Notice of the Annual General Meeting

NOTICE is hereby given that the Seventeenth Annual General Meeting of PVR Limited will be held at Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038 on Friday, 28th day of September, 2012 at 10:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To note and confirm the payment of Special Interim Dividend @ Rs. 4/- per equity share paid to the Members for the financial year 2011-12.
3. To declare Dividend on Equity Shares for the Financial Year 2011-12.
4. To appoint a Director in place of Mr. Ravi K. Sinha who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Sanjay Khanna who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Sanjai Vohra, who was co-opted as an Additional Director of the Company on 30th September, 2011 under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Sanjai Vohra for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board
For PVR Limited

Place: Gurgaon
Date: 29th May, 2012

N. C. Gupta
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMAPNY. THE PROXY FORM DULY STAMPED, COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED HEREWITH.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. In order to determine the entitlement for payment of Dividend, if any, declared at the Annual General Meeting of the Company, the Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2012, Monday to 28th September, 2012, Friday (both days inclusive).
4. **Queries, if any, regarding accounts may please be sent to the Company Secretary at least 10 days before the date of Annual General**

Meeting so as to enable the Company to keep the information ready.

5. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of their attendance at the meeting.

6. **Members holding shares in Demat/physical form are requested to notify any change in address, bank mandates, if any, and their E-mail ID for dispatch of Annual Reports and all other information, correspondences to the Company's Registrar and Share Transfer Agent Karvy Computershare Private Limited, by E-mail at pvr.cs@karvy.com or at their address at Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad – 500 034.**

7. **Members are requested to bring their Attendance Slips to the Meeting, as the same will not be distributed in the meeting.**

8. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the shares held by them.

9. **Members/ Proxies may also please note that only Tea/Coffee will be served and no Gift will be distributed at the venue of Annual General Meeting or elsewhere.**

10. **Children who are not members of the Company would not be allowed to attend the Annual General Meeting.**

11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.

12. Documents relating to any of the items mentioned in the Notice are open for inspection at the Registered Office of the Company on any working day during business hours prior to the date of meeting and also at the meeting.

By Order of the Board
For PVR Limited

Place: Gurgaon
Date: 29th May, 2012

N. C. Gupta
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

Mr. Sanjai Vohra is 52 years of age. He is BSc. in Physics from St. Stephen's College, Delhi and MBA (PGDM) Major in Finance, from I.I.M. Ahmadabad.

Mr. Vohra has over 25 years of experience in the banking industry in Asia, including 17 years at JP Morgan and 6 years at Citibank, India. He has covered a wide range of industries across Asia. His experience includes Private Equity, Private Finance, Risk Management and various Debt products. In his Private Equity role, he has been on the board of various companies. He was Managing Director of ING Bank NV and JP Morgan Chase & Co. Hong Kong and UBS AG-Singapore.

With the appointment of Mr. Vohra on the Board of the Company is expected to be benefitted with his invaluable advice, vision and contribution for the overall growth of the Company.

Mr. Sanjai Vohra was appointed as an Additional Director on the Board of the Company with effect from 30th September, 2011 under Section 260 of the Companies Act, 1956 who holds office upto the commencement of this Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- from a shareholder proposing the name of Mr. Sanjai Vohra for the appointment as Director on the Board of the Company. The Board considers it desirable that the Company should continue to avail services of Mr. Vohra as Director of the Company.

The Board recommends the resolution at item no. 7 for the approval of the Shareholders.

Mr. Sanjai Vohra is interested in this resolution to the extent of his appointment as Director of the Company. No other Director of the Company is in any way concerned or interested in the proposed resolution.

By Order of the Board
For PVR Limited

Place: Gurgaon
Date: 29th May, 2012

N. C. Gupta
Company Secretary

Detail of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to clause 49 of the listing Agreement)

Name of Director	Mr. Sanjay Khanna	Mr. Ravi K Sinha	Mr. Sanjai Vohra
Date of Birth	21.04.1960	28.10.1947	05.09.1960
Qualification	B.Com	Graduate in Mechanical Engineering	PGDM from I.I.M. Ahmadabad, (Major in Finance)
Nature of Expertise in specific Functional Areas	19 Years of varied experience in various streams of business.	44 years experience in running of Business Organization.	25 years of varied experience in the Banking Industry, including Private Equity, Private Finance, Risk Management and various Debt products.
Directorship and Trusteeship in other Companies	-	PVR Pictures Limited Emergent Venture India Private Limited TPG Wholesale Private Limited Henkel Teroson India Limited	-
Members/Chairman of Committees of other Companies	-	PVR Pictures Limited Emergent Venture India Private Limited	-
No. of Shares held	7,500	-	-

Attendance Slip

PVR LIMITED

Registered Office: 61, Basant Lok, Vasant Vihar, New Delhi - 110057

(To be handed over at the Attendance Counter)

Folio No.	DP ID No.
No. of Shares	Client ID No.

I/We record my/our presence at the 17th Annual General Meeting of the Company at Mapple Emerald, Rajokri, National Highway-8, New Delhi – 110 038 on Friday, the 28th day, of September 2012 at 10:00 A.M. or at any adjourment thereof.

1. Name of the Member : 1. Mr./Mrs./Miss ______________________
   And Joint Holder (s) 2. Mr./Mrs./Miss ______________________
   (In block letters) 3. Mr./Mrs./Miss ______________________
2. Address : ______________________
   ____
   ____
3. Name of Proxy : Mr./Mrs./Miss ______________________

____

Signature of the Proxy Signature(s) of Member and Joint Holder(s)

Proxy Form

PVR LIMITED

Registered Office: 61, Basant Lok, Vasant Vihar, New Delhi - 110057

Folio No.	DP ID No.
No. of Shares	Client ID No.

I/We ______________________ R/o ______________________

______________________ being a Member/Members of PVR Limited hereby appoint Mr./Mrs./ Miss ______________________ R/o ______________________

failing him/her Mr./Mrs./Miss ______________________

______________________ R/o ______________________ whose

specimen signatures are given hereunder, to vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 at 10.00 A.M. and at any adjournment thereof.

1.

2.

Specimen signature of the Proxy (ies) Signature of Revenue Stamp Member

Signed at this..day of..................................2012

Note: The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours (i.e. latest by 10.00 A.M. on Wednesday, 26th September, 2012) before the time fixed for holding the aforesaid meeting. The proxy need not be a member of the Company.

SCRIPTING ENTERTAINMENT'S SUCCESS STORY

ANNUAL REPORT
2011-2012

Board of Directors

Mr. Ajay Bijli	Chairman cum Managing Director
Mr. Sanjeev Kumar	Joint Managing Director
Mr. Vicha Poolvaraluk	Director
Mr. Sumit Chandwani	Director
Mr. Vikram Bakshi	Director
Mr. Sanjai Vohra	Director
Mr. Ravi K. Sinha	Director
Mr. Sanjay Khanna	Director

Company Secretary

Mr. N.C. Gupta

Auditors

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

Main Bankers

DBS Bank Limited
HDFC Bank Limited
Axis Bank Limited

Registered Office

61, Basant Lok, Vasant Vihar, New Delhi - 110057

Corporate Office

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

Subsidiaries

PVR bluO Entertainment Limited
PVR Pictures Limited

Registrar & Share Transfer Agents

Karvy Computershare Private Limited,
17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081
Tel.: +91-40-2342 0815-828 Fax: +91-40-2342 0814
www.kcpl.karvy.com

Contents

Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the 17th Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended March 31, 2012.

Financial Highlights

(Rs. In Crores)

	2011-12	2010-11
Income from Operations	467.47	350.74
Other Income	11.27	10.32
Total Income	**478.74**	361.06
Less: Expenditure	397.62	298.10
Earnings before depreciation/ amortization interest and tax (EBDITA)	**81.12**	62.96
Add : Exceptional Items	2.69	-
EBDITA (Inclusive of Exceptional Items)	**83.81**	62.96
Less : Depreciation & Amortization Expenses	31.36	24.11
Finance Cost	17.96	15.96
Profit before Tax	**34.49**	**22.89**
Provision for Tax Credit/ (Expense) (net)	(6.38)	(6.55)
Net Profit after Tax	**28.11**	**16.34**
Balance brought forward from previous year	**33.95**	**22.20**
Profit available for appropriation	**62.06**	**38.54**
Appropriations		
Transfer to Capital Redemption Reserve	**1.39**	**-**
Dividend on:		
Equity Shares	**15.44**	**2.86**
Tax on Dividend	**2.49**	**0.46**
Transfer to Debenture Redemption Reserve	**0.85**	**0.85**
Transfer to general Reserve on Dividend declared	**2.81**	**0.41**
Balance Carried to Balance Sheet	**40.47**	**33.95**

Financial Review:

During the Financial year ended March 31, 2012, your Company has achieved new heights in terms of income and profitability. The total income increased from Rs. 361.06 Crores, during the preceeding year to Rs. 478.74 Crores in the year under review registering a growth of 32.57%. Operating Profit before interest, depreciation and tax increased to Rs. 81.12 Crores as against Rs. 62.96 Crores during the previous year.

Your company has recorded significant growth during the year under review. Consistency across operations and ongoing expansion has strengthened PVR's position as a leading Film exhibition company in India.

Kindly refer to Management Discussion & Analysis Report covered under Corporate Governance which forms part of this report for a detailed financial review.

Dividend

During the year, your Company has paid Rs. 4/- (Rupees Four) per Equity Share as Special Interim Dividend to the members of the Company.

Your Directors have recommend a Final dividend of Rs. 2/- (Rupees Two) per Equity Share for the financial year ended March 31, 2012 for your approval. The Dividend outgo inclusive of Special Interim Dividend amounts to Rs. 15.44 Crores (exclusive of Dividend Distribution Tax of Rs. 2.49 Crores).

Operation Review

Kindly refer to Management Discussion & Analysis Report covered under Corporate Governance which forms part of this report.

Subsidiaries

As on March 31, 2012 the Company had two subsidiary companies PVR Pictures Limited (PVR Pictures), a wholly owned subsidiary and PVR bluO Entertainment Limited (PVR bluO) a Joint Venture Company. CR Retail Malls (India) Limited (CCR) ceased to be Company's subsidiary w.e.f. 17th May, 2011 i.e. the date of sale of the investment in Share Capital of CRR by your Company.

PVR Pictures Limited (PVR Pictures)

Your Company bought back on 5th July, 2011, 1,43,33,334 Equity Shares of PVR Pictures Limited, from JP Morgan Mauritius Holding IV Limited (71,66,667 Equity Shares) and IDBI Trusteeship Services Limited (India Advantage Fund) (71,66,667 Equity Shares). With the acquisition of balance 40% Share Capital of PVR Pictures Limited by your Company, PVR Pictures Limited has become the wholly owned subsidiary of your Company.

PVR bluO Entertainment Limited (PVR bluO)

Presently the Company operates two bowling alley centers at Ambience Mall-I, Gurgaon and Ambience Mall-II, at Vasant Kunj, New Delhi. The Company has made a roadmap for expansion of its business and will accordingly open additional bowling centers in India at Pune, Bangalore, Chandigarh, Ludhiana and Noida. These bowling centers on being operational are expected to enhance the income and profitability of the Company.

Consolidated Financial Statements

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the Financial Year 2011-12.

Particulars under Section 212 of the Companies Act, 1956

The Ministry of Corporate Affairs, Government of India has granted a general exemption from attaching the audited accounts of the subsidiaries in the Consolidated Accounts of the Company vide General Circular No. 2/2011 dated 8th February, 2011.

Corporate Governance

The Company is committed to uphold the highest standards of corporate governance. Your Company strongly believes that this relationship can be strengthened through corporate fairness, transparency and accountability. Your Company complies with all the provisions of Clause 49 of the Listing Agreement.

A report on Corporate Governance, along with a Certificate from Practicing Company Secretary is enclosed. A Certificate from Chairman cum Managing Director and CFO, confirming the correctness of the financial statements, adequacy of the internal control measures as enumerated in Clause 49 of the Listing Agreement are also enclosed.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, is presented in a separate section forming an integral part of this Annual Report.

Directors

Mr. Sanjai Vohra was co-opted as Additional Director on the Board of the Company effective from 30th September, 2011. A member of the Company under Section 257 of the Companies Act, 1956 has proposed the candidature of Mr. Vohra for the Office of the Director. Mr. Renaud Jean Palliere a Director of the Company has resigned from the Board of Directors of your Company w.e.f. 20th March, 2012. The Board places on records its appreciation of the valuable contribution made by Mr. Renaud during the tenure of his Directorship.

Mr. Ravi K. Sinha and Mr. Sanjay Khanna retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A brief resume of the Directors retiring by rotation alongwith other details, is given in the Corporate Governance Report.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules 1975.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

i. 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;

ii. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That they had prepared the annual accounts for the Financial Year ended 31st March, 2012 on a going concern basis.

CR Retail Malls (India) Limited

During the year under review, your Company sold its investments in the Equity Share Capital of Two Crore Equity Shares of Rs. 10/-each aggregating to Rs. 20 Crores of CR Retail Malls (India) Limited a wholly owned subsidiary of the Company to M/s JM Financial Products Limited and JM Financial Investment Managers Limited at a consideration of Rs. 40.31 Crores. Through a long term lease back arrangement, operations of Seven Screen Multiplex at Lower Parel, Phoenix Mills Compound, Mumbai was transferred to PVR Limited from 22nd April, 2011. The profit on sale of investments amounting to Rs. 16.86 Crores has been disclosed as an exceptional item vide note no. 37 and 42 of the enclosed audited Annual Accounts for financial year 2011-12.

Buy-Back of Company's Own Equity Shares

The Board of Directors at the meeting held on 27th May, 2011 had approved a Scheme of Buy-Back of Company's own equity shares at a price not exceeding Rs. 140/- per share upto an amount not exceeding Rs. 26.21 Crores, i.e. 10% of the paid-up equity shares capital and free-reserves as per last audited accounts in accordance with the applicable provisions under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

The Company, till close of the buy-back offer on 29th August 2011 bought back 13,88,328 Equity Shares of the Company for a sum of Rs. 15.82 Crores.

Sanction of Composite Scheme of Arrangement

Pursuant to the Composite Scheme of Arrangement filed by the Company, the Hon'ble High Court of Delhi on February 2, 2012, approved the transfer of the production business undertaking from PVR Pictures Limited into the Company with effect from April 1, 2011 and the same has become effective from February 29, 2012. PVR Pictures Limited being wholly owned subsidiary of your Company therefore no shares were issued to PVR Limited, on merger of production business undertaking into your company.

The Composite Scheme of Arrangement further provided that from the effective date, relevant assets, after having deferred tax adjustments and proportionate reduction in value of investments in subsidiary, be adjusted to their fair values, by setting-off against specified reserves (including Securities Premium Account). Accordingly the Company has written down the value of such assets by Rs. 49.37 Crores and set off the same against reserves as per the aforesaid scheme.

Employee Stock Option Plan: "PVR ESOP Scheme 2011"

Your Company had obtained Members' approval through Postal Ballot on 4th October 2011 for the introduction and implementation of PVR Employees Stock Option Scheme 2011.

During the financial year under review the Compensation Committee in the meeting held on 5th October 2011 granted 5,50,000 Options to the employees of the Company at a fair market price of Rs. 116.15/- per option in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'). The Compensation Committee administers and monitors the said Scheme.

The Disclosure as required under Clause 12.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended is set out in Annexure 'III' to the Directors Report.

The certificate from the Statutory Auditors under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, confirming that the PVR ESOS 2011 has been implemented in accordance with the guidelines and will be placed before the shareholders at the ensuing Annual General Meeting.

Service Tax

The Finance Act, 2010 has defined the "Renting of the Immovable Property" as a taxable service with retrospective effect from June 1, 2007. The Company had challenged the levy of Service Tax on renting of commercial properties before the Hon'ble High Court of Delhi which had granted an interim stay against the levy of service tax. Based on the advice obtained by the Company, no provision of Service Tax in respect of commercial properties was made by the Company in earlier years. In 2011, the Hon'ble High Court of Delhi, upheld the levy of Service Tax vide its order dated September 23, 2011. The Company had filed Special Leave Petition ("SLP") before Hon'ble Supreme Court of India against the order of the Hon'ble High Court of Delhi which is currently pending. Your company has made payments towards service tax as per direction of the Hon'ble Supreme Court of India.

Accordingly an amount of Rs. 7.91 Crores (net of CENVAT Credit) being provision for financial year 2012 has been included in Rent Expenses and amount of Rs. 14.16 Crores (net of CENVAT Credit) being the provision from June 1, 2007 upto March 31, 2011 has been adjusted from Exceptional Income.

Auditors' Report

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Co., Chartered Accountants, having firm's Registration No.: 301003E, Gurgaon, hold office until the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment and have confirmed that their reappointment if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956. The Board recommends the re-appointment of M/s S. R. Batliboi & Co., Chartered Accountants as Statutory Auditors of the Company.

The Auditor's observations and the relevant notes on the accounts are self-explanatory and therefore, do not call for further comments.

Change in Capital Structure and Listing of Equity Shares

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). During the year under review, 1,41,620 Equity Shares were allotted to employees of the Company on 8th June, 2011, 19th September, 2011 and 29th March, 2012 against same numbers of options exercised by employees pursuant to Employees Stock Option Scheme of the company.

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

A statement giving details of Conservation of Energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given as Annexure - I hereto and forms part of this report.

Particulars of Employees

The information as required in accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in Annexure 'II' to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

Acknowledgement

Your Directors place on record their gratitude to the shareholders, customers/patrons, suppliers, collaborators, bankers, financial institutions and all other business associates and Central Government and State Government for the incessant support provided by them to the company and their confidence in its management.

Your Directors also place on records their deep appreciation of the contribution made by the employees at all levels.

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: 29th May, 2012

Ajay Bijli
Chairman cum Managing Director

Annexure – I to Directors Report

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

Particulars required under Section 217(1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 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 CFL 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.
- Poster windows in all cinemas having copper chokes have been replaced with electronic ballast to conserve energy and to enhance the light of tube lights and also reduce the numbers of tube lights from 4 to 2 in each poster window to conserve Energy.

ii) Technology Absorption:

- Added 65 screens PAN India basis on 3D format.

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

iii) Foreign Exchange Earnings & Outgo

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Earnings in foreign currency (on accrual basis)		
Advertisement Income (including Service Tax)	1,575,992	Nil
Expenditure in foreign currency (on accrual basis)		
Travelling	6,190,036	3,116,371
Professional fees (including expenses, net of income tax)	16,114,098	6,984,619
Director Sitting Fees	49,989	32,000
Others	137,830	-
Total	**22,491,953**	**10,132,990**
CIF Value of Imports		
Capital Goods	90,692,825	44,302,583
Software	-	25,548
Total	**90,692,825**	**44,328,130**

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: 29th May, 2012

Ajay Bijli
Chairman cum Managing Director

Annexure III to Directors' Report

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2012

A.

	Particulars	ESOP Scheme
1	Number of options granted	550,000
2	The Pricing Formula	The closing market Price on the day prior to the date of grant.
3	Number of options vested	Nil
4	Number of options exercised	Nil
5	Total number of shares arising as a result of exercise of options	Nil
6	Number of options lapsed	Nil
7	Variation in the terms of options	N.A.
8	Money realised by exercise of options	Nil
9	Total Number of Options in force	550,000

B. Employee-wise details of options granted to:

(i) Senior managerial personnel

Name	No. of options granted
Mr. N. C. Gupta	1,30,000
Mr. Pramod Arora	1,30,000
Mr. Nitin Sood	1,20,000
Mr. Gautam Dutta	1,20,000
Mr. Ashwani Handa	25,000
Mr. Ajay Kalra	25,000

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name	No. of options granted
Nil	

(iii) Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Name	No. of options granted
Nil	

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 **10.46**

D. The impact on the profits and EPS of the fair value method is given in the table below: Rs.

Profit as reported	281,089,309
Add - Intrinsic Value Cost	-
Less - Fair Value Cost	-
Profit as adjusted	281,089,309
Earning per share (Basic) as reported	10.50
Earning per share (Basic) adjusted	10.50
Earning per share (Diluted) as reported	10.46
Earning per share (Diluted) adjusted	10.46

E. Weighted average exercise price of Options whose

(a)	Exercise price equals market price	116.15
(b)	Exercise price is greater than market price	Nil
(c)	Exercise price is less than market price	Nil

Weighted average fair value of options whose

(a)	Exercise price equals market price	41.17
(b)	Exercise price is greater than market price	Nil
(c)	Exercise price is less than market price	Nil

F. Method and Assumptions used to estimate the fair value of options granted during the year:

The Fair Value has been calculated using the Black Scholes Option Pricing Model

The Assumptions used in the model are as follows:

Date of Grant	5th October, 2011
1. Risk Free Interest Rate	8.45%
2. Expected life	5
3. Expected Volatility	35.95%
4. Dividend Yield	1.72%
5. Price of the underlying share in market at the time of the option grant (Rs.)	116.15

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, 2012. 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 was INR 93 Billion in 2011 indicating a growth of 11.5% vis-à-vis 2010. Quality content combined with the revival of Hindi films with mass connect improved the occupancy rates which in-turn increased domestic box-office collections. With several high budget Hindi releases lined up across the year, 2012 it is expected to sustain the growth momentum witnessed in 2011. The Indian film industry is projected to grow at a CAGR of 10.1 % to touch INR 150 Billion in 2016. The industry expects domestic theatrical revenues to continue dominating the overall pie. Despite representing less than 15 % of the total screens in India, multiplex screens account for 50% of the Indian theatrical revenues.

The industry is expected to double the multiplex screens over the next five years taking the total tally to over 2,200 screens in 2016. An increased number of shows on account of reduction in film duration combined with growth in properties and quality of the film-going experience continues to drive overall footfalls at multiplexes as evidenced by improved occupancy rates in 2011. In addition the contribution of regional cinema to multiplex chains has continued to increase. (Source: FICCI- KPMG Indian Media and Entertainment Report 2012)

Opportunities

1. **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.

2. **Demographic scenario supports long-term fundamentals:** Due to favorable demographics (75% of the country's population is below the age of 35) and economic conditions in India, coupled with consumers willing to spend more on a variety of leisure and entertainment services, the filmed entertainment business is set to grow in the years to come.

3. **Under screened market:** When compared to global benchmarks such as USA, UK, France, Spain, India is a significantly under screened. Mumbai and Bangalore have a higher number of screens per million at 23 and 21 respectively, while cities such as Hyderabad and Chennai have only about 8, indicating a huge opportunity.

4. **Expansion to tier II/III cities:** Having established a foothold in most metros, multiplex chains are now moving to tier II/III cities to create a better viewing experience and cash in on the increased disposable income from these cities.

5. **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.

6. **Adoption of Digital Technology:** Cinema Exhibition Business is undergoing a tremendous technological change as Theatre Owners are now converting their current projectors with high-end Digital Projectors or Digital Cinema. Digital Cinema refers to use of Digital Technology to capture, distribute and project motion pictures. Use of this technology will allow distribution of movie via hard drives, optical disks or satellite and projected using a digital projector.

7. **Improvement in Transparency of ticket sales**: 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 is the key contributor. This has not only helped film makers and distributors; it has also given a boost to cinema advertising. Advertisers now have better access to occupancy rates and film revenues of film goers. The cinema advertising market has grown at a robust 18 % in 2011 to reach INR 140 Crores.

Threats/Risks and Mitigation Measures

1. **Competition from other forms of entertainment** - Supply of different types and formats of entertainment, like theme parks, movie-on-demand on DTH and cable platforms, IPL, Live Gaming, amongst others, could affect revenues

2. **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 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.

3. **Execution delays:** The success and expansion of most multiplexes is intricately linked with malls. High property prices and recent recessionary conditions have slowed the expansion of malls and corresponding footfalls growth which has directly affected the growth of multiplexes. While an extended slowdown may create further delays in expansion of new properties for multiplex players any improvements such as support from the Government for FDI in organized retail may come as a peripheral boost to multiplex chains.

4. **Piracy:** Piracy continues to be a major concern for the film industry. Since the shelf life of films in the last few years have reduced significantly, therefore the success or failure of the film now depends largely on its performance in the opening weeks with the piracy having an adverse impact on legitimate revenues of the producers, distributor and exhibitors. Technological advancements such as digitalization of film content and delivery should help arrest piracy to a great extent.

5. **Controlled Ticket Prices:** Controlled ticket rates in some of the states and high entertainment taxes make it difficult to keep pace with increasing rentals. Allowing markets to determine the ticket rates would provide more flexibility to the exhibitors.

Product wise analysis

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

Revenue Growth

			(Rs in Lacs)
	Year ended		
	31.03.2012	31.03.2011	Growth
Income from Ticket Sales/ Revenue Sharing	29,730	23,031	29%
Sale of Food and Beverages	9,285	6,461	44%
Advertisement & Royalty Income	6,179	4,919	26%
Other Operating Income	1,905	892	114%
Net Operating Income	**47,099**	**35,303**	**33%**
Other Income	776	804	-3%
Total Income	**47,875**	**36,106**	**33%**

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 24.7 million patrons at our cinemas during FY 2012 as compared to 19.6 million patrons during the FY 11, a growth of 26%. With the addition of 70-80 new screens planned in Calender Year 2012, your Company expects a robust growth in footfalls during the current year.

2. **Future Outlook**

   Future outlook for the FY 2012-13 is positive and barring the unforseen 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 review 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

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 of Directors

As on 31st March, 2012, the Company had eight Directors on the Board. The Board is comprised of two Executive Directors, six Non Executive Directors out of which four are Independent Directors.

The Company has an Executive Chairman and 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, 1956.

Details of the Board of Directors as on 31st March, 2012 in terms of their directorship/membership in committees of public companies and attendance in the Last Annual General Meeting & Board Meetings are as follows:

Name of the Directors	Category	Shareholding in the Company (No. of shares)	No. of Board Meetings attended during the year.	Attendance at the last AGM held on August 8, 2011.	Number of other Directorships	Number of Committee Memberships and Chairmanship in all Companies including PVR Limited	
						Membership	Chairmanship
Ajay Bijli	Promoter, Executive Director	1,570,287	7	Yes	6	2	2
Sanjeev Kumar	Executive Director	17,600	8	Yes	4	2	-
Sumit Chandwani	Non Executive Independent	-	6	Yes	2	6	2
Vicha Poolvaraluk	Non Executive Non Independent	-	-	No	1	-	-
Vikram Bakshi	Non Executive Independent	-	4	No	24	3	-
Ravi. K. Sinha	Non Executive Non Independent	-	6	No	4	3	-
*Renaud Jean Palliere	Non Executive Independent	-	2	No	4	1	-
Sanjay Khanna	Non Executive Independent	7,500	8	Yes	-	3	-
*Sanjai Vohra	Non Executive Independent	-	3	NA	-	-	-

* Mr. Renaud Jean Palliere has resigned from the Board of the Company w.e.f. 20th March, 2012.
* Mr. Sanjay Vohra was appointed as additional director w.e.f. 30th September, 2011.

Number of Board Meetings

The Board of Directors met eight (8) times during the year as follows:

- 5th May, 2011.
- 27th May, 2011.
- 8th August, 2011.
- 30th September, 2011.
- 21st October, 2011.
- 21st November, 2011.
- 30th January, 2012.
- 19th March, 2012.

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	1,24,80,000	93,60,000
Perquisites (HRA)	74,88,000	56,16,000
Total	1,99,68,000	1,49,76,000

Non Executive Directors

During the year under review, Mr. Ravi K. Sinha a Non-Executive Director was paid annual professional fees of Rs. 24 Lacs only.

Further, the following Non-Executive Directors of the company were paid remuneration (Sitting fees) for attending meetings of the Board/Committee of the Directors as follows:

Name of the Directors	Sitting Fees (Rs.)
Mr. Sanjay Khanna	2,80,000
Mr. Ravi. K. Sinha	1,40,000
Mr. Sumit Chandwani	2,20,000
Mr. Renaud Jean Palliere	40,000
Mr. Vikram Bakshi	1,20,000
Mr. Vicha Poolvaraluk	-
Mr. Sanjai Vohra	-
Total	**8,00,000**

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

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company which is available on the website of the Company www.pvrcinemas.com. All Board members and senior management that includes company executive's 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.

Audit Committee

Composition, Meetings and Attendance:

As on March 31, 2012, the Audit Committee is comprised of three 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 and Section 292A of the Companies Act, 1956.

Composition and Attendance

Mr. Sumit Chandwani who has knowledge in Finance and Accounts is the Chairman of the Audit Committee. During the year under review the Audit Committee met Four times on 27th May, 2011, 8th August, 2011, 21st October, 2011 and 30th January, 2012 and the maximum gap between any such two meetings did not exceed four months as stipulated under Clause 49.

Name of the Members	No. of meetings attended
Mr. Sumit Chandwani	4
Mr. Sanjay Khanna	4
Mr. Vikram Bakshi	1

Investors Grievance Committee

Terms of Reference

The Investors Grievance Committee focuses on shareholders' grievances, monitors the response to investors' queries besides strengthening of investor relations. It looks into all kinds of investor complaints including transfer of shares, non-receipt of dividends/ annual reports and other such issues.

Composition and Attendance

The Investor Grievance Committee comprises of three Directors, two of whom are Non-Executive Directors. During the year under review the Investors Grievance Committee met one time on 30th January, 2012 and Mr. Ajay Bijli and Mr. Sanjay Khanna attended the meeting.

The 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 Investor Grievance Committee.

Remuneration Committee

Terms of Reference

The remuneration committee of the Board consists of three members, all of whom are Independent Directors. The Remuneration committee has been constituted for the determination of remuneration packages of the Directors.

Composition

Name of the Members
Mr. Sumit Chandwani
Mr. Vikram Bakshi
Mr. Sanjay Khanna

Remuneration Committee met one time on 21st November, 2011 and was attended by Mr. Sumit Chandwani, Mr. Vikram Bakshi and Mr. Sanjay Khanna.

The Remuneration policy of the Company is aimed at rewarding performance, based on review of the achievements on a regular basis. The remuneration paid to the Executive Directors is recommended by the 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.

Compensation Committee

The Compensation Committee of the Board consists of four members out of which three are Independent Directors. The Compensation Committee administers and supervises the ESOS besides determination of all related matters.

Composition

Name of the Members
Mr. Ajay Bijli
Mr. Sumit Chandwani
Mr. Vikram Bakshi
Mr. Ravi K. Sinha

Compensation Committee met one time on 5th October, 2011 and was attended by Mr. Ajay Bijli and Mr. Ravi K. Sinha.

Details of complaints/ queries received and resolved during the Financial Year 2011-12 are as follows:

Nature of Complaint	Number of Complaints/Queries received during the year	Complaints/Queries resolved during the year
Status of applications lodged for public issue(s)	Nil	Nil
Non-receipt of Securities	Nil	Nil
Non-receipt of Annual Report	12	12
Non-receipt of Dividend Warrants	15	15
Non-receipt of refund orders	Nil	Nil
Non-receipt of Electronic Credits	Nil	Nil
Total	27	27

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@pvrcinemas.com or through letters addressed to Mr. P A Varghese, General Manager, Unit PVR Ltd., Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500 081.

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
2008-09	Wednesday, September 30, 2009	10:30 A.M	The Claremont Hotel & Convention Centre, Aaya Nagar, Mehrauli Gurgaon Road, New Delhi – 110 030	None
2009-10	Monday, September 27,2010	10:30 A.M	The Claremont Hotel & Convention Centre, Aaya Nagar, Mehrauli Gurgaon Road, New Delhi –110030	I) Appointment of Mr.Vicha Poolvaraluk as Director of the Company, liable to retire by rotation II) Granting of Options under the PVR ESOP 2008, Scheme to an employee of the wholly owned subsidiary namely CR Retail Malls (India) Limited.
2010-11	Monday, August 08, 2011	10:30 A.M	The Mapple Emerald, Rajokri, NH-8 Delhi – 110 038	None

Subsidiary Companies

Clause 49 of the Listing Agreement defines a "Material Non Listed Indian Subsidiary" as an unlisted subsidiary, incorporated in India whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the listed holding company and its subsidiary in the immediately preceding accounting year. None of PVR Limited Subsidiary Company is the Material Non Listed Indian subsidiary of the Company.

Disclosures

a) Related Party Transactions:

There were no materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, directors or the management or their relatives, its subsidiaries etc. during the year, that may have potential conflict with the interests of the Company at large. All related party transactions have been disclosed in the Notes to the Accounts appearing elsewhere in this report.

b) Compliances made by the Company:

There were no non-compliances during the last three years by the Company in respect of any matter related to Capital Market.

c) Compliance of Amended Clause 5A of the Listing Agreement:

Pursuant to amended Clause 5A of the Listing Agreement there are now four cases with 126

Equity shares of the Company which have been credited to a suspense account opened by the company.

There were no penalties imposed or strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other Statutory Authority. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements entered into with the stock exchanges.

Management Discussion and Analysis Report

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

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 (V) 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.

Shareholders

a) Means of Communication

The company interacts with its shareholders through multiple forms of corporate and financial communication such as annual reports, result announcement and media releases. The financial results are also made available at the web site of the company www.pvrcinemas.com. The web site 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, Bengaluru, Mumbai, Kolkata, Chennai Cochin and Hyderabad.
Jansatta	Hindi	New Delhi.
Business Standard	English	Delhi, Ahmadabad, Bengaluru, Mumbai, Bhubnashewar, Kolkata, Chandigarh, Cochin, Hyderabad, Lucknow, Chennai and Pune.

General Shareholders' Information

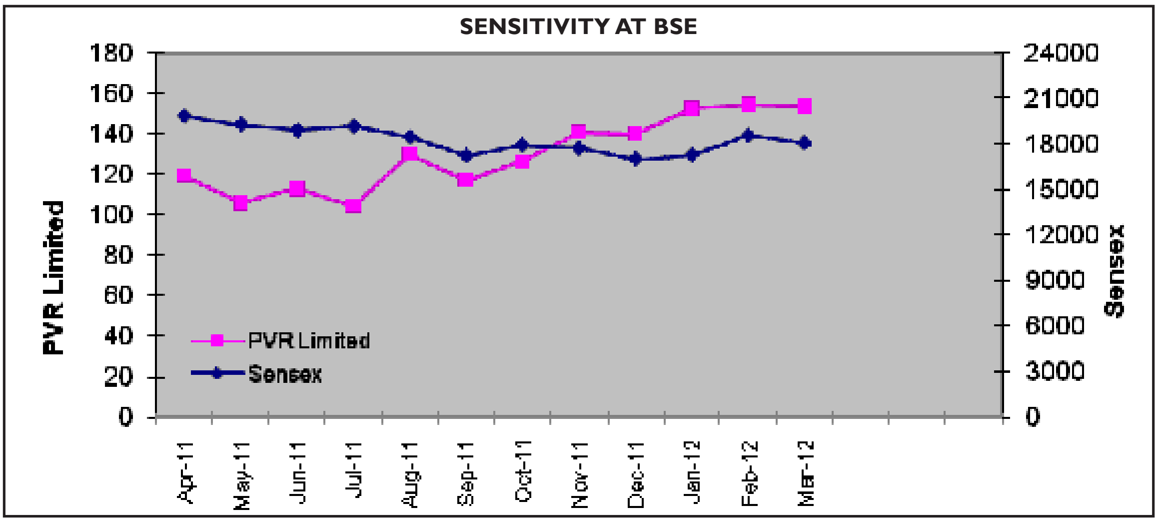
1.	Annual General Meeting	:	28th day of September, 2012 10:00 A.M. at Mapple Emerald, Rajokri, National Highway-8, New Delhi – 110 038	
2.	Financial calendar	:	Tentative Schedule:	
	Accounting Year	:	1st April to 31st March	
			Adoption of Quarterly Results for the Quarter	
			Ended:	**on or before**
			June 30, 2012,	14th August, 2012
			September 30, 2012	15th October, 2012
			December 31, 2012	15th February, 2013
			March 31, 2013	31st May, 2013
3.	Book Closure Date	:	24.09.2012 to 28.09.2012 *(both days inclusive)*	
4.	Dividend Payment	:	on or before 10th October, 2012	
5.	Listing on Stock Exchanges	:	Bombay Stock Exchange 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

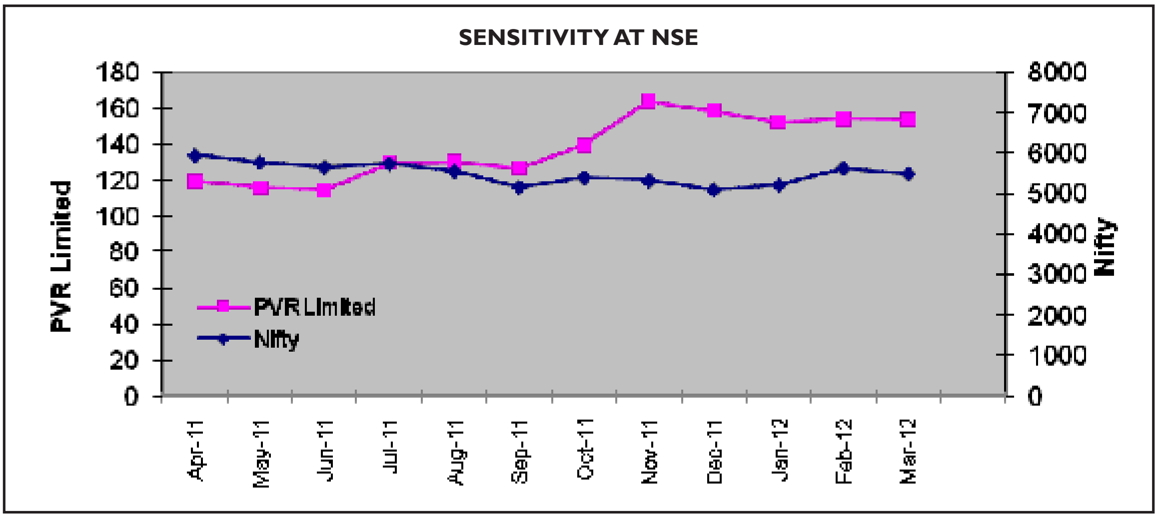
Monthly High Low for the year under review				
	NSE		BSE	
Month	**High**	**Low**	**High**	**Low**
Apr-11	119.30	98.60	119.40	99.05
May-11	115.80	95.00	106.15	95.50
Jun-11	114.35	95.70	113.00	95.30
Jul-11	129.45	100.40	104.50	101.90
Aug-11	129.90	107.95	130.00	108.00
Sep-11	126.70	112.35	116.90	112.05
Oct-11	139.35	107.65	126.50	108.25
Nov-11	164.00	121.35	140.55	120.00
Dec-11	158.70	112.20	140.00	115.55
Jan-12	152.35	127.60	152.25	126.05
Feb-12	154.20	135.35	154.15	135.50
Mar-12	153.80	135.30	153.50	135.15

8. Performance of PVR Share Price in Comparison to:

BSE SENSEX



NSE NIFTY INDEX



9. Registrar and Transfer Agents : Karvy Computershare Private Limited (KCPL),
: 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081
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

Consolidated Distribution Schedule as on March 31, 2012

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
1-5000	19000	96.790627	1148905	11489050	4.436601%
5001- 10000	313	1.594498	254609	2546090	0.983196%
10001- 20000	146	0.743760	220481	2204810	0.851407%
20001- 30000	48	0.244524	124139	1241390	0.479374%
30001- 40000	21	0.106979	75649	756490	0.292125%
40001- 50000	16	0.081508	74811	748110	0.288889%
50001- 100000	29	0.147733	203950	2039500	0.787571%
100001& Above	57	0.290372	23793520	237935200	91.880836%
TOTAL	**19630**	**100.00 %**	**25896064**	**258960640**	**100.00%**

11(b). Shareholding Pattern

Consolidated Shareholding Pattern as on 31/03/2012

Sl. No.	Category	No. of Cases	Total Shares	% to Equity
1	Promoters Bodies Corporate	2	10031805	38.738725%
2	Mutual Funds	13	4475573	17.282831%
3	Foreign Corporate bodies	1	2557000	9.874087%
4	Resident Individuals	18662	2322390	8.968120%
5	Trusts	4	2021965	7.808001%
6	Promoters	1	1570287	6.063806%
7	Bodies Corporates	357	1075187	4.151932%
8	Foreign Institutional Investors	9	1029877	3.976963%
9	Non Resident Indians	197	674783	2.605736%
10	HUF	360	59799	0.230919%
11	Insurance Companies	1	59295	0.228973%
12	Clearing Members	23	18103	0.069906%
	Total	**19630**	**25896064**	**100.00 %**

12. Dematerialization of shares and liquidity

Our Equity Shares are tradable 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 held with depositories and in physical form is as follows:

Sl.No.	Category	No. of Holders	Total Shares	% to Equity
1	Physical	864	2203	0.008%
2	NSDL	14540	24731864	95.504%
3	CDSL	4226	1161997	4.487%
	Total	19630	25896064	100.000%

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, 4th 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. Auditor's Certificate on Corporate Governance

The auditor's certificate on compliance of clause 49 of the listing agreement relating to corporate governance is published as an Annexure to the Director's Report.

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: May 29th, 2012

Ajay Bijli
Chairman cum Managing Director

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, 2012.

Place: Gurgaon, Haryana
Date: May 29th, 2012

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 system over financial reporting.

Place: Gurgaon
Date: May 29th, 2012

Ajay Bijli
Chairman cum Managing Director

Nitin Sood
Chief Financial Officerr

Certificate on compliance under Clause 49 of the Listing Agreements

To the Members of PVR Limited

1. We have examined the compliance of conditions of Corporate Governance by **PVR Limited** during the period ended March 31, 2012 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: May 29th, 2012

Auditors' Report to the Members of PVR Limited

1. We have audited the attached balance sheet of PVR Limited ('the Company') as at March 31, 2012 and also the statement of profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, we draw attention to the following:

   (a) Note 44(ii) to these financial statements regarding writing down the value of certain assets of the Company pursuant to a composite scheme of arrangement (referred to as 'Scheme', also refer Note 44(i) for details) by Rs 493,738,033 (net of tax impact); and setting off the same against the Reserves of the Company including Securities Premium as prescribed in the Scheme as approved by the Hon'ble High Court of Delhi vide order dated February 2, 2012 effective from April 1, 2011. Such treatment for utilization of Reserves including Securities Premium for setting off the values of certain assets is in accordance with Scheme as approved by Hon'ble High Court.

   (b) Note No. 41 to these financial statements wherein it is stated that Company has during the year ended March 31, 2011 paid managerial remuneration to Mr. Ajay Bijli which is in excess of the approval granted by Ministry of Corporate Affairs, Central Government (CG) by Rs. 4,018,000. In the previous years, the Company had paid managerial remuneration to Mr. Ajay Bijli in excess of the approval granted by Ministry of Corporate Affairs, Central Government by Rs. 7,857,097. As represented by the Company, it has filed an application in the aforesaid matter with the CG for waiver of excess remuneration paid. Pending the final outcome of the Company's representations, no adjustments have been made to the financial statements.

5. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, statement of profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;

      b) in the case of the statement of profit and loss account, of the profit for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.
Firm's registration number: 301003E
Chartered Accountants

per Vikas Mehra
Partner
Membership No.: 94421

Place: Gurgaon
Date: May 29th, 2012

Annexure referred to in paragraph 3

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) 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.

(c) There was no substantial disposal of fixed assets during the year.

(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 and no material discrepancies were noticed on physical verification.

(iii) (a) The Company has in the earlier years granted loan to one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 596,902,802 and the loan has been squared off during the year. Further during the year, the Company has granted loan to one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 50,000,000 and the year-end balance is Rs 50,000,000.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for loans granted in earlier years are not prima facie prejudicial to the interest of the Company. For the interest-free loan granted during the year to a wholly-owned subsidiary, according to the information and explanations given to us, and having regard to management's representation that the interest free loans are given to wholly-owned subsidiaries of the Company in the interest of the Company's business, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(c) The loans 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. The payment of interest has been regular.

(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(e) According to information and explanations given to us, the Company has taken a loan of Rs 350,000,000 from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 350,000,000 and the year-end balance of loan taken from such party was Rs Nil.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company

(g) The loans taken are re-payable on demand. The loan has been repaid/adjusted during the year.

(iv) In our opinion and according to the information and explanations given to us, 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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, sales-tax, service tax, customs duty, excise duty 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, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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.

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

Name of the statute	Nature of dues	Amount (Rs. in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	*41,496,814	Assessment Years 2006-7, 2007-08, 2008-09 and 2009-10	IncomeTax Appellate Tribunal and Commissioner of Income Tax (Appeals)
		41,496,814		

* Net of Rs. 96,242,608 paid under protest and disclosed in Schedule 15 Loans and Advances

(x) 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.

(xi) 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 a financial institution, banks or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society.Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In respect of dealing/trading in mutual funds, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The units and securities have been held by the Company in its own name except for Rs 6,488,000.

(xv) According to the information and explanations given to us, the Company had given guarantee for loans taken by a subsidiary company from a financial institution; the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) 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.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has secured debentures outstanding as at the year end. The Company has created security or charge in respect of debentures issued.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) 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.
Firm's registration number: 301003E
Chartered Accountants

per Vikas Mehra
Partner
Membership No.: 94421

Place: Gurgaon
Date: May 29th, 2012

Standalone Financial Statements

Balance Sheet as at March 31, 2012

	Notes	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	259,026,640	271,493,720
Reserves and surplus	4	2,474,704,787	2,606,002,547
		2,733,731,427	**2,877,496,267**
Non-current liabilities			
Long-term borrowings	5	1,685,355,873	1,317,977,883
Deferred tax liabilities (net)	6	95,024,881	272,730,106
Other long term liabilities	7	26,908,258	15,223,202
Long-term provisions	8	27,448,054	15,034,530
		1,834,737,066	**1,620,965,721**
Current liabilities			
Short-term borrowings	9	1,637,376	1,773,173
Trade payables	10	454,838,982	233,191,267
Other current liabilities	10	578,671,445	519,807,787
Short-term provisions	8	68,690,915	38,725,546
		1,103,838,718	**793,497,773**
Total		**5,672,307,211**	**5,291,959,761**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	2,385,621,385	2,382,079,797
Intangible assets	12	32,015,650	21,830,789
Capital work-in-progress		606,414,990	190,030,124
Intangible assets under development		112,996,701	-
Pre-operative expenses (pending allocation)	13	249,883,192	138,298,878
Non-current investments	14	287,223,078	499,834,330
Long-term loans and advances	15	1,409,817,930	775,254,907
Other non-current assets	17	8,743,903	2,676,565
		5,092,716,829	**4,010,005,390**
Current assets			
Current investments	18	593,000	45,000
Inventories	19	66,508,282	44,753,430
Trade receivables	16	203,391,992	165,273,237
Cash and bank balances	20	119,937,476	351,203,103
Short-term loans and advances	15	174,462,354	690,875,811
Other current assets	17	14,697,278	29,803,790
		579,590,382	**1,281,954,371**
Total		**5,672,307,211**	**5,291,959,761**

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.**
Firm's Registration No.: 301003E
Chartered Accountants

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

Place: Gurgaon
Date: May 29th, 2012

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Profit and Loss Account for the year ended March 31, 2012

	Notes	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
INCOME			
Revenue from operations	21	4,674,670,312	3,507,325,096
Other income	22	112,798,853	103,244,513
Total revenue (I)		**4,787,469,165**	**3,610,569,609**
Expenses			
Film hire charges		1,294,505,840	1,011,601,635
Consumption of food and beverages		320,221,727	218,069,132
Employee benefits expense	23	507,348,947	406,152,149
Other expenses	24	1,854,210,408	1,345,140,447
Exceptional items (refer Note 37 & 42)		(26,939,705)	-
Total expenses (II)		**3,949,347,217**	**2,980,963,363**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		**838,121,948**	**629,606,246**
Depreciation and amortization expense	25	313,623,693	241,121,073
Finance costs	26	179,559,207	159,556,797
Profit/(loss) before tax		**344,939,048**	**228,928,376**
Tax expense:			
Current tax Provision for Minimum Alternative Tax (MAT)		69,616,041	44,185,329
MAT credit entitlement		(69,616,041)	(44,185,329)
Excess provision for fringe benefit tax pertaining to earlier year written back		-	(1,261,423)
Income tax credit for earlier years		(775,683)	-
Deferred tax charge		67,992,147	66,742,826
Deferred tax credit for earlier years		(3,366,725)	-
		63,849,739	**65,481,403**
Profit/(loss) for the year		**281,089,309**	**163,446,973**
Earnings per equity share: [Nominal Value of share Rs. 10 (March 31, 2011: Rs.10)]	27		
Basic		10.50	6.03
Diluted		10.46	6.01
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.**
Firm's Registration No.: 301003E
Chartered Accountants

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

Place: Gurgaon
Date: May 29th, 2012

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Cash Flow Statement for the year ended March 31, 2012

	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
Cash flow from operating activities:		
Profit before taxation	**344,939,048**	**228,928,376**
Adjustments for :		
Depreciation/amortisation	313,623,693	241,121,073
Loss on disposal and discard of fixed assets (net)	5,316,535	8,155,011
Wealth tax	187,000	166,000
Interest income	(13,592,411)	(52,236,839)
Profit on sale of current investments	(61,726,526)	(1,906,602)
Profit on the sale of investment in a subsidiary	(168,564,053)	-
Dividend income	(2,258,151)	(26,230,705)
Interest expense	155,078,847	137,439,385
Provision for doubtful debts and advances (net)	1,487,626	11,350,453
Operating profit before working capital changes	**574,491,608**	**546,786,152**
Movements in working capital :		
Decrease/(Increase) in trade receivables	70,374,618	(69,697,457)
(Increase) in inventories	(32,168,635)	(13,241,912)
(Increase) in loans and advances and other current assets	(357,089,831)	(86,805,470)
Increase in current liabilities and provisions	168,454,317	7,828,853
Cash generated from operations	**424,062,077**	**384,870,166**
Direct taxes paid (net of refunds)	(117,685,935)	7,244,937
Net cash from operating activities (A)	**306,376,142**	**392,115,103**
Cash flows (used in) investing activities		
Purchase of tangible assets	(1,049,568,740)	(463,698,481)
Purchase of intangible assets	(100,931,969)	(9,605,143)
Proceeds from sale of fixed assets	257,243	2,810,661
Sale of the Investment in subsidiary company	368,564,053	-
Investment in a subsidiary	(641,632,640)	(20,816,330)
Purchase of other investments	(5,367,514,581)	(3,222,742,000)
Sale of other investments	5,428,166,110	3,859,931,603
Loan repaid by a body corporate	-	5,000,000
Loans given to subsidiaries	(50,000,000)	(453,502,802)
Loans repaid by subsidiaries	596,902,802	92,600,000
Dividend received	2,258,151	26,230,705
Interest received	17,213,783	50,900,814
Fixed deposits with banks placed	(61,837,068)	(45,322,468)
Fixed deposits with banks encashed	99,934,762	48,270,970
Net cash (used in) investing activities (B)	**(758,188,094)**	**(129,942,471)**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including share premium	12,462,559	5,713,840
Buyback of the equity shares	(158,163,858)	-
Proceeds from long-term borrowings	918,000,000	601,184,000
Repayment of long-term borrowings	(549,676,730)	(347,748,036)
Repayment of short-term borrowings	(10,400,000)	(49,886,540)
Dividend and tax thereon paid	(150,409,683)	(31,464,735)
Interest paid	(203,930,836)	(170,237,481)
Net cash (used in)/from financing activities (C)	**(142,118,548)**	**7,561,048**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(593,930,500)**	**269,733,680**
Cash and cash equivalents at the beginning of the year	306,502,262	36,219,867
Add: Cash acquired as per scheme of arrangement/amalgamation	400,762,566	548,715
Cash and cash equivalents at the end of the year	**113,334,328**	**306,502,262**

Cash Flow Statement for the year ended March 31, 2012 (Continued)

Components of cash and cash equivalents as at	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Cash and cheques on hand	12,523,567	4,749,035
With banks - on deposit accounts	842,372	5,135,215
With banks - on current accounts	99,223,350	296,280,611
With banks - on unpaid and unclaimed dividend accounts*	745,039	337,401
	113,334,328	**306,502,262**

* these balances are not available for use as they represent corresponding unpaid dividend liabilities.

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.**
Firm's Registration No.: 301003E
Chartered Accountants

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

Place: Gurgaon
Date: May 29th, 2012

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Notes to the financial statements for the year ended March 31, 2012

1. Corporate information

PVR Limited (the Company) is a public Company with domicile 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 production and exhibition of films. The Company also earns revenue from in-cinema advertisements/product displays and in-cinema sale of food and beverages.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with 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 the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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:

2.1 Statement of significant accounting policies

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current 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 Service tax credit) 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 of 20-25 years or unexpired period of lease (whichever is lower) on a straight line basis.

Cost of structural improvements at premises where 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 contract of the agreement (whichever is lower) on a straight line basis.

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 XIV to the Companies Act, 1956.

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

(e) Intangibles assets

Goodwill

Goodwill arising out of acquiring share in a subsidiary company is amortised pro-rata over a period of 5 years from the date of acquisition.

Software and Website Development cost

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

Film Right's Cost

The intellectual property rights created in relation to films are capitalized as film rights. The Company's amortization policy, in respect of films which have been co produced /co owned and in which the Company holds rights is as below:

i. 60% of the cost of film rights on first domestic theatrical release of the film. 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.

ii. Balance 40% is amortized based in the year in which management estimates the future revenue potential during the remaining license period subject to a maximum period of 10 years.

   In case where film rights are acquired for a limited period of 1 to 5 years entire cost of movies rights acquired or produced by the Company, 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.

(f) 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 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) Impairment

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.

(h) 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.

(i) Inventories

Inventories are valued as follows:

Food and beverages

Lower of cost or net realizable value. Cost is determined on First In First Out Basis.

Stores and spares

Lower of cost or net realizable value. Cost is determined on First In First Out Basis.

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

(j) 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.

(k) Leases

Where the Company is the lessee

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 a straight-line basis over the lease term. 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. Amount of entertainment tax, sales tax and service tax collected on generating operating revenue has been shown as a reduction from the operating revenue.

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. Income from Theatrical Distribution

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

iv. **Income from Film Production**

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

v. **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.

vi. **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.

vii. **Advertisement Revenue**

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

viii. **Management Fee Revenue**

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 the website of the Company.

x. **Interest Income**

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

xi. **Dividend Income**

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

(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 benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the provident funds are due. There are no other obligations other than the contribution payable to the provident fund.

ii. 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. Short term compensated absences are provided for on 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) Segment Reporting

Identification of segments:

The Company'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 Company operate.

Inter segment Transfer:

The Company 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.

Segment accounting policies:

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

(p) 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. 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 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.

(q) 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.

(r) 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.

(s) Cash and Cash equivalents

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

(t) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

(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) Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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.

(w) 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.

(x) Amalgamation Accounting

The Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- All the assets and liabilities of the transferor Company become, after amalgamation, the assets and liabilities of the transferee Company.
- Shareholders holding not less than 90% of the face value of the equity shares of the transferor Company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee Company or its subsidiaries or their nominees) become equity shareholders of the transferee Company.
- The consideration for amalgamation receivable by those equity shareholders of the transferor Company who agree to become shareholders of the transferee Company is discharged by the transferee Company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- The business of the transferor Company is intended to be carried on, after the amalgamation, by the transferee Company.
- The transferee Company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor Company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The Company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the Company to recognize any non-cash element of the consideration at fair value.

The Company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor Company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor Company is transferred to the general reserve.

The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor Company is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

- The assets and liabilities of the transferor Company are recognized at their fair values at the date of amalgamation. The reserves, whether capital or revenue, of the transferor Company, except statutory reserves, are not recognized.
- Any excess consideration over the value of the net assets of the transferor Company acquired is recognized as goodwill. If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve.
- The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five years.

Notes to the financial statements for the year ended March 31, 2012

3. Share Capital

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Authorised share capital		
36,000,000 (March 31, 2011: 36,000,000) equity shares of Rs. 10 each	360,000,000	360,000,000
20,000,000 (March 31, 2011: 20,000,000) 5% redeemable preference shares of Rs. 10 each	200,000,000	200,000,000
5,000,000 (March 31, 2011: 5,000,000) 5% cumulative redeemable preference shares of Rs. 10 each	50,000,000	50,000,000
Issued, subscribed and paid-up		
25,902,664 (March 31, 2011: 27,149,372) equity shares of Rs. 10 each fully paid	259,026,640	271,493,720
Total issued, subscribed and fully paid-up share capital	**259,026,640**	271,493,720

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

(Rs.)

Equity shares	**March 31, 2012**		March 31, 2011	
	Number	**Amount**	Number	Amount
Shares outstanding at the beginning of the year	27,149,372	271,493,720	25,624,330	256,243,300
Shares Issued during the year -ESOP (refer note 30)	141,620	1,416,200	64,930	649,300
Shares Issued during the year -pursuant to scheme of amalgamation (refer note 28)	-	-	1,460,112	14,601,120
Shares bought back during the year (refer note 3e)	(1,388,328)	(13,883,280)	-	-
Shares outstanding at the end of the year	**25,902,664**	**259,026,640**	27,149,372	271,493,720

b. **Terms/ 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.

During the year ended March 31, 2012, the amount of per share special interim and final dividend recognised as distributions to equity shareholders was Rs. 4 and Rs. 2 respectively (March 31, 2011: Rs.1 per share).

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, 2012**		March 31, 2011	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Equity shares of Rs. 10 each fully paid				
Bijli Investments Private Limited	5,401,805	20.85	5,375,169	19.80
Priya Exhibitors Private Limited	4,630,000	17.87	4,630,000	17.05
Major Cineplex Group Public Company Limited	2,557,000	9.87	2,557,000	9.42
IDBI Trusteeship Services Limited (India Advantage Fund)	2,021,742	7.81	2,021,742	7.45
Ajay Bijli	1,570,287	6.06	1,570,287	5.78
Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund	1,581,793	6.11	1,560,600	5.75

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.

Notes to the financial statements for the year ended March 31, 2012

d. The information for 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, 2012	March 31, 2011
Equity shares issued during the year -pursuant to scheme of amalgamation (refer Note 28)	-	1,460,112
Equity shares bought back during the year -pursuant to scheme of buy back (refer Note 3e)	1,388,328	-

e. The Board of Directors of the Company at its meeting held on May 27, 2011, approved a scheme of buy back of Company's own shares from the open market up to 10% of its paid up equity capital and free reserves at a maximum price of Rs. 140/- per share through stock exchange(s) in terms of the SEBI (Buy Back of Securities) Regulations, 1998 pursuant to the first proviso to clause (b) of sub-section (2) of Section 77A of the Companies Act, 1956. Consequently, the Company made a public announcement on June 09, 2011 for Buy-back of Company's equity shares. The buy back was closed on August 29, 2011. The Company bought back and extinguished 1,388,328 Equity shares for a total consideration of Rs. 158,163,858 (at an average price of Rs. 113.92/- per share). The premium paid on these shares amounting to Rs. 144,280,578 has been adjusted from Securities Premium account and mandatory transfer of Rs. 13,883,280 to Capital Redemption Reserve has been made as per Section 77A and 77AA of the Companies Act, 1956, respectively.

f. Share reserved for issue under options
For details of share reserved for issue under the employee stock options (ESOP) plan of the Company, please refer note 30.

4. Reserves and Surplus

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Capital reserve		
Balance as per last financial statements	25,820,400	25,820,400
Less : Utilized on restructuring of assets/ liabilities (refer note 44 (ii))	(25,820,400)	-
Closing Balance	**-**	25,820,400
Capital redemption reserve		
Balance as per last financial statements	200,000,000	200,000,000
Add : Transfer from general reserve pursuant to shares buy back (refer note 3e)	13,883,280	-
Less : Utilized on restructuring of assets/ liabilities (refer note 44 (ii))	(213,883,280)	-
Closing Balance	**-**	200,000,000
Securities premium account		
Balance as per last financial statements	2,006,575,734	1,766,433,162
Add : On issue of shares pursuant to exercise of share options	11,046,359	240,142,572
On merger of production business (refer note 44 (i))	71,807,980	-
Less : Premium utilized for buy back of shares (refer note 3e)	(144,280,578)	-
Premium utilized on restructuring of assets/liabilities (refer note 44 (ii))	(239,301,816)	-
Closing Balance	**1,705,847,679**	2,006,575,734
Debenture redemption reserve		
Balance as per last financial statements	10,600,000	2,120,000
Add : Transfer from surplus balance in the statement of profit and loss	8,480,000	8,480,000
Closing Balance	**19,080,000**	10,600,000
Amalgamation reserve		
Balance as per last financial statements	19,336,308	19,336,308
Less : Utilized on restructuring of assets/ liabilities (refer note 44 (ii))	(19,336,308)	-
Closing Balance	**-**	19,336,308
General reserve		
Balance as per last financials	4,086,174	-
Add : Transfer on account of dividend declared (refer note 8 (i))	28,108,931	4,086,174
: Transfer pursuant to merger of production business (refer note 44 (i))	326,750,493	-
: Transfer to capital redemption reserve (refer note 3e)	(13,883,280)	-
Closing Balance	**345,062,318**	4,086,174

Notes to the financial statements for the year ended March 31, 2012

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Surplus in the statement of profit and loss		
Balance as per last financial statements	339,583,931	222,011,031
Net Profit for the current year	281,089,309	163,446,973
Less : Appropriations		
Proposed dividend on equity shares (amount per share Rs.2 (March 31, 2011 : Rs.1))	(50,837,734)	(28,648,684)
Tax on proposed equity dividend	(8,143,573)	(4,659,215)
Special interim dividend (amount per share Rs. 4 (March 31, 2011 : Nil))	(103,584,256)	-
Tax on special interim dividend	(16,803,956)	-
Transfer to debenture redemption reserve	(8,480,000)	(8,480,000)
Transfer to general reserve on dividend declared (refer note 8 (i))	(28,108,931)	(4,086,174)
Total appropriations	(215,958,450)	(45,874,073)
Net surplus in the statement of profit and loss	**404,714,790**	339,583,931
Total reserve and surplus	**2,474,704,787**	2,606,002,547

5. Long-term Borrowings

	Non-current portion		**Current maturities**	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Debentures				
290 (March 31, 2011: 290) 11.40% Secured Redee mable Non-Convertible Debentures of Rs. 1,000,000 each (secured)	290,000,000	290,000,000	-	-
Term loans				
Term loans from banks (secured)	821,875,000	514,375,000	142,500,000	127,500,000
Term loans from a body corporates (secured)	573,116,671	510,089,563	143,994,445	156,731,920
Other loans and advances				
Car finance loans from banks (secured)	364,202	3,513,320	3,145,126	3,703,111
Deferred payment liabilities	-	-	-	10,400,000
	1,685,355,873	1,317,977,883	**289,639,571**	298,335,031
The above amount includes				
Secured borrowings	1,685,355,873	1,317,977,883	289,639,571	298,335,031
Amount disclosed under the head "other current liabilities"	-	-	(289,639,571)	(298,335,031)
(refer note 10)	**1,685,355,873**	1,317,977,883	-	-

Notes:

a. 11.40% Privately placed Secured Redeemable Non-convertible Debentures are redeemable at par at the end of 7th, 8th, 9th and 10th year in the ratio of 20:20:30:30 respectively from the deemed date of allotment i.e. January 01, 2010. These are secured by mortgage on immovable properties ranking pari passu and secured by first pari passu charge on movable fixed assets of the Company (except vehicles hypothecated to banks), and all current assets including receivables of any kind belonging to the Company both present and future.

b. **(i)** Term loan from banks to the extent of Rs. 330,000,000 (March 31, 2011: Rs. 370,000,000), carries interest @9.75% p.a. to 11.90% p.a. during the current financial year and repayable in 28 unequal quarterly installments from the date of loan i.e. April 5, 2010. It is secured by first pari passu charge over all fixed assets of the Company both present and future (excluding immovable property located at Gujarat, Bangalore and PVR Anupam, New Delhi and vehicles hypothecated to banks). The loan is further secured by first pari passu charge on the current assets and future receivables of the Company.

(ii) Term loan from banks to the extent of Rs. 184,375,000 (March 31, 2011: Rs. 271,875,000), carries interest @12.00% p.a. to 12.75% p.a. during the current financial year. It was disbursed in two tranches and repayable in 16 equal quarterly installments starting from the end of one year from the date of loan i.e. March 13, 2009. It is secured by first pari passu charge over all fixed assets of the Company (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the Company both present and future. This loan is further secured by the personal guarantee of two directors of the Company.

(iii) Term loan from banks to the extent of Rs. 450,000,000 (March 31, 2011: Rs. Nil), carries interest @11.90% p.a. during the current financial year. It was disbursed in five tranches and is repayable in 24 unequal quarterly installments starting from the end of ninth quarter from the date of loan taken on various dates starting from December 15, 2011. It is secured by first pari passu charge over all immovable and movable assets of the Company (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the Company both present and future.

c. (i) Car finance loan to the extent of Rs. 2,745,285 carries interest @11.25% p.a. and is repayable in 36 unequal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

(ii) Car finance loan to the extent of Rs. 764,043 carries interest @9.75% p.a. and is repayable in 36 unequal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

d. (i) Term loan from a body corporates to the extent of Rs. 87,777,785 (March 31, 2011: Rs. 468,488,150), carries interest @10.99% p.a. to 11.72% p.a. during the current financial year. It is repayable in 18 equal quarterly installments starting from the end of 3rd quarter from the date of loan taken on various dates starting from September 19, 2007. It is secured by first pari passu charge with other lenders on all movable fixed assets of the Company (excluding vehicles hypothecated to banks) both present and future and all receivables, both present and future. This loan is further secured by the personal guarantee of two directors of the Company.

(ii) Term loan from a body corporates to the extent of Rs. 200,000,000 (March 31, 2011: Rs. Nil), taken during the year carries interest @12.25% p.a. It is repayable in 20 equal quarterly installments starting from the end of 5th quarter from the date of loan i.e. March 27, 2012. It is secured by first pari passu charge on all movable and immovable fixed assets of the Company (excluding properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) both present and future and all receivables, both present and future.

(iii) Term loan from a body corporates to the extent of Rs. 429,333,331 (March 31, 2011: Rs. 198,333,333), carries interest @ 10.50% p.a. to 13.86% p.a. during the current financial year. It was disbursed in three tranches and repayable in 60 monthly installments from the date of loan taken on various dates starting from February 07, 2011. It is secured by first pari passu charge on all movable and immovable fixed assets (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) both present and future and all receivables, both present and future.

6. Deferred Tax Liabilities (net)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Deferred tax liability		
Impact of differences in depreciation and other differences in block of tangible assets and intangibles as per tax books and financial books	331,776,409	316,131,594
Gross deferred tax liability	**331,776,409**	316,131,594
Deferred tax asset		
Impact of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in following years	14,463,473	8,658,152
Provision for doubtful debts and advances	5,818,273	5,462,651
Unabsorbed depreciation	216,469,782	29,280,685
Gross deferred tax asset	**236,751,528**	43,401,488
Net deferred tax liability	**95,024,881**	272,730,106

7. Other Long Term Liabilities

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Retention money	26,908,258	11,223,202
Advances from customers	-	4,000,000
	26,908,258	15,223,202

Notes to the financial statements for the year ended March 31, 2012

8. Provisions

	Long-term		Short-term	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Provision for employee benefits				
Provision for gratuity (refer note 29)	12,770,769	3,906,706	2,682,047	2,158,364
Provision for leave benefits	14,677,285	11,127,824	5,798,126	4,908,638
	27,448,054	15,034,530	**8,480,173**	7,067,002
Other provisions				
Provision for proposed dividend on equity shares	-	-	51,805,328	27,149,372
Provision for corporate dividend tax	-	-	8,405,414	4,509,172
	-	**-**	**60,210,742**	31,658,544
	27,448,054	15,034,530	**68,690,915**	38,725,546

(i) The Board of Directors in the meeting held on September 30, 2011 declared for payment of Special Interim Dividend of Rs. 4/- per equity share. Dividend of Rs 2/- per equity share for the year ended March 31, 2012 was proposed by the Board of Directors in the meeting held on May 29, 2012 subject to the approval of shareholders in Annual General Meeting. The Company has transferred 10% of the current year profits to general reserve.

(ii) The Board of Directors of the Company had proposed a dividend of Rs. 1/- per share at its meeting held on May 27, 2011 and was approved by the shareholders at the Annual General Meeting held on August 08, 2011. Dividend of Rs. 967,594 and Rs. 261,841 towards dividend distribution tax pertaining to dividend on shares bought back subsequent to March 31, 2011 but before the record date has been adjusted from the current year appropriations.

9. Short-term Borrowings

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Book overdraft with banks (unsecured)	1,637,376	1,773,173
	1,637,376	1,773,173
The above amount includes		
Unsecured borrowings	1,637,376	1,773,173

Book overdraft with banks represents amounts drawn from the bank in excess of the available balance at the year end.

10. Other Current Liabilities

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Trade payables		
total outstanding dues of Micro and Small Enterprises (refer note 35)	**-**	-
total outstanding dues of creditors other than Micro and Small Enterprises	454,838,982	233,191,267
	454,838,982	**233,191,267**
Other liabilities		
Payable to vendors for purchase of tangible and intangible assets	165,890,650	87,548,762
Current maturities of long-term borrowings (refer note 5)	289,639,571	298,335,031
Deposits	23,692,756	22,017,910
Interest accrued but not due on borrowings		
-Term loans	8,157,518	4,194,480
-Debentures	8,151,781	8,151,781
Unearned revenue on advertisement income	49,736,678	60,464,714
Investor Education and Protection Fund will be credited by unpaid dividiends (as and when due)	745,039	337,401
Others statutory dues	32,657,452	38,757,708
	578,671,445	**519,807,787**
Included in Trade Payable is:		
Payable to PVR Pictures Limited., a subsidiary company.	5,622,375	6,241,048

11. Tangible Assets

Amount in Rs.

	Land Freehold	Building	Leasehold Improvements	Plant & Machinery (Including Office Equipement)	Furniture & Fittings	Vehicles	Total
Gross Block							
At April 1, 2010	190,350	1,273,590	917,989,254	1,412,451,616	395,760,741	33,161,403	**2,760,826,954**
Assets transferred on amalgamation (refer note 28)	298,599,280	23,600,720	-	472,863	-	-	**322,672,863**
Adjustments on account of amalgamation	-	34,532,511	(34,532,511)	-	-	-	**-**
Additions	-	-	134,516,512	223,812,830	54,342,219	4,436,790	**417,108,351**
Disposals	-	-	(1,997,787)	(8,809,801)	(8,839,579)	(1,988,993)	**(21,636,160)**
Other adjustments- Borrowing costs	-	-	5,964,329	6,369,773	2,286,502	-	**14,620,604**
At March 31, 2011	**298,789,630**	**59,406,821**	**1,021,939,797**	**1,634,297,281**	**443,549,883**	**35,609,200**	**3,493,592,612**
Assets transferred on scheme of arrangement (refer note 44(i))	-	-	-	-	-	2,047,638	**2,047,638**
Additions	-	86,447	141,315,593	275,966,557	87,263,831	-	**504,632,428**
Disposals	-	-	(771,402)	(8,811,696)	(1,229,038)	-	**(10,812,136)**
Adjustments on account of restructuring (refer Note 44(ii))	-	-	(28,451,383)	(206,005,738)	(39,662,884)	-	**(274,120,005)**
Other adjustments- Borrowing costs	-	-	10,905,791	10,421,427	6,448,140	-	**27,775,358**
At March 31, 2012	**298,789,630**	**59,493,268**	**1,144,938,396**	**1,705,867,831**	**496,369,932**	**37,656,838**	**3,743,115,895**
Depreciation							
At April 1, 2010	-	252,580	291,633,186	423,205,439	163,817,948	5,938,143	**884,847,296**
Adjustments on account of amalgamation	-	28,356,602	(28,356,602)	-	-	-	**-**
Charge for the year	-	1,962,413	76,650,298	114,827,472	39,636,392	3,259,429	**236,336,004**
Disposals	-	-	(226,855)	(3,620,991)	(5,460,262)	(362,377)	**(9,670,485)**
At March 31, 2011	**-**	**30,571,595**	**339,700,027**	**534,411,920**	**197,994,078**	**8,835,195**	**1,111,512,815**
Charge for the year	-	1,969,964	81,192,289	121,584,596	43,398,592	3,620,838	251,766,279
Disposals	-	-	(226,381)	(5,173,412)	(384,791)	-	(5,784,584)
At March 31, 2012	**-**	**32,541,559**	**420,665,935**	**650,823,104**	**241,007,879**	**12,456,033**	**1,357,494,510**
Net Block							
At March 31, 2011	**298,789,630**	**28,835,226**	**682,239,770**	**1,099,885,361**	**245,555,805**	**26,774,005**	**2,382,079,797**
At March 31, 2012	**298,789,630**	**26,951,709**	**724,272,461**	**1,055,044,727**	**255,362,053**	**25,200,805**	**2,385,621,385**

1. Fixed assets of the cost of Rs. 8,476,518, (March 31, 2011: Rs. 6,222,483), (WDV Rs. 4,003,187, March 31, 2011: Rs. 2,699,890) have been discarded during the year.
2. Gross Block of Fixed Assets include Rs. 43,845,509 (March 31, 2011: Rs. 43,845,509) being Company's proportionate share of expenses towards modification in the building structure and equipments, claimed by the various landlords of the properties taken on rent.
3. Claims of Rs. 8,921,779 (March 31, 2011: Rs. 8,921,779) lodged by some developers on the Company and claims of Rs. 4,531,033 (March 31, 2011: Rs. 4,531,033) lodged by the Company on the developers are subject to reconciliation. However, the Company had duly accounted for aforesaid claims in the books. Adjustments, if any, which in the opinion of the management, will not be material, would be made once the claims are confirmed/ reconciled.
4. Capitalised borrowing costs. The borrowing cost capitalised during the year ended March 31, 2012 was Rs. 52,815,027 (March 31, 2011: Rs. 34,493,448). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred on account of sites capitalised during the year.

Notes to the financial statements for the year ended March 31, 2012

12. Intangible Assets

Amount in Rs.

	Goodwill	Website Development	Software Development Cost	Film Rights' Cost	Total
Gross Block					
At April 1, 2010	25,000	625,000	27,006,781	1,834,658	29,491,439
Additions	-	-	9,276,003	-	9,276,003
At March 31, 2011	**25,000**	**625,000**	**36,282,784**	**1,834,658**	**38,767,442**
Assets transferred on scheme of arrangement (refer note 44(i))	-	-	-	254,254,561	254,254,561
Additions	-	1,577,233	12,178,660	92,554,350	106,310,243
Adjustments on account of restructuring (refer Note 44(ii))	-	-	-	(287,976,303)	(287,976,303)
Deductions	-	-	(849,720)	-	(849,720)
At March 31, 2012	**25,000**	**2,202,233**	**47,611,724**	**60,667,266**	**110,506,223**
Amortisation					
At April 1, 2010	25,000	69,391	10,222,535	1,834,658	12,151,584
For the year	-	101,313	4,683,756	-	4,785,069
At March 31, 2011	**25,000**	**170,704**	**14,906,291**	**1,834,658**	**16,936,653**
For the year	-	272,349	6,052,457	55,532,608	61,857,414
Deductions/ Adjustments	-	-	(303,494)	-	(303,494)
At March 31, 2012	**25,000**	**443,053**	**20,655,254**	**57,367,266**	**78,490,573**
Net Block					
At March 31, 2011	**-**	**454,296**	**21,376,493**	**-**	**21,830,789**
At March 31, 2012	**-**	**1,759,180**	**26,956,470**	**3,300,000**	**32,015,650**

13. Pre-operative Expenses (pending allocation)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Balance brought forward	138,298,878	101,032,267
Salary and other allowances	69,863,639	33,712,324
Contribution to provident and other funds	3,390,567	1,880,384
Staff welfare expenses	140,014	150,229
Rent	3,419,910	1,729,204
Rates and taxes	11,215,575	3,576,085
Communication costs	57,207	169,242
Architect and other fees	31,553,777	9,254,489
Professional charges	23,665,735	27,552,181
Travelling and conveyance	10,896,377	2,959,933
Printing and stationery	126,662	69,863
Insurance	1,231,506	-
Repairs and maintenance		
Buildings	1,147,764	623,783
Common area maintenance	2,067,505	-
Plant & Machinery	774,292	-
Electricity and water charges (net of recovery of Rs. 2,731,134, March 31, 2011 : Rs. 1,166,503)	572,163	823,082
Security service charges	9,671,222	1,416,758
Interest on debentures and fixed loans	52,815,027	33,470,462
Interest to others	-	1,022,986
Miscellaneous expenses	710,090	440,318
	361,617,910	219,883,590
Less : Management fees recovered*	10,442,425	3,000,000
Less : Allocated to fixed assets	101,292,293	78,584,712
Total	**249,883,192**	138,298,878

* Including Rs 6,000,000 (March 31, 2011: Rs 3,000,000) from PVR bluO Entertainment Limited, a subsidiary

Note: Salary and other allowance includes amount paid to a director	7,488,000	4,992,000
Rates and taxes include stamp duty on registration of lease deeds	11,164,825	3,575,850

Notes to the financial statements for the year ended March 31, 2012

14. Non-current Investments

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Non-trade Investment (valued at cost unless stated otherwise)		
Investment in equity instruments of subsidiaries (unquoted)		
Nil (March 31, 2011 : 20,000,000) Equity shares of Rs. 10 each fully paid-up in CR Retail Malls (India) Ltd.	-	200,000,000
9,334,388 (March 31, 2011 : 7,946,633) Equity shares of Rs. 10 each fully paid-up in PVR bluO Entertainment Ltd.	121,098,970	79,466,330
35,833,334 (March 31, 2011 : 21,500,000) Equity shares of Rs. 4 each fully paid-up in PVR Pictures Ltd. (refer note 44 (i))	160,229,108	215,000,000
Investment in Government Securities (unquoted)		
6 years National Savings Certificates * (Deposited with Entertainment Tax Authorities)	1,600,000	2,148,000
6 years National Savings Certificates ** (Deposited with Entertainment Tax Authorities)	3,500,000	2,425,000
6 years National Savings Certificates ** (Deposited with Sales Tax Authorities, Udaipur)	20,000	20,000
6 years National Savings Certificates *** (Deposited with Entertainment Tax Authorities, Allahabad)	775,000	775,000
	287,223,078	499,834,330
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	287,223,078	499,834,330
Aggregate amount of provision made for diminution in value of investment	-	-

Notes:
*Held in the name of the Managing Director in the interest of the Company.
**Held in the name of the Employee in the interest of the Company.
*** Held in the name of the Developer in the interest of the Company.

Notes to the financial statements for the year ended March 31, 2012

15. Loans and Advances

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Capital advances				
Unsecured, considered good	239,720,763	86,981,502	-	-
Unsecured, considered doubtful	1,600,000	-	-	-
	241,320,763	86,981,502	**-**	-
Provision for doubtful advances	(1,600,000)	-	**-**	**-**
(A)	**239,720,763**	86,981,502	**-**	**-**
Security deposit				
Unsecured, considered good	800,444,667	517,048,174	-	-
(B)	**800,444,667**	517,048,174	**-**	-
Loan and advances to related parties				
Unsecured, considered good	47,920,423	2,500,000	66,506,373	596,902,802
(C)	**47,920,423**	2,500,000	**66,506,373**	596,902,802
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	56,973,260	42,454,860
Unsecured, considered doubtful	-	-	2,071,212	2,071,212
	-	-	**59,044,472**	44,526,072
Provision for doubtful advances	-	-	(2,071,212)	(2,071,212)
(D)	**-**	-	**56,973,260**	42,454,860
Other loans and advances				
Advance income tax (net of provision for taxation)	60,755,871	35,084,003	-	-
Income tax paid under protest (refer note 33)	96,242,608	73,255,899	-	-
Prepaid expenses	34,732,228	-	16,271,703	10,076,751
Balances with statutory/government authorities	-	-	34,711,018	41,441,398
MAT credit entitlement account	130,001,370	60,385,329	-	-
(E)	**321,732,077**	168,725,231	**50,982,721**	51,518,149
Total (A+B+C+D+E)	**1,409,817,930**	775,254,907	**174,462,354**	690,875,811

Notes: (a) Loans and advances due by directors or other officers, etc.

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Loans and advances to related parties include				
PVR Pictures Limited (advances)	-	-	16,506,373	-
PVR bluO Entertainment Limited	41,320,423	-	-	-
Priya Exhibitors Private Limited	6,600,000	2,500,000	-	-

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

i. CR Retail Malls (India) Limited
Balance as at March 31, 2012 Nil (March 31, 2011: Rs. 596,902,802)
Maximum amount outstanding during the year Rs. 596,902,802 (March 31, 2011: Rs. 670,608,652)
There was no repayment schedule in respect of this loan. It was repayable on demand.

ii. PVR Pictures Limited
Balance as at March 31, 2012 Rs. 50,000,000 (March 31, 2011: Nil)
Maximum amount outstanding during the year Rs. 50,000,000 (March 31, 2011: Nil)
There is no repayment schedule in respect of this loan. It is repayable on demand.

c. The asset of Rs. 130,001,370 (March 31, 2011 : Rs. 60,385,329) recognized by the Company as 'MAT credit entitlement account' 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 both present and future projections of profitability, 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. Trade Receivables

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Outstanding for a period more than six months from the date they are due for payment				
Secured, considered good	-	-	1,529,751	511,213
Unsecured, considered good	-	-	8,707,494	5,161,960
Unsecured, considered doubtful	-	-	13,471,671	13,261,363
	-	**-**	**23,708,916**	18,934,536
Provision for doubtful receivables	-	-	(13,471,671)	(13,261,363)
(A)	**-**	**-**	**10,237,245**	5,673,173
Other receivables				
Secured, considered good	-	-	5,928,004	12,887,283
Unsecured, considered good	-	-	187,226,743	146,712,781
Unsecured, considered doubtful	-	-	789,843	1,112,524
	-	**-**	**193,944,590**	160,712,588
Provision for doubtful receivables	-	-	(789,843)	(1,112,524)
(B)	**-**	**-**	**193,154,747**	159,600,064
Total (A+B)	**-**	**-**	**203,391,992**	165,273,237

Trade Receivables include:

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Due from PVR bluO Entertainment Limited, subsidiary company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956	-	-	10,124,865	6,547,965

17. Other Assets

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 20)	2,822,426	1,964,815	-	-
(A)	**2,822,426**	1,964,815	**-**	-
Others				
Interest accrued on fixed deposits	178,065	175,929	647,263	4,810,978
Interest accrued on investments	802,353	535,821	300,017	26,342
Revenue earned and not billed	-	-	13,749,998	2,187,859
Entertainment tax recoverable	4,941,059	-	-	22,778,611
(B)	**5,921,477**	711,750	**14,697,278**	29,803,790
Total (A+B)	**8,743,903**	2,676,565	**14,697,278**	29,803,790

Notes to the financial statements for the year ended March 31, 2012

18. Current Investments

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Current portion of long-term investments (valued at lower of cost and fair value, unless stated otherwise)		
Investment in Government Securities (unquoted)		
6 years National Savings Certificates *	548,000	-
(Deposited with Entertainment Tax Authorities)		
6 years National Savings Certificates **	45,000	45,000
(Deposited with Municipal Corporation of Hyderabad)	**593,000**	45,000
Aggregate amount of quoted investment	**-**	-
Aggregate amount of unquoted investment	**593,000**	45,000
Aggregate amount of provision made for diminution in value of investment	**-**	-

*Held in the name of the Managing Director in the interest of the Company.
**Held in the name of the Employee in the interest of the Company.

19. Inventories (At lower of cost and net realisable value)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Food and beverages	21,007,344	10,952,550
Stores and spares	45,500,938	33,800,880
	66,508,282	44,753,430

20. Cash and Bank Balances

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Cash and cash equivalents				
Balance with banks				
On current accounts	-	-	99,223,350	296,280,611
On unpaid and unclaimed dividend accounts	-	-	745,039	337,401
Deposits with original maturity of less than 3 months	-	-	842,372	5,135,215
Cash on hand	-	-	12,523,567	4,749,035
	-	-	**113,334,328**	306,502,262
Other bank balances				
Deposits with maturity for more than 12 months	2,822,426	1,964,815	-	-
Deposits with maturity for more than 3 months but less than 12 months	-	-	6,603,148	44,700,841
	2,822,426	1,964,815	**6,603,148**	44,700,841
Amount disclosed under non-current assets (refer note 17)	(2,822,426)	(1,964,815)	-	-
	-	-	**119,937,476**	351,203,103

Notes to the financial statements for the year ended March 31, 2012

21. Revenue from Operations

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Sale of product- Finished goods	928,477,335	646,060,663
Sale of services	3,687,958,104	2,808,007,907
Other operating revenue	58,234,873	53,256,526
	4,674,670,312	3,507,325,096

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Details of products sold		
Sale of food and beverages	928,477,335	646,060,663
	928,477,335	646,060,663

In view of the diverse nature of the food and beverages items (each being less than 10% in value of the total turnover of the Company) being sold by the Company, it is not practicable to give the quantitative details thereof. All items of food and beverages are indigenously procured.

Details of services rendered

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Income from sale of tickets of films (net of entertainment tax paid Rs. 497,225,041, March 31, 2011: Rs. 381,882,170)	2,754,725,053	2,099,151,457
Income from revenue sharing (net of entertainment tax paid Rs. 90,686,997, March 31, 2011: Rs. 40,302,059)	218,305,291	203,976,392
Advertisement	617,876,303	491,850,240
Income from film production	82,685,650	-
Management fees	14,365,807	13,029,818
	3,687,958,104	2,808,007,907

Details of other operating income

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Convenience Fees	55,279,615	48,455,601
Rent received	2,955,258	4,800,925
	58,234,873	53,256,526

Notes to the financial statements for the year ended March 31, 2012

22. Other Income

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Interest income on		
Bank deposits	1,928,968	3,685,417
Long-term investments	950,208	1,060,516
Loan to subsidiaries	6,085,142	46,609,597
Inter-corporate loans to others	-	32,534
Others	4,628,093	848,775
Dividend income on current investments	2,258,151	26,230,705
Profit on sale of current investments - other than trade	61,726,526	1,906,602
Foreign exchange difference (net)	453,264	34,119
Unspent Liabilities written back (net)	4,556,419	4,146,767
Other non-operating income	30,212,082	18,689,481
	112,798,853	103,244,513

23. Employee Benefit Expense

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Salary and other allowances	432,748,634	352,425,466
Contribution to provident and other funds (refer note 29)	41,637,676	33,128,491
Gratuity expense (refer note 29)	9,387,746	1,641,749
Staff welfare expenses	23,574,891	18,956,443
	507,348,947	406,152,149

Notes to the financial statements for the year ended March 31, 2012

24. Other Expenses

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Rent (refer note 31)	802,636,539	548,356,513
Less: Receipt from sub-lessees	(76,927,655)	(71,569,901)
Rent (net)	725,708,884	476,786,612
Film print and promotion costs	26,014,719	-
Rates and taxes	44,308,362	34,042,650
Communication costs	30,551,459	18,788,425
Professional charges	40,291,413	29,547,237
Advertisement and publicity	128,483,075	105,335,587
Business promotion and entertainment	4,036,271	3,403,317
Travelling and conveyance	80,631,383	54,135,715
Printing and stationery	15,165,507	13,110,377
Insurance	12,074,506	8,894,689
Repairs and maintenance :		
Buildings	60,429,062	56,128,015
Plant and machinery	86,342,807	47,242,261
Common area maintenance (net of recovery of Rs. 22,428,432, March 31, 2011 : Rs. 17,975,423)	248,672,921	202,470,565
Others	6,600,700	11,085,951
Electricity and water charges (net of recovery of Rs. 16,173,230, March 31, 2011 : Rs. 17,491,998)	257,968,530	200,266,004
Security service charges	52,665,840	41,322,223
Donations	2,940,000	3,335,000
Provision for doubtful debts and advances (net)	1,487,626	11,350,453
Loss on disposal of fixed assets (net)	767,122	5,455,121
Loss on discard of assets	4,549,413	2,699,890
Directors sitting fees	800,000	580,000
Miscellaneous expenses	23,720,808	19,160,355
	1,854,210,408	1,345,140,447

Notes:

		March 31, 2012	March 31, 2011
i	Rent includes amount paid to directors	10,296,000	9,360,000
ii	Professional charges include amount paid to directors	2,400,000	2,400,000
iii	Professional charges includes Auditor's Remuneration comprises of:		

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Audit fee	2,500,000	2,050,000
Tax audit fee	250,000	250,000
Quarterly limited review of accounts	977,044	976,895
Certification etc.	-	16,282
Out of pocket expenses	225,055	168,079
	3,952,099	3,461,255

25. Depreciation and Amortisation Expense

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Depreciation of tangible assets	251,766,279	236,336,004
Amortisation of intangible assets	61,857,414	4,785,069
	313,623,693	**241,121,073**

Notes to the financial statements for the year ended March 31, 2012

26. Finance Costs

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Interest on		
Debentures	14,539,670	10,887,489
Fixed loans	132,021,198	116,355,021
Banks and others	8,517,979	10,196,875
Bank and other charges	24,480,360	22,117,412
	179,559,207	159,556,797

27. Earning Per Share (EPS)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Net profit as per Statement of Profit and Loss	281,089,309	163,446,973
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	27,149,372	25,624,330
-Number of equity shares issued on April 30, 2010	-	7,600
-Number of equity shares issued on August 30, 2010	-	31,600
-Number of equity shares issued on Sept 08, 2010 w.e.f April 01, 2010	-	1,460,112
-Number of equity shares issued on Nov 01, 2010	-	22,730
-Number of equity shares issued on Nov 30, 2010	-	1,000
-Number of equity shares issued on Jan 06, 2011	-	2,000
-Number of equity shares issued on June 08, 2011	26,730	-
-Number of equity shares Buy Back on July 22, 2011	(987,503)	-
-Number of equity shares Buy Back on August 02, 2011	(6,821)	-
-Number of equity shares Buy Back on August 27,2011	(389,457)	-
-Number of equity shares Buy Back on August 31,2011	(4,547)	-
-Number of equity shares issued on Sept 19, 2011	108,290	-
-Number of equity shares issued on March 29, 2012	6,600	-
Number of equity shares outstanding at the end of the year	25,902,664	27,149,372
Weighted number of equity shares of Rs. 10 each outstanding during the year	**26,761,239**	27,120,169
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year.	27,149,372	25,624,330
Number of equity shares outstanding at the end of the year.	25,902,664	27,149,372
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**26,761,239**	27,120,169
Add: Effect of stock options vested and outstanding for 239,990 (March 31, 2011: 211,610) equity shares	98,788	73,733
Weighted number of equity shares of Rs. 10 each outstanding during the year	**26,860,027**	27,193,902
Basic Earnings Per Share	10.50	6.03
Diluted Earnings Per Share	10.46	6.01

Notes to the financial statements for the year ended March 31, 2012

28. Amalgamation of erstwhile Leisure World Private Limited with the Company in the previous year

i. Pursuant to the scheme of Amalgamation of Leisure World Private Limited with the Company under Section 391 to 394 of the Companies Act, 1956, (the scheme of Amalgamation) as sanctioned by the Hon'ble High Court of New Delhi vide its Order dated August, 19, 2010, the assets and liabilities of Leisure World Private Limited were transferred to and vested in the Company with effect from the appointed date, i.e April 01, 2010.

ii. The Company has made necessary filings with the Registrar of Companies, NCT of Delhi and Haryana in the previous year and accordingly the scheme was given effect to in the accounts in the previous year . In terms of the Accounting Standard 14 – Accounting for amalgamation, issued by the Institute of Chartered Accountants of India, the Scheme of Amalgamation was accounted under "Purchase method", wherein all the assets and liabilities of Leisure World Private Limited, have been accounted for in the books on the basis of the fair values as on April 1, 2010.

iii. The Board of the Directors of the Company in their meeting dated April 12, 2010 approved the swap ratio to 152 (Rs 10/- fully paid up) equity shares of the Company for every 100 (Rs. 10/- fully paid up) equity shares held by the shareholders of Leisure World Private Limited(Transferor Company). Accordingly 1,460,112 equity shares were issued by the Company to the shareholders of the Leisure World Private Limited. These equity shares so allotted by the Company to the shareholders of the transferor company rank pari-passu in all respects with the existing equity shares of the PVR Ltd. The share capital of the transferor company stands cancelled and extinguished. Pursuant to the approved scheme of amalgamation, the authorized share capital of the Company stands increased to 36,000,000 equity shares of Rs 10 each in the previous year.

iv. Pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court, all assets and liabilities of the transferor company were transferred to the Company at fair value and all inter-company transactions were eliminated in the previous year. However, no elimination of inter-company transactions was made for transactions entered upto March 31, 2010 in the previous year.

v. As per the Scheme, the excess if any, of the aggregate fair value of the assets reduced by the aggregate value of the liabilities as recorded by the Company and upon their transfer shall be credited to the Amalgamation Reserve which forms the part of the net worth of the Company. Accordingly, an amount of Rs.19,336,308 has been credited to Amalgamation Reserve forming the part of the Reserve and Surplus of the Company in the previous year.

vi. Pursuant to the Scheme of Amalgamation, the bank account and agreements in the name erstwhile Leisure World Private Limited are in the process of being transferred in the name of the Company.

29. 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

(Amount in Rs.)

	2011-12	2010-11
Current service cost	**6,258,645**	4,786,591
Interest cost on benefit obligation	**1,941,785**	1,734,063
Expected return on plan assets	**(1,258,459)**	(1,293,935)
Net actuarial loss/(gain) recognised in the year	**2,445,775**	(3,584,970)
Net benefit expense	**9,387,746**	1,641,749
Actual return on plan assets	**1,231,760**	1,125,755

Balance Sheet

Benefit Assets/ Liabilities (Amount in Rs.)

	2011-12	2010-11
Defined benefit obligation	**31,090,156**	22,844,525
Fair value of plan assets	**(15,637,340)**	(16,779,455)
Plan asset/(liability)	**(15,452,816)**	(6,065,070)

Notes to the financial statements for the year ended March 31, 2012

Changes in the present value of the defined benefit obligation are as follows: (Amount in Rs.)

	2011-12	2010-11
Opening defined benefit obligation	**22,844,525**	21,675,791
Interest cost	**1,941,785**	1,734,063
Current service cost	**6,258,645**	4,786,591
Benefits paid	**(2,373,875)**	(1,598,770)
Actuarial losses/(gain) on obligation	**2,419,076**	(3,753,150)
Closing defined benefit obligation	**31,090,156**	22,844,525

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

	2011-12	2010-11
Opening fair value of plan assets	**16,779,455**	17,252,470
Expected return	**1,258,459**	1,293,935
Benefits paid	**(2,373,875)**	(1,598,770)
Actuarial Gain/(losses)	**(26,699)**	(168,180)
Closing fair value of plan assets	**15,637,340**	16,779,455

The Company expects to contribute Rs. 8,148,731 to gratuity fund in the year 2012-13.

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

	2011-12	2010-11
	%	%
Investments with insurer	**97.94**	98.08
Bank balances with the insurer	**2.06**	1.92

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:

	2011-12	2010-11
	%	%
Discount rate	**8.50**	8.00
Expected rate of return on plan assets	**7.50**	7.50
Increase in compensation cost	**6.00**	5.50
Employee turnover		
upto 30 years	**25**	25
Above 30 years but upto 44 years	**15**	15
Above 44 years	**10**	10

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:

(Amount in Rs.)

Contribution to Provident Fund	2011-12	2010-11
Charged to statement of profit and loss	**28,911,048**	23,214,050
Charged to Pre-operative expenses	**3,226,176**	1,790,855

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

(Amount in Rs.)

	2011-12	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	**31,090,156**	22,844,525	21,675,791	16,531,926	12,907,090
Fair value of plan assets	**(15,637,340)**	(16,779,455)	(17,252,470)	(11,259,851)	(8,134,508)
Plan asset/(liability)	**(15,452,816)**	(6,065,070)	(4,423,321)	(5,272,075)	(4,772,582)
Experience adjustment on plan liabilities (loss)/gain	**(2,516,109)**	3,334,140	(6,729)	-	-
Experience adjustment on plan assets (loss)/gain	**(26,699)**	(168,180)	674,749	-	-

30. Employee Stock Option Plans

The Company has provided stock option scheme to its employees. As at March 31, 2012, 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 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

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

	2011-12		2010-11	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**381,610**	**88**	446,540	88
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**141,620**	**88**	64,930	88
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**239,990**	**88**	381,610	88
Exercisable at the end of the year	**239,990**	**88**	211,610	88
Weighted average remaining contractual life of options (in years)	**1.83**	**88**	2.84	88

The weighted average share price at the date of exercise for stock options was Rs. 118.01

Stock Options granted:

There were no stock options granted during the current and the previous year and thus weighted average fair value of stock options has not been disclosed.

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.

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 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:

Notes to the financial statements for the year ended March 31, 2012

(Amount in Rs.)

Particulars	2011-12	2010-11
Profit after tax and before appropriation, as reported	**281,089,309**	163,446,973
Add - Employee stock compensation under Intrinsic Value method	**-**	-
Less - Employee stock compensation under Fair Value	**1,756,918**	4,660,407
Proforma Profit /(Loss)	**279,332,391**	158,786,566
Basic		
- As reported	**10.50**	6.03
- Proforma	**10.44**	5.85
Diluted		
- As reported	**10.46**	6.01
- Proforma	**10.40**	5.84

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

(Amount in Rs.)

Particulars	2011-12	2010-11
Total Employee Compensation Cost pertaining to share-based payment plans	**1,756,918**	4,660,407
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	**1,756,918**	4,660,407
Total Liability for employee stock options outstanding as at year end	**Nil**	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested	**Nil**	Nil

PVR ESOS 2011:

The 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

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

	March 31, 2012 Number of options
Outstanding at the beginning of the year	-
Granted during the year	550,000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at the end of the year	550,000
Exercisable at the end of the year	-
Weighted average fair value of options granted on the date of grant	41.17

Notes to the financial statements for the year ended March 31, 2012

The weighted average fair value of stock options granted during the year was Rs. 41.17.
The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2012	March 31, 2011*
Dividend yield (%)	**1.72%**	*
Expected volatility	**35.95%**	*
Risk-free interest rate	**8.45%**	*
Weighted average share price (Rs.)	**Rs. 41.17**	*
Exercise price (Rs.)	**Rs. 116.15**	*
Expected life of option granted in years	**5**	*

*Not applicable since no ESOP's were granted during the year.

The options have not been vested by the Company, a result the average remaining contractual life of the option is not determinable as on March 31, 2012 as mentioned above. The Company measures the cost of ESOP using the intrinsic value method. However, the option has been granted on prevailing market price of Rs.116.15 as at date of grant. As a result, there is no expense to be recorded in the financial statements.

31. 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)

Disclosure for properties under non cancellable leases, where the Company is presently carrying commercial operations is as under:

(Amount in Rs.)

Particulars	2011-12	2010-11
Lease payments for the year recognized in statement of profit and loss	**802,636,539**	548,356,513
Lease payments for the year recognized in pre-operative expenditure	**3,419,910**	1,729,204
Minimum lease payments :		
Not later than one year	**557,973,699**	406,021,800
Later than one year but not later than five years	**1,825,237,151**	1,117,781,835
Later than five years	**912,933,270**	228,490,932

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.

(Amount in Rs.)

Particulars	2011-12	2010-11
Lease rent receipts for the year recognized in the statement of profit and loss	**79,882,913**	76,370,826
Lease rent receipts for the year recognized in Preoperative Expenditure	**-**	-

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.

Notes to the financial statements for the year ended March 31, 2012

32. Capital and Other commitments

a) Capital Commitments

(Amount in Rs.)

Particulars	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account and not provided for {net of capital advances of Rs. 241,320,763 (March 31, 2011 : Rs 86,981,502)}	**470,075,953**	303,497,751

b) Other Commitments

i. As at March 31, 2012 the Company has commitments of Rs. 17,198,233 (March 31, 2011: Rs. 7,867,863) relating to rendering of marketing services.

ii. As at March 31, 2012 the Company has commitments of Rs. 4,653,299 (March 31, 2011: Rs. Nil) relating to completion of production of films.

iii. For commitments related to lease arrangements (refer Note 31)

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

(Amount in Rs.)

	Particulars	March 31,2012	March 31,2011
a)	Labour cases pending *	**Amount not ascertainable**	Amount not ascertainable
b)	Claims against the Company not acknowledged as debts (the Company has paid under protest an amount of Rs. 1,998,809 (March 31, 2011 : Rs. 1,998,809) which is appearing under Loans and Advances)	**3,506,380**	2,809,468
c)	Show Cause Notice raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on certain invoices. (the Company has already paid an amount of Rs.1,900,334 which is appearing under Loans and Advances)	**13,095,770**	14,418,819
d)	Demands by Service Tax Commissioner (Adjn.), New Delhi for non-levy of Service tax on certain marketing income.	**8,033,084**	4,014,042
e)	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, 2009, 2008, 2007, 2006 respectively. (the Company has already paid an amount of Rs. 96,242,608 under protest which is appearing under Loans and Advances)	**137,739,449**	114,260,843
f)	Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT, Lucknow	**11,497,200**	-
g)	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.	**9,068,925**	-
h)	Notice from Entertainment department Chennai regarding short deposit of Entertainment tax on regional movies.	**4,254,152**	-
i)	Arbitration filed on rental dues claimed by erstwhile landlord of food court in Ludhiana, Punjab	**45,288,360**	-
j)	Appeal filed by the Company against the order of Municipal Corporation of Greater Mumbai against the demand of property tax for a multiplex at Mumbai.	**-**	14,773,264

*In view of the large number of cases pending at various forums/courts, it is not practicable to furnish the details of each case. Based on the discussions with the solicitors/meeting the terms and conditions by the Company, the management believes that the Company has a strong chance of success in the cases and hence no provision there against is considered necessary.

34. Derivative Instruments and un-hedged Foreign Currency Exposure:

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

Particulars	Currency	March 31, 2012		March 31, 2011	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Cash in Hand	Thai Bhat	3,100	5,200	3,100	4,650
	Hongkong Dollar	560	3,740	560	3,265
	Sterling Pound	85	7,046	85	6,204
	Singapore Dollar	104	4,289	100	3,597
	US Dollar	1,658	85,971	9,057	411,641

Conversion rates used:
1 Thai Bhat = Rs 1.68 (March 31, 2011 : Rs 1.5); 1 Hongkong Dollar = Rs 6.68 (March 31, 2011 : Rs 5.83); 1 Sterling Pound = Rs 82.90 (March 31, 2011 : Rs 72.99); 1 Singapore Dollar = Rs 41.24 March 31, 2011 : Rs 35.97); 1 US Dollar = Rs 51.85 (March 31, 2011 : Rs 45.45).

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

(Amount in Rs.)

Particulars	March 31, 2012	March 31, 2011
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	-	-
- Interest amount	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

36. The Company is entitled to exemption from payment of entertainment tax in respect of some of its multiplexes, in accordance with the scheme of the respective State Governments. The Company's contention that Entertainment tax is a capital receipt and the Company's appeal for not setting off such capital receipt from the value of fixed assets was rejected by Assessing Officer and Commissioner of Income Tax (Appeals) for Asesment Years 2006-07 onwards. The Company had filed appeal against the order of CIT (Appeals) before the Income Tax Appellate Tribunal (ITAT), Delhi in respect of the assessment year 2006-07 and 2007-08. Subsequent to the year end, the Income Tax Appellate Tribunal, Delhi for Assessment Year 2006-07 has accepted Company's contention of treating Entertainment Tax as a capital receipt and for not setting off such capital receipt from block of fixed assets. Based on the above order, the Company has re-computed its tax liability in respect of current tax and deferred tax for the said year for which the favorable order has been received and accordingly income tax provision for earlier years has been reduced by Rs 775,683 and deferred tax charge for earlier years has been reduced by Rs. 3,366,725.

While the matter relating to Assessment Year 2007-08 is pending with ITAT and for Assessment Years 2008-09 and 2009-10 with CIT (Appeals), the Company is confident for entitlement as mentioned above. However, till the time favourable orders are received from ITAT, the Company continues with its earlier position and has provided for Income tax and deferred tax liabilities for the Assessment year 2007-08 onwards by treating the Entertainment Tax (E.T.) as capital receipt and reducing the notional amount of E.T. from the block of fixed assets while calculating depreciation on fixed assets.

Notes to the financial statements for the year ended March 31, 2012

37. The Company had filed a Special Leave Petition (SLP) before Hon'ble Supreme Court against the order of Hon'ble High Court of Delhi which upheld the levy of Service tax vide its order dated September 23, 2011. The Hon'ble Supreme Court passed an interim direction on October 21, 2011 directing the Company to deposit with the Service tax Department 50% of arrears towards service tax till September 30, 2011 in three equated installments within six months and for balance 50% to furnish a solvency surety. Further as per the directions of the Hon'ble Supreme Court, the Company is paying the service tax towards renting of immovable property from October 2011 onwards. Though the matter is still pending with the Hon'ble Supreme Court, in view of the above developments, the Company considers it prudent to make provision in its books for the entire amount of service tax on immovable property. As a result, the current year service tax on rent (net of cenvat credit) of Rs. 79,055,520 is clubbed with Rent expenses and Rs. 141,624,348 (net of cenvat credit) related to period before March 31, 2011 is shown as exceptional item in the statement of profit and loss.

38. (i) Expenditure in Foreign Currency (on accrual basis)

(Amount in Rs.)

Particulars	March 31, 2012	March 31, 2011
Travelling	6,190,036	3,116,371
Professional fees (including expenses, net of withholding tax)	16,114,098	6,984,619
Director Sitting Fees (net of withholding tax)	49,989	32,000
Others	137,830	-
Total	22,491,953	10,132,990

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

(Amount in Rs.)

Particulars	March 31, 2012	March 31, 2011
Advertisement Income (including Service Tax)	1,575,992	-

(iii) CIF value of imports

(Amount in Rs.)

Particulars	March 31, 2012	March 31, 2011
Capital Goods	90,692,825	44,302,582
Software	-	25,548
Total	90,692,825	44,328,130

39. Segment Information

Business Segments:

The Company is engaged in the business of film production as well as exhibition. However considering the proportion of revenues, profits and assets of production business to the total revenues, profits and assets of the combined operations, the Company does not consider the production business as a separately identifiable reportable segment and 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.

40. Related Party Disclosure

Subsidiaries	CR Retail Malls (India) Limited* PVR Pictures Limited PVR bluO Entertainment Limited
Key Management Personnel	Ajay Bijli, Chairman cum Managing Director Sanjeev Kumar, Joint Managing Director
Relatives of Key Management Personnel	Ms. Salena Bijli, Wife of Mr. Ajay Bijli Ms. Sandhuro Rani, Mother of Mr. Ajay Bijli
Enterprises having significant influence over the Company	Bijli Investments Private Limited Priya Exhibitors Private Limited

* w.e.f. May 18, 2011, CR Retail Malls (India) Limited ceases to be the subsidiary of the Company.

Notes to the financial statements for the year ended March 31, 2012

Related Party Disclosure

Amount in Rs.

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Total	
Transactions during the year	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Remuneration paid										
Ajay Bijli	-	-	-	-	19,968,000	19,968,000	-	-	19,968,000	19,968,000
Sanjeev Kumar	-	-	-	-	14,976,000	9,984,000	-	-	14,976,000	9,984,000
Salena Bijli	-	-	-	-	-	-	751,835	-	751,835	-
Management Fees										
PVR bluO Entertainment Limited	12,497,800	8,400,000	-	-	-	-	-	-	12,497,800	8,400,000
Rent Expense										
Priya Exhibitors Private Limited	-	-	16,693,800	13,080,412	-	-	-	-	16,693,800	13,080,412
Film Distributors Share expense (net of recovery towards publicity)										
PVR Pictures Limited	46,131,917	72,516,879	-	-	-	-	-	-	46,131,917	72,516,879
Expenses on Food, Beverage & Bowling (Staff Welfare)										
PVR bluO Entertainment Limited	55,348	81,314	-	-	-	-	-	-	55,348	81,314
Revenue Share										
PVR bluO Entertainment Limited	4,200,928	2,835,528	-	-	-	-	-	-	4,200,928	2,835,528
Expenses Incurred On Behalf & Reimbursement										
PVR Pictures Limited	357,385	2,968,288	-	-	-	-	-	-	357,385	2,968,288
CR Retail Malls (India) Limited	-	8,362,727	-	-	-	-		-	-	8,362,727
Income From Sales of Tickets of Films										
PVR Pictures Limited	1,918,146	2,181,702	-	-	-	-	-	-	1,918,146	2,181,702
Income From Film Production										
CR Retail Malls (India) Limited	69,699	-	-	-	-	-	-	-	69,699	-
Final Dividend Paid										
Bijli Investments Private Limited	-	-	5,401,805	5,133,169	-	-	-	-	5,401,805	5,133,169
Priya Exhibitors Private Limited	-	-	4,630,000	4,330,000	-	-	-	-	4,630,000	4,330,000
Ajay Bijli	-	-	-	-	1,570,287	1,554,674	-	-	1,570,287	1,554,674
Sanjeev Kumar	-	-	-	-	17,600	-	-	-	17,600	-
Selena Bijli	-	-	-	-	-	-	608	-	608	-
Sandhuro Rani	-	-	-	-	-	-	152	-	152	-
Special Interim Dividend Paid										
Bijli Investments Private Limited	-	-	21,607,220	-	-	-	-	-	21,607,220	-
Priya Exhibitors Private Limited	-	-	18,520,000	-	-	-	-	-	18,520,000	-
Ajay Bijli	-	-	-	-	6,281,148	-	-	-	6,281,148	-
Sanjeev Kumar	-	-	-	-	70,400	-	-	-	70,400	-
Selena Bijli	-	-	-	-	-	-	2,432	-	2,432	-
Sandhuro Rani	-	-	-	-	-	-	608	-	608	-

Amount in Rs.

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Total	
Transactions during the year	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
Subscription to Equity share capital										
PVR bluO Entertainment Limited	41,632,640	20,816,330		-	-	-	-	-	41,632,640	20,816,330
Advance towards share subscription										
PVR bluO Entertainment Limited	41,320,423	-		-	-	-	-	-	41,320,423	-
Security Deposit Paid										
Priya Exhibitors Private Limited	-	-	4,100,000	-		-	-	-	4,100,000	-
Inter Corporate Loans Given										
CR Retail Malls (India) Limited	-	453,502,802	-	-	-	-	-	-	-	453,502,802
PVR Pictures Limited	50,000,000	-							50,000,000	-
Inter Corporate Loans Refund										
CR Retail Malls (India) Limited	596,902,802	92,600,000		-	-	-	-	-	596,902,802	92,600,000
Interest Received										
CR Retail Malls (India) Limited	6,085,142	46,609,597		-	-	-	-	-	6,085,142	46,609,597
Balance outstanding at the end of the year										
Trade Receivable										
PVR bluO Entertainment Limited	10,124,865	6,547,965		-	-	-	-	-	10,124,865	6,547,965
Trade Payable										
PVR Pictures Limited	5,622,375	6,241,048		-	-	-	-	-	5,622,375	6,241,048
Priya Exhibitors Private Limited	-	-	38,920	298,091	-	-	-	-	38,920	298,091
Security Deposits										
Priya Exhibitors Private Limited		-	6,600,000	2,500,000	-	-	-	-	6,600,000	2,500,000
Inter Corporate Loans Given										
CR Retail Malls (India) Limited	-	596,902,802		-	-	-	-	-	-	596,902,802
PVR Pictures Limited	50,000,000								50,000,000	-
Advance Receivable in Cash or Kind										
PVR Pictures Limited	16,506,373	-							16,506,373	-
Share Application Money										
PVR bluO Entertainment Limited	41,320,423	-							41,320,423	-
Investment in Equity Share Capital										
CR Retail Malls (India) Limited	-	200,000,000	-	-	-	-	-	-	-	200,000,000
PVR Pictures Limited	160,229,108	215,000,000	-	-	-	-	-	-	160,229,108	215,000,000
PVR bluO Entertainment Limited	121,098,970	79,466,330	-	-	-	-	-	-	121,098,970	79,466,330
Guarantees Taken (Personal Guarantees)										
Ajay Bijli	-	-		-	*	*	-	-	*	*
Sanjeev Kumar	-	-		-	*	*	-	-	*	*
Assets Mortgaged										
Ajay Bijli	-	-	-	-	*	*	-	-	*	*
Sanjeev Kumar	-	-	-	-	*	*	-	-	*	*

Notes::

(a) *The Company has availed loans from banks and a body corporate aggregating to Rs. 272,152,785 (March 31, 2011 : Rs.460,494,676) which are further secured by personal guarantee of two directors of the Company.

(b) The above particulars exclude expenses reimbursed to/by related parties.

(c) 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.

Notes to the financial statements for the year ended March 31, 2012

41. The Company in the earlier years had applied to the Ministry of Corporate Affairs, Central Government for approval for the remuneration paid beyond the prescribed limits to its Director aggregating to Rs 11,875,097 for the financial years 2008 to 2011. The approval of the Central Government is awaited.

42. During the year, the Company sold its investment in the shares of its subsidiary company CR Retail Malls (India) Ltd for a consideration more than the cost of investments. The profit on the same amounting to Rs 168,564,053 has been disclosed as an exceptional item in the statement of profit and loss.

43. The Company has on July 05, 2011 purchased 40% share capital of PVR Pictures Limited from JP Morgan Mauritius Holdings IV Limited and ICICI Venture Funds Management Company Limited. Subsequent to the above purchase, PVR Pictures Ltd has now become a wholly owned subsidiary of the Company.

44. Scheme of arrangement for Demerger of Production Business of one of the subsidiaries PVR Pictures Limited

i. Pursuant to the Composite Scheme of Arrangement ('Scheme') filed by PVR Limited (the transferee Company) and PVR Pictures Limited (the transferor Company), under the provisions of the Companies Act, 1956 and as approved by the shareholders, and sanctioned by the Hon'ble High Court of Delhi on February 02, 2012, the production business undertaking of the transferor Company (non listed) was transferred to and vested in the transferee Company with effect from April 01, 2011 (the appointed date). The Company has made necessary filing with the Registrar of Companies, NCT of Delhi and Haryana on February 29, 2012 being the effective date. The Scheme provides that all the assets and liabilities pertaining to production business undertaking in the books of transferor Company as on appointed date shall be transferred to and vested in the transferee Company pursuant to this scheme and recorded by the transferee Company. Accordingly, the scheme has been given effect in these financial statements.

ii. The approved Scheme further provides that from the effective date, such of the assets and liabilities covered under the Scheme and as the Board of Directors consider relevant and appropriate after considering corresponding deferred tax adjustments and proportionate reduction in value of investments in subsidiary, shall be adjusted to their fair values, and the corresponding adjustment out of above shall be set off against specified reserves (including Securities Premium account). Accordingly the Company has written down the value of such assets by Rs. 493,783,033 and set off the same against reserves as per Scheme.

45. (a) The Company has during the year, merged operations of production business undertaking of PVR Pictures Limited pursuant to the Scheme of arrangement for Demerger and also started commercial operations at Udaipur, Surat, Vasant Kunj (New Delhi), Kolkata and Nanded. Hence current year's figures are not strictly comparable with those of the previous year.

(b) Previous year's figures have been re-grouped where necessary to confirm to current year's classification.

(c) The figures in the financial statements and notes thereto have been rounded off to nearest rupee.

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2012

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

PVR LIMITED

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

REGISTRATION NO	:	67827	STATE CODE:	55
BALANCE SHEET DATE	:	March 31, 2012		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS.THOUSAND)

PUBLIC ISSUE NIL	RIGHT ISSUE NIL
BONUS ISSUE NIL	PRIVATE PLACEMENT NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS.THOUSANDS)

TOTAL LIABILITIES : 5,672,307	TOTAL ASSETS : 5,672,307

SOURCE OF FUNDS

PAID UP CAPITAL : 259,026	RESERVES & SURPLUS : 2,474,705
SECURED LOANS : 1,686,993	UNSECURED LOANS : 1,156,558
DEFERRED TAX LIABILITIES 95,025	

APPLICATION OF FUNDS

NET FIXED ASSETS : 3,386,932	INVESTMENTS : 287,816
NET CURRENT ASSETS : 1,997,559	MISC. EXPENDITURE : NIL
DEFERRED TAX : NIL	ACCUMULATED LOSSES : NIL

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS.THOUSANDS)

TURNOVER : 4,787,469	TOTAL EXPENDITURE : 4,442,530
PROFIT BEFORE TAX : 344,939	PROFIT AFTER TAX : 281,089
EARNING PER SHARE IN RS. : 10.50	DIVIDEND RATE %: 60.00

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

ITEM CODE NO.	:	NIL
SERVICE DESCRIPTION	:	DISPLAY OF FILMS, SALES OF FOOD & BEVERAGES AND ADVERTISMENT INCOME

N.C. Gupta (Company Secretary)	**Nitin Sood** (Chief Financial Officer)	**Ajay Bijli** (Chairman cum Managing Director)	**Sanjeev Kumar** (Joint Managing Director)

Place: Gurgaon
Date: May 29th, 2012

Auditors' Report

to the Board of Directors of PVR Limited on the Consolidated Financial Statements of PVR Group.

1. We have audited the attached consolidated Balance Sheet of PVR Group (comprising of PVR Limited and its subsidiaries CR Retail Malls (India) Limited, PVR Pictures Limited and PVR BluO Entertainment Limited) as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the PVR Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect:

   (i) in relation to CR Retail Malls (India) Limited , the total revenues of Rs. 15,470,671 and cash outflow amounting to Rs. 65,798 for the period starting from April 1, 2011 till May 17, 2011, the date of sale of the subsidiary.

   (ii) in relation to PVR Pictures Limited total assets of Rs. 290,555,615 as at March 31, 2012, the total revenues of Rs. 249,953,269 and cash outflow amounting to Rs. 367,291,513 for the year then ended.

   These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by PVR Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and on the basis of the separate audited financial statements of PVR Limited and its subsidiaries included in the consolidated financial statements.

5. Without qualifying our opinion, we draw attention to the following:

   a) Note 46 (ii) to these financial statements regarding writing down the value of certain assets of the Group pursuant to a composite scheme of arrangement (referred to as 'Scheme', also refer Note 43A for details) by Rs 493,738,033 (net of tax impact); and setting off the same against the Reserves of the Group including Securities Premium as prescribed in the Scheme as approved by the Hon'ble High Court of Delhi vide order dated February 2, 2012 effective from April 1, 2011. Such treatment for utilization of Reserves including Securities Premium for setting off the values of certain assets is in accordance with Scheme as approved by Hon'ble High Court.

   b) Note No. 43 to these financial statements wherein it is stated that the parent Company has during the year ended March 31, 2011 paid managerial remuneration to Mr.Ajay Bijli which is in excess of the approval granted by Ministry of Corporate Affairs, Central Government (CG) by Rs. 4,018,000. In the previous years, the parent Company had paid managerial remuneration to Mr.Ajay Bijli in excess of the approval granted by Ministry of Corporate Affairs, Central Government by Rs. 7,857,097. As represented by the Company, it has filed an application in the aforesaid matter with the CG for waiver of excess remuneration paid. Pending the final outcome of the Company's representations, no adjustments have been made to the financial statements.

6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the consolidated Balance Sheet, of the state of affairs of PVR Group as at March 31, 2012;

   (ii) in the case of the consolidated statement of profit and loss, of the profit of the PVR Group for the year ended on that date; and

   (iii) in the case of the consolidated Cash Flow Statement, of the Cash Flows of the PVR Group for the year ended on that date.

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

per Vikas Mehra
Partner
Membership No. 94421

Place: Gurgaon
Date: May 29th, 2012

Consolidated Financial Statements

Consolidated Balance Sheet as at March 31, 2012

	Notes	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	259,026,640	271,493,720
Reserves and surplus	6	2,531,727,150	3,142,150,964
Share application money (pending allocation)		39,700,000	-
		2,830,453,790	**3,413,644,684**
Minority interest	**7**		
Equity		89,683,330	219,683,340
Securities premium account		26,666,670	411,911,741
Non-equity		22,910,595	(87,815,395)
		139,260,595	**543,779,686**
Non-current liabilities			
Long-term borrowings	8	1,735,655,873	1,317,977,884
Deferred tax liabilities (net)	9	106,123,937	313,566,297
Other long term liabilities	10	29,589,439	16,382,072
Long-term provisions	11	29,534,059	16,450,890
		1,900,903,308	**1,664,377,143**
Current liabilities			
Short-term borrowings	12	1,637,376	2,866,271
Trade payables	13	495,220,928	300,782,111
Other current liabilities	13	689,362,854	595,542,955
Short-term provisions	11	69,266,405	39,236,061
		1,255,487,563	**938,427,398**
Total		**6,126,105,256**	**6,560,228,911**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	14	2,621,485,253	3,352,351,264
Intangible assets	15	106,480,917	324,281,117
Capital work-in-progress		762,974,314	226,332,865
Intangible assets under development		112,996,701	203,540,960
Pre-operative expenses (pending allocation)	16	267,234,842	145,828,541
Non-current investments	17	5,895,000	5,368,000
Long-term loans and advances	18	1,452,080,484	807,724,759
Other non-current assets	20	8,962,680	3,018,905
		5,338,110,191	**5,068,446,411**
Current assets			
Current investments	21	593,000	45,000
Inventories	22	78,587,173	52,983,480
Trade receivables	19	276,179,766	300,083,919
Cash and bank balances	23	210,498,870	790,105,464
Short-term loans and advances	18	204,546,302	314,299,288
Other current assets	20	17,589,954	34,265,349
		787,995,065	**1,491,782,500**
Total		**6,126,105,256**	**6,560,228,911**

Summary of significant accounting policies 4.1

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

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2012

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Consolidated Profit and Loss Account for the year ended March 31, 2012

	Notes	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
INCOME			
Revenue from operations	24	5,085,015,232	4,592,704,682
Other income	25	133,123,919	106,509,109
Total revenue (I)		**5,218,139,151**	**4,699,213,791**
Expenses			
Film hire charges		1,251,545,523	1,006,427,461
Movie production, distribution and print charges (including commission)		146,215,695	314,635,667
Consumption of food and beverages		338,766,418	241,954,956
Cost of good purchased for sale		816,266	683,109
Employee benefits expense	26	562,720,796	473,113,377
Other expenses	27	2,036,675,034	1,669,247,244
Miscellaneous expenditure written off		152,340	152,340
Exceptional items		23,711,920	-
Total expenses (II)		**4,360,603,992**	**3,706,214,154**
Earnings before interest, tax, depreciation, amortization and prior period adjustment (EBITDA) (I)-(II)		**857,535,159**	**992,999,637**
Depreciation and amortization expense	28	364,717,898	674,117,511
Finance costs	29	184,800,493	161,753,015
		549,518,391	**835,870,526**
Earnings before tax and prior period adjustment		**308,016,768**	**157,129,111**
Prior period adjustment		**2,033,333**	**-**
Profit/(loss) before tax		**310,050,101**	**157,129,111**
Tax expense:			
Current tax Provision for Minimum Alternative Tax (MAT)		73,882,341	65,189,059
MAT credit entitlement		(73,882,341)	(56,468,940)
Excess provision for fringe benefit tax pertaining to earlier year written back		(769,020)	(1,261,423)
Income tax credit for earlier years		(775,683)	26,281
Deferred tax charge		62,116,606	146,406,535
Deferred tax credit for earlier years		(3,366,725)	-
		57,205,178	153,891,512
Profit/(loss) after tax and before share of minority interest		**252,844,923**	**3,237,599**
Add: Share of minority interest in (profit)/ losses (net)		1,267,755	78,533,029
Profit/(loss) for the year		**254,112,678**	**81,770,628**
Earnings per equity share:[Nominal Value of share Rs.10 (March 31, 2011: Rs.10)]	30		
(1) Basic		9.50	3.02
(2) Diluted		9.46	3.01
Summary of significant accounting policies	4.1		

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

As per our report of even date

For and on behalf of the Board of Directors

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

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

Place: Gurgaon
Date: May 29th, 2012

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Consolidated Cash Flow Statement for the year ended March 31, 2012

	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
Cash flow from operating activities:		
Profit before taxation	**310,050,101**	157,129,111
Adjustments for :		
Depreciation/amortisation	364,717,898	674,117,511
Loss on disposal of fixed assets (net)	5,772,511	9,425,272
Wealth tax	187,000	166,000
Interest income	(23,911,071)	(16,522,890)
Profit on sale of current investments	(61,726,526)	(28,240,766)
Miscellaneous expenditure incurred	-	152,340
Dividend income	(3,923,757)	(32,201,465)
Interest expense	158,598,507	137,683,799
Bad debts written off	148,158	94,425
Provision for doubtful debts and advances (net)	1,531,632	13,483,036
Operating profit before working capital changes	**751,444,453**	**915,286,373**
Movements in working capital :		
Decrease/(Increase) in sundry debtors	23,824,363	(167,042,024)
(Increase) in inventories	(37,994,594)	(16,421,756)
(Increase) in loans and advances and other current assets	(288,552,552)	(126,113,565)
Increase in current liabilities and provisions	145,165,641	55,525,561
Cash generated from operations	**593,887,311**	**661,234,589**
Direct taxes paid (net of refunds)	(108,247,402)	(8,520,042)
Net cash from operating activities (A)	**485,639,909**	**652,714,547**
Cash flows (used in) investing activities		
Purchase of fixed assets	(1,259,970,070)	(525,012,511)
Purchase of intangible assets	(158,296,050)	(284,899,368)
Proceeds from sale of fixed assets	858,638,404	4,077,941
Consideration paid for acquiring minority interest in a subsidiary	(600,000,000)	-
Purchase of other investments	(5,672,155,619)	(6,146,863,519)
Sale of other investments	5,732,807,145	7,236,721,166
Loan repaid by a body corporate	-	5,000,000
Dividend received	3,923,757	32,201,465
Interest received	27,340,320	21,432,341
Fixed deposits with banks placed	(61,865,845)	(45,412,467)
Fixed deposits with banks encashed	99,077,151	150,610,970
Net cash (used in) investing activities (B)	**(1,030,500,807)**	**447,856,018**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including share premium	52,462,560	25,713,840
Proceeds from share application money pending allotment	39,700,000	-
Buyback of equity share capital	(158,163,858)	-
Proceeds from long-term borrowings	976,000,000	601,184,000
Repayment of long-term borrowings	(548,917,470)	(777,955,919)
Repayment of short-term borrowings	-	(49,916,540)
Dividend and tax thereon paid	(150,409,683)	(31,464,735)
Interest paid	(207,212,478)	(178,633,676)
Net cash (used in)/from financing activities (C)	**3,459,071**	**(411,073,030)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(541,401,827)**	**689,497,535**
Cash and cash equivalents at the beginning of the year	745,404,623	55,358,373
Less: Cash out flow on sale of assets of subsidiary	107,074	-
Add: Cash acquired as per scheme of arrangement/amalgamation	-	548,715
Cash and cash equivalents at the end of the year	**203,895,722**	**745,404,623**

Consolidated Cash Flow Statement for the year ended March 31, 2012 (Continued)

(Amount in Rs.)

Components of cash and cash equivalents as at	March 31, 2012	March 31, 2011
Cash and cheques on hand	13,943,526	5,431,704
With banks - on deposit accounts	17,953,372	5,135,216
With banks - on current accounts	171,253,785	734,500,302
With banks - on unpaid and unclaimed dividend accounts*	745,039	337,401
	203,895,722	**745,404,623**

* these balances are not available for use as they represent corresponding unpaid dividend liabilities.

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

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2012

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Notes to the Consolidated financial statements for the year ended March 31, 2012

1. Principles of Consolidation

The Consolidated Financial Statements relate to PVR Limited (Parent Company) and its subsidiary companies (hereinafter referred as the "PVR Group"). The Consolidated Financial Statements have been prepared on the following basis:

(i) 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, Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006.

(ii) The subsidiary companies which are included in the consolidation and the Parent Company's holding therein is as under:

Name of Subsidiary Company	Country of Incorporation	Percentage of Ownership as at March 31, 2012	Percentage of Ownership as at March 31, 2011
CR Retail Malls (India) Limited	India	-	100
PVR Pictures Limited	India	60	60
PVR bluO Entertainment Limited	India	51	51

(iii) Goodwill represents the difference between the Parent Company's share in the net worth of 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. Goodwill is amortised pro-rata over a period of 5 years from the date of acquisition.

(iv) Capital Reserve represents the difference between the Parent Company's share in the net worth of subsidiary company (PVR Pictures Limited) 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 any prior to acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

(v) 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.

(vi) 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. Differences in the accounting policies, if any, have been disclosed separately.

2. Computation of Goodwill (on Consolidation)

The Goodwill in the Consolidated Financial Statements represents the excess of the purchase consideration of investment over the PVR Limited's share in the net assets of CR Retail Malls (India) Limited and PVR Pictures Limited.

Particulars	**March 31, 2005 (Rs.)**
Investment - Fresh equity shares issued by CR Retail Malls (India) Limited on October 4, 2004	7,000,000
PVR Limited's share in the net assets of its subsidiary	5,448,602
Goodwill (A)	1,551,398
Investment – Additional equity shares purchased from The Phoenix Mills Limited on March 28, 2005	100,000
PVR Limited's share in the net assets of its subsidiary	82,460
Goodwill (B)	17,540
	March 31, 2007 (Rs.)
Investment – Additional equity shares issued by CR Retail Malls (India) Limited on March 30, 2007	192,900,000
PVR Limited's share in the net assets of its subsidiary	191,231,639
Goodwill (C)	1,668,361
	March 31, 2012 (Rs.)
Investment – Additional equity shares purchased from erstwhile shareholders of PVR Pictures Limited on July 05, 2011	600,000,000
Less: PVR Limited's share in the net assets of its subsidiary	443,251,336
Less: amount pertaining to the production business undertaking of PVR Pictures Limited. merged with PVR Limited as per the scheme of arrangement approved by the Court.	125,398,931
Goodwill (D)	31,349,733
Total Goodwill (A+B+C+D)	**34,587,032**

Notes to the Consolidated financial statements for the year ended March 31, 2012

3. Capital Reserve (on Consolidation)

The Capital Reserve in the Consolidated Financial Statements represents the excess of the PVR Limited's share in the net assets of its subsidiary (PVR Pictures Limited and Sunrise Infotainment Private Limited) over the purchase consideration of investment.

Particulars	March 31, 2006 (Rs.)
Fresh equity shares issued by PVR Pictures Limited on April 5, 2005	14,500,000
PVR Limited's share in the net assets of its subsidiaries	14,524,483
Capital Reserve (A)	**24,483**
Investment – Additional equity shares purchased from erstwhile shareholders of PVR Pictures Limited	500,000
PVR Limited's share in the net assets of its subsidiary	500,000
Capital Reserve (B)	-
	March 31, 2008 (Rs.)
Investment – Purchase of equity shares issued by Sunrise Infotainment Private Limited on June 20, 2007	125,000
PVR Limited's share in the net assets of its subsidiaries	3,201,825
Goodwill (C)	**3,076,825**
Total Capital Reserve (A+ B+C)	**3,101,308**
Less: Transferred to Statement of Profit & Loss being the subsidiary company amalgamated with the Parent Company with effect from 1st April 2008.	3,076,825
Balance Capital Reserve	**24,483**

4. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP).The Company has prepared these statements to comply in all material respects with the notified Accounting Standards issued by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.The financial statements are prepared under the historical cost convention on an accrual basis.The accounting policies have been consistently applied by PVR Group and are consistent with those used in the previous year except for the change in accounting policy explained below.

4.1 Statement of Significant Accounting Policies

(a) Change in accounting policies

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.The PVR Group has also reclassified the previous year figures in accordance with the requirements applicable in the current 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 service tax credit) 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 life of 20-25 years or unexpired period of lease (whichever is lower) on a straight line basis.

Cost of structural improvements at premises where Parent 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 contract of the agreement (whichever is lower) on a straight line basis.

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

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 XIV to the Companies Act, 1956.

Assets costing Rs. 5,000 and below are fully depreciated over a period of one year in case of one of the subsidiary companies. In case of others, assets costing Rs. 5,000 and below are fully depreciated in the year of acquisition.

(f) Intangibles assets

Goodwill

Goodwill arising out of acquiring share in a subsidiary company is amortised pro-rata over a period of 5 years from the date of acquisition.

Trademark and Copyrights

Trademark and copyrights for the brand name acquired and registered by the Company are capitalized and are amortized over an estimated useful life of five years.

Software and Website Development cost

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 Cost

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% of the cost of film rights on first domestic theatrical release of the film. 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% 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 where theatrical rights/satellite rights/home video rights are acquired (primarily for foreign films):

- 25% of the cost is amortised on domestic theatrical release of the movie.
- 40% of the cost amortised on the sale of Satellite rights. In cases where there is no theatrical release, 70% 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, 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.

(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 Group evaluates the carrying value of its goodwill whenever events or changes in circumstances indicate that its carrying value may be impaired. Impairment is recognised 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

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 a straight-line basis over the lease term. 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 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.

(k) Inventories

Inventories are valued as follows:

Food and beverages

Lower of cost and net realizable value. Cost is determined on First In First Out Basis.

Stores and spares

Lower of cost and net realizable value. Cost is determined on First In First Out Basis.

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

(l) 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.

(m) 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. Amount of entertainment tax, sales tax and service tax collected on generating operating revenue has been shown as a reduction from the operating revenue.

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 is recognised upon passage of title to customers, which coincides with their delivery.

iv. **Revenue from Bowling**

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

v. **Income from Shoe Rental**

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

vi. **Income from Film Distribution**

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

vii. **Income from Film Production**

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

viii. **Income from sale of other rights other than film distribution**

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

ix. **Income from Home Video**

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

x. **Advertisement Revenue**

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

xi. **Management Fee Revenue**

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

xii. **Convenience Fee**

Convenience fee is recognized as and when the ticket is sold on the website of the Company.

xiii. **Interest Income**

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

xiv. **Dividend Income**

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

(n) 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.

Notes to the Consolidated financial statements for the year ended March 31, 2012

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.

(o) Retirement and other employee benefits

i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the provident funds are due. There are no other obligations other than the contribution payable to the provident fund.

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 provide on actual computation basis.

iii. Short term compensated absences are provided for on 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.

(p) 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. 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 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.

(q) Segment Reporting

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.

Segment accounting policies:

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

(r) 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.

(s) 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.

(t) Cash and Cash equivalents

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

(u) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Parent Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

(v) Miscellaneous Expenditure (to the extent not written off)

Costs incurred on incorporation of a subsidiary company are amortized over a period of five (5) years, from the year of commencement of commercial operations.

(w) 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.

(x) Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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.

(y) 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.

Notes to the Consolidated financial statements for the year ended March 31, 2012

5. Share capital

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Authorised share capital		
36,000,000 (March 31, 2011: 35,000,000) equity shares of Rs. 10 each	360,000,000	360,000,000
20,000,000 (March 31, 2011: 20,000,000) 5% redeemable preference shares of Rs. 10 each	200,000,000	200,000,000
5,000,000 (March 31, 2011: 5,000,000) 5% cumulative preference shares of Rs. 10 each	50,000,000	50,000,000
	610,000,000	610,000,000
Issued, subscribed and paid-up		
25,902,664 (March 31, 2011: 27,149,372) equity shares of Rs. 10 each fully paid	259,026,640	271,493,720
	259,026,640	271,493,720

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

	March 31, 2012		March 31, 2011	
Equity shares	**Number**	**Amount**	Number	Amount
Shares outstanding at the beginning of the year	27,149,372	271,493,720	25,624,330	256,243,300
Shares issued during the year -ESOP (refer note 33)	141,620	1,416,200	64,930	649,300
Shares issued during the year -pursuant to scheme of amalgamation (refer note 31)	-	-	1,460,112	14,601,120
Shares bought back during the year (refer note 5e)	(1,388,328)	(13,883,280)	-	-
Shares outstanding at the end of the year	**25,902,664**	**259,026,640**	27,149,372	271,493,720

b. Terms/ 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.

During the year ended March 31, 2012, the amount of per share special interim and final dividend recognised as distributions to equity shareholders was Rs. 4 and Rs. 2 respectively (March 31, 2011: Rs.1 per share).

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.

	March 31, 2012		March 31, 2011	
Name of Shareholder	**No. of Shares held**	**% of Holding**	No. of Shares held	% of Holding
Equity shares of Rs. 10 each fully paid				
Bijli Investments Private Limited	5,401,805	20.85	5,375,169	19.80
Priya Exhibitors Private Limited	4,630,000	17.87	4,630,000	17.05
Major Cineplex Group Public Company Limited	2,557,000	9.87	2,557,000	9.42
IDBI Trusteeship Services Limited (India Advantage Fund)	2,021,742	7.81	2,021,742	7.45
Ajay Bijli	1,570,287	6.06	1,570,287	5.78
Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund	1,581,793	6.11	1,560,600	5.75

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Consolidated financial statements for the year ended March 31, 2012

d. The information for aggregate number of share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting period, wherever applicable is given below:

	(Aggregate No. of Shares)	
	March 31, 2012	March 31, 2011
Equity shares issued during the year -pursuant to scheme of amalgamation (refer Note 31)	-	1,460,112
Equity shares bought back during the year -pursuant to scheme of buy back (refer Note 5e)	1,388,328	-

e. The Board of Directors of the Parent Company at its meeting held on May 27, 2011, approved a scheme of buy back of Company's own shares from the open market up to 10% of its paid up equity capital and free reserves at a maximum price of Rs. 140/- per share through stock exchange(s) in terms of the SEBI (Buy Back of Securities) Regulations, 1998 pursuant to the first proviso to clause (b) of sub-section (2) of Section 77A of the Companies Act, 1956. Consequently, the Parent Company made a public announcement on June 09, 2011 for Buy-back of Company's equity shares. The buy back was closed on August 29, 2011. The Parent Company bought back and extinguished 1,388,328 equity shares for a total consideration of Rs. 158,163,858 (at an average price of Rs. 113.92/- per share). The premium paid on these shares amounting to Rs 144,280,578 has been adjusted from Securities Premium and mandatory transfer of Rs. 13,883,280 to Capital Redemption Reserve has been made as per Section 77A and 77AA of the Companies Act, 1956, respectively.

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, please refer note 33.

6. Reserves and Surplus

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Capital reserve (on consolidation) difference between the cost of the investment in subsidiary and the Parent Company's portion in equity of the subsidiary at the time of acquisition	24,483	24,483
Closing Balance	**24,483**	24,483
Capital Reserve		
Balance as per last financial statements	25,820,400	25,820,400
Less: Utilized on restructuring of assets/ liabilities (refer note 46(ii))	(25,820,400)	-
Closing Balance	-	25,820,400
Capital Redemption Reserve		
Balance as per last financial statements	200,000,000	200,000,000
Add: Transfer from general reserve pursuant to shares buy back (refer note 5e)	13,883,280	-
Less: Utilized on restructuring of assets/ liabilities (refer note 46(ii))	(213,883,280)	-
Closing Balance	-	200,000,000
Securities Premium Account		
Balance as per last financial statements	2,624,443,345	2,384,300,773
Add : On issue of shares pursuant to exercise of share options	11,046,360	240,142,572
: Adjustment on account of merger of production business (refer note 46(i) (net)	(957,971,372)	-
: On purchase of minority interest of PVR Pictures Limited	411,911,741	-
Less : Premium Utilised for buy back of shares (refer note 5e)	(144,280,578)	-
Premium utilized on Restructuring of assets/liabilities (refer note 46(ii))	(239,301,816)	-
Closing Balance	**1,705,847,680**	2,624,443,345
Debenture Redemption Reserve		
Balance as per last financial statements	10,600,000	2,120,000
Add: Transfer from surplus balance in the statement of profit and loss	8,480,000	8,480,000
Closing Balance	**19,080,000**	10,600,000
Amalgamation Reserve		
Balance as per last financial statements	19,336,308	-
Add: Pursuant to amalgamation (refer note 31)	-	19,336,308

Notes to the Consolidated financial statements for the year ended March 31, 2012

(Amount in Rs.)

Less: Utilized on restructuring of assets/ liabilities (refer note 46(ii))	(19,336,308)	-
Closing Balance	**-**	19,336,308
General Reserve		
Balance as per last financial statements	4,086,174	-
Add : Transfer on account of dividend declared (refer note 11(i))	28,108,931	4,086,174
: Transfer pursuant to merger of production business (refer note 46(i))	326,750,493	-
: Amount of goodwill created on account of purchase of minority share	31,349,733	
: Transfer to capital redemption reserve (refer note 5e)	(13,883,280)	-
Closing Balance	**376,412,051**	4,086,174
Surplus in the statement of Profit and Loss		
Balance as per last financial statements	257,840,254	221,943,699
Net Profit for the current year	254,112,678	81,770,628
Less:Appropriations		
Proposed dividend on equity shares (amount per share Rs. 2 (March 31, 2011 : Re. 1))	(50,837,734)	(28,648,684)
Tax on proposed equity dividend	(8,143,573)	(4,659,215)
Adjustment on account of merger of production business (net)	134,368,454	-
Special interim dividend (amount per share Rs. 4 (March 31, 2011 : Nil))	(103,584,256)	-
Tax on special interim dividend	(16,803,956)	-
Transfer to debenture redemption reserve	(8,480,000)	(8,480,000)
Transfer to general reserve on dividend declared (refer note 11(i))	(28,108,931)	(4,086,174)
Total appropriations	(81,589,996)	(45,874,073)
Net Surplus in the statement of Profit and Loss	**430,362,936**	257,840,254
Total Reserve and Surplus	**2,531,727,150**	3,142,150,964

7. Minority Interest

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
(a) Minority interest in Equity of PVR Pictures Limited Nil (March 31, 2011 : 14,333,334) equity shares of Rs. 4 each (March 31, 2011: Rs. 10 each)	-	143,333,340
(b) Minority interest in Securities premium of PVR Pictures Limited (net of write off of share issue expenses incurred)	-	411,911,741
(c) Minority Interest in Non-Equity of PVR Pictures Limited		
Share of profit/(loss) brought forward	-	(17,143,836)
Share of profit/(loss) of the current year	-	(88,721,985)
	-	449,379,260
(d) Minority interest in Equity of PVR bluO Entertainment Limited 8,968,333 equity shares (March 31, 2011: 7,635,000 equity shares) of Rs. 10 each	89,683,330	76,350,000
(e) Minority interest in Securities premium of PVR bluO Entertainment Limited	26,666,670	-
(f) Minority Interest in Non-Equity of PVR bluO Entertainment Limited		
Share of profit/(loss) brought forward	18,050,426	7,861,471
Share of profit/(loss) of the current year	4,860,169	10,188,955
	139,260,595	94,400,426
Note:		
Minority Interest in Equity of subsidiaries	89,683,330	219,683,340
Minority Interest in Securities premium of a subsidiary	26,666,670	411,911,741
Minority Interest in Non-Equity of subsidiaries	22,910,595	(87,815,395)
	139,260,595	543,779,686

Notes to the Consolidated financial statements for the year ended March 31, 2012

8. Long Term Borrowings

	Non-current portion		Current Maturities	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Debentures				
290 (March 31, 2011: 290) 11.40% Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each (secured)	290,000,000	290,000,000	-	-
Term loans				
Term loans from banks (secured)	872,175,000	514,375,000	150,200,000	127,500,000
Term loans from a body corporates (secured)	573,116,671	510,089,563	143,994,445	156,731,920
Other loans and advances				
Car finance loans from banks (secured)	364,202	3,513,321	3,145,126	3,703,111
Deferred payment liabilities	-	-	-	10,400,000
	1,735,655,873	1,317,977,884	**297,339,571**	298,335,031
The above amount includes				
Secured borrowings	1,735,655,873	1,317,977,884	297,339,571	298,335,031
Amount disclosed under the head "other current liabilities" (refer note 13)	-	-	(297,339,571)	(298,335,031)
	1,735,655,873	1,317,977,884	-	-

Notes:

a. 11.40% Privately placed Secured Redeemable Non-convertible Debentures are redeemable at par at the end of 7th, 8th, 9th and 10th year in the ratio of 20:20:30:30 respectively from the deemed date of allotment i.e. January 01, 2010. These are secured by mortgage on immovable properties ranking pari passu and secured by first pari passu charge on movable fixed assets of the Parent Company (except vehicles hypothecated to banks), and all current assets including receivables of any kind belonging to the Parent Company both present and future.

b (i) Term loan from banks to the extent of Rs. 330,000,000 (March 31, 2011: Rs. 370,000,000), carries interest @9.75% p.a. to 11.90% p.a. during the current financial year and repayable in 28 unequal quarterly installments from the date of loan i.e. April 05, 2010. It is secured by first pari passu charge over all fixed assets of the Parent Company both present and future (excluding immovable property located at Gujarat, Bangalore and PVR Anupam, New Delhi and vehicles hypothecated to banks). The loan is further secured by first pari passu charge on the current assets and future receivables of the Parent Company.

(ii) Term loan from banks to the extent of Rs. 184,375,000 (March 31, 2011: Rs. 271,875,000), carries interest @12.00% p.a. to 12.75% p.a. during the current financial year. It was disbursed in two tranches and repayable in 16 equal quarterly installments starting from the end of one year from the date of loan i.e. March 13, 2009. It is secured by first pari passu charge over all fixed assets of the Parent Company (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the Parent Company both present and future. This loan is further secured by the personal guarantee of two directors of the Parent Company.

(iii) Term loan from banks to the extent of Rs. 450,000,000 (March 31, 2011: Rs. Nil), carries interest @11.90% p.a. during the current financial year. It was disbursed in five tranches and is repayable in 24 unequal quarterly installments starting from the end of ninth quarter from the date of loan taken on various dates starting from December 15, 2011. It is secured by first pari passu charge over all immovable and movable assets of the Parent Company (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the Parent Company both present and future.

(iv) Term loan from bank to the extent of Rs. 58,000,000 (March 31, 2011: Rs. Nil) pertaining to DBS Bank, is repayable in 20 equal quarterly installment over a period of next 6 years. The loan carries interest @11.75% p.a. to 12.15% p.a. during the current financial year. It is secured by first pari passu charge over all fixed assets of one of the subsidiary 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.

c (i) Car finance loan to the extent of Rs. 2,745,285 carries interest @11.25% p.a. and is repayable in 36 unequal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

(ii) Car finance loan to the extent of Rs. 764,043 carries interest @9.75% p.a. and is repayable in 36 unequal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

d (i) Term loan from a body corporates to the extent of Rs. 87,777,785 (March 31, 2011: Rs. 468,488,150), carries interest @10.99% p.a. to 11.72% p.a. during the current financial year. It is repayable in 18 equal quarterly installments starting from the end of 3rd quarter from the date of loan taken on various dates starting from September 19, 2007. It is secured by first pari passu charge with other lenders on all movable fixed assets of the Parent Company (excluding vehicles hypothecated to banks) both present and future and all receivables, both present and future. This loan is further secured by the personal guarantee of two directors of the Parent Company.

(ii) Term loan from a body corporates to the extent of Rs. 200,000,000 (March 31, 2011: Rs. Nil), taken during the year carries interest @12.25% p.a. It is repayable in 20 equal quarterly installments starting from the end of 5th quarter from the date of loan i.e. March 27, 2012. It is secured by first pari passu charge on all movable and immovable fixed assets (excluding properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) both present and future and all receivables, both present and future of the Parent Company .

(iii) Term loan from a body corporates to the extent of Rs. 429,333,331 (March 31, 2011: Rs. 198,333,333), carries interest @ 10.50% p.a. to 13.86% p.a. during the current financial year. It was disbursed in three tranches and repayable in 60 monthly installments from the date of loan taken on various dates starting from February 07, 2011. It is secured by first pari passu charge on all movable and immovable fixed assets (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) both present and future and all receivables, both present and future of the Parent Company.

Notes to the Consolidated financial statements for the year ended March 31, 2012

9. Deferred Tax Liabilities (Net)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Deferred Tax Liability		
Fixed Assets : Impact of differences in depreciation and other differences in block of tangible assets and intangibles as per tax books and financial books	343,955,676	423,924,047
Gross Deferred Tax Liability	**343,955,676**	423,924,047
Deferred Tax Asset		
Impact of expenditure debited to statement of profit and loss in the current year/earlier years but allowable for tax purposes in following years	14,939,011	8,912,577
Provision for doubtful debts and advances	5,818,273	9,684,118
Unabsorbed depreciation	217,074,455	91,761,055
Gross Deferred Tax Asset	**237,831,739**	110,357,750
Net Deferred Tax Liability	**106,123,937**	313,566,297

10. Other Long Term Liabilities

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Retention money	29,589,439	12,382,072
Advances from customers	-	4,000,000
	29,589,439	16,382,072

11. Provisions

	Long-term		Short-term	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Provision for employee benefits				
Provision for gratuity (refer note 32)	13,833,778	4,623,803	2,774,633	2,387,893
Provision for leave benefits	15,700,281	11,827,087	6,281,030	5,189,624
	29,534,059	16,450,890	**9,055,663**	7,577,517
Other provisions				
Provision for proposed dividend on equity shares	-	-	51,805,328	27,149,372
Provision for corporate dividend tax	-	-	8,405,414	4,509,172
	-	-	**60,210,742**	31,658,544
	29,534,059	16,450,890	**69,266,405**	39,236,061

(i) The Board of Directors of the Parent Company in the meeting held on September 30, 2011 declared for payment of Special Interim Dividend of Rs. 4/- per equity share. Dividend of Rs 2/- per equity share for the year ended March 31, 2012 was proposed by the Board of Directors of the Parent Company in the meeting held on May 29, 2012 subject to the approval of shareholders in Annual General Meeting. The Parent Company has transferred 10% of the current year profits to general reserve.

(ii). The Board of Directors of the Parent Company had proposed a dividend of Rs. 1/- per share at its meeting held on May 27, 2011 and was approved by the shareholders at the Annual General Meeting held on August 08, 2011. Dividend of Rs. 967,594 and Rs. 261,841 towards dividend distribution tax, pertaining to dividend on shares bought back, subsequent to March 31, 2011 but before the record date has been adjusted from the current year appropriations of the Parent Company.

12. Short-Term Borrowings

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Book overdraft with banks (unsecured)	1,637,376	2,866,271
	1,637,376	2,866,271
The above amount includes		
Unsecured borrowings	1,637,376	2,866,271

Book overdraft with banks represents amounts drawn from the bank in excess of the available balance at the year end.

13. Other Current Liabilities

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Trade payable		
-outstanding dues of Micro and Small Enterprises (refer Note 38)	-	-
-outstanding dues of creditors other than Micro and Small Enterprises	495,220,928	300,782,111
	495,220,928	300,782,111
Other liabilities		
Payable to vendors for purchase of tangible and intangible assets	235,356,018	97,294,146
Current maturities of long-term borrowings (refer Note 8)	297,339,571	298,335,031
Deposits	23,692,756	22,017,910
Interest accrued but not due on borrowings		
Term loans	8,745,925	4,194,480
Debentures	8,151,781	8,151,781
Unearned revenue on advertisement income	72,413,676	95,598,515
Investor Education and Protection Fund will be credited by unpaid dividend amounts (as and when due)	745,039	337,401
Others Statutory dues	42,918,088	69,613,691
	689,362,854	595,542,955

Notes to the Consolidated financial statements for the year ended March 31, 2012

14. Tangible Assets

Amount in Rs.

	Land Freehold	Building	Leasehold Building	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Vehicles	Total
Gross Block								
At April 1, 2010	190,350	1,273,590	635,711,841	1,068,120,703	1,622,080,028	434,090,074	35,689,351	**3,797,155,937**
Assets transferred on amalgamation (refer note 31)	298,599,280	23,600,720	-	-	472,863	-	-	**322,672,863**
Adjustments on account of amalgamation	-	34,532,511	-	(34,532,511)	-	-	-	**-**
Additions	-	-	-	141,408,306	233,825,002	56,225,814	4,436,790	**435,895,912**
Disposals	-	-	-	(2,646,164)	(10,794,190)	(8,852,465)	(1,988,993)	**(24,281,812)**
Other adjustments- Borrowing costs	-	-	-	5,964,329	6,369,773	2,286,502	-	**14,620,604**
At March 31, 2011	**298,789,630**	**59,406,821**	**635,711,841**	**1,178,314,663**	**1,851,953,476**	**483,749,925**	**38,137,148**	**4,546,063,504**
Additions	-	86,447	-	186,303,722	359,713,349	104,935,086	-	**651,038,604**
Disposals	-	-	-	(771,402)	(8,970,511)	(1,865,967)	-	**(11,607,880)**
Adjustments on account of restructuring (refer note 46(i))	-	-	-	(28,451,383)	(206,005,738)	(39,662,884)	-	**(274,120,005)**
Other adjustments (refer note 44)	-	-	(635,711,841)	(125,193,294)	(131,526,614)	(30,782,552)	-	**(923,214,301)**
Other adjustments- Borrowing costs	-	-	-	10,905,791	10,421,426	6,448,140	-	**27,775,357**
At March 31, 2012	**298,789,630**	**59,493,268**	**-**	**1,221,108,097**	**1,875,585,388**	**522,821,748**	**38,137,148**	**4,015,935,279**
Depreciation								
At April 1, 2010	-	252,580	13,115,867	299,222,682	443,346,828	167,987,709	6,178,298	**930,103,964**
Adjustments on account of amalgamation	-	28,356,602	-	(28,356,602)	-	-	-	**-**
Charge for the year	-	1,962,413	10,362,103	83,374,737	130,903,605	43,284,434	3,499,584	**273,386,876**
Disposals	-	-	-	(226,855)	(3,729,105)	(5,460,263)	(362,377)	**(9,778,600)**
At March 31, 2011	**-**	**30,571,595**	**23,477,970**	**354,013,962**	**570,521,328**	**205,811,880**	**9,315,505**	**1,193,712,240**
Charge for the year	-	1,969,964	1,334,298	85,726,986	133,106,309	46,150,526	3,620,838	271,908,921
Disposals	-	-	-	(226,381)	(5,216,844)	(549,573)	-	(5,992,798)
Other adjustments (refer note 44)	-	-	(24,812,268)	(11,957,015)	(21,279,850)	(7,129,204)	-	(65,178,337)
At March 31, 2012	**-**	**32,541,559**	**-**	**427,557,552**	**677,130,943**	**244,283,629**	**12,936,343**	**1,394,450,026**
Net Block								
At March 31, 2011	**298,789,630**	**28,835,226**	**612,233,871**	**824,300,701**	**1,281,432,148**	**277,938,045**	**28,821,643**	**3,352,351,264**
At March 31, 2012	**298,789,630**	**26,951,709**	**-**	**793,550,545**	**1,198,454,445**	**278,538,119**	**25,200,805**	**2,621,485,253**

Notes:

1. Fixed assets of the cost of Rs. 9,113,447, (March 31, 2011 : Rs. 6,222,483), WDV Rs. 6,694,630, (March 31, 2011: Rs. 2,699,890) have been discarded during the year.
2. Gross Block of Fixed Assets include Rs. 43,845,509 (March 31, 2011 : Rs. 43,845,509) being Parent Company's proportionate share of expenses towards modification in the building structure and equipments, claimed by the various landlords of the properties taken on rent.
3. Claims of Rs. 8,921,779 (March 31, 2011 : Rs. 8,921,779) lodged by some developers on the Parent Company and claims of Rs. 4,531,033 (March 31, 2011 : Rs. 4,531,033) lodged by the Parent Company on the developers are subject to confirmation/reconciliation. However, the Parent Company had duly accounted for aforesaid claims in the books. Adjustments, if any, which in the opinion of the management, will not be material, would be made once the claims are confirmed/reconciled.
4. Capitalised borrowing costs
   The borrowing cost capitalised by PVR Group during the year ended March 31, 2012 was Rs. 53,165,416 (March 31, 2011: Rs. 34,493,448) . The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred on account of sites capitalised during the year.

15. Intangible Assets

Amount in Rs.

	Goodwill	Website Development	Software Development Cost	Copyright	Film Rights' Cost	Total
Gross Block						
At April 1, 2010	3,237,299	824,313	30,094,559	13,267,449	289,474,832	336,898,452
Additions	-	75,000	9,902,022	-	596,056,329	606,033,351
At March 31, 2011	**3,237,299**	**899,313**	**39,996,581**	**13,267,449**	**885,531,161**	**942,931,803**
Additions	31,349,733	1,577,233	12,604,050	-	118,213,933	163,744,949
Adjustments on account of restructuring (refer note 46(i))					(287,976,303)	(287,976,303)
Other adjustments (refer note 44)	-	-	(336,000)	-		(336,000)
Deductions/ Adjustments	-	-	(872,845)	-	-	(872,845)
At March 31, 2012	**34,587,032**	**2,476,546**	**51,391,786**	**13,267,449**	**715,768,791**	**817,491,604**
Amortisation						
At April 1, 2010	2,728,678	89,927	10,818,216	2,798,888	201,484,342	217,920,051
For the year	508,621	138,784	5,276,448	2,653,490	392,153,292	400,730,635
At March 31, 2011	**3,237,299**	**228,711**	**16,094,664**	**5,452,378**	**593,637,634**	**618,650,686**
For the year	4,702,460	316,937	6,653,864	2,660,760	78,474,956	92,808,977
Deductions/ Adjustments	-	-	(448,976)	-	-	(448,976)
At March 31, 2012	**7,939,759**	**545,648**	**22,299,552**	**8,113,138**	**672,112,590**	**711,010,687**
Net Block						
At March 31, 2011	**-**	**670,602**	**23,901,917**	**7,815,071**	**291,893,527**	**324,281,117**
At March 31, 2012	**26,647,273**	**1,930,898**	**29,092,234**	**5,154,311**	**43,656,201**	**106,480,917**

Notes to the Consolidated financial statements for the year ended March 31, 2012

16. Pre-operative Expenses (pending allocation)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Balance brought forward	145,828,541	101,121,861
Salary and other allowances	72,853,811	33,712,324
Contribution to provident and other funds	3,584,626	1,880,384
Staff welfare expenses	850,842	258,802
Rent	7,398,044	4,808,084
Rates and taxes	11,253,625	3,576,085
Communication costs	58,422	169,242
Architect and other fees	40,228,478	9,764,895
Professional charges	26,046,465	28,018,775
Travelling and conveyance	13,153,856	3,130,780
Printing and stationery	203,730	69,863
Insurance	1,553,473	109,820
Repairs and maintenance		
Buildings	2,487,169	623,783
Common area maintenance	2,067,505	-
Plant & Machinery	774,292	-
Electricity and water charges		
(net of recovery of Rs. 2,731,134 , March 31, 2011: Rs. 1,166,503)	301,209	686,078
Security service charges	10,647,021	1,548,711
Interest on debentures and fixed loans	52,815,027	33,470,462
Interest to others	350,389	1,022,986
Bank and other charges	229,047	-
Miscellaneous expenses	1,434,595	440,318
	394,120,167	224,413,253
Less : Management fees recovered	4,442,425	-
Less :Allocated to fixed assets	122,442,900	78,584,712
	267,234,842	145,828,541
Note:		
Salary and other allowance includes amount paid to a director	7,488,000	4,992,000
Rates and taxes include stamp duty on registration of lease deeds	11,164,825	3,575,850

17. Non-current Investment

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Non-trade Investment (valued at cost unless stated otherwise)		
Investment in Government Securities (unquoted)		
6 years National Savings Certificates *	1,600,000	2,148,000
(Deposited with Entertainment Tax Authorities)		
6 years National Savings Certificates **	3,500,000	2,425,000
(Deposited with Entertainment Tax Authorities)		
6 years National Savings Certificates **	20,000	20,000
(Deposited with Sales Tax Authorities, Udaipur)		
6 years National Savings Certificates ***	775,000	775,000
(Deposited with Entertainment Tax Authorities, Allahabad)		
	5,895,000	5,368,000
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	5,895,000	5,368,000
Aggregate amount of provision made for diminution in value of investment	-	-

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.

Notes to the Consolidated financial statements for the year ended March 31, 2012

18. Loans and Advances

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Capital advances				
Unsecured, considered good	252,123,086	98,606,803	8,581,865	6,325,030
Unsecured, considered doubtful	1,600,000	-	-	-
	253,723,086	98,606,803	**8,581,865**	6,325,030
Provision for doubtful advances	(1,600,000)	-	-	-
(A)	**252,123,086**	98,606,803	**8,581,865**	6,325,030
Security deposit				
Unsecured, considered good	840,951,481	539,101,238	555,000	45,000
(B)	**840,951,481**	539,101,238	**555,000**	45,000
Loan and advances to related parties				
Unsecured, considered good	6,600,000		-	-
(C)	**6,600,000**	-	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	135,565,745	211,449,755
Doubtful	-	-	2,829,830	2,829,830
	-	-	**138,395,575**	214,279,585
Provision for doubtful advances	-	-	(2,829,830)	(2,829,830)
(D)	-	-	**135,565,745**	211,449,755
Other loans and advances				
Advance income tax (net of provision for taxation)	87,163,411	36,375,490	-	21,112,882
Income tax paid under protest (refer note 33)	96,242,608	73,255,899	-	-
Prepaid expenses	34,732,228	-	17,833,178	11,997,056
Advance paid to vendors	-	-	4,343,807	201,670
Balances with statutory/government authorities	-	-	37,666,707	46,228,911
MAT credit entitlement account	134,267,670	60,385,329	-	16,938,984
(E)	**352,405,917**	170,016,718	**59,843,692**	96,479,503
Total (A+B+C+D+E)	**1,452,080,484**	807,724,759	**204,546,302**	314,299,288

Notes:

a. Loans and advances due by directors or other officers, etc.

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Included in Loan and advances are:				
Outstanding from Companies in which some of the directors of the Parent Company are interested as directors				
Priya Exhibitors Private Limited	6,600,000	2,500,000	-	-

b. The asset of Rs. 134,267,670 (March 31, 2011: Rs. 77,324,313) recognized by the PVR Group as 'MAT credit entitlement account' 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 and future projections of profitability, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the PVR Group to utilize MAT credit assets.

Notes to the Consolidated financial statements for the year ended March 31, 2012

19. Trade Receivables

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Outstanding for a period more than six months from the date they are due for payment				
Secured, considered good	-	-	1,529,751	511,213
Unsecured, considered good	-	-	85,604,878	145,290,432
Unsecured, considered doubtful	-	-	13,471,671	13,261,363
	-	**-**	**100,606,300**	159,063,008
Provision for doubtful receivables	-	-	(13,471,671)	(13,261,363)
(A)	**-**	**-**	**87,134,629**	145,801,645
Other receivables				
Secured, considered good	-	-	5,928,004	12,887,283
Unsecured, considered good	-	-	183,117,133	141,394,991
Unsecured, considered doubtful	-	-	6,314,619	6,831,012
	-	**-**	**195,359,756**	161,113,286
Provision for doubtful receivables	-	-	(6,314,619)	(6,831,012)
(B)	**-**	**-**	**189,045,137**	154,282,274
Total (A+B)	**-**	**-**	**276,179,766**	300,083,919

20. Other Current Assets

	Non-current		Current	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 23)	3,041,203	2,154,815	-	-
(A)	**3,041,203**	2,154,815	**-**	-
Others				
Interest accrued on fixed deposits	178,065	175,929	861,224	4,832,816
Interest accrued on investments	802,353	535,821	300,017	26,342
Revenue earned and not billed	-	-	13,749,998	2,187,859
Entertainment tax recoverable	4,941,059	-	-	22,778,611
Others	-	152,340	2,678,715	4,439,721
(B)	**5,921,477**	864,090	**17,589,954**	34,265,349
Total (A+B)	**8,962,680**	3,018,905	**17,589,954**	34,265,349

21. Current Investments

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Current portion of long term investments		
Investment in Government Securities (unquoted)		
6 years National Savings Certificates *	548,000	-
(Deposited with Entertainment Tax Authorities)		
6 years National Savings Certificates **	45,000	45,000
(Deposited with Municipal Corporation of Hyderabad)	**593,000**	45,000
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	593,000	45,000
Aggregate amount of provision made for diminution in value of investment	-	-

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.

Notes to the Consolidated financial statements for the year ended March 31, 2012

22. Inventories (At lower of cost and net realisable value)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Food and beverages	24,019,731	12,865,476
Stores and spares	54,567,442	40,118,004
	78,587,173	52,983,480

23. Cash and Bank Balance

	Non-current		**Current**	
	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)	**March 31, 2012 (Rs.)**	March 31, 2011 (Rs.)
Cash and cash equivalents				
Balance with banks				
On current accounts	-	-	171,253,785	734,500,302
On unpaid and unclaimed dividend accounts	-	-	745,039	337,401
Deposits with original maturity of less than 03 months	-	-	17,953,372	5,135,216
Cash on hand	-	-	13,943,526	5,431,704
	-	-	**203,895,722**	745,404,623
Other bank balances				
Deposits with maturity for more than 12 months	3,041,203	2,154,815	-	-
Deposits with maturity for more than 03 months but less than 12 months	-	-	6,603,148	44,700,841
	3,041,203	2,154,815	6,603,148	44,700,841
Amount disclosed under non-current assets (refer note 20)	(3,041,203)	(2,154,815)	-	-
	-	-	**210,498,870**	790,105,464

Notes to the Consolidated financial statements for the year ended March 31, 2012

24. Revenue from Operations

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Sale of product - Finished goods	1,004,297,408	737,093,560
Sale of services	4,022,114,227	3,798,366,725
Other operating revenue	58,603,597	57,244,397
	5,085,015,232	**4,592,704,682**
Details of products sold		
Sale of food and beverages	1,001,202,577	735,066,759
Sale of goods purchased for sale	3,094,831	2,026,801
	1,004,297,408	**737,093,560**
Details of services rendered		
Income from sale of tickets of films (net of entertainment tax paid Rs. 497,445,762, March 31, 2011: Rs. 382,102,891)	2,765,567,014	2,322,228,318
Income from revenue sharing (net of entertainment tax paid Rs. 90,686,997, March 31, 2011: Rs. 40,302,059)	218,305,291	203,976,392
Income from sale of film rights, distribution of films	203,556,895	668,338,535
Income from bowling (net of entertainment tax paid Rs. 8,895,660, March 31, 2011: Rs.8,589,782)	76,620,408	53,174,420
Advertisement	653,681,329	531,453,669
Income from film production	82,615,951	-
Income from shoe rentals	10,479,332	8,145,573
Management fees	11,288,007	11,049,818
	4,022,114,227	**3,798,366,725**
Details of other operating income		
Convenience fees	55,279,615	48,455,601
Rent received	3,323,982	8,788,796
	58,603,597	**57,244,397**

25. Other Income

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Interest income on		
Bank deposits	2,197,451	3,697,312
Long term investments	950,208	1,441,343
Inter-corporate loans to others	-	32,534
Others	20,763,412	11,351,701
Dividend income on current investments	3,923,757	32,201,465
Profit on sale of current investments - other than trade	61,726,526	28,240,766
Foreign exchange difference (net)	3,625,511	(7,524)
Unspent liabilities written back (net)	4,556,419	4,246,085
Other non-operating Income	35,380,635	25,305,427
	133,123,919	**106,509,109**

Notes to the Consolidated financial statements for the year ended March 31, 2012

26. Employee Benefit Expense

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Salary and other allowances	481,959,905	411,634,392
Contribution to provident and other funds (refer note 32)	44,786,163	37,016,667
Gratuity expense (refer note 32)	9,596,715	2,490,721
Staff welfare expenses	26,378,013	21,971,597
	562,720,796	**473,113,377**

27. Other Expenses

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Rent (refer note 34)	844,109,307	577,205,367
Less: Receipt from sub-lessees	(77,407,655)	(71,569,901)
Rent (net)	766,701,652	505,635,466
Rates and taxes	46,342,358	45,734,503
Communication costs	32,842,760	22,150,029
Professional charges	55,568,941	56,906,382
Advertisement and publicity (net)	194,756,290	274,068,065
Business promotion and entertainment	4,849,230	3,886,503
Travelling and conveyance	85,793,258	64,764,910
Printing and stationery	16,454,447	14,514,685
Insurance	12,314,742	9,260,566
Repairs and maintenance :	-	-
Buildings	71,042,982	64,111,951
Plant and machinery	90,964,193	51,545,842
Common area maintenance	278,313,546	225,275,119
Others	7,422,196	12,536,539
Electricity and water charges	269,100,084	224,500,739
Security service charges	53,617,392	43,715,502
Donations	2,940,000	3,335,000
Irrecoverable balances written off (net)	148,158	94,425
Provision for doubtful debts and advances (net)	1,531,632	13,483,036
Loss on disposal of fixed assets (net)	750,951	5,455,121
Loss on discard of fixed assets	5,021,560	3,970,151
Directors sitting fees	800,000	580,000
Miscellaneous expenses	39,398,662	23,722,710
	2,036,675,034	**1,669,247,244**
Notes:		
i. Professional charges includes Auditor's Remuneration comprises of :		
Audit fee	3,651,690	3,191,140
Tax audit fee	519,664	474,570
Quarterly limited review of accounts	977,044	976,895
Certification etc.	-	16,282
Out of pocket expenses	237,740	178,233
	5,386,138	**4,837,118**

Notes to the Consolidated financial statements for the year ended March 31, 2012

28. Depreciation and Amortisation

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Depreciation on tangible assets	271,908,921	273,386,876
Amortisation of intangible assets	92,808,977	400,730,635
	364,717,898	**674,117,511**

29. Finance Costs

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Interest on		
Debentures	14,539,670	10,887,489
Fixed loans	135,540,858	116,477,442
Banks and others	8,517,979	10,318,868
Bank and other charges	26,201,986	24,069,216
	184,800,493	**161,753,015**

30. Earning Per Share (EPS)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Net profit as per profit and loss account	254,112,678	81,770,628
Weighted average number of equity shares in calculating basic EPS:		
- Number of equity shares outstanding at the beginning of the year	27,149,372	25,624,330
- Number of equity shares issued on April 30, 2010	-	7,600
- Number of equity shares issued on August 30, 2010	-	31,600
- Number of equity shares issued on Sept 08, 2010 w.e.f 1st April 2010	-	1,460,112
- Number of equity shares issued on Nov 01, 2010	-	22,730
- Number of equity shares issued on Nov 30, 2010	-	1,000
- Number of equity shares issued on Jan 06, 2011	-	2,000
- Number of equity shares issued on June 08, 2011	26,730	-
- Number of equity shares Buy Back on July 22, 2011	(987,503)	-
- Number of equity shares Buy Back on August 02, 2011	(6,821)	-
- Number of equity shares Buy Back on August 27,2011	(389,457)	-
- Number of equity shares Buy Back on August 31,2011	(4,547)	-
- Number of equity shares issued on Sept 19, 2011	108,290	-
- Number of equity shares issued on March 29 , 2012	6,600	-
- Number of equity shares outstanding at the end of the year	25,902,664	27,149,372
Weighted number of equity shares of Rs. 10 each outstanding during the year	**26,761,239**	**27,120,169**
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year.	27,149,372	25,624,330
Number of equity shares outstanding at the end of the year.	25,902,664	27,149,372
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**26,761,239**	**27,120,169**
Add: Effect of stock options vested and outstanding for 239,990 (March 31, 2011: 211,610) equity shares	98,788	73,733
Weighted number of equity shares of Rs. 10 each outstanding during the year	**26,860,027**	**27,193,902**
Basic Earnings Per Share	9.50	3.02
Diluted Earnings Per Share	9.46	3.01

31. Amalgamation of erstwhile Leisure World Private Limited with the Parent Company in the previous year

i. Pursuant to the scheme of Amalgamation of Leisure World Private Limited with the Parent Company under Section 391 to 394 of the Companies Act, 1956, (the scheme of Amalgamation) as sanctioned by the Hon'ble High Court of New Delhi vide its Order dated August, 19, 2010, the assets and liabilities of Leisure World Private Limited were transferred to and vested in the Parent Company with effect from the appointed date, i.e. April 1, 2010.

ii. The Parent Company has made necessary filings with the Registrar of Companies, NCT of Delhi and Haryana in the previous year and accordingly the scheme was given effect to in the accounts in the previous year. In terms of the Accounting Standard 14 – Accounting for amalgamation, issued by the Institute of Chartered Accountants of India, the Scheme of Amalgamation is accounted under "Purchase method", wherein all the assets and liabilities of Leisure World Private Limited, have been accounted for in the books on the basis of the fair values as on April 1, 2010.

iii. The Board of the Directors of the Parent Company in their meeting dated April 12, 2010 approved the swap ratio to 152 (Rs 10/- fully paid up) equity shares of the Parent Company for every 100 (Rs. 10/- fully paid up) equity shares held by the shareholders of Leisure World Private Limited(Transferor Company). Accordingly 1,460,112 equity shares were issued by the Parent Company to the shareholders of the Leisure World Private Limited. These equity shares so allotted by the Parent Company to the shareholders of the transferor company rank pari-passu in all respects with the existing equity shares of the PVR Ltd. The share capital of the transferor company stands cancelled and extinguished. Pursuant to the approved scheme of amalgamation, the authorized share capital of the Parent Company stands increased to 36,000,000 equity shares of Rs 10 each in the previous year.

iv. Pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court, all assets and liabilities of the transferor Company were transferred to the Parent Company at fair value and all inter-company transactions were eliminated in the previous year. However, no elimination of inter-company transactions was made for transactions entered upto March 31, 2010 in the previous year.

v. As per the Scheme, the excess if any, of the aggregate fair value of the assets reduced by the aggregate value of the liabilities as recorded by the Parent Company and upon their transfer shall be credited to the Amalgamation Reserve which forms the part of the net worth of the Parent Company. Accordingly, an amount of Rs.19,336,308 has been credited to Amalgamation Reserve forming the part of the Reserve and Surplus of the Parent Company in the previous year.

vi. Pursuant to the Scheme of Amalgamation, the bank account and agreements in the name erstwhile Leisure World Private Limited are in the process of being transferred in the name of the Parent Company.

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. 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

(Amount in Rs.)

	Funded		Unfunded	
	2011-12	**2010-11**	**2011-12**	**2010-11**
Current service cost	**6,258,645**	4,786,591	**371,725**	312,860
Interest cost on benefit obligation	**1,941,785**	1,734,063	**80,463**	46,071
Expected return on plan assets	**(1,258,459)**	(1,293,935)	**-**	-
Net actuarial loss/(gain) recognised in the year	**2,445,775**	(3,584,970)	**(243,219)**	11,799
Net benefit expense	**9,387,746**	1,641,749	**208,969**	370,730
Actual return on plan assets	**1,231,760**	1,125,755	**-**	-

Notes to the Consolidated financial statements for the year ended March 31, 2012

Balance sheet
Benefit Assets/ liabilities

(Amount in Rs.)

	Funded		Unfunded	
	2011-12	**2010-11**	**2011-12**	**2010-11**
Defined benefit obligation	**31,090,156**	22,844,525	**1,155,595**	946,626
Fair value of plan assets	**(15,637,340)**	(16,779,455)	**-**	-
Plan asset/(liability)	**(15,452,816)**	(6,065,070)	**(1,155,595)**	(946,626)

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

(Amount in Rs.)

	Funded		Unfunded	
	2011-12	**2010-11**	**2011-12**	**2010-11**
Opening defined benefit obligation	**22,844,525**	21,675,791	**946,626**	575,896
Interest cost	**1,941,785**	1,734,063	**80,463**	46,071
Current service cost	**6,258,645**	4,786,591	**371,725**	312,860
Benefits paid	**(2,373,875)**	(1,598,770)	**-**	-
Actuarial losses/(gain) on obligation	**2,419,076**	(3,753,150)	**(243,219)**	11,799
Closing defined benefit obligation	**31,090,156**	22,844,525	**1,155,595**	946,626

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

(Amount in Rs.)

	Gratuity	Gratuity
	2011-12	2010-11
Opening fair value of plan assets	**16,779,455**	17,252,470
Expected return	**1,258,459**	1,293,935
Benefits paid	**(2,373,875)**	(1,598,770)
Actuarial Gain/(losses)	**(26,699)**	(168,180)
Closing fair value of plan assets	**15,637,340**	16,779,455

The Parent Company expects to contribute Rs. 8,148,731 to gratuity fund in the year 2012-13.

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

	2011-12	2010-11
	%	%
Investments with insurer	**97.94**	98.08
Bank balances with the insurer	**2.06**	1.92

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.

Notes to the Consolidated financial statements for the year ended March 31, 2012

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

	2011-12	2010-11
	%	%
Discount rate	**8.50**	8.00
Expected rate of return on plan assets	**7.50**	7.50
Increase in compensation cost	**6.00**	5.50
Employee turnover upto 30 years	**25**	25
Above 30 years but upto 44 years	**15**	15
Above 44 years	**10**	10

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: (Amount in Rs.)

Contribution to Provident Fund	2011-12	2010-11
Charged to statement of profit and loss	**31,114,748**	26,025,941
Charged to Pre-operative expenses	**3,420,235**	1,790,855

Details of provision for gratuity are as follows: (Amount in Rs.)

	Funded				
	2011-12	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	**31,090,156**	22,844,525	21,675,791	16,531,926	12,907,090
Fair value of plan assets	**(15,637,340)**	(16,779,455)	(17,252,470)	(11,259,851)	(8,134,508)
Plan asset/(liability)	**(15,452,816)**	(6,065,070)	(4,423,321)	(5,272,075)	(4,772,582)
Experience adjustment on plan liabilities (loss)/gain	**(2,516,109)**	3,334,140	(6,729)	-	-
Experience adjustment on plan assets (loss)/gain	**(26,699)**	(168,180)	674,749	-	-
	Unfunded				
Defined benefit obligation	**1,155,595**	946,626	704,966	2,029,839	954,301
Fair value of plan assets	**-**	-	-	-	-
Plan asset/(liability)	**(1,155,595)**	(946,626)	(704,966)	(2,029,839)	(954,301)
Experience adjustment on plan liabilities (loss)/gain	**239,138**	(26,681)	706,245	(373,042)	-
Experience adjustment on plan assets (loss)/gain	**-**	-	-	-	-

Notes to the Consolidated financial statements for the year ended March 31, 2012

33. Employee Stock Option Plans

The Parent Company has provided stock option scheme to its employees. As at March 31, 2012, the following scheme is in operation:

PVR ESOS 2008:

Date of grant	January 30, 2009
Date of Shareholder's approval	January 5, 2009
Date 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

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

	2011-12		2010-11	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**381,610**	**88**	446,540	88
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**141,620**	**88**	64,930	88
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**239,990**	**88**	381,610	88
Exercisable at the end of the year	**239,990**	**88**	211,610	88
Weighted average remaining contractual life of options (in years)	**1.83**	**88**	2.84	88

The weighted average share price at the date of exercise for stock options was Rs. 118.01

Stock Options granted:

There were no stock options granted during the current and the previous year and thus weighted average fair value of stock options has not been disclosed.

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.

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 01, 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:

Notes to the Consolidated financial statements for the year ended March 31, 2012

Amount in Rs.

Particulars	2011-12	2010-11
Profit after tax and minority interest and before appropriations, as reported	**254,112,678**	81,770,628
Add - Employee stock compensation under Intrinsic Value method	**-**	-
Less - Employee stock compensation under Fair Value	**1,756,918**	4,660,407
Proforma Profit /(Loss)	**252,355,760**	77,110,221
Basic		
- As reported	**9.50**	3.02
- Proforma	**9.43**	2.84
Diluted		
- As reported	**9.46**	3.01
- Proforma	**9.40**	2.84

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Amount in Rs.

Particulars	**2011-12**	**2010-11**
Total Employee Compensation Cost pertaining to share-based payment plans	**1,756,918**	4,660,407
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	**1,756,918**	4,660,407
Total Liability for employee stock options outstanding as at year end	**Nil**	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested	**Nil**	Nil

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 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 October 04, 2011	Rs. 116.15

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

Particulars	**March 31, 2012**
	Number of options
Outstanding at the beginning of the year	-
Granted during the year	550,000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at the end of the year	550,000
Exercisable at the end of the year	-
Weighted average fair value of options granted on the date of grant	41.17

Notes to the Consolidated financial statements for the year ended March 31, 2012

The weighted average fair value of stock options granted during the year was Rs. 41.17.

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

	March 31, 2012	March 31, 2011*
Dividend yield (%)	**1.72%**	*
Expected volatility	**35.95%**	*
Risk-free interest rate	**8.45%**	*
Weighted average share price (Rs.)	**Rs. 41.17**	*
Exercise price (Rs.)	**Rs. 116.15**	*
Expected life of option granted in years	**5**	*

*Not applicable since no ESOP's were granted during the year.

The options have not been vested by the Parent Company, or a result the average remaining contractual life of the option is not determinable as on March 31, 2012 as mentioned above. The Parent Company measures the cost of ESOP using the intrinsic value method. However, the option has been granted on prevailing market price of Rs.116.15 as at date of grant.As a result, there is no expense to be recorded in the financial statements.

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, 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 line 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 properties under non cancellable leases, where the Company is presently carrying commercial operations is as under:

Particulars	**2011-12 (Rs.)**	**2010-11** (Rs.)
Lease payments for the year recognized in statement of profit and loss	**844,109,307**	577,205,366
Lease payments for the year recognized in Preoperative Expenditure	**7,398,044**	4,808,084
Minimum Lease Payments :		
Not Later than one year	**610,440,311**	434,203,931
Later than one year but not later than five years	**2,039,263,149**	1,233,499,576
Later than five years	**1,854,058,257**	650,477,473

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	**2011-12 (Rs.)**	2010-11 (Rs.)
Lease rent receipts for the year recognized in statement of profit and loss	**80,251,637**	80,358,697
Lease rent receipts for the year recognized in Preoperative Expenditure	**-**	-

(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.

35 (a) Capital Commitments

	March 31, 2012 (Rs.)	March 31,2011 (Rs.)
Estimated amount of contracts remaining to be executed on capital account and not provided for {net of capital advances of Rs. 262,304,951 (March31, 2011 Rs.104,931,833)}	**568,421,990**	484,176,575

(b) Other Commitments

i. As at March 31, 2012 the PVR Group has commitments of Rs 17,355,472 (March 31, 2011 Rs 7,867,863) relating to rendering of marketing services.

ii. As at March 31, 2012 one of the subsidiary has commitments of Rs 6,697,246 (March 31, 2011 Rs Nil) relating to rendering of operational services.

iii. As at March 31, 2012 the Parent Company has commitments of Rs 4,653,299 (March 31, 2011 Rs Nil) relating to completion of production films.

iv. For commitments related to lease arrangements (refer Note 34)

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

(Amount in Rs.)

Particulars	**March 31,2012**	March 31,2011
Labour cases pending *	**Amount not ascertainable**	Amount not ascertainable
Claims against the Parent Company not acknowledged as debts (the Parent Company has paid under protest an amount of Rs. 1,998,809 (March 31, 2011 : Rs. 1,998,809) which is appearing in the Schedule of Loans and Advances)	**3,524,380**	2,827,468
Show Cause Notice raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on certain invoices. (the Parent Company has already paid an amount of Rs.1,900,334 which is appearing under Loans and Advances)	**13,095,770**	14,418,819
Demands by Service Tax Commissioner (Adjn.), New Delhi for non-levy of Service tax on certain marketing income of the Parent Company.	**8,033,084**	4,014,042
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, 2009, 2008, 2007, 2006 respectively. (the Parent Company has paid an amount of Rs. 96,242,608 which is appearing in the Schedule of Loans and Advances)	**137,739,449**	114,260,843
Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT, Lucknow of one of the property of the Parent Company.	**11,497,200**	-
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 Parent Company.	**9,068,925**	9,068,925
Notice from Entertainment department Chennai regarding short deposit of Entertainment tax on regional movie	**4,254,152**	-
Arbitration filed on rental dues claimed by erstwhile landlord of food court in Ludhiana, Punjab.	**45,288,360**	-
Appeal filed by the Parent Company against the order of Municipal Corporation of Greater Mumbai against the demand of property tax for a multiplex at Mumbai.	**-**	14,773,264

*In view of the large number of cases pending at various forums/courts, it is not practicable to furnish the details of each case. Based on the discussions with the solicitors/meeting the terms and conditions by the PVR Group, the management believes that the PVR Group has a strong chance of success in the cases and hence no provision is considered necessary.

Notes to the Consolidated financial statements for the year ended March 31, 2012

37. Derivative Instruments and un-hedged Foreign Currency Exposure :

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

		Amount in Respective Currency	
		March 31, 2012	March 31, 2011
Sundry Creditors	Thai Bhat USD	**371,010** **254,898**	420,230 14,128
Cash in Hand	Thai Bhat Hongkong Dollar Sterling Pound Singapore Dollar USD	**6,302** **560** **85** **104** **2,559**	6,301 560 85 100 9,958

Conversion rates used:

1 Thai Bhat = Rs 1.68 (March 31, 2011 : Rs 1.5); 1 Hongkong Dollar = Rs 6.68 (March 31, 2011 : Rs 5.83); 1 Sterling Pound = Rs 82.90 (March 31, 2011 : Rs 72.99); 1 Singapore Dollar = Rs 41.24 March 31, 2011 : Rs 35.97); 1 US Dollar = Rs 51.85 (March 31, 2011 : Rs 45.45).

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

(Amount in Rs.)

Particulars	**March 31, 2012**	March 31, 2011
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	-	-
- Interest amount	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

39. The Parent Company is entitled to exemption from payment of entertainment tax in respect of some of its multiplexes, in accordance with the scheme of the respective State Governments. The Parent Company's contention that Entertainment tax is a capital receipt and the Parent Company's appeal for not setting off such capital receipt from the value of fixed assets was rejected by Assessing Officer and Commissioner of Income Tax (Appeals) for Assessment Years 2006-07 onwards. The Parent Company had filed appeal against the order of CIT (Appeals) before the Income Tax Appellate Tribunal (ITAT), Delhi in respect of the assessment year 2006-07 and 2007-08. Subsequent to the year end, the Income Tax Appellate Tribunal, Delhi for Assessment Year 2006-07 has accepted Parent Company's contention of treating Entertainment Tax as a capital receipt and for not setting off such capital receipt from block of fixed assets. Based on the above order, the Parent Company has re-computed its tax liability in respect of current tax and deferred tax for the the said year for which the favorable order has been received and accordingly income tax provision for earlier years has been reduced by Rs 775,683 and deferred tax charge for earlier years has been reduced by Rs. 3,366,725.

While the matter relating to Assessment Year 2007-08 is pending with ITAT and for Assessment Year 2008-09 and 2009-10 with Commissioner of Income Tax (Appeals), the Parent Company is confident for entitlement as mentioned above. However, till the time favourable orders are received from ITAT, the Parent Company continue with its earlier position and has provided for Income Tax and defrred tax liabilities for the Assessment year 2007-08 onwards by treating the Entertainment Tax (E.T.) as capital receipt and reducing the notional amount of E.T. from the block of fixed assets while calculating depreciation on fixed assets.

40 **(i)** The Parent Company had filed a Special Leave Petition (SLP) before Honorable Supreme Court against the order of Honorable High Court of Delhi which upheld the levy of Service tax vide its order dated September 23, 2011. The Honorable Supreme Court passed an interim direction on October 21, 2011and December 12, 2011 directing the Parent Company to deposit with the Service tax Department 50% of arrears towards service tax till September 30, 2011 in three equated installments within six months and for balance 50% to furnish a solvency surety. Further as per the directions of the Honorable Supreme Court, the Parent Company is paying the service tax towards renting of immovable property from October 2011 onwards. Though the matter is still pending with the Honorable Supreme Court, in view of the above developments, the Parent Company considers it prudent to make provision in its books for the entire amount of service tax on immovable property. As a result, the current year service tax on rent (net of cenvat credit) of Rs 79,055,520 is clubbed with Rent expenses and Rs. 141,624,348 (net of cenvat credit) related to period before March 31, 2011 is shown as exceptional item in the statement of profit and loss.

(ii) One of the subsidiary of PVR Group, had also filed a Special Leave Petition (SLP) before Honorable Supreme Court against the order of Honorable High Court of Delhi which upheld the levy of Service tax vide its order dated September 23, 2011. The Honorable Supreme Court passed an interim direction on December 12, 2011 directing the company to deposit with the Service tax Department 50% of arrears towards service tax till September 30, 2011 within a week and for balance 50% to furnish a solvency surety. Further as per the directions of the Honorable Supreme Court, the subsidiary company is paying the service tax towards renting of immovable property from October 2011 onwards. Though the matter is still pending with the Honorable Supreme Court, in view of the above developments, the subsidiary considers it prudent to make provision in its books for the entire amount of service tax on immovable property. As a result, the current year service tax on rent (net of service tax credit) of Rs 2,810,360 is clubbed with Rent expenses and Rs 3,177,368 (net of cenvat credit) related to period before March 31, 2011 is shown as exceptional item.

41. 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, 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, 2012 and March 31, 2011 and certain asset and liability information regarding business segments as at March 31, 2012 and March 31, 2011.

Notes to the Consolidated financial statements for the year ended March 31, 2012

Revenue **Amount in Rs.**

Particulars	Movie exhibition		Movie Production & Distribution		Bowling Alleys		Elimination		Total	
Business Segment	For the year Ended March 31, 2012	For the year Ended March 31, 2011	For the year Ended March 31, 2012	For the year Ended March 31, 2011	For the year Ended March 31, 2012	For the year Ended March 31, 2011	For the year Ended March 31, 2012	For the year Ended March 31, 2011	For the year Ended March 31, 2012	For the year Ended March 31, 2011
Revenue										
Income from Operations	4,602,459,387	3,701,108,557	286,172,846	751,024,185	198,416,332	140,571,940			5,087,048,565	4,592,704,682
Inter segment sales	4,995,946	7,571,064	46,466,073	77,303,669	55,348	81,313	(51,517,367)	(84,956,046)	-	-
Other Income*	35,770,404	24,966,655	7,355,323	3,300,336	436,838	1,276,997		-	43,562,565	29,543,988
Total Revenue	4,643,225,737	3,733,646,276	339,994,242	831,628,190	198,908,518	141,930,250	(51,517,367)	(84,956,046)	5,130,611,130	4,622,248,670
Results										
Segment Results	427,552,811	417,037,864	(12,590,287)	(205,759,511)	20,041,010	30,638,652	(6,002,374)	-	429,001,160	241,917,005
Amortisation of Goodwill									4,702,460	508,621
Interest Expense									(184,800,493)	(161,753,015)
Dividend Income									3,923,757	32,201,465
Profit/(Loss) on sale of current investments									61,726,526	28,240,766
Interest Income									23,911,071	16,522,890
Exceptional items									(23,711,920)	-
Provision for Income Tax (including Deferred Tax)									(57,205,178)	(153,891,512)
Net Profit before Minority Interest									**252,844,923**	**3,237,599**
* Total Other Income as per Profit and Loss Account is Rs. 133,140,090 (March 31, 2011: Rs. 106,509,109) which includes Rs. 89,577,525 (March 31, 2011: Rs. 76,965,121) pertaining to Corporate Office.										
Other Information										
Segment Assets	4,743,497,626	4,837,836,550	437,482,337	1,228,206,941	490,624,447	231,752,510	(15,747,240)	(13,298,911)	5,655,857,170	6,284,497,090
Unallocated Assets									470,248,086	271,043,364
Total Assets									**6,126,105,256**	**6,555,540,454**
Segment Liabilities	1,053,638,015	519,686,126	70,637,795	101,301,945	127,336,667	34,335,428	(15,747,240)	(13,298,911)	1,235,865,237	642,024,588
Unallocated Liabilities									1,920,525,634	1,956,091,496
Total Liabilities									**3,156,390,871**	**2,598,116,084**
Capital employed	3,689,859,611	4,318,150,424	366,844,542	1,126,904,996	363,287,780	197,417,082	-	-	4,419,991,933	5,642,472,502
							-		(1,450,277,548)	(1,685,048,132)
Capital Expenditure	1,136,259,255	513,335,957	118,135,259	304,875,603	217,037,022	57,232,339	-	-	1,471,431,536	875,443,899
Depreciation/Amortisation	261,076,086	267,519,683	81,112,024	393,803,227	17,827,328	12,285,980	-	-	360,015,438	673,608,890
Goodwill Depreciation	4,702,460	508,621		-		-	-	-	4,702,460	508,621
Total Depreciation	265,778,546	268,028,304	81,112,024	393,803,227	17,827,328	12,285,980	-	-	364,717,898	674,117,511
Provision for Doubtful Debts and advances	1,487,626	11,350,453	44,006	2,085,609	-	46,974	-	-	1,531,632	13,483,036
Note: Secondary Segment- Geographical Segment. The PVR Group mainly caters to the needs of the domestic market. There is no export turnover. Hence , there are no reportable geographical segment.										

42. 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 Investments Private Limited Priya Exhibitors Private Limited
Relatives of Key Management Personnel	Ms Salena Bijli, Wife of Mr Ajay Bijli Ms Sandhuro Rani, Mother of Mr Ajay Bijli

Notes to the Consolidated financial statements for the year ended March 31, 2012

Amount in Rs.

	Enterprises having significant influence over the Company		Key Management Personnel		Relative of Key Management Personnel		Grand Total	
Transactions during the year	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Remuneration paid								
Ajay Bijli	-	-	19,968,000	19,968,000	-	-	19,968,000	19,968,000
Sanjeev Kumar	-	-	14,976,000	9,984,000	-	-	14,976,000	9,984,000
Salena Bijli	-	-	-	-	751,835	-	751,835	-
Rent Expense								
Priya Exhibitors Private Limited	16,693,800	13,080,412	-	-	-	-	16,693,800	13,080,412
Final Dividend Paid								
Bijli Investments Private Limited	5,401,805	5,133,169	-	-	-	-	5,401,805	5,133,169
Priya Exhibitors Private Limited	4,630,000	4,330,000	-	-	-	-	4,630,000	4,330,000
Ajay Bijli	-	-	1,570,287	1,554,674			1,570,287	1,554,674
Sanjeev Kumar			17,600				17,600	-
Selena Bijli					608		608	-
Sandhuro Rani					152		152	-
Special Interim Dividend Paid								
Bijli Investments Private Limited	21,607,220	-	-	-	-	-	21,607,220	-
Priya Exhibitors Private Limited	18,520,000	-	-	-	-	-	18,520,000	-
Ajay Bijli	-	-	6,281,148	-	-	-	6,281,148	-
Sanjeev Kumar			70,400				70,400	-
Selena Bijli					2,432		2,432	-
Sandhuro Rani					608		608	-
Security Deposit Paid								
Priya Exhibitors Private Limited	4,100,000	-	-	-	-	-	4,100,000	-
Balance outstanding at the end of the year								
Trade Payable								
Priya Exhibitors Private Limited	38,920	298,091	-	-	-	-	38,920	298,091
Security Deposits								
Priya Exhibitors Private Limited	6,600,000	2,500,000	-	-	-	-	6,600,000	2,500,000
Guarantees Taken (Personal Guarantees)								
Ajay Bijli	-	-	*	*	*	*	*	*
Sanjeev Kumar	-	-	*	*	*	*	*	*
Assets Mortgaged								
Ajay Bijli	-	-	*	*	*	*	*	*
Sanjeev Kumar	-	-	*	*	*	*	*	*

Notes:

(a) *The Parent Company has availed loans from banks and a body corporate aggregating to Rs. 272,152,785 (March 31, 2011 : Rs.460,494,676) which are further secured by personal guarantee of two directors of the Parent Company.

(b) The above particulars exclude expenses reimbursed to/by related parties.

(c) 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.

Notes to the Consolidated financial statements for the year ended March 31, 2012

43. The Parent Company in the earlier years had applied to the Ministry of Corporate Affairs, Central Government for approval for the remuneration paid beyond the prescribed limits to its Director aggregating to Rs 11,875,097 for the financial years ended from 2008 to 2011. The approval of the Central Government is awaited.

44. During the year, the Parent Company sold its investment in the shares of its subsidiary company CR Retail Mall (India) Ltd for a consideration more than the cost of investments. The profit on the same amounting to Rs 168,564,053 has been disclosed as an exceptional item in the statement of profit and loss.

45. The Parent Company has on July 05, 2011 purchased 40% share capital of PVR Pictures Limited from JP Morgan Mauritius Holdings IV Limited and ICICI Venture Funds Management Company Limited. Subsequent to the above purchase, PVR Pictures Ltd. has now become a wholly owned subsidiary of the Parent Company.

46. Scheme of arrangement for Demerger of Production Business of one of the subsidiaries PVR Pictures Limited

(i) Pursuant to the Composite Scheme of Arrangement ('Scheme') filed by PVR Limited (the transferee Company) and PVR Pictures Limited (the transferor Company), under the provisions of the Companies Act, 1956 and as approved by the shareholders, and sanctioned by the Honorable High Court of Delhi on February 02, 2012, the production business undertaking of the transferor Company (non listed) was transferred to and vested in the transferee Company with effect from April 01, 2011 (the appointed date). The Company has made necessary filing with the Registrar of Companies, NCT of Delhi and Haryana on February 29, 2012 being the effective date. The Scheme provides that all the assets and liabilities pertaining to production business undertaking in the books of transferor Company as on appointed date shall be transferred to and vested in the transferee Company pursuant to this scheme and recorded by the transferee Company. Accordingly, the scheme has been given effect in these financial statements.

(ii) The approved Scheme further provides that from the effective date, such of the assets and liabilities covered under the Scheme and as the Board of Directors consider relevant and appropriate after considering corresponding deferred tax adjustments and proportionate reduction in value of investments in subsidiary, shall be adjusted to their fair values, and the corresponding adjustment out of above shall be set off against specified reserves (including Securities Premium account). Accordingly the Parent Company has written down the value of such assets by Rs. 493,783,033 and set off the same against reserves as per Scheme.

47 (i) The Parent Company has during the year, started commercial operations at Udaipur, Surat, Vasant Kunj (New Delhi), Kolkata and Nanded and one of its subsidiary company has started commercial operations at Vasant Kunj (New Delhi). Hence, current year's figures are not strictly comparable with those of the previous year.

(ii) Previous year's figures have been re-grouped where necessary to conform to current year's classification.

(iii) The figures in the financial statements and notes thereto has been rounded off to nearest rupee.

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2012

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Summarised Financial Statements of Subsidiaries
for the financial year ended 31.03.2012

Amount in Rs.

Names of the Subsidiaries					
Sl. No.		PVR Pictures Limited		PVR bluO Entertainment Ltd.	
		2011-2012	2010-2011	2011-2012	2010-2011
1	Capital	143,333,336	358,333,340	183,027,210	155,816,330
2	Reserves and surplus	33,313,519	780,345,260	101,178,076	36,837,604
3	Total Assets (Fixed Assets + Current Assets)	290,555,615	1,252,807,393	553,625,649	198,920,407
4	Total Liabilities	113,908,760	114,128,793	10,174,866	6,266,473
5	Investments (except in case of investment in subsidiary company)	-	-	-	-
6	Turnover	273,460,082	791,040,119	198,957,711	142,652,416
7	Profit before tax	11,864,593	(164,055,289)	11,793,772	30,402,016
8	Provision for tax	6,856,026	(57,749,673)	(3,908,393)	(9,608,230)
9	Profit after tax	19,489,639	(221,804,962)	9,918,712	20,793,786
10	Proposed Dividend	-	-	-	-

Please refer to consolidated financial statements and notes appearing therein.

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