of Consolidation

The Consolidated Financial Statements relate to PVR Limited (Parent Company) and its subsidiary companies (hereinafter referred as the ("PVR Group")). The PVR Group is engaged in the business of Film exhibition and distribution and also earns revenue from in-house advertisement, bowling and gaming alley and restaurant business.

The subsidiary companies which are included in the consolidation are as under:

Name of Subsidiary Company	Name of the Holding Company	Country of Incorporation	Date of Acquisition	Percentage of Ownership as at March 31, 2015	Percentage of Ownership as at March 31, 2014
PVR Pictures Limited	PVR Limited	India	Existing stake	100	100
PVR Leisure Limited*	PVR Limited	India	Existing stake	100	53.68
PVR bluO Entertainment Limited	PVR Leisure Limited	India	Existing stake	51	51
Lettuce Entertain You Limited	PVR Leisure Limited	India	Existing stake	100	100

\* During the year, PVR Leisure Limited has become wholly owned subsidiary of PVR Limited with effect from March 05, 2015.

During the previous year, the Hon'ble High Court of Delhi on February 12, 2014 had sanctioned the Composite Scheme of Amalgamation for merger of Cine Hospitality Private Limited, its wholly owned subsidiary and Cinemax India Limited along with its wholly owned subsidiary companies namely Vista Entertainment Limited, Growel Entertainment Limited, Nikmo Entertainment Limited, Odeon Shrine Multiplex Limited and Cinemax Motion Pictures Limited with the Parent company from the appointed date of 1st April, 2013

The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard – 21, on Consolidated Financial Statements.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- Minorities' interest in net loss of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been accounted for by the Parent Company.
- The Parent Company and the subsidiaries follow a uniform accounting period and as far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. The impact of differences in accounting policies, if material, has been disclosed in the financial statements.

#### 2. Computation of Goodwill and Capital Reserve on Consolidation

##### a. Goodwill

The Goodwill in the Consolidated Financial Statements represents the excess of the purchase consideration of the Holding Company over its share in the net assets of the subsidiary company.

(Rs. in lakhs)

Particulars	March 31, 2015	March 31, 2014
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
<b>Balance</b>	<b>313</b>	<b>313</b>
<b>Goodwill</b>	<b>313</b>	<b>313</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### b. Capital Reserve

(Rs. in lakhs)

Particulars	March 31, 2015	March 31, 2014
Investment in Equit share capital of PVR Leisure Limited	2,324	-
Less: PVR Limited's share in net assets of its subsidiary	2,081	-
<b>Goodwill (A)</b>	<b>243</b>	-
Investment in compulsory convertible preference share 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	-
<b>Capital Reserve (B)</b>	<b>(628)</b>	-
<b>Net Capital Reserve (A+B)</b>	<b>(385)</b>	-

### 3. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

#### 3.1 Statement of Significant Accounting Policies

##### (a) Change in accounting policy

###### (i) Depreciation on Fixed Assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current financial year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes relating to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year financial is likely to hold good for future years also.

###### (ii) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual value of all its fixed assets. The management believes that depreciation rates being used fairly reflect its estimate of the useful lives and residual value of the fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Due to change in this accounting policy, depreciation on fixed assets is higher by Rs 1,639 lakhs. Out of this, an amount of Rs 957 lakhs has been charged to Reserves and Surplus equivalent to the amount of WDV of assets whose life had expired as on March 31, 2014 and Rs 682 lakhs has been charged to statement of profit & loss.

###### (iii) Change in method of valuation of food and beverages

During the year effective from April 01, 2014, the Parent company has changed the method of valuation of food & beverage items from First In First Out (FIFO) to Weighted Average method. The impact of such change is immaterial.

###### (iv) Employee stock compensation cost

Till 27 October 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dealt with the grant of share-based payments to employees. Among other matter, these guidelines prescribed accounting for grant of share-based payments to employees. Hence, the company being a listed entity was required to comply with these Guidelines as well as the Guidance Note on Accounting for Employee Share-based Payments with regard to accounting for employee share-based payments. Particularly, in case of conflict between the two requirements, the SEBI guidelines were prevailing over the ICAI Guidance Note. For example, in case of equity settled option expiring unexercised after vesting, the SEBI guidelines required expense to be reversed through the statement

**Notes to the Consolidated financial statements for the year ended March 31, 2015**

of Profit and Loss whereas the reversal of expense through the statement of profit and loss is prohibited under the ICAI Guidance Note. In these cases, the company was previously complying with the requirement of SEBI guidelines.

From 28 October 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations don't contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., 28 October 2014.

Since there are no equity settled options expiring unexercised after 28 October 2014, the change in accounting policy did not have any material impact on financial statements of the company for the current year. However due to application of the regulation, the manner of presentation of "Employee Stock Option Outstanding Account" under the head "Reserves and Surplus" has changed. The company has changed this presentation for the current as well as previous year.

**(b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(c) Tangible fixed assets**

Fixed Assets are stated at Cost less accumulated depreciation and impairment losses, if any. Cost comprises of 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 fixed assets 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 the various locations.

**(d) Goodwill**

Goodwill represents the difference between the Parent Company's share in the net worth of the subsidiary company and the cost of acquisition at the time of making the investment in the subsidiary company. For this purpose, the Parent Company's share of net worth of the subsidiary company is determined on the basis of the latest financial statements of the subsidiary company prior to acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

**(e) Depreciation on tangible fixed assets**

Leasehold Improvements are amortized over the estimated useful varying in between 20-25 years or unexpired period of lease (whichever is lower) on a straight line basis.

Cost of structural improvements at premises where the Company has entered into agreement with the parties to operate and manage Multiscreen/Single Screen Cinemas on revenue sharing basis are amortized over the estimated useful life or the period of agreement (varying in between 18-25 years) (whichever is lower) on a straight line basis.

Assets costing Rs. 5,000 and below are fully depreciated in the year of acquisition.

Second hand bowling equipments have been depreciated over the remaining useful life.

Depreciation on all other assets is provided on Straight-Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in 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:

Particulars	Life as per Schedule II	Life considered by the Company
Concession Equipments	15 years	8 years
House Keeping Equipments	15 years	13.48 years
Voltage controller	15 years	21.05 years
Gaming Equipments	15 years	13.33 years
Furniture & Fixtures	8 years	4 to 10.53 years
Vehicles	8 years	5 years

## Notes to the Consolidated financial statements for the year ended March 31, 2015

The Company has kept the residual value @5% of original cost except sound and projections @10% of original cost based on technical assessment.

### (f) Intangibles assets

#### Goodwill

Goodwill arising out of amalgamation is amortized on straight line basis over the estimated useful life estimated by the management not exceeding a period of 10 years.

#### Trademark, Copyrights and Liquor Licenses

Trademark and copyrights for the brand name acquired and registered by the Company are capitalized and are amortized over an estimated useful life of which is for a period not exceeding five years unless the management ascertains a longer useful life.

License for liquor sale acquired for are capitalized and are amortised over their estimated useful life of ten years.

#### Software and Website Development

Cost relating to purchased software's, software licenses and website development, are capitalized and amortized on a straight-line basis over their estimated useful lives of six years.

#### Film Right's

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

- i 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 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 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.
- ii In case of one of the subsidiary company, PVR Pictures Limited, the film right cost (primarily for foreign films) is amortised as below:
  - Cost of theatrical rights is amortised as per the allocation mentioned in the agreement otherwise 25% of the cost is amortised on theatrical release of the movie.
  - 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 sale of Home Video rights.
 

In cases where the sale is on Minimum Guarantee Basis, such 10% is amortised at the time of sale.

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.

In case where theatrical rights/satellite rights/home video rights are acquired 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.

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

**Notes to the Consolidated financial statements for the year ended March 31, 2015**

In respect of unreleased films, payments towards film rights are classified under long term/short term loans and advances as capital advances.

**(g) Impairment**

The PVR 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 PVR 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 groups 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.

The PVR Group evaluates the carrying value of its Goodwill whenever events or changes in circumstances includes that its carrying value may be impaired. Impairment is recognized in the year/ period of such determination. Management also ascertains the future revenue and earnings of the acquired entities and analyses sustainability thereof to determine impairment. For ascertaining impairment, consideration is given to fair value of the acquired entities.

**(h) Leases**

**Where the PVR Group is the lessee**

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on an ongoing basis.

**Where the PVR Group is the lessor**

Leases in which the Company does not transfer substantially all risks and benefits of ownership of the assets are classified as operating lease. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on ongoing basis. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(i) Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized 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. Income earned during construction period is adjusted against the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its originally assessed standard of performance.

**(j) Investments**

Investments that are readily realizable 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 fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments. Investments which are due for maturity within next twelve months are reclassified as Current investments.

**(k) Inventories**

Inventories are valued as follows:

**(i) Food and beverages**

Lower of cost and net realizable value. Cost is determined on Weighted average basis.

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### (ii) Stores and spares and traded goods

Lower of cost and net realizable value. Cost is determined on First In First Out (FIFO) basis.

In one of the subsidiary, PVR Pictures Limited, Inventories are valued as follows:

#### (i) Raw Print and tapes

Lower of cost and net realizable value. Cost is determined on weighted average basis.

#### (ii) Home Entertainment products

Lower of cost and net realizable value. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### (k) Borrowing Costs

Borrowing cost includes interest, amortization 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### (l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the PVR Group and the revenue can be reliably measured. The PVR Group collects entertainment tax, sales tax and service tax on behalf of government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from respective revenues. The following specific recognition criteria must also be met before revenue is recognized.

#### i. Sale of Tickets of Films

Revenue from sale of tickets of films is recognised as and when the film is exhibited.

#### ii. Revenue Sharing

Income from revenue sharing is recognized in accordance with the terms of agreement with parties to operate and manage Multiscreen/ Single screen cinemas.

#### iii. Sale of Food and Beverages and Goods purchased for Sale

Revenue from sale of food and beverages and Goods purchased for sale is recognized upon passage of title to customers, which coincides with their delivery.

#### iv. Revenue from Bowling and gaming

Revenue from income from bowling and gaming is recognized as and when the games are played by patrons.

#### v. Income from Shoe Rental

Revenue from rental of shoes is recognized as and when shoes are given on rent.

#### vi. Income from Film Production and Distribution

Revenues from film co-produced/co-owned are accounted for based on the terms of the agreement.

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.

##### (a) Income from Theatrical Distribution

The revenue from theatrical distribution is recognized once the movie is released based on "Daily Collection Report" submitted by the exhibitor.

##### (b) Income from sale of other rights other than theatrical distribution

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

##### (c) Income from Home Video

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

#### vii. Advertisement

Advertisement revenue is recognized as and when advertisement is displayed at the cinema halls.



**Notes to the Consolidated financial statements for the year ended March 31, 2015**

viii. **Management Fees**

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreements.

ix. **Convenience Fee**

Convenience fee is recognized as and when the ticket is sold on electronic portals. Further, in case of fixed contracts, revenue is recognized on accrual basis in accordance with the terms of the relevant agreements.

x. **Rental and Food court Income**

Rental Income is recognized on accrual basis for the period the space of cinema and food court is let out under the operating lease arrangement.

xi. **Interest Income**

Interest revenue is recognized on a time proportion basis, taking into account the amount outstanding and the rates applicable.

xii. **Dividend Income**

Revenue is recognized where the shareholder's right to receive payment is established by the reporting date.

xiii. **Virtual Print Fees Income**

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreements.

**(m) Foreign currency Translations**

i. Initial Recognition

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

**(n) Retirement and other employee benefits**

i. 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 recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Gratuity is a defined benefit obligation. The Parent Company has created an approved gratuity fund for the future payment of gratuity to the employees. The PVR Group accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary. Gratuity liability of an employee, who leaves the PVR Group before the close of the year and which is remaining unpaid, is provided on actual computation basis.

iii. Short term compensated absences are provided for based on estimates. Long term compensated balances are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. Leave encashment liability of an employee, who leaves the PVR Group before the close of the year and which is remaining unpaid, is provided for on actual computation basis.

iv. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

**(o) Income taxes**

Tax expense 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

## Notes to the Consolidated financial statements for the year ended March 31, 2015

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.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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 realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit entitlement available 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 recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, 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.

### (p) Segment Reporting policies

Identification of segments:

The PVR Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the PVR Group operate.

Inter segment Transfer:

The PVR Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

Segment accounting policies:

The PVR Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### (q) Provisions

A provision is recognised when the PVR Group has a present obligation 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.

#### (r) Earnings Per share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting dividend on preference shares and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### (s) Cash and Cash equivalents

Cash and cash equivalents in the financial statements comprise cash at bank, cash in hand and cash in transit and short term investments with an original maturity of three months or less.

#### (t) Employee Stock Compensation Cost

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized 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 recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense, together with a corresponding increase in the "Employee Stock options outstanding account" in reserves. The cumulative expense recognized 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) Government grants and subsidies

Grants and subsidies from the government are recognized 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 recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

#### (v) 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 PVR Group or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The PVR Group does not recognize a contingent liability but discloses its existence in the financial statements.

#### (w) Measurement of EBIDTA

The PVR Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The PVR Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the PVR Group does not include depreciation and amortization expense, finance costs and tax expense.

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 4. Share capital

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Authorised share capital</b> 93,700,000 (March 31, 2014: 93,700,000) equity shares of Rs. 10 each	9,370	9,370
<b>Issued, subscribed and paid-up</b> 41,528,888 (March 31, 2014: 41,106,220) equity shares of Rs. 10 each fully paid	4,153	4,111
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>4,153</b>	<b>4,111</b>

#### Notes:

#### a. Reconciliation of the share outstanding at the beginning and at the end of the reporting period

(Rs. in lakhs)

Equity shares	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	41,106,220	4,111	39,616,995	3,962
Shares issued during the year - ESOP (refer note 33)	422,668	42	398,942	40
Shares Issued during the year - pursuant to the composit scheme of amalgamation (refer note 31)	-	-	1,090,283	109
Shares Issued during the year on preferential basis	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>41,528,888</b>	<b>4,153</b>	<b>41,106,220</b>	<b>4,111</b>

#### b. Terms and rights attached to equity shares

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

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Bijli Holdings Pvt Ltd	10,031,805	24.16	10,031,805	24.40
L Capital Eco Ltd	6,244,898	15.04	6,244,898	15.19
Multiples Private Equity Fund I Limited	2,908,125	7.00	4,649,326	11.31
Major Cineplex Group Public Company Limited	2,300,932	5.54	2,557,000	6.22

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. As at March 31, 2015, 693,878 ( March 31, 2014, 693,878) equity share issued on preferential basis during FY 2012-13 are under lock in till January 11, 2016.

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

- e. 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:

(Rs. in lakhs)

	(Aggregate No. of Shares)				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Equity shares bought back during the previous year pursuant to scheme of buy back for a total consideration of Rs. 1582 Lakhs.	-	-	-	1,388,328	-
In addition, the Parent Company has 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.	422,668	398,942	204,126	141,620	64,930
Equity shares allotted as fully paid up pursuant to the scheme of amalgamation for consideration other than cash (refer note 31)	-	1,090,283	-	-	-

- f. **Share reserved for issue under options**

For details of share reserved for issue under the employee stock options (ESOP) plan of the Parent Company (refer note 33).

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 5. Reserves and surplus

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Capital reserve</b>		
Balance as per last financial statements	0	0
Add: Addition on purchase of a subsidiary company share	385	
<b>Closing Balance</b>	<b>385</b>	<b>0</b>
<b>Securities premium account</b>		
Balance as per last financial statements	11,485	48,003
Add : additions on ESOPs exercised	642	497
Add : transferred from stock options outstanding	214	86
Add: Balance of the subsidiary companies transferred pursuant to scheme of Amalgamation (refer note 31)	-	5,959
Less : premium applied pursuant to scheme of Amalgamation (refer note 31)	-	(42,881)
Less : premium applied in writing off the expenses incurred pursuant to the scheme of Amalgamation	-	(179)
<b>Closing Balance</b>	<b>12,341</b>	<b>11,485</b>
<b>Debenture redemption reserve</b>		
Balance as per last financial statements	385	276
Add: Transfer from surplus balance in the statement of profit and loss	647	109
<b>Closing Balance</b>	<b>1,032</b>	<b>385</b>
<b>Employee stock option outstanding (refer note 33)</b>		
Gross employee stock compensation for options granted in earlier year	476	480
Add: Gross Compensation for options granted during the year	-	83
Less: deferred employee stock compensation	(54)	(212)
Less: adjustment on account of forfeiture	(53)	-
Less: transferred to securities premium on exercise of stock option	(214)	(86)
<b>Closing Balance</b>	<b>155</b>	<b>265</b>
<b>General reserve</b>		
Balance as per last financial statements	4,343	3,764
Add: transfer on account of dividend declared	-	579
<b>Closing Balance</b>	<b>4,343</b>	<b>4,343</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	19,341	8,208
Add: Balance of subsidiary companies transferred pursuant to the scheme of amalgamation (refer note 31)	-	7,422
Profit for the year	1,276	5,605
Adjustment of Depreciation (refer note 3.1(a)(i))	(957)	-
Less: Appropriations		
Proposed final equity dividend (amount per share Rs.1 (March 31, 2014 : Rs.2.5))	(415)	(1,028)
Dividend on preference shares	(0)	(0)
Tax on proposed equity dividend	(85)	(174)
Dividend and tax thereon for previous year (including dividend tax for Rs. 0.6 lakhs (March 31,2014: Rs. 3.20 lakhs)	(4)	(4)
Transfer to general reserve on dividend declared	-	(579)
Transfer to debenture redemption reserve	(647)	(109)
Total appropriations	(1,151)	(1,894)
<b>Net surplus in the statement of profit and loss</b>	<b>18,509</b>	<b>19,341</b>
<b>Total reserve and surplus</b>	<b>36,765</b>	<b>35,819</b>

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

#### 6. Minority interest

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
(a) Minority interest in 0.001% Non Cumulative Convertible Preference Share of PVR Leisure Limited Nil (March 31, 2014 : 586,667) of Rs 341.52 each	-	2,004
(b) Minority interest in Equity of PVR Leisure Limited Nil (March 31, 2014: 880,000) of Rs. 10 each equity shares	-	88
(c) Minority interest in Securities premium of PVR Leisure Limited	-	2,500
Share of profit/(loss) brought forward	-	(33)
Share of profit/(loss) of the current year	-	(307)
	-	4,252
(d) Minority interest in Equity of PVR bluO Entertainment Limited 16,835,000 (March 31, 2014: 16,835,000) of Rs. 10 each equity shares	1,790	1,683
(e) Minority interest in Securities premium of PVR bluO Entertainment Limited	2,052	1,840
(f) Minority Interest in Non-Equity of PVR bluO Entertainment Limited		
Share of profit/(loss) brought forward	(65)	194
Share of profit/(loss) of the current year	55	(259)
	3,832	3,458
<b>Note:</b>		
Minority Interest in Equity	1,790	1,771
Minority Interest in Convertible Preference Share	-	2,004
Minority Interest in Securities premium	2,052	4,340
Minority Interest in Non-Equity	(10)	(405)
	3,832	7,710

#### 7. Long term borrowings

(Rs. in lakhs)

	Non-current portion		Current Maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Debentures</b>				
Secured Redeemable Non-Convertible Debentures (NCD) (refer note (a) below)	36,000	7,900	-	-
<b>Term loans</b>				
Secured term loans from banks	27,235	34,402	7,167	4,201
Secured term loans from a body corporates	172	5,422	750	5,991
<b>Other loans and advances</b>				
Secured car finance loans from banks	140	178	38	35
	63,547	47,902	7,955	10,227
Amount disclosed under the head "other current liabilities" (refer note 12)	-	-	(7,955)	(10,227)
	63,547	47,902	-	-

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### Notes:

#### a. Secured Redeemable Non-Convertible Debentures (NCD):

(Rs. In lakhs)

Particulars	Interest Rate	Issue Date	Repayment	Ratio	Amount
100 (March 31, 2014: 290) 11.40% of Rs. 1,000,000 each	11.40%	1-Jan-10	7th to 10th years	20:20:30:30	1,000
500 (March 31, 2014: 500) 10.95% of Rs. 1,000,000 each	10.95%	25-Feb-14	5th year	100	5,000
500 (March 31, 2014: Nil) 10.75% of Rs. 1,000,000 each	10.75%	10-Jun-14	5th year	100	5,000
1000 (March 31, 2014: Nil) 11% of Rs. 1,000,000 each	11.00%	16-Oct-14	4th to 7th years	25:25:25:25	10,000
500 (March 31, 2014: Nil) 11% of Rs. 1,000,000 each	11.00%	24-Nov-14	5th to 7th years	30:30:40	5,000
1000 (March 31, 2014: Nil) 10.75% of Rs. 1,000,000 each	10.75%	9-Jan-15	6th & 7th year	50:50	10,000
					<b>36,000</b>

All Debentures are secured by mortgage on immovable properties (excluding immovable properties at Gujarat, Bangalore) ranking pari passu and secured by first pari passu charge on movable fixed assets of the Parent company (excluding vehicles hypothecated to banks) and all receivables of the Parent company both present and future.

- b
- Term loan from banks and body corporate are secured by first pari passu charge over all fixed assets of the Parent company (excluding immovable properties at Gujarat, Bangalore and vehicles hypothecated to banks) and receivables of the Company both present and future.
  - Term loan from banks and body corporate are also guaranteed by the personal guarantee of two of its promoter directors of the Parent company to the extent of Rs. Nil (March 31, 2014: Rs 93 lakhs).
  - Term loan from bank to the extent of Rs. 750 lakhs (March 31, 2014 : Rs. 1,125 lakhs) taken by a subsidiary company repayable in 16 equal quarterly installments from 30th June, 2013. The loan carries interest @ 12.75% p.a. to 13% p.a. during the current financial year. It is secured by first pari passu charge on the movable asset, current assets and future receivables of the subsidiary company both present and future.
  - Term loan from bank to the extent of Rs. 145 lakhs (March 31, 2014 : Rs. 275 lakhs) taken by a subsidiary company repayable in 20 equal quarterly installments over a period of 6 years commencing from the 15th month of the initial drawdown date. The loan carries interest @ 11.8% p.a. to 12.6% p.a. during the current financial year. It is secured by first pari passu charge over all fixed assets of the company both present and future. The loan is further secured by first pari passu charge on the current assets and future receivables of the subsidiary company.
  - Car loans of Rs. 178 lakhs (March 31, 2014: Rs. 213 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.
  - Above loans are repayable in equal/ unequal monthly/ quarterly installments as follows:

(Rs. in lakhs)

Particulars	March 31, 2015	March 31, 2014
<b>Debentures:</b>		
Repayable within 1 year	-	-
Repayable within 1 - 3 year	400	580
Repayable after 3 years	35,600	7,320
<b>Term Loan:</b>		
Repayable within 1 year	7,917	10,192
Repayable within 1 - 3 year	16,478	19,093
Repayable after 3 years	10,929	20,731
<b>Secured car finance loans from banks:</b>		
Repayable within 1 year	38	35
Repayable within 1 - 3 year	90	81
Repayable after 3 years	50	97



## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

- (vii) Term Loan from banks and body corporate carries variable interest rate based on respective bank/ body corporate benchmark rate, effective rate of interest varying in between 11.00%p.a to 12.25% pa.
- c. As at and for the year ended March 31, 2015, the Parent company has not been able to meet certain financial covenants in respects of its borrowings from Banks and Debenture holders. The Parent company is in the process of applying the waiver to respective lenders and is hopeful of securing the same. In view of above, no adjustment is considered necessary by the management.

#### 8. Deferred tax liabilities/assets (net)

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Deferred tax liability</b>		
Impact of differences in depreciation in block of tangible and intangibles assets as per tax books and financial books	2,888	3,403
<b>Deferred tax liability (A)</b>	<b>2,888</b>	<b>3,403</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to statement of profit and loss in the current year but allowable for tax purposes on payment basis	466	439
Provision for doubtful debts and advances	175	127
Unabsorbed depreciation and business losses*	2,142	2,794
<b>Deferred tax asset (B)</b>	<b>2,783</b>	<b>3,360</b>
<b>Net deferred tax liability (A-B)</b>	<b>105</b>	<b>43</b>

**Note:** \* In terms of the accounting policy followed by the Company, deferred Tax Assets on account of carried forward unabsorbed business losses and depreciation has been recognised only to the extent of liabilities, on the principle of virtual certainty.

#### 9. Other long term liabilities

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Retention money	238	305
	<b>238</b>	<b>305</b>

#### 10. Provisions

(Rs. in lakhs)

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 32)	620	513	112	196
Provision for leave benefits	205	151	272	312
	<b>825</b>	<b>664</b>	<b>384</b>	<b>508</b>
Proposed equity dividend	8	-	-	1,028
Proposed preference dividend	-	-	0	0
Provision for tax on proposed equity dividend	-	-	415	174
Provision for tax on proposed preference dividend	-	-	0	0
Provision for taxation	-	-	85	20
	<b>8</b>	<b>-</b>	<b>500</b>	<b>1,222</b>
	<b>833</b>	<b>664</b>	<b>884</b>	<b>1,730</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 11. Short-term borrowings

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Secured bank overdraft (refer note i& ii below)	3,199	1,205
Commercial paper (unsecured) (refer note iii below)	-	2,000
	<b>3,199</b>	<b>3,205</b>

**Note:**

- (i) Bank overdraft is secured by first pari passu charge over all current assets of the Company including inventories and receivables both present and future.
- (ii) It carries variable interest rate based on respective banks/ body corporate benchmark rate, effective rate of interest varying in between 11.70% to 12.50% p.a.
- (iii) In respect of Commercial Paper maximum amount outstanding during the year was Rs. 4,000 lakhs (March 31, 2014 Rs. 4,000 lakhs).

### 12. Other current liabilities

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Trade payables (refer note 44 for details of dues to micro and small enterprises)	15,195	16,188
	<b>15,195</b>	<b>16,188</b>
Other liabilities		
Payables on purchase of fixed assets	2,655	3,828
Current maturities of long-term borrowings (refer note 7)	7,955	10,227
Security deposits	358	328
Interest accrued but not due on borrowings		
Term loans	5	27
Debentures	189	82
Advance from Customers	1,659	1,792
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividends	8	8
Statutory dues payable	1,302	1,254
	<b>14,131</b>	<b>17,546</b>
	<b>29,326</b>	<b>33,734</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2015

## 13. Tangible Assets

(Rs. in lakhs)

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Leasehold Improvements	Total
<b>Gross Block</b>								
At April 1, 2013	3,092	596	34,685	15,569	2,954	420	25,415	82,731
Additions	-	-	10,941	2,892	566	242	8,290	22,931
Disposals and discard	(3,090)	(582)	(423)	(123)	(35)	(188)	(208)	(4,649)
Other adjustments- Borrowing costs	-	-	412	-	-	-	657	1,069
<b>At March 31, 2014</b>	<b>2</b>	<b>14</b>	<b>45,615</b>	<b>18,338</b>	<b>3,485</b>	<b>474</b>	<b>34,154</b>	<b>102,082</b>
Additions*	-	-	7,224	2,337	409	20	6,387	16,377
Disposals and discard	-	-	(922)	(681)	(49)	(97)	(772)	(2,521)
Other adjustments - Borrowing costs	-	-	166	-	-	-	337	503
<b>At March 31, 2015</b>	<b>2</b>	<b>14</b>	<b>52,083</b>	<b>19,994</b>	<b>3,845</b>	<b>397</b>	<b>40,106</b>	<b>116,441</b>
<b>Depreciation</b>								
At April 1, 2013	-	343	10,252	5,995	1,448	246	7,350	25,634
Charge for the year	-	(13)	3,338	1,447	408	48	2,300	7,528
Disposals and discard	-	(325)	(242)	(163)	(5)	(146)	(105)	(986)
<b>At March 31, 2014</b>	<b>-</b>	<b>5</b>	<b>13,348</b>	<b>7,279</b>	<b>1,851</b>	<b>148</b>	<b>9,545</b>	<b>32,176</b>
Charge for the year **	-	0	4,328	1,895	874	67	3,506	10,670
Disposals and discard	-	-	(653)	(426)	(34)	(65)	(460)	(1,638)
<b>At March 31, 2015</b>	<b>-</b>	<b>5</b>	<b>17,023</b>	<b>8,748</b>	<b>2,691</b>	<b>150</b>	<b>12,591</b>	<b>41,208</b>
<b>Net Block</b>								
<b>At March 31, 2014</b>	<b>2</b>	<b>9</b>	<b>32,267</b>	<b>11,059</b>	<b>1,634</b>	<b>326</b>	<b>24,609</b>	<b>69,906</b>
<b>At March 31, 2015</b>	<b>2</b>	<b>9</b>	<b>35,060</b>	<b>11,246</b>	<b>1,154</b>	<b>247</b>	<b>27,515</b>	<b>75,233</b>

\* Addition for the year is net of reversal of provisional capitalisation of Rs. 1,153 lakhs.

\*\* Charge for the year under Leasehold improvement includes Rs. 200 lakhs additional depreciation provided in respect of suspended site of PVR bluO Entertainment Ltd.

Notes to the Consolidated financial statements for the year ended March 31, 2015

14. Intangible Assets

(Rs. in lakhs)

	Goodwill on					Other Intangible Asset					Total
	Consolidation	Goodwill	Software Development	Copyright	Film Rights'	A	B	C	D	E	
<b>Gross Block</b>											
At April 1, 2013	40,719	-	848	321	3,650						4,819
Additions	-	-	457	5	1,342						1,804
Assets transferred on restructuring	-	10,075	109	-	-						10,184
Deductions/ Adjustments	(40,406)	-	(1)	-	-						(1)
<b>At March 31, 2014</b>	<b>313</b>	<b>10,075</b>	<b>1,413</b>	<b>326</b>	<b>4,992</b>						<b>16,806</b>
Additions	-	-	295	-	408						703
Deductions/ Adjustments*	-	-	(4)	-	(385)						(389)
<b>At March 31, 2015</b>	<b>313</b>	<b>10,075</b>	<b>1,704</b>	<b>326</b>	<b>5,015</b>						<b>17,120</b>
<b>Amortisation</b>											
At April 1, 2013	-	-	330	116	2,670						3,116
Amortisation transferred on amalgamation	-	1,008	27	-	-						1,035
For the year	-	-	169	46	687						902
Deductions/ Adjustments	-	-	(1)	-	-						(1)
<b>At March 31, 2014</b>	<b>-</b>	<b>1,008</b>	<b>525</b>	<b>162</b>	<b>3,357</b>						<b>5,052</b>
For the year	-	1,008	363	20	577						1,968
Deductions/ Adjustments*	-	-	(4)	-	(385)						(389)
<b>At March 31, 2015</b>	<b>-</b>	<b>2,016</b>	<b>884</b>	<b>182</b>	<b>3,549</b>						<b>6,631</b>
<b>Net Block</b>											
<b>At March 31, 2014</b>	<b>313</b>	<b>9,067</b>	<b>888</b>	<b>164</b>	<b>1,635</b>						<b>11,754</b>
<b>At March 31, 2015</b>	<b>313</b>	<b>8,059</b>	<b>820</b>	<b>144</b>	<b>1,466</b>						<b>10,489</b>

\* Deductions/ Adjustments in film right relate to rights whose license term has expired and no longer available for exploitation.

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

#### 15. Pre-operative expenses (pending allocation)

(Rs. lakhs)

	March 31, 2015	March 31, 2014
Balance as per the last financial statements	2,588	4,613
Salaries, allowances and bonus	858	1,045
Contribution to provident and other funds (refer note 32)	45	46
Staff welfare expenses	26	19
Rent	113	245
Rates and taxes	172	187
Communication costs	7	9
Professional charges	440	435
Travelling and conveyance	120	180
Insurance	30	13
Repairs and maintenance	32	65
Common area maintenance	6	37
Electricity and water charges (net)	53	67
Security service charges	87	108
Borrowing cost		
Debentures	-	11
Term loans	321	589
Bank and other charges	-	0
Miscellaneous expenses	6	14
	<b>4,904</b>	<b>7,683</b>
Less : Allocated to fixed assets capitalised during the year	2,916	4,677
Less: Pre-operative expenses written off as exceptional items	-	385
Less: Pre-operative expenses charged to Profit and loss	56	33
	<b>1,932</b>	<b>2,588</b>

#### 16. Non-current investment

(Rs. lakhs)

	March 31, 2015	March 31, 2014
<b>(i) Non-trade Investment (valued at cost unless stated otherwise)</b>		
National Savings Certificates *	186	150
(Pledge with State Government/ E.Tax Authorities)		
Less: Amount disclosed under current investment (refer note 18)	(38)	(28)
(being due for maturity within next 12 month)		
<b>(ii) Trade Investment (valued at cost unless stated otherwise)</b>		
2,000 (March 31, 2014 :2,000) Equity shares in		
Gupta Infrastructure (I) Pvt. Ltd. of Rs.10 each, fully paid-up	0	0
	<b>148</b>	<b>122</b>

Aggregate amount of quoted investment

-

-

Aggregate amount of unquoted investment

186

150

\* Notes :

- Held in the name of the Managing Director in the interest of the Parent Company.
- Held in the name of the employee in the interest of the Parent Company.
- Held in the name of the developer in the interest of the Parent Company.
- Held in the name of the erstwhile director of a subsidiary company. (now merged, refer note 31)

36

36

68

41

8

8

74

65

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 17. Loans and advances

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Capital advances</b>				
Unsecured, considered good	2,084	1,643	-	-
Unsecured, considered doubtful	32	32	-	-
	<b>2,116</b>	<b>1,675</b>	-	-
Provision for doubtful capital advances	(32)	(32)	-	-
<b>(A)</b>	<b>2,084</b>	<b>1,643</b>	-	-
<b>Security deposit</b>				
Unsecured, considered good	19,668	17,209	7	6
Doubtful	206	186	-	-
	<b>19,874</b>	<b>17,395</b>	<b>7</b>	<b>6</b>
Provision for doubtful security deposit	(206)	(186)	-	-
<b>(B)</b>	<b>19,668</b>	<b>17,209</b>	<b>7</b>	<b>6</b>
<b>Loan and advances to related parties</b>				
Unsecured, considered good	-	-	-	-
Loan to Key management personnel	-	-	395	-
<b>(C)</b>	-	-	<b>395</b>	-
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	110	128	1,447	1,108
Doubtful	-	-	239	231
	<b>110</b>	<b>128</b>	<b>1,686</b>	<b>1,339</b>
Provision for doubtful advances	-	-	(239)	(231)
<b>(D)</b>	<b>110</b>	<b>128</b>	<b>1,447</b>	<b>1,108</b>
<b>Other loans and advances</b>				
Unsecured, considered good				
Advance income tax (net of provision for taxation)	1,825	1,682	-	-
Income tax paid under protest	890	890	-	-
MAT credit entitlement account	4,897	4,517	143	-
Prepaid expenses	1,274	557	607	554
Loan to Body corporate	-	-	98	-
Loans to employees	-	-	651	458
Balances with statutory/ government authorities	-	-	495	216
<b>(E)</b>	<b>8,886</b>	<b>7,646</b>	<b>1,994</b>	<b>1,228</b>
<b>Total (A+B+C+D+E)</b>	<b>30,748</b>	<b>26,626</b>	<b>3,843</b>	<b>2,342</b>

#### Notes:

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>a. Security Deposits include deposits with a related party:</b>				
Priya Exhibitors Private Limited (security deposit for immovable property)	66	66	-	-
<b>b. Loans and advances to related parties include Key Management Personnel:</b>				
Chief Financial Officer	-	-	395	-
<b>c.</b>				
The asset of Rs. 5,040 lakhs (March 31, 2014 : Rs. 4,517 lakhs) recognized by the PVR Group as 'MAT credit entitlement' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in future, which will enable the Company to utilize MAT credit assets.				

Notes to the Consolidated financial statements for the year ended March 31, 2015

18. Current investments (valued at lower of cost and fair value, unless stated otherwise) (Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Non trade Investments (unquoted)</b>		
<b>Units in mutual funds of Rs. 10 each</b>		
Nil (March 31, 2014: 23,261.666) units of TFGI		
Tata Floater Fund Plan A- Growth	-	550
Nil (March 31, 2014: 267,782.199) units of B153G		
Birla Sun Life Savings Fund - Growth-Regular Plan	-	550
Nil (March 31, 2014: 28,800.171) units of		
Templeton India Treasury Management A/c Super Institutional Plan Growth	-	550
Nil (March 31, 2014: 3,914,785.790) units of Peerless Liquid		
Fund - Super Institutional Growth	-	550
<b>Current portion of long term investments</b>		
<b>Investment in Government Securities (unquoted)</b>		
National Savings Certificates *	38	28
(Pledge with State Government/ E.Tax Authorities)		
	<b>38</b>	<b>2,228</b>
Aggregate amount of unquoted investment	38	2,228
Aggregate amount of quoted investment	-	-

19. Other assets (Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances (refer note 22)	97	35	-	-
<b>(A)</b>	<b>97</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>Others</b>				
Interest accrued on				
Fixed deposits	7	2	10	16
Others	-	-	19	15
National Saving Certificate	45	14	19	34
Revenue earned and not billed	-	-	256	27
Entertainment tax recoverable	2,075	2,034	-	-
Other receivables	-	-	-	84
<b>(B)</b>	<b>2,127</b>	<b>2,050</b>	<b>304</b>	<b>176</b>
<b>Total (A+B)</b>	<b>2,224</b>	<b>2,085</b>	<b>304</b>	<b>176</b>

Notes:

\*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 State Government Schemes but in certain cases, it is subject to final orders yet to be received from respective authorities.

20. Inventories (Rs. in lakhs)

	March 31, 2015	March 31, 2014
Food and beverages	797	821
Stores and spares	449	226
Traded goods	14	16
	<b>1,260</b>	<b>1,063</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 21. Trade receivables

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Outstanding for a period more than six months from the date they are due for payment</b>				
Secured, considered good	-	-	41	39
Unsecured, considered good	-	-	1,120	1,376
Unsecured, considered doubtful	-	-	463	191
	-	-	<b>1,624</b>	<b>1,606</b>
Provision for doubtful receivables	-	-	(463)	(191)
<b>(A)</b>	-	-	<b>1,161</b>	<b>1,415</b>
<b>Other receivables</b>				
Secured, considered good	-	-	74	74
Unsecured, considered good	-	-	6,435	3,741
Unsecured, considered doubtful	-	-	52	105
	-	-	<b>6,561</b>	<b>3,920</b>
Provision for doubtful receivables	-	-	(52)	(105)
<b>(B)</b>	-	-	<b>6,509</b>	<b>3,815</b>
<b>Total (A+B)</b>	-	-	<b>7,670</b>	<b>5,230</b>

### 22. Cash and bank balances

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Cash and cash equivalents</b>				
<b>Balance with banks</b>				
On current accounts	-	-	1,866	1,663
Deposits with original maturity of less than 3 months	-	-	54	12
Cash on hand (including cheques on hand)	-	-	152	505
Remittance in transit	-	-	62	90
	-	-	<b>2,134</b>	<b>2,270</b>
<b>Other bank balances</b>				
Deposits with maturity for more than 12 months	97	35	13	44
Deposits with maturity for more than 03 months but less than 12 months	-	-	418	404
Unpaid and unclaimed dividend accounts	-	-	8	8
	97	35	<b>439</b>	<b>456</b>
Amount disclosed under non-current assets (refer note 19)	(97)	(35)	-	-
	-	-	-	-
	-	-	<b>2,573</b>	<b>2,726</b>

**Note:** Deposits are pledged with Banks/ Government Authorities.



## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

#### 23. Revenue from Operations (net)

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Sale of product		
Finished goods	37,319	32,147
Traded goods	82	89
Sale of services	106,465	99,567
Other operating revenue	3,846	3,008
	<b>147,712</b>	<b>134,811</b>
<b>Details of products sold</b>		
Sale of food and beverages	37,319	32,147
Others	82	89
	<b>37,401</b>	<b>32,236</b>
<b>Details of services rendered</b>		
Income from sale of tickets of films (net of entertainment tax Rs. 20,367 lakhs, March 31, 2014: Rs. 19,214 lakhs)	82,396	79,466
Income from sale of film rights, distribution of films	3,925	2,538
Income from bowling (net of entertainment tax)	2,009	1,968
Advertisement	17,714	15,171
Income from shoe rentals	238	226
Management fees	183	198
	<b>106,465</b>	<b>99,567</b>
<b>Details of other operating income</b>		
Convenience fees	2,029	1,420
Food Court Income	1,209	1,127
Virtual Print Fees	175	-
Gaming Income	409	418
Rental Income	24	43
	<b>3,846</b>	<b>3,008</b>

#### 24. Other income

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
<b>Interest income on</b>		
Bank deposits	46	41
Long term investments	17	15
Others	95	122
Dividend income earned on current non-trade investments	79	15
Net gain on sale of current non-trade investments	227	567
Exchange difference (net)	-	73
Unspent liabilities written back (net)	101	21
Provision for doubtful debts no longer required	25	-
Other non-operating Income (net)	296	218
	<b>886</b>	<b>1,072</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 25. Employee benefit expense

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Salaries, allowances and bonus	12,356	10,833
Contribution to provident and other funds (refer note 32)	926	947
Employee stock option scheme (refer note 33)	110	219
Gratuity expense (refer note 32)	7	2
Staff welfare expenses	905	948
	<b>14,304</b>	<b>12,949</b>

### 26. Other expenses

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Rent (refer note 34)	27,898	23,776
Less: Rental income from sub-lessees	(552)	(732)
Rent (net)	27,346	23,044
Movie production, distribution and print charges	3,136	1,516
Rates and taxes	2,276	1,780
Communication costs	776	688
Legal and professional charges	1,359	1,092
Advertisement and publicity (net)	2,922	3,265
Travelling and conveyance	1,757	1,733
Printing and stationery	484	413
Insurance	258	312
Repairs and maintenance	5,693	5,153
Common area maintenance (net)	7,952	6,826
Electricity and water charges (net)	11,159	9,657
Security service charges	1,643	1,419
CSR Expenditure	100	20
Provision for doubtful debts and advances:		
Provision for doubtful debts and advances	295	234
Bad Debts/Deposits written off	38	212
Loss on disposal/ discard of fixed assets (net)	488	249
Directors sitting fees	8	11
Pre-operative expenses charged off	56	33
Foreign exchange difference (net)	-	1
Miscellaneous expenses	625	796
	<b>68,371</b>	<b>58,454</b>
<b>Notes:</b>		
<b>Included in Legal and professional charges:</b>		
i. Payment to auditors of the Parent Company		
Audit fee	38	36
Limited review	19	17
Tax audit fee	5	5
Certification etc.	6	1
Reimbursement of expenses	3	3
	<b>71</b>	<b>62</b>
ii. Payment to other auditors:		
Audit fee	2	8
Tax audit fee	1	1
Reimbursement of expenses	-	0
	<b>3</b>	<b>9</b>

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

#### 27. Exceptional Items

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Profit from sale of Multiplex property	-	(1,915)
Before acquisition assets & cost not tenable (refer note below)	739	1,594
Amount received on closure of a Multiplex	(522)	-
	<b>217</b>	<b>(321)</b>
<b>Note:</b>		
Fixed Assets, Preoperative expenses and capital work in progress of certain projects written off	470	1,123
Expenses pertaining to before acquisition	-	316
Write off & Provision for doubtful Security deposits	33	-
Entertainment tax of earlier years	236	155

#### 28. Depreciation and amortisation

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Depreciation on tangible assets	10,670	7,528
Amortisation of intangible assets	1,967	1,910
	12,637	9,438
Less: transferred to reserves	(957)	-
	<b>11,680</b>	<b>9,438</b>

#### 29. Finance costs

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Interest on		
Debentures	1,934	371
Term loans	4,974	6,652
Banks and others	445	404
Bank and other charges	472	524
	<b>7,825</b>	<b>7,951</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 30. Earning per share (EPS)

The following reflects the profit and shares data used in the basic and diluted EPS computations:

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Profit after tax	1,276	5,605
Less: Dividend on Preference Shares and tax thereon	-	-
Net Profit after Tax	1,276	5,605
Weighted average number of equity shares in calculating basic EPS:		
- Number of equity shares outstanding at the beginning of the year	41,106,220	39,616,995
- Number of equity shares issued on April 01, 2013	-	1,090,283
- Number of equity shares issued on May 28, 2013	-	40,000
- Number of equity shares issued on July 04, 2013	-	43,333
- Number of equity shares issued on Sept 30, 2013	-	9,733
- Number of equity shares issued on Oct 30, 2013	-	79,539
- Number of equity shares issued on Nov 29, 2013	-	80,004
- Number of equity shares issued on Dec 31, 2013	-	43,333
- Number of equity shares issued on Jan 31, 2014	-	13,100
- Number of equity shares issued on Feb 28, 2014	-	89,900
- Number of equity shares issued on Apr 30, 2014	89,533	-
- Number of equity shares issued on Jun 30, 2014	8,333	-
- Number of equity shares issued on Sept 01, 2014	46,200	-
- Number of equity shares issued on Oct 31, 2014	146,602	-
- Number of equity shares issued on Jan 30, 2015	132,000	-
Number of equity shares outstanding at the end of the year	41,528,888	41,106,220
<b>Weighted number of equity shares of Rs. 10 each outstanding during the year</b>	<b>41,304,863</b>	<b>40,859,224</b>
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year.	41,106,220	39,616,995
Number of equity shares outstanding at the end of the year.	41,528,888	41,106,220
<b>Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)</b>	<b>41,304,863</b>	<b>40,859,224</b>
Add: Effect of stock options vested and outstanding for 185,300 (March 31, 2014: 136,002) equity shares	131,899	85,976
Weighted number of equity shares of Rs. 10 each outstanding during the year	<b>41,436,762</b>	<b>40,945,200</b>
Basic earnings per equity share	3.09	13.72
Diluted earnings per equity share	3.09	13.69

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

#### 31. Composite Scheme of Amalgamation between the Parent company, Cinemax India Limited (CIL) & its subsidiaries and Cine Hospitality Private Limited (CHPL)

During the previous year, pursuant to the scheme of arrangement, approved by Hon'ble High Court of Delhi on February 12, 2014, in between PVR Limited (PVR) and Cinemax India Limited (CIL) along with its subsidiaries viz. (Vista Entertainment Limited, Growel Entertainment Limited, Nikmo Entertainment Limited, Odeon Shrine Multiplex Limited and Cinemax Motion Pictures Limited) which is in the business of running multiplexes and Cine Hospitality Private Limited (CHPL) which was the Holding Company of CIL and also wholly owned subsidiary of PVR Limited, CIL along with its subsidiaries and CHPL were amalgamated with PVR Limited ('the Company') from the appointed date i.e. April 1, 2013

Pursuant to the above, CHPL 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. All the assets and liabilities of CHPL were fair valued, the difference in the value of net assets merged (Rs. 27,026 lakhs) and value of investment (Rs.37,101 lakhs) in CHPL has been treated as goodwill amounting to Rs.10,075 lakhs. Goodwill has been amortised in books over a period of 10 years on straight line basis during the previous year.

Further to above, CIL along with its subsidiaries stands merged with the Company following "Pooling of Interest Method" and accordingly, all the assets, liabilities and debts including reserves of CIL & its subsidiaries have been recorded at their respective book values as on the appointed date as per the Accounting standard 14 "Accounting for Amalgamation", issued by the Institute of Chartered Accountants of India. The difference between the value of net assets acquired (Rs. 13,748 lakhs) and carrying value of investment in CIL of Rs. 30,532 lakhs was adjusted with securities premium account.

Further, the Company had issued 10,90,283 equity shares in the swap ratio of 4 equity shares of PVR Limited of Rs. 10 each against each 7 equity shares of Rs. 5 each of CIL to erstwhile shareholders of CIL in accordance with the Scheme during the previous year.

#### 32. Gratuity plan:

The PVR 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 without any maximum limit.. The scheme for the Parent Company is funded with an insurance company in the form of a qualifying insurance policy.

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

#### Statement of profit and loss

Net employee benefit expense recognized in employee cost

	(Rs. in lakhs)			
	Gratuity		Gratuity	
	Funded		Unfunded	
	2014-15	2013-14	2014-15	2013-14
Current service cost	99	139	8	8
Interest cost on benefit obligation	65	32	2	1
Expected return on plan assets	(13)	(10)	-	-
Net actuarial loss/(gain) recognised in the year	69	115	2	-
Net benefit expense	219	275	12	10
Excess of Actual return over estimated return	(19)	(8)	-	-

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### Balance sheet

Details of provision for gratuity are as follows:

(Rs. in lakhs)

	Funded				
	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	937	822	428	311	228
Fair value of plan assets	(246)	(142)	(152)	(156)	(168)
Plan asset/(liability)	(691)	(680)	(276)	(155)	(61)
Experience adjustment on plan liabilities (loss)/gain	(76)	(106)	(30)	(25)	33
Experience adjustment on plan assets (loss)/gain	19	8	(3)	(0)	(2)
Actuarial (loss)/gain due to change on assumptions	(13)	(17)	(2)	1	-
	Unfunded				
Defined benefit obligation	41	28	175	12	9
Fair value of plan assets	-	-	-	-	-
Plan asset/(liability)	(41)	(28)	(175)	(12)	(9)
Experience adjustment on plan liabilities (loss)/gain	(2)	2	0	2	(0)
Experience adjustment on plan assets (loss)/gain	-	-	-	-	-
Actuarial (loss)/gain due to change on assumptions	(0)	(1)	-	-	-

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

(Rs. in lakhs)

	Gratuity		Gratuity	
	Funded		Unfunded	
	2014-15	2013-14	2014-15	2013-14
Opening defined benefit obligation	822	428	28	19
Adjustment on account of Acquisition	-	157	-	-
Interest cost	65	32	2	1
Current service cost	99	139	8	8
Benefits paid	(137)	(57)	-	-
Actuarial losses/(gain) on obligation	88	123	2	-
Closing defined benefit obligation	937	822	41	28

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

(Rs. in lakhs)

Particulars	2014-15	2013-14
Opening fair value of plan assets	142	152
Expected return	13	10
Contributions by employer	200	-
Benefits paid	(128)	(29)
Actuarial Gain/(losses)	19	8
Closing fair value of plan assets	246	142

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

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

	2014-15	2013-14
	%	%
Investments with insurer	96.17	95.76
Bank balances with the insurer	3.83	4.24

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

	2014-15	2013-14
	%	%
Discount rate	7.80	8.60
Expected rate of return on plan assets of the Parent Company	8.50	7.50
Increase in compensation cost	8.00	9.00
<b>Employee turnover for 2014-15</b>		
M Grade	25	20
E Grade	60	80

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### Defined Contribution Plan:

(Rs. in lakhs)

	2014-15	2013-14
Contribution to Provident Fund		
Charged to statement of profit and loss	635	586
Charged to Pre-operative expenses	45	46

### 33. Employee Stock Option Plans

The Parent company has provided stock option scheme to its employees. As at March 31, 2015, the following schemes are in operation:

#### PVR ESOS 2008:

Date of grant	January 30, 2009
Date of Shareholder's approval	January 5, 2009
Date of Compensation Committee of Board Approval	January 30, 2009
Number of options granted	500,000
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 two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at January 30, 2009	Rs. 88
Weighted average fair value of options granted on the date of grant	Rs. 37.10

## Notes to the Consolidated financial statements for the year ended March 31, 2015

The details of activity under PVR ESOS 2008 have been summarized below:

	2014-15		2013-14	
	Number of options	Weighted Average Exercise Price (Rs.)	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	88	32,940	88
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	88	32,940	88
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	88	-	88
Exercisable at the end of the year	-	88	-	88
Weighted average remaining contractual life of options (in years)	Nil	88	Nil	88

The weighted average share price at the date of exercise for stock options was Rs. Nil (March 31, 2014: Rs. 544.81)

The Parent company measures the cost of ESOP using the intrinsic value method. However, the options in earlier years were granted on then prevailing market price of Rs. 88. As a result, there is no expense to be recorded in the financial statements.

### PVR ESOS 2011:

The Parent company has further provided stock option scheme ESOS 2011 to its employees on October 05, 2011 as follows:

Date of grant	October 05, 2011
Date of Shareholder's approval	October 04 2011
Date of Compensation Committee of Board Approval	October 05, 2011
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 two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at October 04, 2011	Rs. 116.15
Weighted average fair value of options granted on the date of grant	Rs. 41.17

The details of activity under PVR ESOS 2011 have been summarized below:

	2014-15		2013-14	
	Number of options	Weighted Average Exercise Price (Rs.)	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	235,002	116.15	502,004	116.15
Granted during the year	-	-	-	-
Forfeited during the year	43,334	-	-	-
Exercised during the year	191,668	116.15	267,002	116.15
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	116.15	235,002	116.15
Exercisable at the end of the year	-	116.15	51,669	116.15
Weighted average remaining contractual life of options (in years)	-	116.15	2.51	116.15



## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

The weighted average share price at the date of exercise for stock options was Rs. Nil (March 31, 2014: Rs. 524.17)

The Parent company measures the cost of ESOP using the intrinsic value method. However, the options in earlier years were granted on then prevailing market price of Rs. 116.15. As a result, there is no expense to be recorded in the financial statements.

#### PVR ESOS 2012:

The Parent company has further provided stock option scheme ESOS 2012 to its employees on January 14, 2013 as follows:

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, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at January 11, 2013	Rs. 287.25
Weighted average fair value of options granted on the date of grant	Rs. 147.85

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

	2014-15		2013-14	
	Number of options	Weighted Average Exercise Price (Rs.)	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	451,000	200	550,000	200
Granted during the year	-		-	
Forfeited during the year	60,300		-	
Exercised during the year	214,500	200	99,000	200
Expired during the year	-		-	
Outstanding at the end of the year	176,200	200	451,000	200
Exercisable at the end of the year	19,800	200	84,333	200
Weighted average remaining contractual life of options (in years)	3.79	200	4.79	200

The weighted average share price at the date of exercise for stock options was Rs. 639.70 (March 31, 2014: Rs. 533.20)

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

	March 31, 2015	March 31, 2014
Dividend yield (%)	0.70%	0.70%
Expected volatility	36.99%	36.99%
Risk-free interest rate	7.80%	7.80%
Exercise price (Rs.)	Rs. 200	Rs. 200
Expected life of option granted in years	6	6

The Parent company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs.76.17 lakhs (March 2014: Rs. 188.01 lakhs) is recorded in the statements of profit and loss and amount of Rs 9.50 lakhs has been reversed in preoperative expenditure due to ESOP forfeited during the year.

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### PVR ESOS 2013:

The Company has further provided stock option scheme ESOS 2013 to its employees on August 21, 2013 as follows:

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, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at August 21, 2013	Rs.365.35
Weighted average fair value of options granted on the date of grant	Rs. 241.14

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

	2014-15	2013-14
	Number of Options	Number of Options
Outstanding at the beginning of the year	50,000	-
Granted during the year	-	50,000
Forfeited during the year	-	-
Exercised during the year	16,500	-
Expired during the year	-	-
Outstanding at the end of the year	33,500	50,000
Exercisable at the end of the year	-	-
Weighted average remaining contractual life of options (in years)	4.39	5.39

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

	March 31, 2015	March 31, 2014
Dividend yield (%)	0.27%	0.27%
Expected volatility	39.51%	39.51%
Risk-free interest rate	8.77%	8.77%
Exercise price (Rs.)	Rs. 200	Rs. 200
Expected life of option granted in years	6	6

The options have not been vested by the Company, or a result the average remaining contractual life of the option is not determinable as on March 31, 2014 as mentioned above. The Company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs. 33.63 lakhs (March 31, 2014: Rs. 30.73 lakhs) is recorded in the statements of profit and loss.

In March 2005, the ICAI has issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

statements. Applying the fair value based method defined in said guidance note, the impact on the reported net profit and earnings per share would be as follows:

Particulars	(Rs. in lakhs)	
	2014-15	2013-14
Profit after tax and before appropriation, as reported	1,276	5,605
Add - Employee stock compensation under Intrinsic Value method	110	219
Less - Employee stock compensation under Fair Value	91	528
Proforma Profit /(Loss)	1,295	5,296
Basic		
- As reported (Rs.)	3.09	13.72
- Proforma (Rs.)	3.14	12.96
Diluted		
- As reported (Rs.)	3.09	13.69
- Proforma(Rs.)	3.14	12.93

#### 34. Leases

- a. Rental expenses in respect of operating leases are recognized as an expense in the statement of profit and loss and Pre-operative expenditure (pending allocation), as the case may be.

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

- (i) The PVR Group has taken various cinemas, multiplexes, offices, food courts, bowling alleys and godown premises under operating lease agreements. These are generally renewable at the option of the PVR Group. The management of the PVR Group based on inputs from valuation experts, has allocated rent into two parts i.e. rent paid for use of land and building separately. The impact of straight lining of lease rent as required by Accounting Standard 19 on Leases, for use of building does not have material impact on profit for the current year.
- (ii) Disclosure for assets taken under non cancellable leases, where the Company is presently carrying commercial operations is as under:

Particulars	(Rs. in lakhs)	
	2014-15	2013-14
Lease payments for the year recognized in statement of profit and loss	28,001	23,763
Lease payments for the year recognized in Preoperative Expenditure	113	244
Minimum Lease Payments :		
Not Later than one year	20,447	17,535
Later than one year but not later than five years	63,216	58,081
Later than five years	46,144	45,547

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

- (i) Operating Lease (for assets given on lease)

The PVR 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	(Rs. in lakhs)	
	2014-15	2013-14
Sub-lease rent receipts for the year recognized in statement of profit and loss under various heads	1,369	1,430

- (ii) The PVR Group has given spaces of cinemas/ food courts under operating lease arrangements taken on lease or being operated under revenue sharing arrangements. The PVR Group has common fixed assets for operating multiplex/ giving on rent. Hence separate figures for the fixed assets given on rent are not ascertainable.

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 35. Capital and other Commitments

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Estimated amount of contracts remaining to be executed on capital and other account and not provided for (net of capital advances)	5,918	2,868

### 36. Contingent Liabilities (not provided for) in respect of:

(Rs. in lakhs)

	March 31, 2015	March 31, 2014
Appeals filed by the Parent company 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, 2012, 2011, 2010, 2009, 2008, 2007, 2006 respectively. (the Parent company has paid an amount of Rs. 890 lakhs which is appearing in the Schedule of Loans and Advances)**	2,224	2,110
Possible exposure on account of entertainment tax exemption treated as capital subsidy for assessment year 2012-13 to 2014-15 on the grounds of ongoing assessments	3,444	3,653
Show cause notices raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on invoices. (the Parent company has already paid an amount of Rs. 100 lakhs which is appearing under loan and advances)	2,110	539
Possible exposure of Service tax on sale of food and beverages for financial year 2014-15	1,614	-
Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT (TDS). CIT(A) has decided the matter in favour of the Parent company. Matter is Pending before ITAT.	115	115
Demand of Sales tax under Various States VAT Acts where appeal is pending before competent authority (the Parent company has paid an amount of Rs.77 lakhs under protest)	225	332
Demand of entertainment tax under Assam Amusement and Betting Tax Act, 1939 where appeal is pending before High Court	334	334
Appeal filed by CR Retails Malls (India) Ltd., against the Order of the Chief Controlling Revenue Authority, Pune against the demand of deficit stamp duty indemnify by the Parent company.	-	91
Notice from Entertainment Tax Department Chennai against short deposit of Entertainment Tax on regional movies	43	43
Notice from Commercial Tax Department, Indore against alleged collection of Entertainment tax during exemption period	823	823
Amount involved/ exposure in respect of matter under litigation with various parties including developers	364	364
Claims against the Company not acknowledged as debts	553	255
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. Based on the discussions and meetings with the solicitors, the management believes that it is more likely than not that the Company has a strong chance of success in the above cases and hence no provision there against is considered necessary.

### 37. Segment Information

#### Business Segments:

The PVR Group has organized its operations into three primary segments, Exhibition of Films, Distribution and Production of Films, Income from Bowling alleys and gaming zone, these have been identified taking into account the nature of activities carried out. The PVR Group's operations predominantly relate to exhibition of films.

Costs directly attributable to either segment are accounted for in the respective segment.

The following table presents the revenue and profit information of the business segments for the year ended March 31, 2015 and March 31, 2014 and certain asset and liability information regarding business segments as at March 31, 2015 and March 31, 2014.

## Notes to the Consolidated financial statements for the year ended March 31, 2015

Particulars	(Rs. in lakhs)														
	Movie exhibition			Movie Production & Distribution			Others (includes Bowling, gaming & restaurant etc.)			Elimination			Total		
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	
<b>Revenue</b>															
Income from Operations	136,482	124,857	3,925	2,524	7,304	7,370							147,712	134,751	
Inter segment sales	298	420	1,101	1,174	26	15			(1,425)	(1,609)					
Other Income*	251	282	106	73	66	17							422	372	
<b>Total Revenue</b>	137,031	125,559	5,132	3,771	7,396	7,402			(1,425)	(1,609)			148,134	135,123	
<b>Results</b>															
Segment Results	8,823	12,287	274	90	(280)	(263)			6	(13)			8,823	12,101	
Amortisation of Goodwill	-	-	-	-	-	-			-	-			-	-	
Interest Expense	-	-	-	-	-	-			-	-			(7,825)	(7,951)	
Dividend Income	-	-	-	-	-	-			-	-			79	15	
Profit on sale of current investments	-	-	-	-	-	-			-	-			227	567	
Interest Income	-	-	-	-	-	-			-	-			158	178	
Exceptional items	-	-	-	-	-	-			-	-			(217)	321	
Provision for Income Tax (including Deferred Tax)	-	-	-	-	-	-			-	-			(80)	(192)	
<b>Net Profit before Minority Interest</b>	-	-	-	-	-	-			-	-			1,164	5,039	
* Total Other Income as per the statement of profit and loss is Rs. 886 lakhs (March 31, 2014; Rs. 1072 lakhs) which includes Rs. 464 lakhs (March 31, 2014; Rs. 760 lakhs) pertaining to Corporate office.															
<b>Other Information</b>															
Total Assets	127,483	117,286	4,222	4,830	11,178	13,738			0	(632)			142,883	135,222	
Unallocated Assets	8,585	8,361	1,408	1,276	1,031	2,957			-	-			11,024	12,594	
<b>Total Allocated Assets</b>	118,898	108,925	2,814	3,554	10,147	10,781			0	(632)			131,859	122,628	
Total Liabilities	95,017	83,860	774	1,261	2,342	3,092			-	(632)			98,133	87,583	
Unallocated Liabilities	74,500	61,245	-	-	1,008	1,465			-	-			75,508	62,710	
<b>Total Allocated Liabilities</b>	20,517	22,615	774	1,261	1,334	1,627			-	(632)			22,625	24,872	
Capital employed (Allocable)	98,381	86,310	2,040	2,293	8,813	9,153			0	0			109,234	97,756	
Capital Employed (Unallocable)	13,788	15,087	411	1,344	771	868			-	-			(64,483)	(50,116)	
Capital Expenditure	9,921	6,899	591	1,646	1,167	892			-	-			14,970	17,300	
Depreciation													11,680	9,437	
Provision for Doubtful Debts and advances	266	219	6	15	-	-			-	-			272	234	

**Note:**

**Secondary Segment- Geographical Segment:** The PVR group mainly caters to the needs of the domestic market. Export turnover is not material. Hence, not considered for reporting.

## Notes to the Consolidated financial statements for the year ended March 31, 2015

### 38. Related Party Disclosure

Key Management Personnel	Ajay Bijli, Chairman cum Managing Director Sanjeev Kumar, Joint Managing Director
Enterprises having significant influence over the Company	Bijli Holding Private Limited
Relatives of Key Management Personnel	Mrs. Salena Bijli, Wife of Mr. Ajay Bijli Mrs. Sandhuro Rani, Mother of Mr. Ajay Bijli
Enterprises over which Key Management Personnel are able to exercise significant influence	PVR Nest Priya Exhibitors Private Limited

(Rs. in lakhs)

Transactions during the year	Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to exercise significant influence	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014	March 31 2015	March 31 2014
<b>Remuneration paid</b>						
Ajay Bijli	-	-	325	339	-	-
Sanjeev Kumar	-	-	225	339	-	-
Salena Bijli	-	-	30	30	-	-
<b>Rent Expense</b>						
Priya Exhibitors Private Limited	-	-	-	-	222	221
<b>CSR Expense</b>						
PVR Nest	-	-	-	-	100	20
<b>Final Dividend Paid</b>						
Bijli Holding Private Limited	251	100	-	-	-	-
Ajay Bijli	-	-	48	23	-	-
Sanjeev Kumar	-	-	7	3.4	-	-
Salena Bijli	-	-	-	0	-	-
Sandhuro Rani	-	-	-	0	-	-
<b>Balance Outstanding at the end of the year</b>						
<b>Security Deposit</b>						
Priya Exhibitors Private Limited	-	-	-	-	66	66
<b>Guarantees Taken (Personal Guarantees)</b>						
Ajay Bijli	-	-	-	*	-	-
Sanjeev Kumar	-	-	-	*	-	-

#### Notes:

- \*The Parent Company has availed loans from banks and a body corporate aggregating to Rs. Nil (March 31, 2014: Rs. 93 lakhs) which are further secured by personal guarantee of two directors of the Parent Company.
- The remuneration to the key management 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.
- No amount has been provided as doubtful debt or advance/written off or written back in the year in respect of debts due from/to above related parties.

## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

#### 39. Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2014-15:

S. No.	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss	
		As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)
	<b>Parent Company</b> PVR Limited	89.02	39,836.83	106.86	1,363.88
	<b>Indian Subsidiaries</b>				
1	PVR Pictures Ltd.	5.66	2,532.34	23.69	302.40
2	PVR Leisure Ltd.	17.44	7,802.30	9.40	120.02
3	PVR bluO Entertainment Ltd.*	16.98	7,600.15	(6.52)	(83.19)
4	Lettuce Entertain You Ltd.	(0.22)	(97.19)	(42.21)	(538.79)
	<b>Minority Interests in subsidiaries</b>				
1	PVR bluO Entertainment Ltd.			(4.33)	(55.32)
2	PVR Leisure Ltd.**			13.11	167.30
3	Elimination	(28.88)	(12,923.67)	-	-
	<b>Total</b>	<b>100.00</b>	<b>44,750.77</b>	<b>100.00</b>	<b>1,276.31</b>

There are no subsidiaries which have not been considered in the Consolidated financial statement.

\* Share in profit/loss of PVR bluO Entertainment Ltd. is net of additional depreciation of Rs. 200 lakhs provided in respect of a site where operations are suspended.

\*\* Share of profit/loss of Minority interest in PVR Leisure Ltd. upto 05th March, 2015 when it becomes wholly owned subsidiary of the Parent company.

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

Included in loans and advance are certain inter corporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Name of the loanee	Rate of Interest	Due date	Secured/unsecured	March 31,2015	March 31,2014
Sandhya Prakash Ltd.	18%	Repayable in 21 equal installments	Unsecured	98	-

The loan has been given to Sandhya Prakash Ltd. for their capital expenditure requirement, where the Company has an existing cinema locations.

41. During the previous year, the one of the subsidiary, PVR bluO Entertainment Limited decided not to continue with an ongoing project at Koregaon, Pune. The Project was in advance stage of construction and majority of the work was completed, accordingly a sum of Rs. 484 lakhs (including Pre-operative expense of Rs 43lakhs & net of insurance claimed received Rs 68 lakhs) has been written off in these financial statements as an exceptional item.
42. The Parent company has applied to the Ministry of Corporate Affairs for approval of the Remuneration paid as minimum remuneration to its Managing Director and Joint Managing Director for financial year 2014-15. The approval of Central Government is awaited.
43. The Board of directors has approved the merger of PVR Leisure Limited and Lettuce Entertain You Limited, (subsidiary company of PVR Leisure Limited) with PVR Limited which is subject to the approvals of the shareholders of the Company. The scheme in relation to the merger shall be finalised in due course and shall be approved by the constituted committee. Pending approval of the scheme at various levels. No adjustment is required to be done at this stage.
44. **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprise Development Act, 2006 which comes into force with effect from October 2, 2006. As per the act, the Company is required to identify the Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of terms agreed with the suppliers.

## Notes to the Consolidated financial statements for the year ended March 31, 2015

The Parent Company and its subsidiaries have sent the confirmation letters to its suppliers at the year end, to identify the supplier registered with the act. As per the information available with the Parent Company and its subsidiaries, 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.

### 45. Corporate Social Responsibility

During the year, the Parent company has spent Rs. 100 lakhs, through its foundation PVR Nest focuses on providing education, healthcare, nutrition and rehabilitation to children.

(Rs. in lakhs)

Particulars	2014-15	2013-14
Gross amount required to be spent by the Parent company during the year	100	-
Amount spent during the year	100	-

### 46. Derivative Instruments and un-hedged Foreign Currency Exposure:

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

(Rs. in lakhs)

Particulars	Currency	March 31, 2015	March 31, 2014
Trade Payable	Thai Bhat	-	7
	Hongkong Dollar	-	2
	USD	-	3
Trade Receivable	USD	0.72	-
Cash in Hand	Thai Bhat	0.33	0.11
	Hongkong Dollar	0.04	0.04
	Sterling Pound	0.08	0.08
	Singapore Dollar	0.19	0.20
	USD	1.20	2.22
	Euro	0.31	1.07
	Dirham	0.29	-

47. Effective 6 September, 2013 there has been a temporary cessation in operations in one of the project of the subsidiary Company at Vasant Kunj, New Delhi on account of certain irregularities observed in the Mall. The subsidiary has invested Rs. 148,301,746 (written down value as on 31 March 2015 Rs. 104,058,593) in this project. The Group believes that in a situation where the Centre does not commence operations in future, except for assets worth Rs. 36,280,442 (WDV of leasehold improvement as on 31 March 2015), the balance assets can be shifted to any new upcoming location of the Company.

The management is of the view that this irregularity has to be regularised by the mall owner and the company has assessed that there is no loss expected from the same, based on the ongoing discussion with the Mall Management. Further, the Management, based on its discussion with the Mall Management, is of the view that it shall be able to obtain necessary clearances from the authorities, pending final assessment of the matter, the group on a conservative basis has provided for an additional depreciation of Rs. 200 lakhs has been provided in the consolidated financial statements.

### 48. (i) Expenditure in foreign currency (on accrual basis)

(Rs. in lakhs)

Particulars	2014-15	2013-14
Travelling	108	146
Professional fees (including expenses, net of withholding tax)	204	146
Royalty and Print Costs	198	131
Others	23	29
<b>Total</b>	<b>533</b>	<b>452</b>



## PVR Limited

### Notes to the Consolidated financial statements for the year ended March 31, 2015

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

(Rs. in lakhs)

Particulars	2014-15	2013-14
Advertisement Income	7	-
Sale of Film & satellite rights	239	533
Income from sale of tickets and food and beverages	206	-
<b>Total</b>	<b>452</b>	<b>533</b>

#### (iii) CIF value of imports

(Rs. in lakhs)

Particulars	2014-15	2013-14
Capital Goods	496	539
Store and spares	346	11
<b>Total</b>	<b>842</b>	<b>550</b>

49. (i) Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's classification.  
(ii) The figures in the financial statements and notes thereto have been rounded off to nearest rupees in lakhs.

As per our report of even date

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

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No. : 301003E  
Chartered Accountants  
per **Vikas Mehra**  
Partner  
Membership No. 94421  
Place: Gurgaon  
Date: May 29, 2015

**Ajay Bijli**  
Chairman cum Managing Director  
DIN: 00531142

**N.C. Gupta**  
Company Secretary  
ICSI - M. No. A3530

**Sanjeev Kumar**  
Joint Managing Director  
DIN: 00208173

**Nitin Sood**  
Chief Financial Officer

# Summarised Financial Statements of Subsidiaries

## for the year ended 31.03.2015

(Rs. in lakhs)

1	Name of the Subsidiary	PVR Pictures Limited	PVR Leisure Limited	PVR bluO Entertainment Limited	Lettuce Entertain You Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-Apr-14 To 31-Mar-15	01-Apr-14 To 31-Mar-15	01-Apr-14 To 31-Mar-15	01-Apr-14 To 31-Mar-15
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
4	Share Capital	1,433	2,194	3,652	955
5	Reserves & surplus	1,099	5,609	4,148	(1,052)
6	Total asseets	3,598	7,804	9,967	1,055
7	Total liabilities	1,065	2	2,167	1,152
8	Investments	-	-	-	-
9	Turnover	5,161	163	5,239	577
10	Profit before taxation	303	138	175	(539)
11	Provision for taxation	0.10	18	62	-
12	Profit after taxation	302	120	113	(539)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100.00%	51%	100%



**PVR LIMITED**

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