PVR CINEMAS

ANNUAL REPORT 2013-14

SPREADING OUR WINGS

Board of Directors

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

Company Secretary
Mr. N.C. Gupta

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

Main Bankers
DBS Bank Limited
HDFC Bank Limited
Axis Bank Limited
ICICI 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

Registrar & Share Transfer Agents
Karvy Computershare Private Limited,
17-24, Vittalrao Nagar, Madhapur,
Hyderabad - 500 081
Tel.: +91-40-2342 0815-828 Fax: +91-40-2342 0814
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Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the 19th Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended March 31, 2014.

Financial Highlights

(Rs. In Crores)

	2013-14	2012-13
Income from Operations	1270.59	670.23
Other Income	6.32	5.03
Total	**1276.91**	**675.26**
Less:Total Expenditure	1070.52	565.98
Earnings before interest, tax and depreciation amortization (EBIDTA)	**206.39**	**109.28**
Add: Exceptional Item	8.05	3.33
EBIDTA (Inclusive of Exceptional Items)	214.44	112.61
Less : Depreciation & Amortization Expenses	78.79	42.95
Finance Cost	76.88	25.46
Profit before Tax	**58.77**	**44.20**
Total Tax expenses/(Credit)	0.90	(10.65)
Net Profit after Tax	**57.87**	**54.85**
Earnings per equity share		
Basic	**14.16**	**18.42**
Diluted	**14.13**	**18.40**
Balance as per last financial statement	**89.86**	**40.47**
Transferred from subsidiary companies pursuant to the scheme of Amalgamation	**63.89**	**-**
Profit available for appropriation	**211.63**	**95.32**
Appropriations		
Proposed dividend on Equity Shares	**10.28**	**3.97**
Tax on proposed equity Dividend	**1.78**	**0.64**
Transfer to Debenture Redemption Reserve	**1.09**	**0.85**
Transfer to General Reserve on Dividend declared	**5.79**	**-**
Net surplus in the statement of Profit and Loss	**192.69**	**89.86**

Financial Review:

During the Financial year ended March 31, 2014, your Company has achieved new heights in terms of operating income and profitability. Post merger of Cinemax India Limited along with its five wholly owned subsidiary companies and Cine Hospitality Private Limited with your Company effective from 1st April 2013, the Company achieved increased income of Rs. 1277 Crores as against Rs. 675 Crores recorded in the previous year. Operating Profits before interest, depreciation and tax increased to Rs. 214.45 Crores as against Rs. 112.60 Crores in the previous year.

Consistency across operations and ongoing expansion through organic and inorganic means has improved PVR's position as the market leader in Film exhibition.

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

Dividend

Your Directors have recommended a Final dividend of Rs. 2.50/- (Rupee Two and fifty paisa) per Equity Share for the financial year ended March 31, 2014 for your approval. The dividend outgo will amount to Rs. 10.28 Crores (exclusive of Dividend Distribution Tax of Rs. 1.78 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, 2014 the Company had two subsidiary companies namely PVR Pictures Limited (PVR Pictures) a wholly owned subsidiary company and PVR Leisure Limited. In PVR Leisure Ltd your Company holds 53.68% in the equity share capital.

Approval of the Composite Scheme of Amalgamation

Your Directors are pleased to inform you that Hon'ble High Court of Delhi vide Order dated 12th February, 2014, approved the Composite Scheme of Amalgamation entailing merger of Cinemax India Limited, its five wholly owned subsidiaries namely Vista Entertainment Limited, Nikmo Entertainment Limited, Growel Entertainment Limited, Cinemax Motion Pictures Limited and Odeon Shrine Multiplex Limited along with Cine Hospitality Private Limited a wholly owned subsidiary of PVR Limited. The aforesaid merger is effective from 1st April 2013. Pursuant to the Composite Scheme of Amalgamation, four (4) Equity fully paid up Shares were issued of PVR Limited against every seven (7) equity shares of Rs. 5/- fully paid up to members of the erstwhile Cinemax India Limited on the Record Date. Accordingly the Company allotted 10,90, 283 equity shares to the shareholders of erstwhile Cinemax India Limited which have been listed for trading on BSE Ltd and National Stock Exchange of India Ltd.

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 2013-14.

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 issued by Ministry of Corporate Affairs, Government of India.

Accordingly, your Company has provided consolidated accounts for financial year 2013-14 without detailed audited accounts of its subsidiaries.

Corporate Governance

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

A report on Corporate Governance with a certificate from a practicing Company Secretary is enclosed and forms part of the Annual Report. A certificate from Chairman cum Managing Director and Chief Financial Officer of the Company, confirming the correctness of the financial statements, adequacy of the internal control measures as enumerated in Clause 49 of the listing agreement is 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. Manish Chandra, Director of the Company who was appointed as an Additional Director of the Company on 27th September 2013 resigned from the Board effective from 31st January, 2014. The Board places on records, its deep appreciation of the valuable contribution made by Mr. Manish Chandra during his short tenure with the Company.

Mr. Sanjay Kapoor was appointed as Additional Director and Mr. Narayan Ramachandran was appointed as an Alternate Director to Mr. Ravinder Singh Thakran on the Board of the Company effective from 31st January, 2014. Mr. Sanjay Kapoor is an independent Director. The term of Mr. Kapoor comes to an end on the date of ensuing AGM of the Company. A member of the Company has proposed the candidature of Mr. Sanjay Kapoor for his directorship on the board of the Company. The Board recommends his appointment.

Pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act 2013, one third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently, Mr. Ajay Bijli and Mr. Sanjeev Kumar will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment in accordance with the provisions of the Companies Act, 2013.

Further as per clause 49 of the Listing Agreement read with the provisions under Section 149 of the Companies Act 2013, the Company is required to appoint Independent Directors. Since the Company has Mr. Sanjai Vohra, Mr. Amit Burman, Mr. Vikram Bakshi and Mr. Sanjay Khanna as Independent Directors, therefore it is proposed to appoint all the aforesaid Directors as Independent Directors within the meaning of Sections 149 and 152 of the new Companies Act, 2013 read with schedule IV attached thereto and Rules made there under for a term of 5 (five) consecutive years with effect from the date of ensuing Annual General Meeting.

The brief resume of the Directors being appointed/ re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held directorship, committee membership/ chairmanship, their shareholding etc. are furnished in the explanatory statement in the notice of the ensuing Annual General Meeting.

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

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 for the financial year ended 31st March 2014, 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, 2014 on a going concern basis.

Employee Stock Option Scheme: "PVR ESOS 2013"

Your Company had obtained Members' approval through Postal Ballot on 20th August, 2013 for the implementation of PVR Employees Stock Option Scheme 2013 ("PVR ESOS 2013").

During the financial year under review 50,000 Options were granted to Mr. Kamal Gianchandani, employee of PVR Pictures Limited, a wholly owned subsidiary of the Company at a price of Rs. 200/- 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 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.

A certificate from the Statutory Auditors as per the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Guidelines) confirming that "PVR ESOS 2013" has been implemented in accordance with the Guidelines, shall be placed before the shareholders at the ensuing Annual General Meeting.

Auditors and thier Report

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Co., LLP, Chartered Accountants having firm's Registration No.: 301003E will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors. Pursuant to Section 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter alia, that their re-appointment, if made, would be within the limits laid down by the Act.

Further pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, the re-appointment of S.R.Batliboi & Co. LLP, Chartered Accountants is proposed from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-second AGM of the Company to be held in the year 2017 i.e. for a period of three years, subject to ratification of their appointment by the members at every AGM.

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

Change in Capital Structure and Listing of Equity Shares

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

Further, during the period under review the Company has allotted 32,940 Equity Shares under PVR ESOS Scheme 2008, 2,67,002 Equity Shares under PVR ESOS Scheme 2011 and 99,000 Equity Shares under PVR ESOS Scheme 2012 to the permanent employees of the Company against same numbers of options exercised by them.

In addition to the above, pursuant to the Composite Scheme of Amalgamation, the Company has allotted 10,90,283 Equity Shares of the Company to the shareholders of erstwhile Cinemax India Limited.

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 for the same.

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
Date: 31st July, 2014

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 LED or energy saver which uses less electrical power as compared to old GL lamps.
- Temperature sensors are being put in Audi's for better control on AC.
- Seat lights of LED's are used in place of GSL light to save energy.
- Outside consultants have been appointed to suggest energy saving measures over and above the existing system. They will suggest on optimization of energy distribution, Lux level of various areas, design aspects of electrical and HVAC system etc. so that other aspects of energy conservation and equipment efficiency can be maintained.
- Installed Variable Frequency Drives (VFD) for various Air Handling Units (AHU's) to conserve energy. Now we are installing VFD
- 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: we are replacing the FLT's with LED's in phase manner.

ii) Technology Absorption:

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

iii) Foreign Exchange Earnings & Outgo

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Earnings in foreign currency (on accrual basis)		
Advertisement Income (including Service Tax)	-	25
Expenditure in foreign currency (on accrual basis)		
Travelling	87	60
Professional fees (including expenses, net of income tax)	86	188
Director Sitting Fees		-
Others	25	21
Total	**199**	**269**
CIF Value of Imports		
Capital Goods	474	135
Software		-
Total	**474**	**135**

For and on behalf of the Board

Place: Gurgaon
Date: 31st July, 2014

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, 2014

A.

	Particulars	ESOP Scheme
1	Number of options granted	50,000
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	None
8	Money realized by exercise of options	Nil
9	Total Number of Options in force	50,000

B. Employee-wise details of options granted to:

(i) Management personnel

Name	No. of options granted
Mr. Kamal Gianchandani	50,000

(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
None	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
None	Nil

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 **18.40**

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

Profit as reported	578,731,796
Add - Intrinsic Value Cost	21,873,974
Less - Fair Value Cost	52,795,364
Profit as adjusted	578,731,796
Earning per share (Basic) as reported	14.16
Earning per share (Basic) adjusted	13.41
Earning per share (Diluted) as reported	14.15
Earning per share (Diluted) adjusted	13.40

E. Weighted average exercise price of Options whose

(a)	Exercise price equals market price	Nil
(b)	Exercise price is greater than market price	Nil
(c)	Exercise price is less than market price	Rs. 200.00

Weighted average fair value of options whose

(a)	Exercise price equals market price	Nil
(b)	Exercise price is greater than market price	Nil
(c)	Exercise price is less than market price	Rs. 241.14

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	21st August, 2013
1. Risk Free Interest Rate	8.77%
2. Expected life	4 years
3. Expected Volatility	39.51%
4. Dividend Yield	0.27%
5. Price of the underlying share in market at the time of the option grant (Rs.)	365.35

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, 2014. This discussion contains certain forward looking statements based on current expectations, which entail various risks and uncertainties that could cause the actual results to differ materially from those reflected in them. All references to "PVR", "we", "our", "Company" in this report refers to PVR Limited and should be construed accordingly.

Industry Structure & Development

The Indian film Industry has been witnessing significant growth on the back of differentiated content, wider release across digital screens and aggressive promotions by production houses. The film industry is estimated to be worth INR 125.3 billion in 2013. The industry is heavily dependent on domestic theatricals recording a revenue growth of 11.9 percent of CAGR which contributes 75 per cent to the industry's revenues. Factors such as rapid urbanization, penetration of multiplex in tier II and III cities, increasing sophistication in production and marketing of films and audience's receptivity to differentiated content are together expected to help the industry sustain its growth over the next few years and be worth INR 219.8 billion by 2018.

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

(Source: FICCI- KPMG Indian Media and Entertainment Report 2013)

Opportunities

Largest Industry

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

Under screened market:

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

Penetration into tier II and tier III markets

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

Digital dominance

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

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

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

Emergence of 3D films:

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

Transparency of ticket sales & In Cinema Advertising:

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

Distribution of Hollywood content:

The distribution of Hollywood content is also evolving rapidly. 2013 proved to be a blockbuster year not only for Bollywood but also for Hollywood films in India. Many Hollywood movies like Oblivion, The Great Gatsby 3D, Gravity and Conjuring have made a significant contribution. A wider distribution network due to digitization, growth in multiplexes and robust marketing has aided the growth of Hollywood content.

Growth of Multiplexes

In 2013, the industry added approximately 200 screens with major growth coming from expansion of multiplexes in tier II and III cities. Your company added 70 screens in 2013. Growth of the multiplex industry will be highly correlated to the level of real estate development as most players intend to grow both organically and inorganically. Organic growth of the industry will be mostly through greenfield investments as most multiplex players do not perceive value from converting single screens into multiplexes. In the short run, organic growth will be limited by the bottlenecks created due to slowing development of malls and commercial real estate.

Shortening of the movie shelf life

First week business has increased driven by the wider release and number of prints. The first week and weekend contribute almost 60-80 percent of a film's total collection. Even within the first week, the trend is getting skewed towards the weekend. Considering this, multiplex chains are experimenting with pricing strategies to maximize revenue. By adopting a differential pricing model for weekdays and weekends, they are able to maximize footfalls across the week.

Threats/Risks and Mitigation Measures

Piracy

The issue of piracy remains a critical issue for the Indian film industry. However, there are some changes that have helped the industry battle this issue aggressively. With the advent of digitization, penetration of movies into newer geographies, initiatives taken by industry bodies and the amendment of the Cinematograph Act of 1952 to form a new improved Act in 2013, the Indian film industry is addressing the issue of piracy by integrating all available resources. With digitization, the theatre-to-television window has further been reduced to less than 2-3 months. This has discouraged the business of pirated DVDs to some extent.

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

Quality of Content:

Success in the film exhibition business is heavily dependent on the flow of the content and quality of content being released during the year. The success of a release can be highly unstable and seasonal, therefore impacts the performance of the business.

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

Slow Development of Malls

The number of screens is highly correlated with commercial real estate development in the country. Mismanagement coupled with low footfalls and poor brand pull led to the shutdown of about 40 malls. This is affecting the Bollywood industry with almost 150 multiplexes in India getting trapped in project delays because of the market slowdown. Tier I cities like Pune, Mumbai, Delhi etc. witnessed a huge decline in the supply of malls. These challenges have come at a very wrong time when films are ready for release on wider platforms due to digitization but do not have quality cinemas to screen these films. Moreover, the approval process for a multiplex is very slow and cumbersome, as it is largely controlled by the local municipalities. Obtaining a theatre operating license can take as long as 6 months in certain cases. However with foreign direct investment in retail slowly opening up, many international brands are trying to capture market share in the emerging Indian market will again boost the construction of malls across the country.

Rising cost of talent

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

Slow uptake of merchandising in India

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

Ticket price controls

Ticket pricing in many states is regulated by state governments. In Tamil Nadu, single screen theatres are allowed to charge a maximum of INR 50 per ticket and multiplexes can charge a maximum of INR 120 per ticket depending on the set of facilities.

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

Higher Tax Regime

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

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

Cable and satellite rights

Cable and satellite (C&S) revenues saw a 20.2 percent increase in 2013. The Industry expects less aggressive growth in acquisition price of C&S rights and a move rational 'box office success' linked movie acquisition criteria. With digitization likely to provide greater clarity in terms of TRPs, Video-On-Demand (VOD) services, and greater number of movie channels, the demand for all genres of films on cable and satellite platforms is expected to increase. The theatre-to television window is reducing with movies being broadcast on television within 60 to 90 days of their theatrical release.

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

After multiplexes, its time for megaplexes

Continuous innovation and technology evolution have been the key drivers of the exhibition industry. Certain players are now developing megaplexes with 11-15 screens capable of showing 60-80 screenings per day. Such megaplexes would be built at an average cost of about INR 20- 25 million per screen and would have a capacity of 2000 to 2500 seats.

Product wise analysis

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

Revenue Growth

With the merger of interalia Cinemax India Limited along with its five wholly owned subsidiary companies with your Company effective from 1st April 2013 i.e. the appointed date as per the composite scheme of amalgamation, the total income has increased from Rs. 675 Crores, during the preceding financial year to Rs. 1,277 Crores in the year under review registering a growth of 89%.

Performance of the Company

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

Operating performance

1. **Footfalls & Occupancy**

   We entertained around 59.9 million patrons at our cinemas during FY 2013-14 as compared to 32.6 million patrons during the FY 2012-13, registering a growth of 84%. With the addition of 70 new screens planned in 2014-15, your Company expects a robust growth in footfalls during the current year.

2. **Future Outlook**

   Future outlook for the FY 2014-15 is positive and barring the unforeseen circumstances the company's performance is expected to show continued growth.

Internal Control Systems and their adequacy

The Company has adequate internal control systems commensurate with its size and need. M/s KPMG periodically review all control systems and assists in monitoring and upgrading the effectiveness of control systems. The Audit Committee also reviews this process.

Material Developments in Human Resources:

Recruitment & Selection

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

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

Industrial Relations

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

Report on Corporate Governance

Corporate Governance

As mandatory under Clause 49 of the Listing Agreement, the Company has complied with the conditions of Corporate Governance by establishment of a framework for compliance in accordance with the SEBI Regulations.

Company's philosophy on Corporate Governance

PVR's philosophy on Corporate Governance is driven by its desire towards attainment of the highest levels of transparency, accountability and equity, in all the field of its operations, and in all its dealings with its stakeholders, from shareholders and employees to Government, Lenders etc. The Company believes that all its operations and actions must serve the goals of enhancing overall enterprise value and safeguarding the shareholder's trust.

Corporate Governance is an integral part of PVR in its pursuit of excellence, growth and value creation. It continuously endeavors to leverage available resources for translating opportunities into reality. During the year under review, the Board of Directors, Management and employees continued its pursuit of achieving these objectives through the adoption and monitoring of prudent business plans, monitoring of major risks of the Company's business. The Company pursues policies and procedures to satisfy its legal and ethical responsibilities. The Company's Philosophy is to achieve business excellence and optimize long-term Shareholders' value on a sustained basis by ethical business conduct. The Company is committed to transparency in all its dealings and places strong emphasis on business ethics.

BOARD OF DIRECTORS

Composition of the Board

As on 31st March, 2014, the Company had eleven Directors on the Board. The Board is comprised of two Executive Directors and nine Non Executive Directors out of which five are Independent Directors and one is an Alternate Director.

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

The terms of reference of the Board of Directors are in accordance with that *inter-alia* specified in Clause 49 of the Listing Agreement and other applicable provisions of the Companies Act, 1956.

The composition of the Board of Directors during the financial year 2013-14, the details regarding directorship/membership in Committees of public companies, attendance in last Annual General Meeting & Board Meetings held during the financial year 2013-14 are as follows:

Name of the Directors	Category	Shareholding in the Company (No. of shares)	No. of Board Meetings attended during the financial year.	Attendance at the last AGM held on September 27, 2013.	Number of other Directorships as on 31.03.2014	Number of Committee Memberships and Chairmanship in all Companies including PVR Limited	
						Membership	Chairmanship
Ajay Bijli	Promoter, Executive Director	18,64,165	7	No	10	2	2
Sanjeev Kumar	Executive Director	2,66,806	8	Yes	8	2	-
Renuka Ramnath	Non Executive Non Independent	-	3	No	12	-	-
Ravinder Singh Thakran	Non Executive Non Independent	-	-	No	4	-	-
Vicha Poolvaraluk	Non Executive Non Independent	-	1	Yes	2	-	-
Sanjay Khanna	Non Executive Independent	-	8	Yes	NA	3	-
Vikram Bakshi	Non Executive Independent	-	5	No	13	3	-
Sanjai Vohra	Non Executive Independent	-	4	No	5	-	-
Amit Burman	Non Executive Independent	-	4	No	20	3	-
*Manish Chandra	Non Executive Independent	-	1	NA	5	6	2
**Sanjay Kapoor	Non Executive Independent	-	1	NA	1	-	-
***Narayan Ramachandran	Alternate Director Mr. Ravinder Singh Thakran	-	1	NA	9	-	-

* Mr. Manish Chandra was appointed as an additional director on 27th September, 2013 and he resigned from the Board of the Company w.e.f. 31st January, 2014.

** Mr. Sanjay Kapoor was appointed as an additional director on 31st January, 2014.

*** Mr. Narayan Ramachandran was appointed as alternate director for Mr. Ravinder Singh Thakran w.e.f 31th January, 2014.

Number of Board Meetings

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

- 10th April, 2013
- 28th May, 2013
- 7th June, 2013
- 15th June, 2013
- 25th June, 2013
- 30th July 2013
- 30th October, 2013
- 31th January, 2014

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	1,70,75,951	1,39,59,742
Perquisites (HRA)	97,91,613	69,79,871
Commission	70,00,000	1,29,00,000
Total	3,38,67,564	3,38,39,613

Non Executive Directors

Further, the following Independent Directors of the Company were paid remuneration out of 1% of the Net Profits of the Company for the FY 2013-14 as follows:

Name of the Directors	(Rs.)
Mr. Sanjay Khanna	1,00,000
Mr. Amit Burman	1,00,000
Mr. Vikram Bakshi	1,00,000
Mr. Sanjai Vohra	12,00,000
Mr. Sanjay Kapoor	6,00,000

The following Independent Directors of the Company were paid sitting fees for attending meetings of the Board/ Committee as follow

Name of the Directors	Sitting Fees (Rs.)
Mr. Sanjay Khanna	3,00,000
Mr. Amit Burman	1,00,000
Mr. Manish Chandra	20,000
Mr. Vikram Bakshi	2,00,000
Mr. Sanjay Kapoor	20,000

The Company does not have any direct pecuniary relationship/transaction with any of its Non Executive and Independent 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's executives' one level below the Board have affirmed compliance with the said Code. A declaration signed by the Chairman to this effect is provided elsewhere in the Annual Report.

Audit Committee

Composition, Meetings and Attendance:

As on March 31, 2014, the Audit Committee is comprised of four Non Executive and Independent Directors. The Chief Financial Officer, the Statutory Auditors and the Internal Auditors are the invitees in the Committee meetings.

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

The Terms of reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

Composition and Attendance

During the year under review the Audit Committee met Five times on 28th May 2013, 15th June, 2013, 30th July 2013, 30th October 2013 and 31st January 2014 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. Amit Burman	1
Mr. Sanjay Khanna	5
Mr. Vikram Bakshi	3
Mr. Sanjai Vohra	2

Investors Grievance Committee

Terms of Reference

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

Composition and Attendance

The Investors Grieviance Committee comprised of two Directors, one of whom is Non-Executive Directors. During the year under review the Investors Grievance Committee met one time 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. Sanjai Vohra
Mr. Vikram Bakshi
Mr. Sanjay Khanna

Remuneration Committee met two times on 6th June, 2013 and 21st June, 2013 and was attended by Mr. Sanjai Vohra, 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 three members out of which two 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. Vikram Bakshi
Mr. Sanjay Khanna

Compensation Committee met one time on 21st August, 2013 and was attended by Mr. Ajay Bijli and Mr. Sanjay Khanna.

Details of complaints/ queries received and resolved during the Financial Year 2013-14 are as follows:

Sl. No.	Nature of Complaint	Number of Complaints/Queries received during the year	Complaints/Queries resolved during the year
1.	Status of applications lodged for public issue(s)	N.A.	N.A.
2.	Non-receipt of Securities	N.A.	N.A.
3.	Non-receipt of Annual Report	6	6
4.	Non-receipt of Dividend Warrants	8	8
5.	Non-receipt of refund orders	N.A.	N.A.
6.	Non-receipt of Electronic Credits	N.A.	N.A.
	Total	14	14

The transfer/transmission/split of physical share certificates is approved 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 Ms. Shobha Anand, Asstt. 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
2010-11	Monday, August 08, 2011	10:30 A.M	The Mapple Emerald, Rajokri, NH-8 Delhi – 110 038	None
2011-12	Friday, September 28, 2012	10:00 A.M	The Mapple Emerald, Rajokri, NH-8 Delhi – 110 038	None
2012-13	Friday, September 27, 2013	10:00 A.M	The Mapple Emerald, Rajokri, NH-8 Delhi – 110 038	None

Resolutions passed during the year through Postal Ballot:

During the year under review, following Special Resolutions were passed by way of Postal Ballot pursuant to the provisions of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2011:

1. a) Granting of 50,000 employee Stock Options to Mr. Kamal Gianchandani, employee of PVR Pictures Limited (wholly owned subsidiary of PVR Limited) under PVR Employees Stock Option Scheme 2013 as per section 81 (1A) of the Companies Act 1956.

   b) Re-appointment of Mr. Ajay Bijli as Chairman cum Managing Director of the

Company with effect from 24th July 2013, for a period of 5 years and approval of his remuneration.

c) Re-appointment of Mr. Sanjeev Kumar Joint Managing Director of the Company with effect from 24th July 2013, for a period of 5 years and approval of his remuneration.

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

M/s Shabnam & Co., Company Secretaries, New Delhi were appointed as scrutinizer by the Board and scrutinizer submitted their report on August 19th, 2013 for the Postal Ballot notice dated 25th June, 2013.

2. For approving the Composite Scheme of Amalgamation of Cinemax India Limited, Vista Entertainment Limited, Nikmo Entertainment Limited, Growel Entertainment Limited, Odeon Shrine Multiplex Limited, Cinemax Motion Pictures Limited and Cine Hospitality Private Limited with PVR limited.

The notice of the Postal Ballot was published in Financial Express (English daily) and Jansatta Hindi (Vernacular newspaper).

M/s Arun Gupta & Associates, Company Secretaries, New Delhi were appointed as scrutinizers by the Board and the scrutinizer had submitted their report on February 5, 2014 for Postal Ballot notice dated 20th December, 2013 based on which the result was declared by the Company.

The summary of the results are as follows:

For Postal Ballot Notice dated 25th June, 2013:

Resolution I: Granting of 50,000 employee Stock Options to Mr. Kamal Gianchandani, employee of PVR Pictures Limited (wholly owned subsidiary of PVR Limited) under PVR Employees Stock Option Scheme 2013

Resolution II: Re-appointment of Mr. Ajay Bijli as Chairman cum Managing Director of the Company with effect from 24th July 2013, for a period of 5 years and approval of his remuneration;

Resolution III: Re-appointment of Mr. Sanjeev Kumar as Joint Managing Director of the Company with effect from 24th July 2013, for a period of 5 years and approval of his remuneration;

Particulars	No. of Postal Ballot Forms	No. of Shares	%(Percentage) to votes casted
a) Total Postal Ballot forms received Less: Invalid postal ballot forms	31 3	23040515 65	58.15815 0.00016
b) Net valid Postal Ballot forms	28	23040450	58.15799
c) Postal Ballot forms with **assent** for the resolution no. 1 Postal Ballot forms with **assent** for the resolution no. 2 Postal Ballot forms with **assent** for the resolution no. 3	26 26 26	23040300 23040300 23040300	58.15762 58.15762 58.15762
d) Postal Ballot forms with **dissent** for the resolution no. 1 Postal Ballot forms with **dissent** for the resolution no. 2 Postal Ballot forms with **dissent** for the resolution no. 3	2 2 2	150 150 150	0.00037 0.00037 0.00037

For Postal Ballot Notice dated 20th December, 2013:

Resolution I: For approving the Composite Scheme of Amalgamation of Cinemax India Limited, Vista Entertainment Limited, Nikmo Entertainment Limited, Growel Entertainment Limited, Odeon Shrine Multiplex Limited, Cinemax Motion Pictures Limited and Cine Hospitality Private Limited with PVR Limited.

Description	No. of Ballot Forms	No. of Shares
Total number of Ballot forms with notice dispatched to members by post/emails	14924	3,98,69,604
Total number of Physical Ballot Forms received	20	14395125
Total number of electronic ballot forms received via Karvy e- voting platform	30	4147
Number of invalid physical ballot forms	0	0
Number of invalid electronic ballot forms	2	175
Number of valid physical ballot forms	20	14395125
Number of valid electronic ballot forms	28	3972
Votes in favour of the resolution (both physical ballot forms and electronic ballot forms)	47	1,43,99,085
Votes against the resolution (Both physical ballot forms and electronic ballot forms)	1	1
Percentage of votes in favour of the resolution (Both physical ballot forms and electronic ballot forms)	47	99.999%
Percentage of votes against the resolution (Both physical ballot forms and electronic ballot forms)	1	0.000%

Subsidiary Companies

The 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. After the amalgamation of Cine Hospitality Private Limited, there is no wholly owned subsidiary of PVR Limited as a material 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, Bangalore, Bombay, Kolkata, Chennai Cochin and Hyderabad.
Jansatta	Hindi	New Delhi.
Business Standard	English	Delhi,Ahmadabad, Bangalore, Bombay, Bhubnashewar, Kolkata, Chandigarh, Cochin, Hyderabad, Lucknow, Chennai and Pune.

General Shareholders' Information

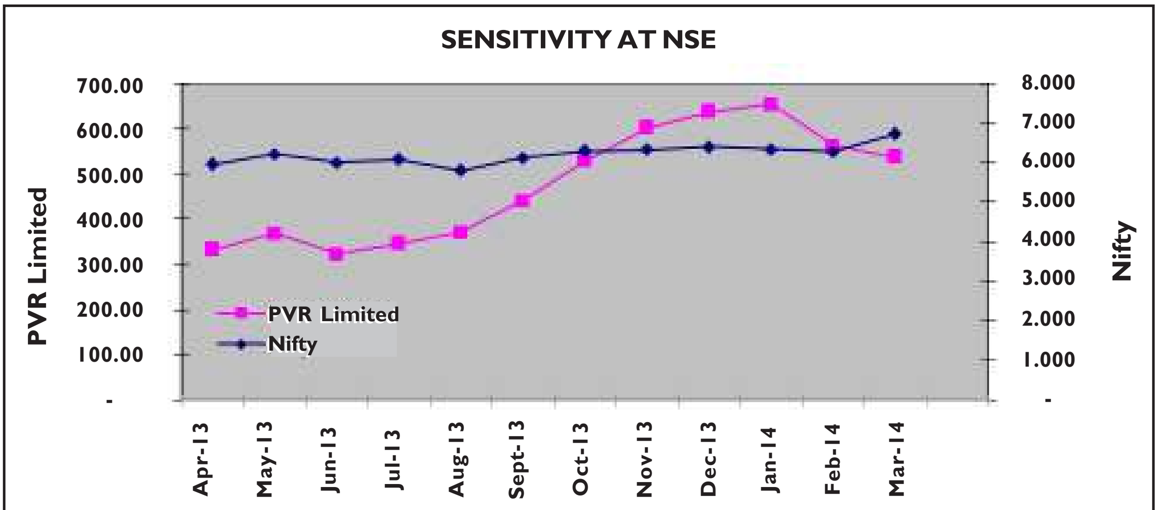
1.	Annual General Meeting	:	29th September, 2014 10:30 A.M. at Mapple Emerald, Rajokri, National Highway-8, New Delhi – 110 038	
2.	Financial calendar	:	Tentative Schedule:	
	Accounting Year	:	1st April to 31st March	
			Approval of Quarterly Results for the Four Quarters	
			Ended:	**on or before**
			June 30, 2014,	15th August, 2014
			September 30, 2014	15th November, 2014
			December 31, 2014	15th February, 2015
			March 31, 2015	30th May, 2015
3.	Book Closure Date	:	22.09.2014 to 29.09.2014 *(both days inclusive)*	
4.	Dividend Payment	:	On or before 10th October, 2014	
5.	Listing on Stock Exchanges	:	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)	
6.	Stock Code	:	BSE Script Code: 532689; NSE Symbol: PVR ISIN: INE 191H01014	

7. Market Price Data

	NSE Share Price		BSE Share Price	
Month	High	Low	High	Low
Apr-13	344.00	275.00	344.55	281.65
May-13	390.00	321.00	375.00	321.15
Jun-13	349.35	313.00	349.00	313.00
Jul-13	365.00	317.05	361.00	315.00
Aug-13	419.00	323.00	420.80	326.00
Sep-13	512.65	377.40	511.50	361.00
Oct-13	593.70	473.10	594.00	472.30
Nov-13	635.00	545.00	640.00	544.75
Dec-13	658.40	557.00	657.50	550.00
Jan-14	654.65	517.30	653.85	519.30
Feb-14	573.00	492.00	572.90	492.00
Mar-14	547.00	465.00	547.60	465.00

8. Performance of PVR Share Price in NSE:

NSE NIFTY INDEX



9.	Registrar and Transfer Agents	:	Karvy Computershare Private Limited (KCPL), 17-24, Vittalrao 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

Distribution Schedule as on March 31, 2014

S. No.	Category	No. of Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	31810	98.01	14676720.00	3.57
2	5001 - 10000	317	0.98	2289380.00	0.56
3	10001 - 20000	146	0.45	2203300.00	0.54
4	20001 - 30000	50	0.15	1249410.00	0.30
5	30001 - 40000	16	0.05	578610.00	0.14
6	40001 - 50000	16	0.05	721620.00	0.18
7	50001 - 100000	25	0.08	1774970.00	0.43
8	100001 & ABOVE	77	0.24	387568190.00	94.28
	Total	**32457**	**100.00**	**411062200.00**	**100.00**

11(b). Shareholding Pattern

Shareholding Pattern as on 31/03/2014

Sl. No.	Category	Cases	Shares	% to Equity
1	Banks	4	6577	0.02
2	Clearing Members	81	83067	0.20
3	Foreign Bodies	3	13451224	32.72
4	Foreign Institutional Investor	39	8002123	19.47
5	Fractional Allotment	1	9619	0.02
6	HUF	960	79177	0.19
7	Bodies Corporates	519	2355385	5.73
8	Mutual Funds	19	1799981	4.38
9	Non Resident Indians	426	639042	1.55
10	Promoters Bodies Corporate	1	10031805	24.40
11	Promoters	1	1864165	4.53
12	Resident Individuals	30399	2782732	6.77
13	Trusts	4	1323	0.00
	Total	**32457**	**41106220**	**100.00**

12. Dematerialization of shares and liquidity

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

The breakup of Equity Share capital in dematerailised form held with depositories and in physical form as on 31st March 2014 is as follows:

Control Report as on 31/03/2014				
Sl.No.	Description	No. of Holders	Shares	% to Equity
1	Physical	384	18624	0.05
2	NSDL	24195	40054142	97.44
3	CDSL	7878	1033454	2.51
	Total	**32457**	**41106220**	**100.00**

13. Address for correspondence : Mr. N.C. Gupta
Company Secretary
PVR Limited

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

Corporate Office:
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. Certificate on Corporate Governance

A certificate from Practicing Company Secretary on compliance of clause 49 of the listing agreement relating to corporate governance is published as an Annexure to the Director's Report.

15. Reconstitution of the committees of the company in accordance with the requirements of the Companies Act, 2013

(a) Reconstitution of Audit Committee

Pursuant to Section 177 of the Companies Act, 2013, it is mandatory that Board of Director of every listed Company shall constitute the Audit Committee consisting of minimum of three Directors with Independent Directors forming a majority. Accordingly the Board of Directors of PVR Ltd reconstituted the Audit Committee on 4th July 2014. The Audit Committee now comprises of the following members of the Board, all of whom are Independent Directors.

1. Mr. Sanjai Vohra (Chairman)
2. Mr. Sanjay Kapoor
3. Mr. Vikram Bakshi
4. Mr. Sanjay Khanna
5. Mr. Amit Burman

(b) Constitution of Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act 2013, the Board on 4th July, 2014 approved the constitution of the Corporate Social Responsibility Committee consisting of following members.

1. Mr. Ajay Bijli (Chairman)
2. Mr. Sanjeev Kumar
3. Mr. Sanjai Vohra
4. Mr. Narayan Ramachandaran

(c) Reconstitution / Change in the name of Investor's Grievance Committee to Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013, it has become mandatory that Board of Directors of every listed company shall constitute the Stakeholders Relationship Committee. Accordingly the name of the Investors' Grievance Committee was changed to Stakeholders Relationship Committee and the Committee was reconstituted on 4th July, 2014 comprising of the following members of the Board.

1. Mr. Vikram Bakshi (Chairman)
2. Mr. Sanjeev Kumar
3. Mr. Ajay Bijli
4. Mr. Sanjay Khanna

(d) Reconstitution / Change in the name of Remuneration Committee to Nomination & Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013, it has become mandatory that Board of Directors of every company who's paid up capital is more than 10 Crores shall constitute the Nomination and Remuneration Committee. Accordingly the name of the existing Remuneration Committee was changed to Nomination and Remuneration Committee and the Committee was reconstituted comprising of the following members of the Board. The first meeting of the Committee was held on 30th May 2014.

1. Mr. Sanjai Vohra (Chairman)
2. Mr. Sanjay Kapoor
3. Mr. Ajay Bijli
4. Ms. Renuka Ramnath
5. Mr. Amit Burman

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: July 31st, 2014

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, 2014.

Place: Gurgaon, Haryana
Date: July 31st, 2014

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: July 31st, 2014

Ajay Bijli
Chairman cum Managing Director

Nitin Sood
Chief Financial Officer

Certificate on compliance under Clause 49 of the Listing Agreements

To the Members of PVR Limited

1. We have examined the compliance of conditions of Corporate Governance by **M/s PVR Limited** during the period ended March 31, 2014 with the relevant records and documents maintained by the Company, furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges.

For **Arun Gupta & Associates**
Company Secretaries

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

Place: New Delhi
Date: July 31st, 2014

Independent Auditor's Report

To the Members of PVR Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PVR Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;

   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

per Vikas Mehra
Partner
Membership No. 94421

Place: Gurgaon
Date: May 29th, 2014

Annexure referred to in paragraph [1] under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: PVR Limited ('the Company')

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

(b) 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) Fixed Assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) (a) The Company has granted loan to two firms covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 831 lakhs and the year-end balance of loans granted to such parties was Rs 200 lakhs.

(b) 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. For the interest-free loan granted to a wholly-owned subsidiary, according to the information and explanation given to us, and having regard to the management's representation that the interest free loan are given to wholly-owned subsidiaries of the company in the nature 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. Since interest free loans were granted, no payment of interest has been received during the year.

(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 not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (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 and exceeding the 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 of the Company and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed the 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, 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 lakhs)	Period to which the amount relates	Forum to where dispute is pending
Income Tax Act, 1961	Income Tax	1228.76	Assessment Years 2006-07, 2007-08, 2008-09, 2009-10 2010-11	High Court, Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals)
Finance Act 1994, (Service Tax Provision) along with rules	Service Tax	317.28	Various dates	Customs Excise and Serrvice Tax Appellate Tribunal
Finance Act 1994, (Service Tax Provision) along with rules	Service Tax	202.31	Various dates	Additional Commissioner
Delhi VAT Act, 2004	Value added tax	80.98	2006-07	VAT Officer and VAT Tribunal
Tamilnadu VAT Act, 2006	Value added tax	46.75	2013-14	Joint Commissioner (CT)
UP VAT Act, 2007	Value added tax	11.66	2010-11	Additional Commissoner-Grade-2 (Appeals)
Maharashtra VAT Act, 2002	Value added tax	64.37	2005-06 to 2008-09	Joint Commissioner (Appeals)

(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, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before 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 in mutual funds, 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 have been held by the Company in its own name.

(xv) According to the information and explanations given to us, the Company had given guarantee for loans taken by a wholly owned subsidiary company from bodies corporate, 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 based on overall examination of the balance sheet of the Company, we report that short term funds amounting to Rs. 14700 lakhs (primarily representing increase in capital creditors and operational creditors and short term borrowings) has been used for payment of long term deposits and purchase of fixed assets.

(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 as per the terms of the agreement with debenture holders.

(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. LLP
Chartered Accountants
ICAI Firm's registration number: 301003E

per Vikas Mehra
Partner
Membership No.: 94421

Place: Gurgaon
Date: May 29th, 2014

Standalone Financial Statements

Balance Sheet as at March 31, 2014

	Notes	As at March 31, 2014 (Rs. in lakhs)	As at March 31, 2013 (Rs. in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,111	3,962
Reserves and surplus	4	35,016	60,360
		39,127	**64,322**
Non-current liabilities			
Long-term borrowings	5	47,007	33,141
Deferred tax liabilities (net)	6	-	-
Other long term liabilities	7	305	735
Long-term provisions	8	624	383
		47,936	**34,259**
Current liabilities			
Short-term borrowings	9	3,205	-
Trade payables	10	14,927	6,268
Other current liabilities	10	16,248	9,718
Short-term provisions	8	1,694	604
		36,074	**16,590**
Total		**123,137**	**115,171**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	61,680	35,636
Intangible assets	12	10,187	753
Capital work-in-progress		7,569	10,725
Pre-operative expenses (pending allocation)	13	2,551	3,472
Non-current investments	14	4,306	41,364
Loans and advances	15	25,284	15,154
Other non-current assets	17	2,081	292
		113,658	**107,396**
Current assets			
Current investments	18	28	5
Inventories	19	906	765
Trade receivables	16	4,526	2,427
Cash and bank balances	20	1,712	2,063
Loans and advances	15	2,215	2,476
Other current assets	17	92	39
		9,479	**7,775**
Total		**123,137**	**115,171**

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2014

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

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

Nitin Sood
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2014

	Notes	For the year ended March 31, 2014 (Rs. in lakhs)	For the year ended March 31, 2013 (Rs. in lakhs)
INCOME			
Revenue from operations (net)	21	127,059	67,023
Other income	22	632	503
Total revenue (I)		**127,691**	**67,526**
Expenses			
Film exhibition cost		34,108	18,502
Consumption of food and beverages		8,475	4,587
Employee benefits expense	23	11,031	6,263
Other expenses	24	53,438	27,246
Exceptional items	25	(805)	(333)
Total expenses (II)		**106,247**	**56,265**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		**21,444**	**11,261**
Depreciation and amortization expense	26	7,879	4,295
Finance costs	27	7,688	2,546
Total		**15,567**	**6,841**
Profit before tax		**5,877**	**4,420**
Tax expense:			
Current tax		1,313	950
MAT credit entitlement		(1,313)	(950)
Income tax for earlier years		11	(115)
Deferred tax charge/(credit)		79	(950)
Total tax expenses/ (credit)		**90**	**(1,065)**
Profit after tax		**5,787**	**5,485**
Earnings per equity share: **[nominal Value of share Rs. 10 (March 31, 2013: Rs.10)]**	28		
Basic earning per equity share		14.16	18.42
Diluted earning per equity share		14.13	18.40
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **S. R. Batliboi & Co. LLP**
ICAI Firm's Registration No.: 301003E
Chartered Accountants

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

Place: Gurgaon
Date: May 29th, 2014

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

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

Nitin Sood
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2014

	For the year ended March 31, 2014 (Rs. in lakhs)	For the year ended March 31, 2013 (Rs. in lakhs)
Cash flow from operating activities:		
Profit before tax	**5,877**	**4,420**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	7,879	4,295
Loss/(profit) on disposal and discard of fixed assets (net)	(995)	170
Wealth tax	-	1
Interest income	(68)	(32)
Profit on redemption of current non-trade investments	(282)	(256)
Profit on the sale of investment in a subsidiary company	-	(333)
Dividend received (Nil; March 31, 2013:Rs. 22,465)	-	(0)
Interest expense	7,208	2,174
Employee stock compensation expense	219	62
Unspent liabilities written back	(21)	(3)
Expenses pertaining to before acquisition in relation to company acquired	316	-
Provision for doubtful debts and advances (net)	583	60
Operating profit before working capital changes	**20,716**	**10,558**
Movements in working capital:		
Decrease/(Increase) in trade receivables	(1,043)	(489)
(Increase) in inventories	42	(100)
(Increase) in loans and advances and other current assets	(2,888)	(1,572)
Increase in current liabilities and provisions	4,384	3,865
Cash generated from operations	**21,211**	**12,262**
Direct taxes paid (net of refunds)	(1,433)	(1,060)
Net cash flow from/(used in) operating activities (A)	**19,778**	**11,202**
Cash flows (used in) investing activities		
Purchase of tangible assets	(14,796)	(17,294)
Purchase of intangible assets	(522)	(336)
Proceeds from sale of fixed assets	5,290	53
Proceeds from sale of the Investment in subsidiary company	-	3,300
Investment in a subsidiary	-	(41,438)
Investment in current non-trade investments	(45,779)	(31,074)
Redemption of current non-trade investments	46,068	31,347
Loans given to subsidiaries	-	(996)
Loans refunded by subsidiaries	300	665
Dividend received (Nil; March 31, 2013:Rs. 22,465)	-	0
Interest received	36	22
Fixed deposits with banks placed	(1,333)	(132)
Fixed deposits with banks encashed	1,240	171
Net cash flow from/(used in) investing activities (B)	**(9,496)**	**(55,712)**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including share premium	537	31,899
Proceeds from long-term borrowings	(26,301)	20,000
Repayment of long-term borrowings	21,714	(2,909)
Proceeds from short-term borrowings	10,995	14,000
Repayment of short-term borrowings	(10,000)	(14,000)
Payment of Dividend and tax thereon	(465)	(603)
Interest paid	(7,978)	(3,057)
Net cash flow from/(used in) financing activities (C)	**(11,498)**	**45,330**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(1,216)**	**820**
Cash and cash equivalents at the beginning of the year	2,002	1,182
Add: Cash acquired on amalgamation	471	-
Cash and cash equivalents at the end of the year	**1,257**	**2,002**

Cash Flow Statement for the year ended March 31, 2014 (Continued)

(Rs. in lakhs)

Components of cash and cash equivalents	March 31, 2014	March 31, 2013
Cash and cheques on hand	480	351
Remittances in transit	86	94
With banks - on deposit accounts	12	41
With banks - on current accounts	679	1,516
Total cash and cash equivalents	**1,257**	**2,002**

Summary of significant accounting policies 2.1

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

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

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2014

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

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

Nitin Sood
Chief Financial Officer

Notes to the financial statements for the year ended March 31, 2014

1. Corporate information

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

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with 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 read with General Circular 8/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs. 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.

2.1 Statement of significant accounting policies

(a) 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.

(b) Tangible fixed assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT) and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at the various locations.

(c) Depreciation on tangible fixed assets

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

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

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

Depreciation on all other assets is provided on Straight-Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956 other than following assets:

S. No.	Asset	Schedule XIVRates (SLM)	Schedule XIVRates (SLM) (in years)	Life Considered by Company (in years)
1	LCD/Plasma	7.07%	14.14	**4**
2	Carpet	9.5%	10.53	**5**
3	IT Equipment	16.21%	6.17	**4**
4	Concession Equipment	4.75%	21.05	**8**
5	Vehicles	9.5%	10.53	**5**

(d) Intangible assets

Software and Website Development

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

Goodwill

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

Film Right's

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

i In respect of films which have been co-produced /co owned/acquired and in which the Company holds rights for a period of 5 years and above as below:

- 60% to 80% of the cost of film rights on first domestic theatrical release of the film based on the management estimates. The said amortization relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights etc.

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

- Balance 40% to 20% is amortized over the remaining license period based on an estimate of future revenue potential subject to a maximum period of 10 years.

ii. In respect of films, where the Company holds rights for a limited period of 1 to 5 years, entire cost of movies rights acquired or produced by the Company is amortized on first theatrical release of the movie. The said amortization relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights and others.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(e) Expenditure on new projects (Pre-operative expenses)

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss. Income earned during construction period is adjusted against the total of the indirect expenditure.

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

(f) 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.

(g) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(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. Investments which are due for maturity within next twelve months are reclassified as Current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(i) Inventories

Inventories are valued as follows:

a) Food and beverages

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

b) Stores and spares

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

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

(j) 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 ongoing basis. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of profit and loss

(k) Revenue recognition

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

i. **Sale of Tickets of Films**

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

ii. **Revenue Sharing**

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

iii. **Sale of Food and Beverages**

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

iv. **Income from Film Production**

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

(a) Income from Theatrical Distribution

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

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

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

v. **Advertisement Revenue**

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

vi. **Management Fee**

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

vii. **Convenience Fee**

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

viii. **Rental and Food court Income**

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

ix. **Gaming Income**

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

x. **Interest Income**

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

xi. **Dividend Income**

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

(l) 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.

(m) Retirement and other employee benefits

i. Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Gratuity

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

iii. Compensated absence

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

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

(n) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

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

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

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

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit entitlement as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(o) 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.

(p) 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.

(q) Cash and Cash equivalents

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

(r) Employee Stock Compensation Cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

(s) 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.

(t) 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.

(u) 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.

Notes to the financial statements for the year ended March 31, 2014

3. Share Capital

	As at March 31, 2014 (Rs. in lakhs)	As at March 31, 2013 (Rs. in lakhs)
Authorised share capital (refer note 3a)		
93,700,000 (March 31, 2013: 61,000,000) equity shares of Rs. 10 each	9,370	6,100
Issued, subscribed and fully paid-up shares		
41,106,220 (March 31, 2013: 39,616,995) equity shares of Rs. 10 each fully paid	4,111	3,962
Total issued, subscribed and fully paid-up share capital	**4,111**	3,962

a. Pursuant to the composite scheme of amalgamation, the authorized share capital of the Company was increased from Rs. 6,100 lakhs to Rs. 9,370 lakhs divided into 61,000,000 and 93,700,000 respectively of Rs.10 each.

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

Equity shares	March 31, 2014		March 31, 2013	
	Number	Amount (Rs. in lakhs)	Number	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the year	39,616,995	3,962	25,902,664	2,591
Shares Issued during the year-ESOP (refer note 31)	398,942	40	204,126	20
Shares Issued during the year - pursuant to the composite scheme of amalgamation (refer note 29)	1,090,283	109	-	-
Shares Issued during the year on preferential basis	-	-	13,510,205	1,351
Shares outstanding at the end of the year	**41,106,220**	**4,111**	39,616,995	3,962

c. Terms and rights attached to equity shares

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

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

Name of Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of Rs. 10 each fully paid				
Bijli Holdings Private Limited	10,031,805	24.40	10,031,805	25.32
L Capital Eco Limited	6,244,898	15.19	6,244,898	15.76
Multiples Private Equity Fund I Limited	4,649,326	11.31	4,649,326	11.73
Major Cineplex Group Public Company Limited	2,557,000	6.22	2,557,000	6.45
Mr. Ajay Bijli	1,864,165	4.53	2,264,165	5.71

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.

e. As at March 31, 2014, 693,878 equity shares were issued on preferential basis during the previous year are under "lock in". Last date of release is January 11, 2016.

Notes to the financial statements for the year ended March 31, 2014

f. 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, 2014	**March 31, 2013**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**
Equity shares bought back during the previous years pursuant to scheme of buy back for a total consideration of Rs. 1582 lakhs.	-	-	1,388,328	-	-
Shares issued during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.	398,942	204,126	141,620	64,930	53,460
Equity shares allotted as fully paid up pursuant to the scheme of amalgamation for consideration other than cash (refer note 29)	1,090,283	-	-	-	-

g. Share reserved for issue under options

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

Notes to the financial statements for the year ended March 31, 2014

4. Reserves and Surplus

		March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Securities premium account			
Balance as per last financial statements		47,585	17,058
Add : additions on ESOPs exercised		497	173
Add : transferred from stock options outstanding		86	-
Add: premium on preferential issue of shares		-	30,450
Add: Balance of the subsidiary companies transferred pursuant to scheme of Amalgamation (refer note 29)		5,959	-
Less : premium applied pursuant to scheme of Amalgamation (refer note 29)		(42,880)	-
Less : premium applied in writing off the expenses incurred pursuant to the scheme of Amalgamation (refer note 29)		(179)	-
Less : premium applied in writing off the expenses on preferential issue of shares		-	(96)
Closing Balance	**A**	**11,068**	47,585
Debenture redemption reserve			
Balance as per last financial statements		276	191
Add: Transfer from surplus balance in the statement of profit and loss		109	85
Closing Balance	**B**	**385**	276
Employee stock option outstanding (refer note 31)			
Gross employee stock compensation for options granted in earlier years		480	-
Add: Gross Compensation for options granted during the year		83	480
Less: deferred employee stock compensation		(212)	(418)
Less: transferred to securities premium on exercise of stock option		(86)	-
Closing Balance	**C**	**265**	62
General reserve			
Balance as per last financial statements		3,451	3,451
Add : Transfer from surplus balance in the statement of profit and loss		579	-
Closing Balance	**D**	**4,030**	3,451
Surplus in the statement of profit and loss			
Balance as per last financial statements		8,986	4,047
Add : Balance of subsidiary companies transferred pursuant to the scheme of Amalgamation (refer note 29)		6,389	-
Profit for the year		5,787	5,485
Less: Appropriations		-	
Proposed final equity dividend (amount per share Rs.2.5 (March 31, 2013 : Rs.1))		(1,028)	(397)
Tax on proposed equity dividend		(178)	(64)
Transfer to debenture redemption reserve		(109)	(85)
Transfer to general reserve		(579)	-
Total appropriations		(1,894)	(546)
Net surplus in the statement of profit and loss	E	**19,268**	8,986
Total reserves and surplus	**[A+B+C+D+E]**	**35,016**	**60,360**

Notes to the financial statements for the year ended March 31, 2014

5. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Debentures				
290 (March 31, 2013: 290) 11.40% Secured Redeemable Non-Convertible Debentures of Rs. 10 lakhs each	2,900	2,900	-	-
500 (March 31, 2013: Nil) 10.95% Secured Redeemable Non-Convertible Debentures of Rs. 10 lakhs each	5,000	-	-	-
Term loans				
Secured term loans from banks	33,507	14,147	3,696	1,571
Secured term loans from body corporate	5,422	16,094	5,991	2,125
Other loans and advances				
Secured car finance loans from banks	178	-	35	4
	47,007	**33,141**	**9,722**	**3,700**
Amount disclosed under the head “other current liabilities (refer note 10)	**-**	**-**	(9,722)	(3,700)
	47,007	**33,141**	**-**	**-**

Notes:

a. 11.40% Privately placed Secured Redeemable Non-convertible Debentures, redeemable at par at the end of 7th, 8th, 9th and 10th year in the ratio of 20:20:30:30 respectively from the 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. 10.95% Privately placed Secured Redeemable Non-convertible Debentures, redeemable at par at the end of 5th year from the deemed date of allotment i.e. February 25, 2014. These are secured by mortgage on immovable properties (excluding immovable properties at Gujarat & Bangalore) ranking pari passu and secured by first pari passu charge on movable fixed assets of the Company (excluding vehicles hypothecated to banks) and all receivables of the Company both present and future.

c. **(i)** Term loan from banks and body corporate are secured by first pari passu charge over all fixed assets of the Company (excluding immovable properties at Gujarat, Bangalore and vehicles hypothecated to banks) and receivables of the Company both present and future. However, in case of outstanding loan amounting to Rs. 7,722 lakhs is secured by first pari passu charge over the moveable fixed assets of the company and all current assets of the Company both present and future.

(ii) Term loan from banks and body corporate are also guaranteed by the personal guarantee of Managing Director and Joint Managing Director of the Company to the extent of Rs. 93 lakhs (March 31, 2013: Rs 969 lakhs) and Rs. Nil (March 31, 2013: Rs. 103 lakhs) respectively.

(iii) Car finance loan to the extent of Rs. 213 lakhs (March 31, 2013: Rs. 4 lakhs) carries interest @ 10.25% p.a. and is repayable in 60 equal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

Notes to the financial statements for the year ended March 31, 2014

(iv) Above loans are repayable in equal/ unequal monthly/ quarterly installments as follows:
Debentures: **(Rs. in lakhs)**

Particulars	March 31, 2014	March 31, 2013
Repayable within 1 year	-	-
Repayable within 1 - 3 year	580	-
Repayable after 3 years	7,320	2,900
Term Loan:		
Repayable within 1 year	9,687	3,696
Repayable within 1 - 3 year	18,198	13,873
Repayable after 3 years	20,731	16,368
Secured car finance loans from banks:		
Repayable within 1 year	35	4
Repayable within 1 - 3 year	81	-
Repayable after 3 years	97	-

(v) Term Loan from banks and body corporate carries variable interest rate based on respective bank/ body corporate benchmark rate, effective rate of interest varying in between 10.31% p.a. to 13.75% p.a.

6. Deferred tax Asset/ (Liabilities) (net)

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Deferred tax liability		
Impact of differences in depreciation in block of tangible and intangible assets as per tax books and financial books	3,184	488
Gross deferred tax liability	**3,184**	488
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	437	205
Provision for doubtful debts and advances	127	39
Unabsorbed depreciation and business losses*	2,620	244
Gross deferred tax asset	**3,184**	488
Net deferred tax liability/ (Asset)	**-**	-

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

7. Other long term liabilities

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Retention money	305	282
Advance from customer	-	453
	305	735

Notes to the financial statements for the year ended March 31, 2014

8. Provisions

	Long-term		Short-term	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Provision for employee benefits				
Provision for gratuity (refer note 30)	487	225	193	52
Provision for leave benefits	137	158	298	92
	624	383	**491**	144
Other provisions				
Proposed equity dividend	-	-	1,028	396
Provision for tax on proposed equity dividend	-	-	175	64
	-	-	**1,203**	460
	624	383	**1,694**	604

9. Short-term borrowings

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. lakhs)
Unsecured commercial paper (refer Note c below)	2,000	-
Secured bank overdraft payable on demand (refer note a & b below)	1,205	-
	3,205	-

Notes:

a. Bank overdraft is secured by first pari passu charge over all current assets of the Company including inventories & receivables both present and future.

b. It carries variable interest rate based on respective bank/ body corporate benchmark rate, effective rate of interest varying in between 11.70% p.a.to 12.25% p.a.

c. In respect of Commercial Paper maximum amount outstanding during the year was Rs. 4000 lakhs (previous year NIL).

10. Other Current Liabilities

		March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. lakhs)
Trade payables (refer note 37 for details of dues to micro and small enterprises)		14,927	6,268
	A	**14,927**	6,268
Other liabilities			
Payables on purchase of fixed assets		3,475	3,217
Current maturities of long-term borrowings (refer note 5)		9,722	3,700
Security deposits		335	257
Interest accrued but not due on borrowings			
Term loans		27	110
Debentures		82	73
Advance from customers		1,396	1,608
Unpaid dividends		8	8
Statutory dues payable		1,203	745
	B	**16,248**	9,718
	[A+B]	**31,175**	15,986
Included in Trade payable is:			
Payable to PVR Pictures Ltd., a subsidiary company		321	149
Payable to PVR Leisure Ltd., a subsidiary company		7	-
Included in Security Deposit:			
Lettuce Entertain You limited, a subsidiary company		7	-

11. Tangible Assets

Rs. in lakhs

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Leasehold Improvements	Total
Gross Block								
At April 1, 2012	2,988	595	15,819	4,964	1,240	377	11,449	**37,432**
Additions	104	2	6,342	1,856	568	-	5,723	**14,595**
Disposals and discard	-	-	(258)	(134)	(20)	(116)	(182)	**(710)**
Other adjustments - Borrowing costs	-	-	219	-	-	-	450	**669**
At March 31, 2013	**3,092**	**597**	**22,122**	**6,686**	**1,788**	**261**	**17,440**	**51,986**
Additions	-	-	9,318	2,726	505	242	7,423	**20,214**
Addition on account of Amalgamation (refer note 29)	-	-	11,477	5,624	212	155	6,039	**23,507**
Disposals and discard	(3,090)	(582)	(411)	(108)	(36)	(188)	(144)	**(4,559)**
Other adjustments- Borrowing costs	-	-	412	-	-	-	657	**1,069**
At March 31, 2014	**2**	**15**	**42,918**	**14,928**	**2,469**	**470**	**31,415**	**92,217**
Depreciation								
At April 1, 2012	-	325	6,005	2,410	503	125	4,207	**13,575**
Charge for the year	-	18	1,462	552	206	77	947	**3,262**
Disposals and discard	-	-	(228)	(98)	(10)	(55)	(96)	**(487)**
At March 31, 2013	**-**	**343**	**7,239**	**2,864**	**699**	**147**	**5,058**	**16,350**
Charge for the year	-	(13)	2,840	1,394	362	48	2,085	**6,716**
Addition on account of Amalgamation (refer note 29)	-	-	4,085	1,997	44	107	2,174	**8,407**
Disposals and discard	-	(325)	(233)	(159)	(5)	(146)	(68)	**(936)**
At March 31, 2014	**-**	**5**	**13,931**	**6,096**	**1,100**	**156**	**9,249**	**30,537**
Net Block								
At March 31, 2013	**3,092**	**254**	**14,883**	**3,822**	**1,089**	**114**	**12,382**	**35,636**
At March 31, 2014	**2**	**10**	**28,987**	**8,832**	**1,369**	**314**	**22,166**	**61,680**

Notes:

1. Fixed assets of the cost of Rs.374 lakhs, (March 31, 2013: Rs. 374 lakhs), (WDV Rs.175 Lakhs, March 31, 2013: Rs. 139 lakhs) have been discarded during the year.

2. Addition to Freehold land in previous year ended 31st March 2013 represents registration charges.

Notes to the financial statements for the year ended March 31, 2014

12. Intangible Assets

Rs. in lakhs

	Goodwill*	Software Development	Film Rights'	Total
Gross Block				
At April 1, 2012	-	498	607	1,105
Additions	-	269	1,197	1,466
Disposals and discard	-	-	-	-
At March 31, 2013	**-**	**767**	**1,804**	**2,571**
Additions				
For the year	10,075	441	-	441
Addition on account of Amalgamation (refer note 29)	-	108	-	10,183
Disposals and discard	-	-	-	-
At March 31, 2014	**10,075**	**1,316**	**1,804**	**13,195**
Amortisation				
At April 1, 2012	-	211	574	785
For the year	-	91	942	1,033
Deductions/ Adjustments	-	-	-	-
At March 31, 2013	**-**	**302**	**1,516**	**1,818**
For the year	-	155	-	155
Addition on account of Amalgamation (refer note 29)	1,008	27	-	1,035
Deductions/ Adjustments	-	-	-	-
At March 31, 2014	**1,008**	**484**	**1,516**	**3,008**
Net Block				
At March 31, 2013	**-**	**465**	**288**	**753**
At March 31, 2014	**9,067**	**832**	**288**	**10,187**

*Goodwill : refer note 29

13 Pre-operative expenses (pending allocation) (Rs. in lakhs)

	March 31, 2014	March 31, 2013
Balance as per the last financial statements	3,472	2,499
Addition on account of Amalgamation (refer note 29)	880	-
Salaries, allowances and bonus	1,026	842
Contribution to provident and other funds (refer note 30)	45	40
Staff welfare expenses	18	18
Rent*	96	646
Rates and taxes	164	400
Communication costs	8	7
Architect and other fees	88	238
Professional charges	208	289
Travelling and conveyance	129	127
Insurance	9	34
Repairs and maintenance:		
Buildings	62	53
Common area maintenance	24	74
Plant & Machinery	-	16
Electricity and water charges	64	72
Security service charges	99	210
Borrowing cost		
Debentures	11	70
Term loans	586	843
Equipment Hire	39	-
Miscellaneous expenses	11	6
	7,039	6,484
Less : Project management fees received**	30	70
Less : Allocated to fixed assets capitalised during the year	4,083	2,942
Less: Pre-operative expenses written off as exceptional items	342	-
Less: Pre-operative expenses charged to expenses	33	-
	2,551	3,472

* Rent includes rent paid to director.

** Project management fees received includes recovery from PVR BluO Entertainment Limited, a subsidiary company of Rs. 30 lakhs (March 31, 2013 : Rs. 30 lakhs).

Notes to the financial statements for the year ended March 31, 2014

14. Non-current Investments

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Non-trade Investment (valued at cost unless stated otherwise)		
(a) Investment in equity instruments of subsidiaries (unquoted)		
Nil (March 31, 2013 : 102,60,000) Equity shares of Rs. 10 each fully paid-up in Cine Hospitality Private Limited (refer note29)	-	37,101
35,833,334 (March 31, 2013 : 35,833,334) Equity shares of Rs. 4 each fully paid-up in PVR Pictures Limited	1,602	1,602
10,20,000 (March 31, 2013:1,020,000) Equity shares of Rs. 10 each fully paid-up in PVR Leisure Limited	2,582	2,582
1 (March 31, 2013 : 1) Share warrant of Rs. 100 each fully paid-up in PVR Leisure Limited (Rs.100 ; March 31, 2013: Rs.100)	0	0
(b) Investment in Government Securities (unquoted)		
National Saving Certificates * (Deposited with various tax authorities)	150	84
(c) Trade Investment (valued at cost unless stated otherwise) (unquoted)		
2,000 (March 31, 2013: Nil) Equity Shares in Gupta Infrastructure (I) Pvt Ltd of Rs. 10 each, fully paid up (Rs.20,000 ; March 31, 2013: Nil)	0	-
	4,334	**41,369**
Less: Amount disclosed under current investment (refer note 18) (Being due for maturity witihin next 12 months)	**28**	5
	4,306	**41,364**
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	4,334	41,369

*** Notes :**

Held in the name of the Managing Director in the interest of the Company.	36	41
Held in the name of the Employee in the interest of the Company.	41	35
Held in the name of the Developer in the interest of the Company.	8	8
Held in the name of the erstwhile promoters of the subsidiary company (now merged, refer note 29)	65	-

Notes to the financial statements for the year ended March 31, 2014

15. Loans and Advances

	Non-current		Current	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Capital advances				
Unsecured, considered good	1,388	1,236	-	-
Unsecured, considered doubtful	32	19	-	-
	1,420	1,255	-	-
Provision for doubtful capital advances	(32)	(19)	-	-
(A)	**1,388**	1,236	-	-
Security deposit				
Unsecured, considered good	16,599	9,319	-	-
Unsecured, considered doubtful	186	-	-	-
	16,785	9,319	-	-
Provision for doubtful security deposit	(186)			
(B)	**16,599**	9,319	-	-
Loan and advances to related parties				
Unsecured, considered good				
Interest free loan to wholly owned	-	-	200	831
Advances recoverable in cash or kind subsidiary companies	-	-	169	194
(C)	-	-	**369**	1,025
Advances recoverable in cash or kind				
Unsecured, considered good	128	210	783	686
Unsecured, considered doubtful	-	-	208	38
	128	210	**991**	724
Provision for doubtful advances	-	-	(208)	(38)
(D)	**128**	**210**	**783**	**686**
Other loans and advances				
Unsecured, considered good				
Advance income tax (net of provision)	1,226	717	-	-
Income tax paid under protest	890	962	-	-
MAT credit entitlement	4,496	2,365	-	-
Prepaid expenses	557	345	503	243
Interest free loan to employees	-	-	458	145
Balances with statutory/government authorities	-	-	102	377
(E)	**7,169**	4,389	**1,063**	765
Total (A+B+C+D+E)	**25,284**	15,154	**2,215**	2,476

Notes:

		Non-current		Current	
		March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
a.	**Loans and advances to related parties include Subsidiary Companies:**				
	PVR Pictures Limited (unsecured loan)	-	-	200	500
	PVR Pictures Limited (advances)	-	-	169	169
	Cine Hospitality Private Limited (unsecured loan) (refer note 29)	-	-	-	331
	PVR bluO Entertainment Limited (advances)	-	-	-	25
	Security Deposits include deposits with a related party:				
	Priya Exhibitors Private Limited	66	66	-	-

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

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
i. PVR Pictures Limited		
Balance at the end of the year	200	500
Maximum amounts outstanding during the year	669	669
There is no repayment schedule in respect of this loan. It is repayable on demand.		
ii. Cine Hospitality Private Limited		
Balance at the end of the year	-	331
Maximum amounts outstanding during the year	-	331
There is no repayment schedule in respect of this loan. It is repayable on demand.		

c. Rs. 4,496 lakhs (March 31, 2013 : Rs. 2,365 lakhs) recognized by the Company as 'MAT credit entitlement' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in future, which will enable the Company to utilize this credit.

16 Trade receivables

	Non-current		Current	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Outstanding for a period more than six months from the date they are due for payment				
Secured, considered good	-	-	38	12
Unsecured, considered good	-	-	367	63
Unsecured, considered doubtful	-	-	191	51
	-	-	**596**	126
Provision for doubtful receivables	-	-	(191)	(51)
(A)	-	-	**405**	75
Other receivables				
Secured, considered good	-	-	74	31
Unsecured, considered good	-	-	4,047	2,321
Unsecured, considered doubtful	-	-	53	13
	-	-	**4,174**	2,365
Provision for doubtful receivables	-	-	(53)	(13)
(B)	-	-	**4,121**	2,352
Total (A+B)	-	-	**4,526**	2,427

Trade receivables include:

	Non-current		Current	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Recievable from subsidiary companies:				
PVR bluO Entertainment Limited,	-	-	138	155
PVR Pictures Limited,	-	-	-	18
PVR Leisure Limited,	-	-	-	1
Lettuce Entertain You Limited,	-	-	166	-

Notes to the financial statements for the year ended March 31, 2014

17. Other Assets

	Non-current		Current	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Non-current bank balances (refer note 20)	31	3	-	-
(A)	**31**	3	**-**	-
Others				
Interest accrued:				
On Fixed Deposits	2	-	15	11
On National Saving Certificate	14	10	35	8
On Others	-	-	15	-
Revenue earned but not billed	-	-	27	20
Entertainment tax recoverable*	2,034	279	-	-
(B)	**2,050**	289	**92**	39
Total (A+B)	**2,081**	292	**92**	39

Notes:
*The Entertainment tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective State Government Schemes and applications filed with authorities. In certain cases, it has received the final orders while in certain cases it is in the process of receiving the same from the respective authorities.

18 Current investments

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Government Securities (unquoted & stated at cost)		
National Savings Certificates (refer Note 14) (Pledge with State Government /E Tax Authorities)	28	5
	28	5

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

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Food and beverages	681	298
Stores and spares	225	467
	906	765

Notes to the financial statements for the year ended March 31, 2014

20 Cash and bank balances

	Non-current		Current	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Cash and cash equivalents				
Balance with banks:				
On current accounts	-	-	679	1,516
Deposits with original maturity of less than 3 months	-	-	12	41
Cash on hand	-	-	480	351
Remittances in transit	-	-	86	94
	-	**-**	**1,257**	2,002
Other bank balances				
Deposits with maturity for more than 12 months*	31	3	44	-
Deposits with maturity for more than 3 months but less than 12 months*	-	-	403	53
Unpaid and unclaimed dividend accounts	-	-	8	8
	31	3	**455**	61
Amount disclosed under non-current assets (refer note 17)	(31)	(3)	-	-
	-	**-**	**1,712**	2,063

Note:
*Deposits are pledged with Banks/ Government Authorities.

21 Revenue from operations (net)

	March 31, 2014 (Rs. in lakhs)	**March 31, 2013 (Rs. in lakhs)**
Sale of product	29,808	13,654
Sale of services	94,026	51,583
Other operating revenue	3,225	1,786
	127,059	67,023
Details of products sold		
Sale of food and beverages	29,808	13,654
	29,808	13,654

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.

	March 31, 2014 (Rs. in lakhs)	**March 31, 2013 (Rs. in lakhs)**
Details of services rendered		
Income from sale of film tickets (net of entertainment tax Rs 18,185 lakhs March 31, 2013: Rs. 8,240 lakhs)	77,251	39,410
Income from revenue sharing (net of entertainment tax Rs 1,029 lakhs , March 31, 2013: Rs. 1,243 lakhs)	2,265	2,718
Advertisement Income	14,186	7,529
Income from film production	-	1,675
Management fees	324	251
	94,026	51,583

Notes to the financial statements for the year ended March 31, 2014

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Details of other operating income		
Convenience fees	1,420	813
Food court Income	1,344	918
Rent Income	43	55
Gaming Income	418	-
	3,225	1,786

22 Other income

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Interest income on		
Bank deposits	40	8
Long term Investments	15	7
Others	13	17
Dividend income earned on current investments (Nil; March 31, 2013:Rs. 22,465)	-	0
Net gain on redemption of current non-trade investments	282	256
Foreign exchange difference (net)	1	-
Unspent Liabilities written back (net)	21	3
Other non-operating income (net)	260	212
	632	503

23 Employee benefit expense

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Salaries, allowances and bonus	9,077	5,245
Contribution to provident and (net of recoveries of excess remuneration)other funds (refer note 30)	881	524
Employee stock option scheme (refer note 31)	219	62
Staff welfare expenses	854	433
	11,031	6,263

Notes to the financial statements for the year ended March 31, 2014

24 Other expenses

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Rent (refer note 32)	22,849	11,017
Less: Rental income from sub-lessees	(681)	(464)
Rent (net)	22,168	10,553
Film print and promotion cost:		
Film print cost	3	160
Film promotion cost	-	567
Rates and taxes	1,711	734
Communication costs	634	311
Legal and professional charges (refer below note)	1,330	630
Advertisement and publicity	2,279	1,364
Business promotion and entertainment expenses	83	54
Travelling and conveyance	1,517	1,011
Printing and stationery	378	235
Insurance	297	163
Repairs and maintenance:		
Buildings	2,250	942
Plant and machinery	2,448	1,161
Common area maintenance (net of recovery of Rs. 6 lakhs (March 31, 2013: Rs. 4 lakhs)	6,185	3,648
Others	137	83
Electricity and water charges (net of recovery of Rs.156 lakhs, March 31, 2013 : Rs. 142 lakhs)	9,304	4,289
Security service charges	1,380	715
Donations	20	20
Provision for doubtful debts and advances:		
Provision for doubtful debts and advances	219	38
Bad debts written off	223	118
Utilised from provisions	14	96
Bad Debts written off	209	22
Loss on sale / discard of fixed assets (net)	248	170
Pre-operative expenses written off	33	-
Directors' sitting fees	11	7
Foreign exchange difference (net) (Nil; March 31, 2013:Rs.)	-	0
Miscellaneous expenses	594	369
	53,438	27,246

Notes:

i. Rent includes amount paid to directors.	133	104
ii Legal and Professional charges include amount paid to independance directors	33	24

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Payment to auditors (included in legal and professional charges above)		
as auditor:		
Audit fee	26	25
Limited Review	17	12
Tax audit fee	3	3
Other Certifications	1	-
Reimbursement of Out of pocket expenses	3	3
	50	43

Notes to the financial statements for the year ended March 31, 2014

25 Exceptional Items

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Profit from sale of a Multiplex property (refer note 35)	(1,915)	-
Before acquisition assets & cost not tenable (refer note below)	1,110	-
Profit on sale of investment in a subsidiary company	-	(333)
	(805)	(333)

Note: Following expenses are included in respect of the Company acquired

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Preoperative expenses and capital work in progress of certain projects written off	639	-
Expenses pertaining to before acquisition	316	-
Provision for doubtful Security deposits	155	-

26 Depreciation and amortisation expense

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Depreciation of tangible assets	6,716	3,262
Amortisation of intangible assets	1,163	1,033
	7,879	**4,295**

27 Finance costs

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Interest on		
Debentures	371	250
Term loans	6,433	1,880
Banks and others	404	44
Bank and other charges	480	372
	7,688	2,546

Notes to the financial statements for the year ended March 31, 2014

27 Earning per share (EPS)

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

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Profit after tax	5,787	5,485
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	39,616,995	25,902,664
-Number of equity shares issued on May 29, 2012	-	46,140
-Number of equity shares issued on June 29, 2012	-	2,000
-Number of equity shares issued on Aug 01, 2012	-	6,800
-Number of equity shares issued on Sept 28, 2012	-	2,888,200
-Number of equity shares issued on Oct 30, 2012	-	63,816
-Number of equity shares issued on Nov 29, 2012	-	12,800
-Number of equity shares issued on Jan 03, 2013	-	25,840
-Number of equity shares issued on Jan 11, 2013	-	10,625,205
-Number of equity shares issued on Jan 30, 2013	-	43,530
-Number of equity shares issued on April 1, 2013	1,090,283	-
-Number of equity shares issued on May28, 2013	40,000	-
-Number of equity shares issued on July 4, 2013	43,333	-
-Number of equity shares issued on Sept 30, 2013	9,733	-
-Number of equity shares issued on Oct 30, 2013	79,539	-
-Number of equity shares issued on Nov 29, 2013	80,004	-
-Number of equity shares issued on Dec 31, 2013	43,333	-
-Number of equity shares issued on Jan 31, 2014	13,100	-
-Number of equity shares issued on Feb 28, 2014	89,900	-
Number of equity shares outstanding at the end of the year	41,106,220	39,616,995
Weighted number of equity shares of Rs. 10 each outstanding during the year (in laths)	**40,859,224**	29,784,774
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year	39,616,995	25,902,664
Number of equity shares outstanding at the end of the year	41,106,220	39,616,995
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**40,859,224**	29,784,774
Add: Effect of stock options vested and outstanding for 136,002 (March 31, 2013: 168,277) equity shares	85,976	27,486
Weighted number of equity shares of Rs. 10 each outstanding during the year	**40,945,200**	29,812,260
Basic earnings per equity share (in Rs.)	14.16	18.42
Diluted earnings per equity share (in Rs.)	14.13	18.40

Notes to the financial statements for the year ended March 31, 2014

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

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

Pursuant to the above, CHPL stands merged with the Company following "Purchase Method" of accounting as per the Accounting Standard 14 "Accounting for Amalgamation", issued by the Institute of Chartered Accountants of India. All the assets and liabilities of CHPL were fair valued, the difference in the value of net assets merged (Rs. 27,026 lakhs) and value of investment (Rs.37,101 lakhs) in CHPL has been treated as goodwill amounting to Rs.10,075 lakhs, Goodwill has been amortised in books over a period of 10 years on straight line method basis.

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

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

30. Gratuity plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 days last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(Rs. in lakhs)

	2013-14	2012-13
Current service cost	**139**	79
Interest cost on benefit obligation	**32**	25
Expected return on plan assets	**(10)**	(12)
Net actuarial loss/(gain) recognised in the year	**115**	29
Net benefit expense	**275**	121
Actual return on plan assets	**19**	14

Balance Sheet

Benefit Assets/ Liabilities

	2013-14	2012-13
Defined benefit obligation	**822**	428
Fair value of plan assets	**142**	152
Plan asset/(liability)	**(680)**	(276)

Notes to the financial statements for the year ended March 31, 2014

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

	2013-14	2012-13
Opening defined benefit obligation	**428**	311
Interest cost	**32**	25
Current service cost	**139**	79
Benefits paid	**(57)**	(18)
Acquisition Cost	**157**	-
Actuarial losses/(gain) on obligation	**123**	32
Closing defined benefit obligation	**822**	428

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

(Rs. in lakhs)

	2013-14	2012-13
Opening fair value of plan assets	**152**	156
Expected return	**10**	12
Benefits paid	**(29)**	(18)
Actuarial Gain/(losses)	**8**	(3)
Closing fair value of plan assets	**142**	152

The Company expects to contribute Rs. 410 lakhs (31st March 2013 Rs. 217 lakhs) to gratuity fund in the year 2014-15.

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

	2013-14	2012-13
	%	%
Investments with insurer	**95.76%**	97.89
Bank balances with the insurer	**4.24%**	2.11

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:

	2013-14	2012-13
	%	%
Discount rate	**8.60**	8.00
Expected rate of return on plan assets	**7.50**	7.50
Increase in compensation cost	**9**	5.50
Employee turnover for 2013-14		
M Grade	**20**	
E Grade	**80**	
Employee turnover for 2012-13		
Upto 30 years	**25**	
From 31 to 44 years	**15**	
Above 44 years	**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. The assumption for employee turnover has been changed during the year based on the trend in the industry.

Defined Contribution Plan: (Rs. in lakhs)

Contribution to Provident Fund	2013-14	2012-13
Charged to statement of profit and loss	**528**	365
Charged to Pre-operative expenses	**45**	40

Notes to the financial statements for the year ended March 31, 2014

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

(Rs. in lakhs)

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	**822**	428	311	228	217
Fair value of plan assets	**(142)**	(152)	(156)	(168)	(173)
Plan asset/(liability)	**(680)**	(276)	(155)	(61)	(44)
Experience adjustment on plan liabilities (loss)/gain	**(106)**	(30)	(25	33	(0)
Experience adjustment on plan assets (loss)/gain	**8**	(3)	(0)	(2)	7
Actuarial Gain/(Loss) due to changes in assumptions	**(17)**	(2)	(1)	-	-

31. Employee Stock Option Plans

The Company has provided stock option scheme to its employees. As at March 31, 2014, 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
Weighted average fair value of options granted on the date of grant	Rs. 37.10

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

	2013-14		2012-13	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**32,940**	**88**	189,070	88
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**32,940**	**88**	156,130	88
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**-**	**88**	32,940	88
Exercisable at the end of the year	**-**	**88**	32,940	88
Weighted average remaining contractual life of options (in years)	**Nil**	**88**	0.83	88

The weighted average share price at the date of exercise for stock options was Rs. 544.81 (March 31, 2013: Rs. 226.10)

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.

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
Weighted average fair value of options granted on the date of grant	Rs. 41.17

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

	2013-14		2012-13	
	Number of Options	**Weighted Average Exercise Price (Rs.)**	**Number of Options**	**Weighted Average Exercise Price (Rs.)**
Outstanding at the beginning of the year	**502,004**	**116.15**	550,000	116.15
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**267,002**	**116.15**	47,996	116.15
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**235,002**	**116.15**	502,004	116.15
Exercisable at the end of the year	**51669**	**116.15**	135,337	116.15
Weighted average remaining contractual life of options (in years)	**2.51**	**116.15**	3.51	116.15

The weighted average share price at the date of exercise for stock options was Rs. 524.17 (March 31, 2013: Rs. 235.42)

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

PVR ESOS 2012:

The Company has further provided stock option scheme ESOS 2012 to its employees on January 14, 2013 as follows:

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

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

	2013-14		2012-13	
	Number of Options	**Weighted Average Exercise Price (Rs.)**	**Number of Options**	**Weighted Average Exercise Price (Rs.)**
Outstanding at the beginning of the year	**550,000**	**200**	-	200
Granted during the year	**-**		550,000	
Forfeited during the year	**-**		-	
Exercised during the year	**99,000**	**200**	-	200
Expired during the year	**-**		-	
Outstanding at the end of the year	**451,000**	**200**	550,000	200
Exercisable at the end of the year	**84,333**	**200**	-	200
Weighted average fair value of options granted on the date of grant	**147.85**		147.85	
Weighted average remaining contractual life of options (in years)	**4.79**	**200**	-	200

The weighted average share price at the date of exercise for stock options was Rs. 533.20 (March 31, 2013: Nil)

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

	March 31, 2014	March 31, 2013
Dividend yield (%)	**0.70%**	0.70%
Expected volatility	**36.99%**	36.99%
Risk-free interest rate	**7.80%**	7.80%
Exercise price (Rs.)	**Rs. 200.00**	Rs. 200.00
Expected life of option granted in years	**6**	6

The Company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs.188.01 lakhs(March 2013: 61.58 lakhs) is recorded in the statements of profit and loss and amount of Rs 70.50 lakhs has been capitalised as preoperative expenditure.

PVR ESOS 2013:

The Company has further provided stock option scheme ESOS 2013 to its employees on August 21, 2013 as follows:

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

Notes to the financial statements for the year ended March 31, 2014

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

	March 31, 2014	March 31, 2013
	Number of Options	Number of Options
Outstanding at the beginning of the year	**-**	-
Granted during the year	**50,000**	-
Forfeited during the year	**-**	-
Exercised during the year	**-**	-
Expired during the year	**-**	-
Outstanding at the end of the year	**50,000**	-
Exercisable at the end of the year	**-**	-
Weighted average fair value of options granted on the date of grant	**241.14**	-

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

	March 31, 2014	March 31, 2013
Dividend yield (%)	**0.27%**	**-**
Expected volatility	**39.51%**	**-**
Risk-free interest rate	**8.77%**	**-**
Exercise price (Rs.)	**Rs. 200.00**	**-**
Expected life of option granted in years	**6**	**-**

The options have not been vested by the Company, or a result the average remaining contractual life of the option is not determinable as on March 31, 2014 as mentioned above. The Company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs.30.73 lakhs is recorded in the statements of profit and loss.

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

(Rs. in lakhs)

Particulars	**2013-14**	**2012-13**
Profit after tax and before appropriation, as reported	**5,787**	5,485
Add - Employee stock compensation under Intrinsic Value method	**219**	62
Less - Employee stock compensation under Fair Value	**528**	205
Proforma Profit /(Loss)	**5,478**	5,342
Basic		
- As reported	**14.16**	18.42
- Proforma	**13.41**	17.94
Diluted		
- As reported	**14.13**	18.40
- Proforma	**13.38**	17.92

Notes to the financial statements for the year ended March 31, 2014

32. Leases

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

Operating Lease (for assets taken on lease)

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

(Amount in lakhs)

Particulars	2013-14	2012-13
Lease payments for the year recognized in statement of profit and loss	**22,849**	11,017
Lease payments for the year recognized in pre-operative expenditure	**96**	646
Minimum lease payments :		
Not later than one year	**15,871**	7,480
Later than one year but not later than five years	**51,892**	26,539
Later than five years	**27,358**	9,266

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 lakhs)

Particulars	2013-14	2012-13
Lease rent receipts for the year recognized in the statement of profit and loss	**1,379**	1,038

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

33. Capital and Other commitments

(a) Capital Commitments (Amount in lakhs)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account and not provided for {net of capital advances of Rs.1,388 lakhs (March 31, 2013 : Rs 1,236 lakhs)}	**2,027**	3868

(b) Other Commitments

As per the incentive scheme of certain state governments for exemption of payment of entertainment tax, the company is under obligation to operate the respective Multiplexes for a certain number of years.

Notes to the financial statements for the year ended March 31, 2014

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

(Amount in lakhs)

Particulars		March 31,2014	March 31,2013
a)	Appeals filed by the Company with Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal with regard to certain expenses disallowed by the assessing officer in respect of financial year ended March 31, 2010, 2009, 2008, 2007, 2006 respectively. (the Company has paid an amount of Rs. 890 lakhs which is appearing in the Schedule of Loans and Advances)	**2,110**	1,478
b)	Possible demand on account of entertainment tax exemption treated as capital subsidy for assessment year 2012-13 to 2014-15 on the grounds of ongoing assessments	**3,653**	2,154
c)	Show cause notices raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on invoices. (the company has already paid an amount of Rs. 85 lakhs which is appearing under loan and advances)	**539**	539
d)	Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT (TDS). CIT(A) has decided the matter in favour of the Company. Matter is Pending before ITAT.	**115**	115
e)	Demand of Sales tax under Various State Vat Act where appeal is pending before competent authority (the Company has paid an amount of Rs. 41 lakhs under protest)	**332**	-
f)	Demand of entertainment tax under Assam Amusement and Betting tax Act, 1939 where appeal is pending before High Court	**334**	-
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.	**91**	91
h)	Notice from Entertainment Tax department Chennai regarding short deposit of E tax on regional movies	**43**	43
i)	Notice from Commercial Tax department, Indore regarding alleged collection of Entertainment tax during exemption period	**823**	823
j)	Claims against the Company not acknowledged as debts	**255**	32
k)	Labour cases pending *	**Amount not ascertainable**	Amount not ascertainable

*In view of the large number of cases pending at various forums/courts, it is not practicable to furnish the details of each case, however, as per estimate of management, the amount in aggregate is not material. Based on the discussions with the solicitors the management believes that the Company has a strong chance of success in the cases and hence no provision is considered necessary.

35. During the year, the Company has executed the sale deed of Anupam Cinema Property, Located at New Delhi, for a consideration of Rs. 5200 lakhs during the year. As a result the Company has earned a profit of Rs. 1915 lakhs. The profit on the aforesaid sale has been considered as exceptional item in the statement of profit and loss in the current year.

Notes to the financial statements for the year ended March 31, 2014

36. 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, 2014	March 31, 2013
		Rs.in lakhs	Rs. in lakhs
Cash in Hand	Thai Bhat	0.05	0.87
	Hongkong Dollar	0.04	0.03
	Sterling Pound	0.08	0.07
	Singapore Dollar	0.20	0.18
	US Dollar	1.68	0.27
	Euro	1.07	-
Trade Receivables	US Dollar		8.97

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

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprise Development Act, 2006 which comes into force with effect from October 2, 2006. As per the act, the Company is required to identify the Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of terms agreed with the suppliers. The Company has sent the confirmation letters to its suppliers at the year end, to identify the supplier registered with the act. As per the information available with the Company, none of the supplier has confirmed that they have registered with the Act. In view of this, the liability of interest has not been provided nor is required disclosure done.

38. (i) Expenditure in foreign currency (on accrual basis)

(Rs. in lakhs)

Particulars	March 31, 2014	March 31, 2013
Travelling	87	60
Professional fees (including expenses, net of withholding tax)	86	188
Others	25	21
Total	199	269

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

Particulars	March 31, 2014	March 31, 2013
Advertisement Income (including Service Tax)	-	25

(iii) CIF value of imports

Particulars	March 31, 2014	March 31, 2013
Capital Goods	474	1,351

39. Segment Information

Business Segments:

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

Geographical Segments:

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

Notes to the financial statements for the year ended March 31, 2014

40. Related Party Disclosure

Names of related parties and related party relationship	
(a) Related parties where control exists	
Subsidiaries	PVR Pictures Limited PVR Leisure Limited
	PVR bluO Entertainment Limited Lettuce Entertain You Limited
(b) Related parties with whom transactions have taken place during the year	
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 Holding Private Limited
Enterprises over which Key Management Personnel are able to exercise significant influence	PVR Nest Priya Exhibitors Private Limited

Notes to the financial statements for the year ended March 31, 2014

Related Party Disclosure

Amount in lakhs

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to excercise significant influence	
Transactions during the year	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013
Remuneration paid								
Ajay Bijli	-	-	-	-	339	231	-	-
Sanjeev Kumar	-	-	-	-	338	231	-	-
Salena Bijli	-	-	-	-	30	30	-	-
Rent Expense								
Priya Exhibitors Private Limited	-	-	-	-	-	-	197	197
Film Distributors Share expense (net of recovery towards publicity)								
PVR Pictures Limited	1,145	662	-	-	-	-	-	-
Expenses on Food, Beverage & Bowling (Staff Welfare etc.)								
Lettuce Entertain You Ltd.	11	-	-	-	-	-	-	-
PVR bluO Entertainment Limited	0.42	0.36	-	-	-	-	-	-
Expenses Incurred On Behalf & Reimbursement								
Lettuce Entertain You Ltd.	-	0.59	-	-	-	-	-	-
PVR bluO Entertainment Limited	0.13	1	-	-	-	-	-	-
Rental and related Income								
Lettuce Entertain You Ltd.	218	-	-	-	-	-	-	-
Purchases of Goods								
Lettuce Entertain You Ltd.	3	-	-	-	-	-	-	-
Reimbursement of Expenses								
PVR Pictures Limited	3	25	-	-	-	-	-	-
Management Fees Incurred								
PVR Leisure Ltd.	26	-	-	-	-	-	-	-
PVR bluO Entertainment Limited	4	-	-	-	-	-	-	-
Management Fees Earned								
PVR bluO Entertainment Limited	157	176	-	-	-	-	-	-
Income From Film Production								
PVR Pictures Limited		682	-	-	-	-	-	-
Income From Sales Of Tickets of Films								
PVR Pictures Limited	50	43						
Advertisement Income								
Cinemax India Limited	-	2	-	-	-	-	-	-
Vista Entertainment Pvt. Ltd.	-	0.18	-	-	-	-	-	-
Odeon Shrine Multiplex Pvt. Ltd.	-	0.10	-	-	-	-	-	-

Related Party Disclosure

Amount in lakhs

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to excercise significant influence	
Transactions during the year	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013
Advance Recoverable from								
PVR bluO Entertainment Limited	-	25	-	-	-	-	-	-
PVR Pictures Limited	-	4	-	-	-	-	-	-
Donation given								
PVR Nest			-	-	-	-	20	20
Final Dividend Paid								
Bijli Holding Private Limited			100	201	-	-	-	-
Ajay Bijli	-	-	-	-	0	31	-	-
Sanjeev Kumar	-	-	-	-	0	0.35	-	-
Selena Bijli	-	-	-	-	0	0.01	-	-
Sandhuro Rani	-	-	-	-	0	0	-	-
Subscription to Equity share capital								
Cine Hospitality Pvt. Ltd.	-	37,101	-	-	-	-	-	-
PVR Leisure Limited	-	2,582	-	-	-	-	-	-
PVR bluO Entertainment Limited	-	1,756	-	-	-	-	-	-
Lettuce Entertain You Ltd.	-	5	-	-	-	-	-	-
Subscription to Share Warrant								
PVR Leisure Limited	-	0.001	-	-	-	-	-	-
Preferential allotment of Equity Shares including share premium								
Ajay Bijli	-	-	-	-	-	1,700	-	-
Sanjeev Kumar	-	-	-	-	-	800	-	-
Sale of Investment								
PVR Leisure Limited	-	3,305	-	-	-	-	-	-
Inter Corporate Loans Given								
Cine Hospitality Pvt. Ltd.	-	881	-	-	-	-	-	-
Lettuce Entertain You Ltd.	-	115	-	-	-	-	-	-
Inter Corporate Loans Refund								
Cine Hospitality Pvt. Ltd.	-	550	-	-	-	-	-	-
Lettuce Entertain You Ltd.	-	115	-	-	-	-	-	-
PVR Pictures Limited	300	-	-	-	-	-	-	-
Balance outstanding at the end of the year								
Trade Receivable								
PVR bluO Entertainment Limited	138	155	-	-	-	-	-	-
PVR Leisure Ltd.	-	0.59	-	-	-	-	-	-
Lettuce Entertain You Ltd.	166	-	-	-	-	-	-	-
PVR Pictures Limited	-	18	-	-	-	-	-	-

Notes to the financial statements for the year ended March 31, 2014

Related Party Disclosure

Amount in lakhs

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to excercise significant influence	
Transactions during the year	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013
Trade Payable								
PVR Pictures Limited	321	149	-	-	-	-	-	-
Cinemax India Limited	-	2	-	-	-	-	-	-
Vista Entertainment Pvt. Ltd.	-	0.18	-	-	-	-	-	-
Odeon Shrine Multiplex Pvt. Ltd.	-	0.10	-	-	-	-	-	-
PVR Leisure Ltd.	7	-	-	-	-	-	-	-
Security Deposits Given								
Priya Exhibitors Private Limited	-	-	-	-	-	-	66	66
Security Deposits Received								
Lettuce Entertain You Ltd.	7	-	-	-	-	-	-	-
Inter Corporate Loans Given								
Cine Hospitality Pvt. Ltd.	-	331	-	-	-	-	-	-
PVR Pictures Limited	200	500	-	-	-	-	-	-
Advance Receivable in Cash or Kind								
PVR bluO Entertainment Limited	-	25	-	-	-	-	-	-
PVR Pictures Limited	169	169	-	-	-	-	-	-
Investment in Equity Share Capital								
Cine Hospitality Pvt. Ltd.	-	37,101	-	-	-	-	-	-
PVR Leisure Ltd.	2,582	2,582	-	-	-	-	-	-
PVR Pictures Limited	1,602	1,602	-	-	-	-	-	-
Investment in Share Warrant								
PVR Leisure Ltd.	0.001	0.001						
Guarantees Given (Corporate Guarantees) for interest on outstanding loan amount of								
Cine Hospitality Pvt. Ltd.	-	16,813	-	-	-	-	-	-
Guarantees Taken (Personal Guarantees)								
Ajay Bijli	-	-	-	-	*	*	-	-
Sanjeev Kumar	-	-	-	-	*	*	-	-

Notes:

(a) *The Company has availed loans from banks and a body corporate aggregating to Rs. 93 lakhs (March 31,2013 : Rs. 1,071 lakhs) which are further secured by personal guarantee of two directors of the Company.

(b) Pursuant to the scheme of arrangement, approved by Hon'ble High Court of Delhi on February 12, 2014, Cine Hospitality Private Limited (CHPL), its wholly owned subsidiary of the Company and Cinemax India Limited (CIL) along with its wholly owned subsidiary companies namely Vista Entertainment Limited, Growel Entertainment Limited, Nikmo Entertainment Limited, Odeon Shrine Multiplex Limited and Cinemax Motion Pictures Limited have been amalgamated with the Company from the appointed date of 1st April, 2013 (refer note 29).

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

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

Notes to the financial statements for the year ended March 31, 2014

41. **(a)** Previous year's figures have been re-grouped/ re-arranged where necessary to confirm to current year's classification.

(b) The figures in the financial statements and notes thereto have been rounded off to nearest rupees in lakhs.

(c) The current year financial statement includes the impact of scheme of amalgamation as stated in note 29. Therefore, the figures of previous year are strictly not comparable to current year figures.

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2014

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

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

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, 2014		

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

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

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

TOTAL LIABILITIES :	TOTAL ASSETS :
1,23,137	1,23,137

SOURCE OF FUNDS

PAID UP CAPITAL :	RESERVES & SURPLUS :
4,111	35,016
SECURED LOANS :	UNSECURED LOANS :
56,729	27,282
DEFERRED TAX LIABILITIES	
NIL	

APPLICATION OF FUNDS

NET FIXED ASSETS :	INVESTMENTS :
81,987	4,334
NET CURRENT ASSETS :	MISC. EXPENDITURE :
36,816	NIL
DEFERRED TAX :	ACCUMULATED LOSSES :
NIL	NIL

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

TURNOVER :	TOTAL EXPENDITURE :
1,27,691	1,21,815
PROFIT BEFORE TAX :	PROFIT AFTER TAX :
5,877	5,787
EARNING PER SHARE IN RS. :	DIVIDEND RATE %:
14.16	25

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

Ajay Bijli	**Sanjeev Kumar**	**N.C. Gupta**	**Nitin Sood**
Chairman cum Managing Director	Joint Managing Director	Company Secretary	Chief Financial Officer
DIN: 00531142	DIN: 00208173	ICSI - M. No. A3530	

Place: Gurgaon
Date: May 29th, 2014

Independent Auditor's Report

To the Board of Directors of PVR Limited

We have audited the accompanying consolidated financial statements of PVR Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of Rs. 5052.16 lakhs as at March 31, 2014, total revenues of Rs. 4378.76, lakhs and net cash inflows amounting to Rs. 33.66 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

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

per Vikas Mehra
Partner
Membership No. 94421

Place: Gurgaon
Date: May 29th, 2014

Consolidated Financial Statements

Consolidated Balance Sheet as at March 31, 2014

	Notes	As at March 31, 2014 (Rs. in lakhs)	As at March 31, 2013 (Rs. in lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	4,111	3,962
Reserves and surplus	5	35,819	60,313
Share application money pending allotment[Rs. 3,886 (March 31, 2013: Rs. 3,886)]		-	-
		39,930	**64,275**
Minority interest	6	**7,710**	**8,542**
Non-current liabilities			
Long-term borrowings	7	47,902	57,901
Deferred tax liabilities (net)	8 (i)	43	66
Other long term liabilities	9	305	752
Long-term provisions	10	664	595
		48,914	**59,314**
Current liabilities			
Short-term borrowings	11	3,205	2,242
Trade payables	12	16,107	10,195
Other current liabilities	12	17,733	13,448
Short-term provisions	10	1,730	665
		38,775	**26,550**
Total		**135,329**	**158,681**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	13	69,906	57,097
Intangible assets	14	11,754	1,785
Goodwill on Consolidation	14	313	40,719
Capital work-in-progress		8,064	14,532
Pre-operative expenses (pending allocation)	15	2,588	4,613
		92,625	**118,746**
Non-current investments	16	122	164
Deferred tax assets (net)	8 (ii)	-	163
Loans and advances	17	26,626	21,927
Other non-current assets	19	2,085	1,400
		121,458	**142,400**
Current assets			
Current investments	20	2,228	3,637
Inventories	21	1,063	1,075
Trade receivables	18	5,230	4,254
Cash and bank balances	22	2,726	3,678
Loans and advances	17	2,448	3,584
Other current assets	19	176	53
		13,871	**16,281**
Total		**135,329**	**158,681**
Summary of significant accounting policies	3.1	-	-

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2014

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

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

Nitin Sood
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

	Notes	For the year ended March 31, 2014 (Rs. in lakhs)	For the year ended March 31, 2013 (Rs. in lakhs)
INCOME			
Revenue from operations (net)	23	134,751	80,639
Other income	24	1,132	903
Total revenue (I)		**135,883**	**81,542**
Expenses			
Film Exhibition cost		32,949	20,043
Consumption of food and beverages		9,102	5,447
Purchase of traded goods		57	38
Employee benefits expense	25	12,442	7,962
Other expenses	26	59,034	35,461
Exceptional items	27	(321)	125
Total expenses (II)		**113,263**	**69,076**
Earnings before interest, tax, depreciation, amortization and prior period adjustment (EBITDA) (I)-(II)		**22,620**	**12,466**
Depreciation and amortization expense	28	9,438	5,601
Finance costs	29	7,951	3,672
		17,389	9,273
Profit before tax		**5,231**	**3,193**
Tax expense:			
Current tax		1,404	942
MAT credit entitlement		(1,367)	(914)
Income tax for earlier years		16	(115)
Deferred tax charge/ (credit)		139	(1,150)
Total tax expenses/ (credit)		**192**	**(1,237)**
Profit after tax (before adjustment for share of minority interest)		**5,039**	**4,430**
Add: Share of loss transferred to Minority Interest		566	20
Profit for the year		**5,605**	**4,450**
Earnings per equity share: **[Nominal Value of share Rs. 10, (March 31, 2013: Rs.10)]**	30		
Basic earning per equity share		13.72	14.95
Diluted earning per equity share		13.69	14.93
Summary of significant accounting policies	3.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Place: Gurgaon
Date: May 29th, 2014

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

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

Nitin Sood
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2014

	For the year ended March 31, 2014 (Rs. in lakhs)	For the year ended March 31, 2013 (Rs. in lakhs)
Cash flow from operating activities:		
Profit before taxation	**5,231**	**3,194**
Adjustments for :		
Depreciation and amortisation expense	9,438	5,601
Loss on disposal and discard of fixed assets (net)	(510)	173
Wealth tax	-	-
Interest income	(178)	(112)
Profit on sale of current investments	(567)	(356)
Expenses pertaining to before acquisition in relation to company acquired	316	-
Unspent liabilities written back	(21)	-
Dividend income	(15)	(4)
Interest expense	7,427	3,265
Employee stock option scheme	219	62
Bad debts / Deposits written off	212	-
Provision for doubtful debts and advances (net)	389	249
Operating profit before working capital changes	**21,941**	**12,072**
Movements in working capital :		
Decrease/(Increase) in trade receivables	(1,308)	(116)
Decrease in inventories	12	-
(Increase) in loans and advances and other current assets	(2,982)	(132)
Increase in current liabilities and provisions	5,191	-
Cash generated from operations	**22,854**	**11,824**
Direct taxes paid (net of refunds)	(1,539)	79
Net cash from operating activities (A)	**21,315**	**11,903**
Cash flows (used in) investing activities		
Purchase of tangible assets	(16,214)	(34,565)
Purchase of intangible assets	(1,804)	(2,275)
Proceeds from sale of fixed assets	5,290	181
Consideration paid for acquiring interest in a subsidiary	-	20
Consideration paid for excess of liabilities over assets taken over(Goodwill)	-	(40,405)
Purchase of current non trade investments	(67,665)	(49,579)
Sale of current non trade investments	69,682	46,304
Dividend received	15	4
Interest received	127	112
Fixed deposits with banks placed	(1,333)	(455)
Fixed deposits with banks encashed	1,250	171
Net cash (used in) investing activities (B)	**(10,652)**	**(80,487)**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including share premium	1,210	32,316
Proceeds from long term borrowings	21,012	48,475
Repayment of long term borrowings	(26,301)	(5,387)
Repayment of short term borrowings	(9,037)	-
Proceeds from short term borrowings	10,000	2,242
Dividend and tax thereon paid	(464)	(462)
Interest paid	(8,118)	(4,295)
Net cash (used in)/from financing activities (C)	**(11,698)**	**72,889**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(1,035)**	**4,305**
Cash and cash equivalents at the beginning of the year	3,305	(1,000)
Cash and cash equivalents at the end of the year	**2,270**	**3,305**

Consolidated Cash Flow Statement for the year ended March 31, 2014 (Continued)

	For the year ended March 31, 2014 (Rs. in lakhs)	For the year ended March 31, 2013 (Rs. in lakhs)
Components of cash and cash equivalents as at		
Cash and cheques on hand	505	611
Remittance in transit	90	134
With banks - on deposit accounts	12	41
With banks - on current accounts	1,663	2,519
Total cash and cash equivalent	**2,270**	**3,305**

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

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

Place: Gurgaon
Date: May 29th, 2014

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

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

Nitin Sood
Chief Financial Officer

Notes to the Consolidated financial statements for the year ended March 31, 2014

1. Background of the Company and Principles of Consolidation

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

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

Name of Subsidiary Company	Name of the Holding Company	Country of Incorporation	Date of Acquisition	Percentage of Ownership as at March 31, 2014	Percentage of Ownership as at March 31, 2013
PVR Pictures Limited	PVR Limited	India	Existing stake	100	100
PVR Leisure Limited	PVR Limited	India	Existing stake	53.68	53.68
PVR bluO Entertainment Limited	PVR Leisure Limited	India	Existing stake	51	51
Lettuce Entertain You Limited	PVR Leisure Limited	India	Existing stake	100	100
Cinemax India Limited*	Cine Hospitality Private Limited	India	Existing stake		93.19
Vista Entertainment Limited*	Cinemax India Limited	India	Existing stake		100
Growel Entertainment Limited*	Cinemax India Limited	India	Existing stake		100
Nikmo Entertainment Limited*	Growel Entertainment Limited	India	Existing stake		100
Cinemax Motion Pictures Limited*	Cinemax India Limited	India	Existing stake		100
Odeon Shrine Multiplex Limited*	Cinemax India Limited	India	Existing stake		100

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

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, on Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006 vide notification G.S.R 739(E) dated December 12, 2006 and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs.

(ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

(iii) 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.

(iv) The Parent Company and its subsidiaries follow a uniform accounting period and as far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. The impact of differences in accounting policies, if material, has been disclosed in the financial statements.

2. Computation of Goodwill on Consolidation

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

Particulars	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Investment in equity share of Cinemax India Limited on January 08, 2013 and February 25, 2013	-	53,544
Less: Cine Hospitality Private Limited's share in the net assets of its subsidiary, Cinemax India Limited	-	13,181
Balance (A)	**-**	**40,363***
Investment in equity share of Nikmo Entertainment Ltd.	-	0.40
Less: Growel Entertainment Limited's share in the net assets of its subsidiary, Nikmo Entertainment Limited	-	(42)
Balance (B)	**-**	**42**
Investment in equity shares of PVR Pictures Limited	6,000	6,000
Less: PVR Limited's share in the net assets of its subsidiary PVR Pictures Limited	4,432	4,432
Less: amount pertaining to the production business undertaking of PVR Pictures Limited merged with PVR Limited pursuant to the scheme of arrangement approved by the Court.	1,254	1,254
Balance (C)	**314**	**314**
Goodwill (A+B+C)	**314**	40,719

* Goodwill arising on consolidation during the previous year has been knocked off as a result of amalgamation of these entities pursuant to order of High court (refer note 31).

3. 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 read with General Circular 8/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

3.1 Statement of Significant Accounting Policies

(a) 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.

(b) Tangible fixed assets

Fixed Assets are stated at Cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price (net of CENVAT) and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at the various locations.

(c) 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 aforesaid 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.

(d) Depreciation on tangible fixed assets

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

Notes to the Consolidated financial statements for the year ended March 31, 2014

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

Second hand bowling equipments have been depreciated over its remaining useful life (13 years) of the assets on straight line method.

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 other than following assets:

S. No.	Asset	Schedule XIV Rates (SLM)	Schedule XIV life (SLM) (in years)	Life considered by company (in years)
1	LCD/Plasma	7.07%	14.14	4 to 14.14
2	Carpet	9.5%	10.53	5 to 10.53
3	IT Equipment	16.21%	6.17	4 to 6.17
4	Concession Equipment	4.75%	21.05	8 to 21.05
5	Vehicles	9.5%	10.53	5 to10.53

(e) Intangibles assets

Goodwill

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

Trademark, Copyrights and Liquor Licenses

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

Licenses for liquor sale are capitalized and are amortized over their estimated useful life of ten years.

Software and Website Development

Cost relating to purchased software's, software licenses and website development, are capitalized and amortized on a

straight-line basis over their estimated useful life of six years.

Film Right's

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

i In respect of films which have been co-produced /co owned/acquired and in which the Parent Company holds rights for a period of 5 years and above as below:

- 60% to 80% of the cost of film rights on first domestic theatrical release of the film based on the management estimates. The said amortization relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights etc.

  In case these rights are not exploited along with or prior to their first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited or at the end of 1 year from the date of first domestic theatrical release, whichever occurs earlier. -
  Balance 40% to 20% is amortized over the remaining license period based on an estimate of future revenue potential subject to a maximum period of 10 years.

ii In case of one of the subsidiary company, PVR Pictures Limited, the film right cost (primarily for foreign films) is amortized as below:

- Cost of theatrical rights is amortized as per the allocation mentioned in the agreement otherwise 25% of the cost is amortized on theatrical release of the movie.
- 40% of the cost amortized on the sale of Satellite rights. In cases where there is no theatrical release, 70% of the cost is amortized at time of sale of satellite rights.
- 10% of the cost is amortized on the sale of Home Video rights.

In cases where the sale is on Minimum Guarantee Basis, such 10% is amortized 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 amortized in the First year of sale and balance 1.25% (12.5% of 10%) is amortized equally for second and third year.

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

In case where theatrical rights/satellite rights/home video rights are acquired for a limited period of 1 to 5 years entire cost of movies rights acquired or produced by the Company is amortized, on first theatrical release of the movie. The said amortization relates to domestic theatrical rights, international theatrical rights, television rights, music rights and video rights and others.

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

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

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

(f) Impairment

The PVR Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the PVR Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

(g) 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 ongoing basis. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(h) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss. Income earned during construction period is adjusted against the total of the indirect expenditure.

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

(i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments. Investments which are due for maturity within next twelve months are reclassified as Current investments.

(j) Inventories

Inventories are valued as follows:

(i) Food and beverages and traded goods

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

(ii) Stores and spares

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

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

(i) Raw Print and tapes

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

(ii) Home Entertainment products

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

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

(k) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(l) Revenue recognition

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

i. **Sale of Tickets of Films**

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

ii. **Revenue Sharing**

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

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

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

iv. **Revenue from Bowling and gaming**

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

v. **Income from Shoe Rental**

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

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

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

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

(a) **Income from Theatrical Distribution**

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

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

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

vii. **Advertisement**

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

viii. **Management Fees**

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

ix. **Convenience Fee**

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

x. **Rental and Food court Income**

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

xi. **Interest Income**

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

xii. **Gaming Income**

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

xiii. **Dividend Income**

Revenue is recognized where the shareholder's right to receive payment 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 benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

iii. Short term compensated absences are provided for 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.

(O) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

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

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

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

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit entitlement available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(p) Segment Reporting policies

Identification of segments:

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

Inter segment Transfer:

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

Allocation of common costs:

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

Unallocated items:

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

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.

(q) Provisions

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

(r) Earnings Per share

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

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

(s) Cash and Cash equivalents

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

(t) Employee Stock Compensation Cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

(u) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

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

(v) Contingent liability

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

(w) Measurement of EBIDTA

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.

Notes to the Consolidated financial statements for the year ended March 31, 2014

4. Share capital **(Rs. in lakhs)**

	March 31, 2014	March 31, 2013
Authorised share capital (refer note 4a) 93,700,000 (March 31, 2013: 61,000,000) equity shares of Rs. 10 each	9,370	6,100
Issued, subscribed and paid-up 41,106,220 (March 31, 2013: 39,616,995) equity shares of Rs. 10 each fully paid	4,111	3,962
Total issued, subscribed and fully paid-up share capital	**4,111**	3,962

Notes:

a. Pursuant to the composite scheme of amalgamation, the authorized share capital of the Parent Company was increased from Rs. 6,100 lakhs to Rs. 9,370 lakhs divided into 93,700,000 equity shares of Rs.10 each.

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

	March 31, 2014		March 31, 2013	
Equity shares	**Number**	**Amount in lakhs**	Number	Amount in lakhs
Shares outstanding at the beginning of the year	39,616,995	3,962	25,902,664	2,590
Shares issued during the year - ESOP (refer note 33)	398,942	40	204,126	20
Shares Issued during the year - pursuant to the composite scheme of amalgamation (refer note 31)	1,090,283	109	-	-
Shares Issued during the year on preferential basis	-	-	13,510,205	1,351
Shares outstanding at the end of the year	**41,106,220**	**4,111**	39,616,995	3,961

c. Terms and rights attached to equity shares

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

d. Details of shareholders holding more than 5% shares in the Parent company.

Name of Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Equity shares of Rs. 10 each fully paid				
Bijli Holdings Pvt Ltd	10,031,805	24.40	10,031,805	25.32
L Capital Eco Ltd	6,244,898	15.19	6,244,898	15.76
Multiples Private Equity Fund I Limited	4,649,326	11.31	4,649,326	11.73
Major Cineplex Group Public Company Limited	2,557,000	6.22	2,557,000	6.45
Ajay Bijli	1,864,165	4.53	2,264,165	5.71

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.

e. As at March 31, 2014, 693,878 equity shares were issued on preferential basis during the previous year are under "lock in". Last date of release is January 11, 2016.

Notes to the Consolidated financial statements for the year ended March 31, 2014

f. 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, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity shares bought back during the previous year pursuant to scheme of buy back for a total consideration of Rs. 1582 lakhs.	-	-	1,388,328	-	-
The Parent Company has issued shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.	398,942	204,126	141,620	64,930	53,460
Equity shares allotted as fully paid up pursuant to the scheme of amalgamation for consideration other than cash (refer note 31)	1,090,283	-	-	-	-

g. **Share reserved for issue under options**
For details of share reserved for issue under the employee stock options (ESOP) plan of the Company (refer note 33).

5. **Reserves and Surplus** **(Rs. in lakhs)**

		March 31, 2014	March 31, 2013
Securities premium account			
Balance as per last financial statements		48,003	17,058
Add : additions on ESOPs exercised		497	173
Add : transferred from stock options outstanding		86	-
Add: premium on preferential issue of shares		-	30,451
Add: additions on issue of share		-	417
Add: Balance of the subsidiary companies transferred pursuant to scheme of Amalgamation (refer note 31)		5,959	-
Less: premium applied pursuant to scheme of Amalgamation (refer note 31)		(42,881)	-
Less : premium applied in writing off the expenses incurred pursuant to the scheme of Amalgamation		(179)	-
Less : premium applied in writing off the expenses on preferential issue of shares		-	(96)
Closing Balance	**(A)**	**11,485**	48,003
Employee stock option outstanding (refer note 33)			
Gross employee stock compensation for options granted in earlier years		480	480
Add: Gross Compensation for options granted during the year		83	-
Less: deferred employee stock compensation		(212)	(418)
Less: transferred to securities premium on exercise of stock option		(86)	-
Closing Balance	**(B)**	**265**	62
Debenture redemption reserve			
Balance as per last financial statements		276	191
Add: Transfer from surplus balance in the statement of profit and loss		109	85
Closing Balance	**(C)**	**385**	276
General reserve			
Balance as per last financial statements		3,764	3,764
Add: transfer on account of dividend declared		579	-

Notes to the Consolidated financial statements for the year ended March 31, 2014

(Amount in lakhs)

		March 31, 2014	March 31, 2013
Closing Balance	**(D)**	**4,343**	3,764
Surplus in the statement of profit and loss			
Balance as per last financial statements		8,208	4,304
Add: Balance of subsidiary companies transferred pursuant to the scheme of amalgamation (refer note 31)		7,422	-
Profit for the year		5,605	4,450
Less: Appropriations			
Proposed final equity dividend (amount per share Rs. 2.5 (March 31, 2013 : Re.1))		(1,028)	(397)
Tax on proposed equity dividend		(178)	(64)
Transfer to debenture redemption reserve		(109)	(85)
Transfer to general reserve on dividend declared		(579)	-
Total appropriations		(1,894)	(546)
Net surplus in the statement of profit and loss	**(E)**	**19,341**	8,208
Total reserve and surplus (A+B+C+D+E)		**35,819**	60,313

* Including gross of loss recognised in previous year to the extent of Rs. 1032 lakhs

6. Minority interest

(Amount in lakhs)

	March 31, 2014	March 31, 2013
(a) Minority interest in 0.001% Non Cumulative Convertible Preference Share of PVR Leisure Limited 586,667 (March 31, 2013 : 586,667) of Rs 341.52 each (refer note 6(ii))	2,004	2,004
(b) Minority interest in Equity of PVR Leisure Limited 880,000 (March 31, 2013: 880,000) of Rs. 10 each	88	88
(c) Minority interest in Securities premium of PVR Leisure Limited	2,500	2,500
Share of profit/(loss) brought forward	(33)	(33)
Share of profit/(loss) of the current year	(307)	-
	4,252	4,559
(d) Minority interest in Equity of PVR bluO Entertainment Limited 16,835,000 (March 31, 2013: 14,591,666) of Rs. 10 each equity shares	1,683	1,459
(e) Minority interest in Securities premium of PVR bluO Entertainment Limited	1,840	1,391
(f) Minority Interest in Non-Equity of PVR bluO Entertainment Limited		
Share of profit/(loss) brought forward	194	235
Share of profit/(loss) of the current year	(259)	(41)
	3,458	3,044
(g) Minority interest in Equity of subsidiaries of Cinemax India Limited* Nil (March 31, 2013: 26,092,005) of Rs. 5 each equity shares	-	95
(h) Minority Interest in Securities premium of a subsidiary of Cinemax India Ltd.	-	406
(i) Minority Interest in Non-Equity of subsidiaries of Cinemax India Ltd.		
Share of profit/(loss) brought forward	-	438
Share of profit/(loss) of the current year	-	-
	-	**939**
* Amalgamated with the company w.e.f. April1, 2013		
Note:		
i Minority Interest in Equity	1,771	1,642
Minority Interest in Convertible Preference Share	2,004	2,004
Minority Interest in Securities premium	4,340	4,297
Minority Interest in Non-Equity	(405)	599
	7,710	8,542

ii Preference shares issued to minority shareholders of PVR Leisure Limited are convertible into equity shares at a price, to be determined in accordance with the shareholders agreement, which is based on the performance of the Company.

7. Long term borrowings

	Non-current portion		Current Maturities	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Debentures				
290 (March 31, 2013: 290) 11.40% Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	2,900	2,900	-	-
500 (March 31, 2013: Nil) 10.95% Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	5,000	-	-	-
Term loans				
Secured term loans from banks	34,402	22,084	4,201	3,384
Secured term loans from a body corporates	5,422	32,907	5,991	2,125
Other loans and advances				
Secured car finance loans from banks	178	10	35	7
	47,902	57,901	**10,227**	5,516
Amount disclosed under the head “other current liabilities” (refer note 13)	-	-	(10,227)	(5,516)
	47,902	57,901	-	-

Notes:

a. (i) 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 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.

(ii) 10.95% Privately placed Secured Redeemable Non-convertible Debentures are redeemable at par at the end of 5th year from the date of allotment i.e. February 25, 2014. These are secured by mortgage on immovable properties (excluding immovable properties at Gujarat and Bangalore) ranking pari passu and secured by first pari passu charge on movable fixed assets of the Parent company (excluding vehicles hypothecated to banks) and all receivables of the Parent company both present and future.

b. (i) Term loans from banks and body corporate are secured by first pari passu charge over all fixed assets of the Parent company (excluding immovable properties at Gujarat, Bangalore and vehicles hypothecated to banks) and receivables of the Parent company both present and future. However, in case of outstanding loan amounting to Rs. 7,722 lakhs is secured by first pari passu charge over the moveable fixed assets of the Parent company and all current assets of the Parent company both present and future.

(ii) Term loans from banks and body corporate are also guaranteed by the personal guarantee of Managing Director and Joint Managing Director of the Parent company to the extent of Rs. 93 lakhs (March 31, 2013: Rs 969 lakhs) and Rs. Nil (March 31, 2013: Rs. 103 lakhs) respectively.

(iii) Term loan from bank to the extend of Rs. 1,125 lakhs (31 March 2013: 1,500 lakhs) taken by a subsidiary company, repayable in 16 equal instalments from 30 June 2013. The loan carries interest @ 12.75% p.a.to 13% p.a. during the current financial year. It is secured by first pari passu charge on the movable asset, current assets and future receivables of the subsidiary company both present and future.

(iv) Term loan from bank to the extent of Rs. 275 lakhs (31 March 2013: Rs 503 lakhs) taken by a subsidiary company is repayable in 20 equal quarterly installment over a period of next 6 years commencing from the 15th month of the initial drawdown date. The loan carries interest @ 11.8% p.a. to 12.6% p.a. during the current financial year. It is secured by first pari passu charge over all fixed assets of the company both present and future. The loan is further secured by first pari passu charge on the current assets and future receivables of the company.

c. Car finance loan to the extent of Rs. 213 lakhs (March 31, 2013: Rs. 4 lakhs) carries interest @ 10.25% p.a. and is repayable in 60 equal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

Notes to the Consolidated financial statements for the year ended March 31, 2014

d. Above loans are repayable in equal/ unequal monthly/ quarterly installments as follows:

Debentures: **(Rs. in lakhs)**

Particulars	March 31, 2014	March 31, 2013
Repayable within 1 year	-	-
Repayable within 1 - 3 year	580	-
Repayable after 3 years	7,320	2,900
Term Loan:		
Repayable within 1 year	10,192	5,509
Repayable within 1 - 3 year	19,093	34,908
Repayable after 3 years	20,731	20,083
Secured car finance loans from banks:		
Repayable within 1 year	35	7
Repayable within 1 - 3 year	81	6
Repayable after 3 years	97	4

e. Term Loan from banks and body corporate carries variable interest rate based on respective bank/ body corporate benchmark rate, effective rate of interest varying in between 10.31% p.a.to 13.75% p.a.

8. Deferred tax liabilities/assets (net)

(i) **Deferred tax liability:** **(Rs. in lakhs)**

	March 31, 2014	March 31, 2013
Deferred tax liability		
Impact of differences in depreciation in block of tangible and intangibles assets as per tax books and financial books	3,403	669
Deferred tax liability (A)	**3,403**	669
Deferred tax asset		
Impact of expenditure charged to statement of profit and loss in the current year but allowable for tax purposes on payment basis	439	215
Provision for doubtful debts and advances	127	39
Unabsorbed depreciation and business losses*	2,794	349
Deferred tax asset (B)	**3,360**	603
Net deferred tax liability (A-B)	**43**	66

(ii) **Deferred tax asset:** **(Rs. in lakhs)**

	March 31, 2014	March 31, 2013
Deferred tax liability		
Impact of differences in depreciation in block of tangible and intangibles assets as per tax books and financial books	-	769
Deferred tax liability (A)	**-**	769
Deferred tax asset		
Impact of expenditure charged to statement of profit and loss in the current year but allowable for tax purposes on payment basis	-	221
Provision for doubtful debts and advances	-	27
Unabsorbed depreciation and business losses	-	684
Deferred tax asset (B)	**-**	932
Net deferred tax assets (B-A)	**-**	(163)

Note:

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

Notes to the Consolidated financial statements for the year ended March 31, 2014

9. Other long term liabilities

(Rs. in lakhs)

	March 31, 2014	March 31, 2013
Retention money	305	299
Advance from customer	-	453
	305	752

10. Provisions

	Long-term		Short-term	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Provision for employee benefits				
Provision for gratuity (refer note 32)	513	366	196	79
Provision for leave benefits	151	229	312	113
	664	595	**508**	192
Other provisions				
Proposed equity dividend	-	-	1,028	396
Proposed preference dividend [Rs 2,443 (March 31, 2013: Rs 439)]	-	-	0	0
Provision for tax on proposed equity dividend	-	-	174	64
Provision for tax on proposed preference dividend[Rs 396 (March 31, 2013: Rs 71)]	-	-	0	0
Provision for taxation	-	-	20	13
	-	-	**1,222**	**473**
	664	595	**1,730**	665

11. Short-term borrowings

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Secured bank overdraft (refer note i & ii below)	1,205	2,210
Loans and advances from others (unsecured)	-	32
Commercial paper (unsecured) (refer note iii below)	2,000	-
	3,205	2,242

Note:

(i) Bank overdraft is secured by first pari passu charge over all current assets of the Company including inventories & receivables both present and future.

(ii) It carries variable interest rate based on respective bank/ body corporate benchmark rate, effective rate of interest varying in between 11.70 p.a.% to 12.25% p.a.

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

(iii) In respect of Commercial Paper maximum amount outstanding during the year was Rs. 4000 lakhs (previous year NIL).

Notes to the Consolidated financial statements for the year ended March 31, 2014

12. Other current liabilities

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Trade payable		
Trade payables (refer note 43 for details of dues to micro and small enterprises)	16,107	10,195
	16,107	10,195
Other liabilities		
Payables on purchase of fixed assets	3,828	3,896
Current maturities of long-term borrowings (refer note 7)	10,229	5,517
Security deposits	327	350
Interest accrued but not due on borrowings		
Term loans	27	127
Debentures	82	73
Advance from Customers	1,792	2,123
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividends	8	8
Statutory dues payable	1,440	1,354
	17,733	13,448
	33,840	23,643

13. Tangible Assets

Rs. in lakhs

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Leasehold Improvements	Total
Gross Block								
At April 1, 2012	2,988	595	17,412	5,228	1,344	381	12,211	**40,159**
Assets acquired on purchases of CIL	-	-	7,907	8,811	925	155	5,831	**23,629**
Additions	104	1	9,426	1,898	705	-	7,114	**19,248**
Disposals and discard	-	-	(312)	(369)	(20)	(116)	(213)	**(1,030)**
Other adjustments- Borrowing costs	-	-	252	1	-	-	472	**725**
At March 31, 2013	**3,092**	**596**	**34,685**	**15,569**	**2,954**	**420**	**25,415**	**82,731**
Additions	-	-	10,941	2,892	566	242	8,290	**22,931**
Disposals and discard	(3,090)	(582)	(423)	(123)	(35)	(188)	(208)	**(4,649)**
Other adjustments- Borrowing costs	-	-	412	-	-	-	657	**1,069**
At March 31, 2014	**2**	**14**	**45,615**	**18,338**	**3,485**	**474**	**34,154**	**102,082**
Depreciation								
At April 1, 2012	-	325	6,251	2,443	520	129	4,276	**13,944**
Accumulated depreciation transferred on purchases of CIL	-	-	2,284	3,002	682	92	2,027	**8,087**
Charge for the year	-	18	1,977	773	256	80	1,175	**4,279**
Disposals and discard	-	-	(260)	(223)	(10)	(55)	(128)	**(676)**
At March 31, 2013	**-**	**343**	**10,252**	**5,995**	**1,448**	**246**	**7,350**	**25,634**
Charge for the year	-	(13)	3,338	1,447	408	48	2,300	**7,528**
Disposals and discard	-	(325)	(242)	(163)	(5)	(146)	(105)	**(986)**
At March 31, 2014	**-**	**5**	**13,348**	**7,279**	**1,851**	**148**	**9,545**	**32,176**
Net Block								
At March 31, 2013	**3,092**	**253**	**24,433**	**9,574**	**1,506**	**174**	**18,065**	**57,097**
At March 31, 2014	**2**	**9**	**32,267**	**11,059**	**1,634**	**326**	**24,609**	**69,906**

Notes:

1 Fixed assets of the cost of Rs. 465 lakhs, (March 31, 2013: Rs. 374 lakhs), (WDV Rs. 215 lakhs March 31, 2013: Rs. 139 lakhs) have been discarded during the year.

2 Addition to Freehold land in previous year ended 31st March 2013 represents registration charges

Notes to the Consolidated financial statements for the year ended March 31, 2014

14. Intangible Assets

(Rs. in lakhs)

	Goodwill on Consolidation	Other Intangible Asset				
		Goodwil	Software Development	Copyright	Film Rights'	Total
	A	B	C	D	E	F=B+C+D+E
Gross Block						
At April 1, 2012	313	-	543	133	9,902	10,578
Assets acquired on purchases of CIL	-	-	108	-	-	108
Additions	40,406	-	309	188	1,453	1,950
Assets transferred on restructuring	-	-	-	-	(7,705)	(7,705)
Other adjustments	-	-	(3)	-	-	(3)
Deductions/ Adjustments	-	-	-	-	-	-
At March 31, 2013	**40,719**	**-**	**957**	**321**	**3,650**	**4,928**
Additions	-	-	457	5	1,342	1,804
Adjustments on account of Amalgamation (refer note 31)	-	10,075	-	-	-	10,075
Deductions/ Adjustments	(40,406)	-	(1)	-	-	(1)
At March 31, 2014	**313**	**10,075**	**1,413**	**326**	**4,992**	**16,806**
Amortisation						
At April 1, 2012	47	-	230	81	6,660	6,971
Amortisation transferred on amalgamation	-	-	27	-	(5,162)	(5,135)
For the year	(47)	-	101	35	1,172	1,308
Deductions/ Adjustments	-	-	(1)	-	-	(1)
At March 31, 2013	**-**	**-**	**357**	**116**	**2,670**	**3,143**
For the year	-	-	169	46	687	902
Adjustments on account of Amalgamation (refer note 31)	-	1,008	-	-	-	1,008
Deductions/ Adjustments	-	-	(1)	-	-	(1)
At March 31, 2014	**-**	**1,008**	**525**	**162**	**3,357**	**5,052**
Net Block						
At March 31, 2013	**40,719**	**-**	**600**	**205**	**980**	**1,785**
At March 31, 2014	**313**	**9,067**	**888**	**164**	**1,635**	**11,754**

Notes to the Consolidated financial statements for the year ended March 31, 2014

15. Pre-operative expenses (pending allocation)

	March 31, 2014 (Rs. lakhs)	March 31, 2013 (Rs. in lakhs)
Balance as per the last financial statements	4,613	2,672
Assets acquired on purchase of Cinemax India Limited	-	649
Salaries, allowances and bonus	1,045	950
Contribution to provident and other funds (refer note 32)	46	46
Staff welfare expenses	19	42
Rent*	206	881
Rates and taxes	187	432
Communication costs	9	8
Architect and other fees	132	394
Professional charges	303	438
Travelling and conveyance	180	191
Insurance	13	45
Repairs and maintenance		
Buildings	65	133
Common area maintenance	37	74
Plant & Machinery	-	18
Electricity and water charges (net)	67	74
Security service charges	108	225
Borrowing cost		
Debentures	11	70
Term loans	589	961
Bank and other charges	-	9
Equipment Hire	39	-
Miscellaneous expenses	14	77
	7,683	8,389
Less : Project management fees received**	-	40
Less : Allocated to fixed assets capitalised during the year	4,677	3,736
Less: Pre-operative expenses written off as exceptional items	385	-
Less: Pre-operative expenses charged to expenses	33	-
	2,588	4,613

Note:

* Rent includes rent paid to director	35	29

** Project management fees received includes recovery from PVR BluO Entertainment Limited, a subsidiary company of Rs. 30 lakhs (March 31, 2013 : Rs. 30 lakhs).

16. Non-current investment

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
(i) Non-trade Investment (valued at cost unless stated otherwise)		
Investment in Government Securities (unquoted)		
National Savings Certificates *	150	170
(Pledge with State Government /E Tax Authorities)		
Less: amount disclosed under current investments	(28)	(6)
(Being due for maturity witihin next 12 months)		
(ii) Trade Investment (valued at cost unless stated otherwise)		
2,000 (March 31, 2013 :2,000) Equity shares in Gupta Infrastructure (I) Pvt. Ltd. of Rs.10 each, fully paid-up (Rs.20,000; March 31, 2013: Rs.20,000)	0	0
Nil (March 31, 2013 : 2,500) Equity shares of Saraswat Co-Op. Bank Ltd. of Rs.10 each, fully paid-up (NIL ; March 31, 2013: Rs. 25,000)	-	0
	122	164
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	122	164

* Notes :

Held in the name of the Managing Director in the interest of the Parent Company.	36	42
Held in the name of the employee in the interest of the Parent Company.	41	35
Held in the name of the developer in the interest of the Parent Company.	8	8
Held in the name of the erstwhile director of a subsidiary company.	65	85

Notes to the Consolidated financial statements for the year ended March 31, 2014

17. Loans and advances **(Rs. in lakhs)**

	Non-current		Current	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Capital advances				
Unsecured, considered good	1,643	1,552	-	-
Unsecured, considered doubtful	32	19	-	-
	1,675	1,571	**-**	-
Provision for doubtful capital advances	(32)	(19)	-	-
(A)	**1,643**	1,552	**-**	-
Security deposit				
Unsecured, considered good	17,209	14,071	6	24
Doubtful	186	72	-	-
	17,395	14,143	**6**	24
Provision for doubtful security deposit	(186)	(72)	-	-
(B)	**17,209**	14,071	**6**	24
Advances recoverable in cash or kind				
Unsecured, considered good	128	210	1,214	2,713
Doubtful	-	-	231	91
	128	**210**	**1,445**	2,804
Provision for doubtful advances	-	-	(231)	(91)
(C)	**128**	**210**	**1,214**	2,713
Other loans and advances				
Unsecured, considered good				
Advance income tax (net of provision for taxation)	1,682	1,399	-	-
Income tax paid under protest	890	963	-	-
MAT credit entitlement account	4,517	3,233	-	-
Prepaid expenses	557	499	554	276
Interest free loans to employees	-	-	458	145
Balances with statutory/ government authorities	-	-	216	426
(D)	**7,646**	6,094	**1,228**	847
Total (A+B+C+D)	**26,626**	21,927	**2,448**	3,584

Notes:	Non-current		Current	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
a. **Security Deposits include deposits with a related party:** Priya Exhibitors Private Limited (security deposit for immovable property)	66	66	-	-

b. Rs. 4,517 lakhs (March 31, 2013 : Rs. 3,233 lakhs) recognized by the PVR Group as 'MAT credit entitlement' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in future, which will enable the Parent company to utilize MAT credit assets.

Notes to the Consolidated financial statements for the year ended March 31, 2014

18. Trade receivables

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Outstanding for a period more than six months from the date they are due for payment				
Secured, considered good	-	-	39	12
Unsecured, considered good	-	-	1,376	1,429
Unsecured, considered doubtful	-	-	191	51
	-	**-**	**1,606**	1,492
Provision for doubtful receivables	-	-	(191)	(51)
(A)	**-**	**-**	**1,415**	1,441
Other receivables				
Secured, considered good	-	-	74	31
Unsecured, considered good	-	-	3,741	2,782
Unsecured, considered doubtful	-	-	105	142
	-	**-**	**3,920**	2,955
Provision for doubtful receivables	-	-	(105)	(142)
(B)	**-**	**-**	**3,815**	2,813
Total (A+B)	**-**	**-**	**5,230**	4,254

19. Other assets

(Rs. in lakhs)

	Non-current		Current	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 22)	35	14	-	-
(A)	**35**	14	**-**	-
Others				
Interest accrued on fixed deposits	2	-	16	12
Interest accrued on others	-	-	15	-
Interest accrued on investments	14	10	34	8
Revenue earned and not billed	-	-	27	20
Entertainment tax recoverable*	2,034	1,376	-	-
Other receivables	-	-	84	13
(B)	**2,050**	1,386	**176**	53
Total (A+B)	**2,085**	1,400	**176**	53

Notes:

*The Entertainment tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective State Government Schemes and applications filed with authorities. In certain cases, it has received the final orders while in certain cases it is in the process of receving the same from the respective authorities.

Notes to the Consolidated financial statements for the year ended March 31, 2014

20. Current investments (valued at lower of cost and fair value, unless stated otherwise) **(Rs. in lakhs)**

	March 31, 2014	March 31, 2013
Non trade Investments (unquoted)		
Units in mutual funds of Rs. 10 each		
Nil (March 31, 2013: 466,230) units of 1525/ ICICI Prudential Flexible Income- Regular Plan- Growth	-	1,007
23,261.666 (March 31, 2013: 23,799) units of TFGI Tata Floater Fund Plan A- Growth	550	412
Nil (March 31, 2013: 64,463) units of UTI-Treasury Advantage Fund - Institutional Plan - Growth	-	1,007
Nil (March 31, 2013: 138,121) units of B132G Birla Sun Life Savings Fund - Growth-Regular Plan	-	305
267,782.199 (March 31, 2013: Nil) units of B153G Birla Sun Life Savings Fund - Growth-Regular Plan	550	-
Nil (March 31, 2013: 5,912,845) units of JPMORGAN India Treasury Fund Super Inst. Growth	-	900
28,800.171 (March 31, 2013: Nil) units of Templeton India Treasury Management Account Super Institutional Plan - Growth	550	-
3,914,785.790 (March 31, 2013: Nil) units of Peerless Liquid Fund - Super Institutional Growth	550	-
Current portion of long term investments		
Investment in Government Securities (unquoted)		
National Savings Certificates (refer Note 16) (Pledged with State Government /E Tax Authorities)	28	6
	2,228	**3,637**
Aggregate amount of unquoted investment	2,228	3,637
Aggregate amount of quoted investment	-	-

21. Inventories (Valued at lower of cost and net realizable value)

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Food and beverages	821	552
Stores and spares	226	467
Traded goods	16	56
	1,063	1,075

22. Cash and bank balances

	Non-current		**Current**	
	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)	**March 31, 2014 (Rs. in lakhs)**	March 31, 2013 (Rs. in lakhs)
Cash and cash equivalents				
Balance with banks				
On current accounts	-	-	1,663	2,519
Deposits with original maturity of less than 3 months	-	-	12	41
Cash on hand (including cheques on hand)	-	-	505	611
Remittance in transit	-	-	90	134
	-	**-**	**2,270**	3,305
Other bank balances				
Deposits with maturity for more than 12 months*	35	14	44	1
Deposits with maturity for more than 3 months but less than 12 months*	-	-	404	364
Unpaid and unclaimed dividend accounts	-	-	8	8
	35	14	456	373
Amount disclosed under non-current assets (refer note 19)	(35)	(14)	-	-
	-	**-**	**2,726**	3,678

Note: *Deposits are pledged with Banks/ Government Authorities.

Notes to the Consolidated financial statements for the year ended March 31, 2014

23. Revenue from Operations (net) **(Rs. in lakhs)**

	March 31, 2014	March 31, 2013
Sale of products	32,236	16,872
Sale of services	99,507	61,794
Other operating revenue	3,008	1,973
	134,751	**80,639**
Details of products sold		
Sale of food and beverages	32,147	16,799
Sale of traded goods	89	73
	32,236	**16,872**
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.		
Details of services rendered		
Income from sale of film tickets (net of entertainment tax Rs. 18,184 lakhs, March 31, 2013: Rs. 9,575 lakhs)	77,201	44,723
Income from revenue sharing (net of entertainment tax Rs. 1,029 lakhs, March 31, 2013: Rs. 1,243 lakhs)	2,265	2,718
Income from sale of film rights, distribution of films	2,538	2,915
Income from bowling (net of entertainment tax Rs. 280 lakhs March 31, 2013 : Rs. 193 lakhs)	1,968	1,484
Advertisement	15,111	8,593
Income from film production	-	993
Income from shoe rentals	226	213
Management fees	198	155
	99,507	**61,794**
Details of other operating income		
Convenience fees	1,420	886
Food Court Income	1,127	918
Gaming Income (bluo)	418	114
Rental Income	43	55
	3,008	**1,973**

24. Other income **(Rs. in lakhs)**

	March 31, 2014	March 31, 2013
Interest income on		
Bank deposits	41	20
Long term investments	15	7
Others	122	84
Dividend income earned on current non-trade investments	15	4
Net gain on redemption of current non-trade investments	567	356
Exchange difference (net)	73	33
Unspent liabilities written back (net)	21	70
Other non-operating Income (net)	278	329
	1,132	**903**

Notes to the Consolidated financial statements for the year ended March 31, 2014

25. Employee benefit expense

(Rs. in lakhs)

	March 31, 2014	March 31, 2013
Salaries, allowances and bonus(net of recoveries of excess remuneration)	10,326	6,727
Contribution to provident and other funds (refer note 32)	947	621
Employee stock option scheme (refer note 33)	219	62
Gratuity expense (refer note 32)	2	5
Staff welfare expenses	948	547
	12,442	**7,962**

26. Other expenses

		March 31, 2014 (Rs. in lakhs)		March 31, 2013 (Rs. in lakhs)
Rent (refer note 34)		23,776		13,435
Less: Rental income from sub-lessees		(732)		(471)
Rent (net)		23,044		12,964
Movie production, distribution and print charges				
Film distribution cost		482		963
Film print cost		1,023		620
Film promotion cost		-		524
Others		13		9
Rates and taxes		1,780		906
Communication costs		688		367
Legal and professional charges (refer below note)		1,599		838
Advertisement and publicity (net)		3,337		2,231
Business promotion and entertainment		76		54
Travelling and conveyance		1,733		1,136
Printing and stationery		413		259
Insurance		312		189
Repairs and maintenance:				
Buildings		2,437		1,342
Plant and machinery		2,558		1,335
Common area maintenance (net)		6,826		4,485
Others		158		190
Electricity and water charges (net)		9,657		5,162
Security service charges		1,419		813
Donations		20		20
Provision for doubtful debts and advances:				
Provision for doubtful debts and advances		234		212
Bad Debts/Deposits written off	226		133	
Utlised from provisions	14	212	96	37
Loss on disposal/ discard of fixed assets (net)		249		173
Directors sitting fees		11		9
Pre-operative expenses charged off		33		-
Foreign exchange difference (net)		1		-
Miscellaneous expenditure written off		-		2
Miscellaneous expenses		705		618
Provision for inventory		14		3
		59,034		**35,461**
Notes:				
Included in Legal and professional charges:				
i. Payment to auditors of the Parent Company				
As auditor:				
Audit fee		36		35
Limited review		17		12
In other capacity:				
Tax audit fee		5		5
Certification etc.		1		-
Reimbursement of expenses		3		3
		62		**55**
ii. Payment to other auditors:				
As auditor:				
Audit fee		8		15
Limited review		-		8
In other capacity:				
Tax audit fee		1		1
Reimbursement of expenses		-		1
		9		**25**

27. Exceptional Items **(Rs. in lakhs)**

	March 31, 2014	March 31, 2013
Reversal of Provision of expenses / doubtful debts	-	(138)
Reversal of accrual of entertainment tax	-	61
Profit from sale of a Multiplex property (refer note 37)	(1,915)	-
Before acquisition assets & cost not tenable (refer note below)	1,594	-
Write off of Fixed Assets including CWIP	-	202
	(321)	**125**
Note: Following expenses are included in respect of the Company acquired		
Preoperative expenses, capital work in progress and Fixed Assets of certain projects written off	1,123	-
Expenses pertaining to before acquisition	316	-
Provision for doubtful Security deposits	155	-

28. Depreciation and amortisation

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Depreciation on tangible assets	7,528	4,279
Amortisation of intangible assets	1,910	1,322
	9,438	**5,601**

29. Finance costs

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Interest on		
Debentures	371	249
Term loans	6,652	2,939
Banks and others	404	76
Bank and other charges	524	408
	7,951	**3,672**

Notes to the Consolidated financial statements for the year ended March 31, 2014

30. Earning per share (EPS)

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

	March 31, 2014 (Rs. in lakhs)	March 31, 2013 (Rs. in lakhs)
Profit after tax	5,605	4,450
Less: Dividend on Preference Shares and tax thereon	0	0
[Rs 2,329 (March 31, 2013: Rs 510)]		
Net Profit after Tax	5,605	4,450
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	39,616,995	25,902,664
-Number of equity shares issued on May 29, 2012	-	46,140
-Number of equity shares issued on June 29, 2012	-	2,000
-Number of equity shares issued on Aug 01, 2012	-	6,800
-Number of equity shares issued on Sept 28, 2012	-	2,888,200
-Number of equity shares issued on Oct 30, 2012	-	63,816
-Number of equity shares issued on Nov 29, 2012	-	12,800
-Number of equity shares issued on Jan 03, 2013	-	25,840
-Number of equity shares issued on Jan 11, 2013	-	10,625,205
-Number of equity shares issued on Jan 30, 2013	-	43,530
-Number of equity shares issued on April 1, 2013	1,090,283	-
-Number of equity shares issued on May28, 2013	40,000	-
-Number of equity shares issued on July 4, 2013	43,333	-
-Number of equity shares issued on Sept 30, 2013	9,733	-
-Number of equity shares issued on Oct 30, 2013	79,539	-
-Number of equity shares issued on Nov 29, 2013	80,004	-
-Number of equity shares issued on Dec 31, 2013	43,333	-
-Number of equity shares issued on Jan 31, 2014	13,100	-
-Number of equity shares issued on Feb 28, 2014	89,900	-
-Number of equity shares outstanding at the end of the year	41,106,220	39,616,995
Weighted number of equity shares of Rs. 10 each outstanding during the year	**40,859,224**	**29,784,774**
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year.	39,616,995	25,902,664
Number of equity shares outstanding at the end of the year.	41,106,220	39,616,995
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**40,859,224**	**29,784,774**
Add: Effect of stock options vested and outstanding for 136,000 (March 31, 2013: 168,277) equity shares	85,976	27,486
Weighted number of equity shares of Rs. 10 each outstanding during the year	**40,945,200**	**29,812,260**
Basic earnings per equity share	13.72	14.95
Diluted earnings per equity share	13.69	14.93

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

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

Pursuant to the above, CHPL stands merged with the Parent Company following "Purchase Method" of accounting as per the Accounting Standard 14 "Accounting for Amalgamation", issued by the Institute of Chartered Accountants of India. All the assets and liabilities of CHPL were fair valued, the difference in the value of net assets merged (Rs. 27,026 lakhs) and value of investment (Rs.37,101 lakhs) in CHPL has been treated as goodwill amounting to Rs.10,075 lakh. Goodwill will be amortized in books over a period of 10 years on straight line basis.

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

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

32. Gratuity plan:

The PVR Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 days last drawn salary for each completed year of service in terms of payment of Gratuity Act, 1972 without any maximum limit. The scheme for the Parent Company is funded with an insurance company in the form of a qualifying insurance policy.

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

Statement of profit and loss

Net employee benefit expense recognized in employee cost.

(Rs. in lakhs)

	Funded		Unfunded	
Particulars	**2013-14**	2012-13	**2013-14**	2012-13
Current service cost	**139**	79	**9**	6
Interest cost on benefit obligation	**320**	25	**1**	1
Expected return on plan assets	**(10)**	(12)	**-**	-
Net actuarial loss/(gain) recognized in the year	**115**	29	**(1)**	(2)
Net benefit expense	**275**	121	**10**	5
Excess of Actual return over estimated return	**(8)**	3	**-**	-

Notes to the Consolidated financial statements for the year ended March 31, 2014

Balance sheet
Details of provision for gratuity are as follows:

(Rs. in lakhs)

	Funded				
	2013-14	**2012-13**	**2011-12**	**2010-11**	**2009-10**
Defined benefit obligation	**822**	428	311	228	217
Fair value of plan assets	**(141)**	(152)	(156)	(168)	(173)
Plan asset/(liability)	**(680)**	(276)	(155)	(61)	(44)
Experience adjustment on plan liabilities (loss)/gain	**(106)**	(30)	(25)	33	(0)
Experience adjustment on plan assets (loss)/gain	**8**	(3)	(0)	(2)	7
		Unfunded			
Defined benefit obligation	**28**	175	12	9	7
Fair value of plan assets	-	-	-	-	-
Plan asset/(liability)	**(28)**	(175)	(12)	(9)	(7)
Experience adjustment on plan liabilities (loss)/gain	**2**	0	2	(0)	7
Experience adjustment on plan assets (loss)/gain	**-**	-	-	-	-

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

	Funded		Unfunded	
	2013-14	**2012-13**	**2013-14**	**2012-13**
Opening defined benefit obligation	**428**	311	**19**	12
Adjustment on account of Acquisition	**157**	-	**-**	166
Interest cost	**32**	25	**1**	1
Current service cost	**139**	79	**9**	6
Benefits paid	**(57)**	(18)	**-**	(7)
Actuarial losses/(gain) on obligation	**123**	32	**(1)**	(2)
Closing defined benefit obligation	**822**	428	**28**	175

Changes in the fair value of plan assets are as follows: **(Rs. in lakhs)**

Particulars	**2013-14**	2012-13
Opening fair value of plan assets	**152**	156
Expected return	**10**	12
Contributions by employer	-	-
Benefits paid	**(30)**	(18)
Actuarial Gain/(losses)	**8**	(3)
Closing fair value of plan assets	**141**	152

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

	2013-14	2012-13
	%	%
Investments with Insurer	**95.76**	97.89
Bank balances	**4.24**	2.11

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

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

	2013-14	2012-13
	%	%
Discount rate	**8.60**	8.00
Expected rate of return on plan assets of the Parent Company	**7.50**	7.50
Increase in compensation cost	**9.00**	5.50
Employee turnover for 2013-14		
M Grade	**20**	-
E Grade	**80**	-
Employee turnover for 2012-13		
upto 30 years	**-**	25
Above 30 years but upto 44 years	**-**	15
Above 44 years	**-**	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: (Rs. in lakhs)

Particulars	2013-14	2012-13
Contribution to Provident Fund		
Charged to statement of profit and loss	**586**	429
Charged to Pre-operative expenses	**46**	44

33. Employee Stock Option Plans

The Parent company has provided stock option scheme to its employees. As at March 31, 2014, 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
Weighted average fair value of options granted on the date of grant	Rs. 37.10

Notes to the Consolidated financial statements for the year ended March 31, 2014

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

	2013-14		2012-13	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**32,940**	**88**	189,070	88
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**32,940**	**88**	156,130	88
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**-**	**88**	32,940	88
Exercisable at the end of the year	**-**	**88**	32,940	88
Weighted average remaining contractual life of options (in years)	**Nil**	**88**	0.83	88

The weighted average share price at the date of exercise for stock options was Rs. 544.81 (March 31, 2013: Rs. 226.10)

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

PVR ESOS 2011:

The Parent company has further provided stock option scheme ESOS 2011 to its employees on October 05, 2011 as follows:

Date of grant	October 05, 2011
Date of Shareholder's approval	October 04 2011
Date of Compensation Committee of Board Approval	October 05, 2011
Number of options granted	550,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than ten years from the date of grant of options.
Exercise Period	Within a period of two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at October 04, 2011	Rs. 116.15
Weighted average fair value of options granted on the date of grant	Rs. 41.17

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

	2013-14		2012-13	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**502,004**	**116.15**	550,000	116.15
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**267,002**	**116.15**	47,996	116.15
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**235,002**	**116.15**	502,004	116.15
Exercisable at the end of the year	**51669**	**116.15**	135,337	116.15
Weighted average remaining contractual life of options (in years)	**2.51**	**116.15**	3.51	116.15

The weighted average share price at the date of exercise for stock options was Rs. 524.17 (March 31, 2013: Rs. 235.42)

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

PVR ESOS 2012:

The Parent company has further provided stock option scheme ESOS 2012 to its employees on January 14, 2013 as follows:

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

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

	2013-14		2012-13	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**550,000**	**200**	-	200
Granted during the year	**-**		550,000	
Forfeited during the year	**-**		-	
Exercised during the year	**99,000**	**200**	-	200
Expired during the year	**-**		-	
Outstanding at the end of the year	**451,000**	**200**	550,000	200
Exercisable at the end of the year	**84,333**	**200**	-	200
Weighted average fair value of options granted on the date of grant	**147.85**		147.85	
Weighted average remaining contractual life of options (in years)	**4.79**	**200**	-	200

The weighted average share price at the date of exercise for stock options was Rs. 533.20 (March 31, 2013: Nil)

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

	March 31, 2014	March 31, 2013
Dividend yield (%)	**0.70%**	0.70%
Expected volatility	**36.99%**	36.99%
Risk-free interest rate	**7.80%**	7.80%
Exercise price (Rs.)	**Rs. 200**	Rs. 200
Expected life of option granted in years	**6**	6

The Parent company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs.188 lakhs (March 2013: 62 lakhs) is recorded in the statements of profit and loss and amount of Rs 70 lakhs has been capitalized as preoperative expenditure.

Notes to the Consolidated financial statements for the year ended March 31, 2014

PVR ESOS 2013:

The Company has further provided stock option scheme ESOS 2013 to its employee on August 21, 2013 as follows:

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

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

	2013-14	2012-13
	Number of Options	Number of Options
Outstanding at the beginning of the year	**-**	-
Granted during the year	**50,000**	-
Forfeited during the year	**-**	-
Exercised during the year	**-**	-
Expired during the year	**-**	-
Outstanding at the end of the year	**50,000**	-
Exercisable at the end of the year	**-**	-
Weighted average fair value of options granted on the date of grant	**241.14**	-

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

	March 31, 2014	March 31, 2013
Dividend yield (%)	**0.27%**	-
Expected volatility	**39.51%**	-
Risk-free interest rate	**8.77%**	-
Exercise price (Rs.)	**Rs. 200**	-
Expected life of option granted in years	**6**	-

The options have not been vested by the Company during the year, as a result the average remaining contractual life of the option is not determinable as on March 31, 2014 as mentioned above. The Company measures the cost of ESOP using the intrinsic value method. The option has been granted on an exercise price of Rs. 200. As a result, an expense of Rs.31 lakhs is recorded in the statements of profit and loss.

In March 2005, the ICAI has issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employees based share plan, having grant date in respect 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:

Particulars	**2013-14 (Rs. in lakhs)**	2012-13 (Rs. in lakhs)
Profit after tax and before appropriation, as reported	**5,605**	4,450
Add - Employee stock compensation under Intrinsic Value method	**219**	62
Less - Employee stock compensation under Fair Value	**528**	205
Proforma Profit /(Loss)	**5,296**	4307
Basic		
- As reported (Rs.)	**13.72**	14.95
- Proforma (Rs.)	**12.96**	14.46
Diluted		
- As reported (Rs.)	**13.69**	14.93
- Proforma (Rs.)	**12.93**	14.45

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)

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

Particulars	**2013-14 (Rs. in lakhs)**	2012-13 (Rs. in lakhs)
Lease payments for the year recognized in statement of profit and loss	**23,763**	13,435
Lease payments for the year recognized in Preoperative Expenditure	**206**	881
Minimum Lease Payments:		
Not Later than one year	**16878**	14,396
Later than one year but not later than five years	**56,383**	55,260
Later than five years	**44,286**	44,567

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.

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	**2013-14 (Rs. in lakhs)**	2012-13 (Rs. in lakhs)
Lease rent receipts for the year recognized in statement of profit and loss	**1,430**	1,046

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. Capital and other Commitments

(a) Capital Commitment

	March 31, 2014 (Rs. in lakhs)	March 31,2013 (Rs. in lakhs)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**3,038**	5,383

Notes to the Consolidated financial statements for the year ended March 31, 2014

(b) Other Commitments

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

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

(Rs. in lakhs)

	March 31,2014	March 31,2013
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, 2010, 2009, 2008, 2007, 2006 respectively. (the Parent company has paid an amount of Rs. 890 lakhs which is appearing in the Schedule of Loans and Advances)	**2,110**	1,971
Possible demand on account of entertainment tax exemption treated as capital subsidy for assessment year 2012-13 to 2014-15 on the grounds of ongoing assessments	**3,653**	3,430
Show cause notices issued by Service tax Commissioner, New Delhi for non-levy of Service tax on invoices. (the Parent company has already paid an amount of Rs. 85 lakhs which is appearing under loans and advances)	**539**	539
Demand of Sales Tax under Various States VAT Acts where appeal is pending before competent authority (the Parent company has paid an amount of Rs. 41 lakhs under protest)	**332**	-
Demand of Entertainment Tax under Assam Amusement and Betting Tax Act, 1939 where appeal is pending before High Court	**334**	-
Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT, Lucknow of one of the property of the Parent Company.	**115**	115
Appeal filed by CR Retails Malls (India) Ltd., against the Order of the Chief Controlling Revenue Authority, Pune against the demand of additional stamp duty indemnified by the Parent Company.	**91**	91
Notice from Entertainment Tax Department Chennai against short deposit of Entertainment Tax on regional movies	**43**	43
Notice from Commercial Tax Department, Indore against alleged collection of Entertainment Tax during exemption period	**823**	823
Claims against the subsidiary companies not acknowledged as debts	**255**	386
Labour cases pending *	**Amount not ascertainable**	Amount not ascertainable

*In view of the large number of cases pending at various forums/courts, it is not practicable to furnish the details of each case, however, as per estimate of management, the amount in aggregate is not material. Based on the discussions and meetings with the solicitors, the management believes that it is more likely than not that the Company has a strong chance of success in the above cases and hence no provision is considered necessary.

37. During the year, the parent Company has executed the sale of Anupam Cinema Property, Located at New Delhi, for a consideration of Rs. 5200 lakhs during the year. As a result the Company has earned a profit of Rs. 1915.09 lakhs. The profit on the aforesaid transaction has been considered as exceptional item in the statement of profit and loss in the current year.

38. **Segment Information**

Business Segments:

The PVR Group has organized its operations into three primary segments, Exhibition of Films, Distribution and Production of Films. Income from Bowling alleys and gaming zone, accordingly have been identified taking into account their nature of activities carried out. The PVR Group's operations predominantly relate to exhibition of films.

Costs directly attributable to respective 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, 2014 and March 31, 2013 and certain asset and liability information regarding business segments as at March 31, 2014 and March 31, 2013.

Business Segment

Amount in lakhs

Particulars	**Movie exhibition**		**Movie Production & Distribution**		**Others (includes Bowling, gaming & restaurant etc.)**		**Elimination**		**Total**	
Revenue	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013	**March 31, 2014**	March 31, 2013
Income from Operations	124,857	71,659	2,524	4,089	7,370	4,888	-	-	134,751	80,636
Inter segment sales	420	155	1,174	1,393	15	-	(1,609)	(1,548)	-	-
Other Income*	282	372	73	53	17	9	-	-	372	434
Total Revenue	**125,559**	72,186	**3,771**	5,535	**7,402**	4,897	**(1,609)**	(1,548)	**135,123**	81,070
Results										
Segment Results	**12,287**	6,157	**90**	256	**(263)**	86	**(13)**	19	**12,101**	6,518
Amortisation of Goodwill									-	-
Interest Expense									(7,951)	(3,672)
Dividend Income									15	4
Profit on sale of current investments									567	356
Interest Income									178	112
Exceptional items									321	(125)
Provision for Income Tax (including Deferred Tax)									(192)	1,237
Net Profit before Minority Interest									**5,039**	4,430
* Total Other Income as per the statement of profit and loss is Rs. 1,131 lakhs (March 31, 2013: Rs. 906 lakhs) which includes Rs. 760 lakhs (March 31, 2013: Rs. 471 lakhs) Pertaining to Corporate office.										
Other Information										
Total Assets	117,393	138,029	4,830	6,226	13,738	14,863	(632)	(437)	135,329	158,681
Unallocated Assets	8,361	46,712	1,276	3,119	2,958	4,168	-	-	12,595	53,999
Total Allocated Assets	**109,032**	**91,317**	**3,554**	**3,107**	**10,780**	**10,695**	**(632)**	**(437)**	**122,734**	**104,682**
Total Liabilities	83,967	82,076	1,261	627	3,093	3,598	(632)	(437)	87,689	85,864
Unallocated Liabilities	61,245	64,313	-	-	1,466	2,074	-	-	62,711	66,387
Total Allocated Liabilities	**22,722**	**17,763**	**1,261**	**627**	**1,627**	**1,524**	**(632)**	**(437)**	**24,978**	**19,477**
Capital employed (Allocable)	86,310	73,554	2,293	2,480	9,153	9,171	-	-	97,756	85,205
Capital Employed (Unallocable)							-	-	(50,116)	(12,388)
Capital Expenditure	19,190	17,994	584	1,781	5,059	5,059	-	-	24,833	24,834
Depreciation/Amortisation	6,899	3,839	1,646	1,264	892	546	-	-	9,437	5,649
Goodwill Depreciation	-	(47)	-	-	-	-	-	-	-	(47)
Depreciation	6,899	3,792	1,646	1,264	892	546	-	-	9,437	5,602
Provision for Doubtful Debts and advances	219	212	15	-	-	-	-	-	234	212

Note:

Secondary Segment- Geographical Segment: The PVR group mainly caters to the needs of the domestic market. Export turnover is not material. Hence, not considered for reporting.

Notes to the Consolidated financial statements for the year ended March 31, 2014

39. Related Party Disclosure

Key Management Personnel	Ajay Bijli, Chairman cum Managing Director Sanjeev Kumar, Joint Managing Director
Enterprises having significant influence over the Company	Bijli Holding Private Limited
Relatives of Key Management Personnel	Ms. Salena Bijli, Wife of Mr. Ajay Bijli Ms. Sandhuro Rani, Mother of Mr. Ajay Bijli
Enterprises over which Key Management Personnel are able to exercise significant influence to exercise significant influence	PVR Nest Priya Exhibitors Private Limited

(Rs. in lakhs)

	Enterprises having significant influence over the Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel are able to exercise significant influence	
Transactions during the year	**March 31 2014**	March 31 2013	**March 31 2014**	March 31 2013	**March 31 2014**	March 31 2013
Remuneration paid						
Ajay Bijli (net of recovery)	-	-	339	231	-	-
Sanjeev Kumar	-	-	339	231	-	-
Salena Bijli	-	-	30	30	-	-
Rent Expense						
Priya Exhibitors Private Limited	-	-	-	-	197	197
Donation given						
PVR Nest	-	-	-	-	20	20
Final Dividend Paid						
Bijli Holding Private Limited	100	201	-	-	-	-
Ajay Bijli	-	-	23	31	-	-
Sanjeev Kumar	-	-	34	0.35	-	-
Selena Bijli	-	-	0	0.01	-	-
Sandhuro Rani	-	-	0	0	-	-
Balance Outstanding at the end of the year						
Security Deposit						
Priya Exhibitors Private Limited	-	-	-	-	66	66
Guarantees Taken (Personal Guarantees)						
Ajay Bijli	-	-	*	*	-	-
Sanjeev Kumar	-	-	*	*	-	-

Notes:

(a) *The Parent Company has availed loans from banks and a body corporate aggregating to Rs. 94 lakhs (March 31, 2013: Rs. 1,072 lakhs) which are further secured by personal guarantee of two directors of the Parent Company.

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

(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.

40. During the year the one of the subsidiary, PVR bluO Entertainment Limited, has decided not to continue with an ongoing project at Koregaon, Pune. The Project was in advanced stage of construction and majority of the work was completed, accordingly a sum of Rs. 484 lakhs (net of insurance claims received Rs. 68 lakhs) has been written off in the financial statements as an exceptional item.

41. Effective September 6, 2013 there has been a temporary cessation in operations in one of the project of the subsidiary company, PVR bluO Entertainment Limited at Vasant Kunj, New Delhi on account of certain irregularities observed in the Mall. The said subsidiary company has invested Rs.1,496 lakhs (written down value of Rs.1,179 lakhs) in this project and since then it is not in operation. The management is of the view that this irregularity has to be regularized by the mall owner and the subsidiary company has assessed that there is no loss expected from the same, based on the ongoing discussion with the Mall Management. Further, the Mall Management is of the view that it shall be able to obtain necessary clearances from the authorities very soon. The subsidiary company has also not provided rent expenses of Rs.140 lakhs payable to Mall Management on the pretext that

the subsidiary company has not been provided with the access in the project due to fault of the mall developer, it does not foresee any need for making any provision in this regard.

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

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprise Development Act, 2006 which comes into force with effect from October 2, 2006. As per the act, the Company is required to identify the Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of terms agreed with the suppliers. The Parent Company and its subsidiaries have sent the confirmation letters to its suppliers at the year end, to identify the supplier registered with the act. As per the information available with the Parent Company and its subsidiaries, none of the supplier has confirmed that they have registered with the Act. In view of this, the liability of interest has not been provided nor is required disclosure done.

43. **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, 2014 Amount (Rs. in lakhs)**	March 31, 2013 Amount (Rs. in lakhs)
Trade Payable	Thai Bhat	**7.01**	6.86
	Hongkong Dollar	**2.01**	-
	USD	**3.01**	27.83
Trade Receivable	USD	**-**	8.97
Cash in Hand	Thai Bhat	**0.11**	1
	Hongkong Dollar	**0.04**	0.04
	Sterling Pound	**0.08**	0.07
	Singapore Dollar	**0.20**	0.18
	USD	**2.22**	0.76
	Euro	**1.07**	-

44. (i) Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's classification.

(ii) The figures in the financial statements and notes thereto have been rounded off to nearest rupees in lakhs.

(iii) The current year financial statement includes the impact of scheme of amalgamation as stated in note 31. Therefore, the figures of previous year are strictly not comparable to current year figures.

As per our report of even date

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

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

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

Place: Gurgaon
Date: May 29th, 2014

Ajay Bijli
Chairman cum Managing Director
DIN: 00531142

Sanjeev Kumar
Joint Managing Director
DIN: 00208173

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

Nitin Sood
Chief Financial Officer

Summarised Financial Statements of Subsidiaries

for the financial year ended 31.03.2014

(Rs. in lakhs)

NAME OF SUBSIDIARIES					
Sr. No.	Particulars	PVR Pictures Limited	PVR bluO Entertainment Ltd.	PVR Leisure Ltd.	Lettuce Entertain You Ltd.
		2013-2014	2013-2014	2013-2014	2013-2014
1	Capital	1,433	3,436	2,194	955
2	Reserve and Surplus	797	3,622	5,489	(513)
3	Total Assets (Fixed Assets + Current Assets)	3,860	9,734	7,712	1,192
4	Total Liabilities	1,631	2,676	30	750
5	Investments (except in case of investments in subsidiary company)	-	-	2,200	-
6	Turnover	3,910	5,159	335	469
7	Profit / loss before tax	254	(552)	120	(454)
8	Provision for tax	67	(23)	42	16
9	Profit after tax	186	(529)	78	(470)
10	Proposed Dividend				

PVR LIMITED,

Regd. 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