PVR | REDEFINING GROWTH

ANNUAL REPORT 2012-13

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

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
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Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the 18th Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended March 31, 2013.

Financial Highlights

(Rs. In Crores)

	2012-13	2011-12
Income from Operations	669.37	476.04
Other Income	5.03	9.97
Total Income	**674.40**	**486.01**
Less: Total Expenditure	561.80	402.20
Earnings before depreciation/ amortization interest and tax (EBDITA)	**112.60**	**83.81**
Less : Finance Cost	25.45	17.96
Depreciation & Amortization Expenses	42.95	31.36
Profit before Tax	**44.20**	**34.49**
Total Tax expenses/(Credit)	(10.65)	6.38
Net Profit after Tax	**54.85**	**28.11**
Earnings per equity share		
Basic	**18.42**	**10.50**
Diluted	**18.40**	**10.46**
Balance as per last financial statement	**40.47**	**33.95**
Profit available for appropriation	**95.32**	**62.06**
Appropriations		
Proposed dividend on Equity Shares	**3.97**	**15.44**
Tax on proposed equity Dividend	**0.64**	**2.49**
Transfer to Debenture Redemption Reserve	**0.85**	**0.85**
Transfer to General Reserve on Dividend declared	**-**	**2.81**
Net surplus in the statement of Profit and Loss	**89.86**	**40.47**

Financial Review:

During the Financial year ended March 31, 2013, your Company has achieved new heights in terms of income and profitability. The total income has increased from Rs. 486 Crores, during the preceding financial year to Rs. 674 Crores in the year under review registering a growth of 38.68%. Operating Profit before interest, depreciation and tax increased to Rs. 112.60 Crores as against Rs. 83.81 Crores during 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 Re. 1/- (Rupee One) per Equity Share for the financial year ended March 31, 2013 for your approval. The proposed dividend outgo will amount to Rs. 3.97 Crores (exclusive of Dividend Distribution Tax of Rs. 0.64 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, 2013 the Company had three subsidiary companies namely PVR Pictures Limited (PVR Pictures) and Cine Hospitality Private Limited (CHPL), the wholly owned subsidiaries and PVR Leisure Limited, a Joint Venture Company in which your Company holds 53.68% in the equity share capital.

Cine Hospitality Private Limited

During the year under review, your Company (person acting in concert) through Cine Hospitality Private Limited a wholly Owned Subsidiary of your company (the Acquirer), acquired the entire stake of 69.27% of the paid-up Equity share Capital in Cinemax India Limited ("Cinemax') from Kanakia's family its erstwhile promoters, consisting of 19,394,816 Equity Shares. Subsequently, Cine Hospitality Private Limited (CHPL) in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 made an open offer and acquired 66,97,189 Equity Shares representing 23.92% of the Paid-up Equity Share Capital of Cinemax from the Public Shareholders of Cinemax. Pursuant to the aforesaid acquisitions of shares @ Rs. 203.65 each share of Cinemax, your Company through CHPL now holds 93.19% paid up equity share capital of Cinemax. Consequent upon acquisition of Cinemax with 135 screens the combined numbers of screens have now increased to 383 screens at 90 locations.

Composite Scheme of Amalgamation

Cinemax India Limited and its subsidiaries (except Growel Entertainment Limited) are engaged into film exhibition business. The Audit Committee in the meeting held on 15th June 2013 recommended to the Board of Company as per Joint valuers' Report & fairness opinion Report and the Composite Scheme of Amalgamation, for the merger (to be effective from 1st April 2013 the appointed date), of Cine Hospitality Private Limited ("CHPL"), a wholly owned subsidiary of the Company (being Special purpose vehicle) and Cinemax India Limited along with its 5 (five) subsidiaries namely Cinemax Motion Pictures Limited, Vista Entertainment Limited, Odean Shrine Multiplex Limited, Growel Entertainment Limited and Nikmo Entertainment Limited with PVR Limited.

The Board of Directors based on the recommendations of the Audit Committee, Joint Valuer's Report dated 14th June 2013 received from M/s Hari bhakti & Co. and M/s SSPA & Co., the Independent Chartered Accountants, and in accordance with the Fairness Opinion Report dated 15th June 2013 of M/s Axis Capital Limited, a Category I Merchant Banker, approved the issue of 4 (Four) fully paid up equity shares of the face value of Rs. 10/- each in the share capital of PVR Ltd for every 7 (Seven) fully paid up equity share(s) of the face value of Rs. 5/- (Rupees Five) each of Cinemax India Limited to its members (holding shares in Cinemax on the record date to be fixed in due course), subject to the approval by the shareholders, creditors of the respective companies and Hon'ble High Court of Delhi. The proposed consolidation is expected to result into better synergies, smooth the business processes besides the combined resources can be put to the best advantages of all the stakeholders.

The company has filed applications under Clause 24 (f) of the Listing Agreement on 25th July 2013 with National Stock Exchange of India Limited and BSE Limited for their no- objection in respect of proposed Composite Scheme of Amalgamation.

PVR Leisure Limited

The Company was incorporated on 13.07.2012 as a Joint Venture Company by PVR Limited and L Capital Eco Limited, a Mauritius based Company, as Joint Venture partners, for the purpose of making downstream investment in Indian Companies. During the year under review your Company transferred its entire 51% shareholding in PVR BluO Enteratainment Limited and 100% shareholding in Lettuce Entertain You Limited to PVR Leisure Limited.

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 2012-13.

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 2012-13 without detailed audited accounts of its subsidiaries.

Corporate Governance

The Company is committed to uphold the highest standards of corporate governance. Your Company strongly 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, along 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 also enclosed.

Management Discussion and Analysis Report

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

Directors

Mr. Ravi Kumar Sinha and Mr. Sumit Chandwani, Directors of the Company resigned from the Board with effective from 05th December 2012 and 29th January 2013 respectively. The Board places on records, its deep appreciation of the valuable contribution made by Mr. Sinha and Mr. Chandwani during the tenure of their Directorships.

Mr. Ravinder Singh Thakran, Ms. Renuka Ramnath and Mr. Amit Burman were co-opted as Additional Directors on the Board of the Company effective from 08th October 2012, 30th January 2013 and 29th March 2013 respectively. Members of the Company under Section 257 of the Companies Act, 1956 have proposed the candidature of Mr. Ravinder Singh Thakran, Ms. Renuka Ramnath and Mr. Amit Burman for their Directorships. The Board recommends their appointments.

Mr. Vicha Poolvaraluk, a director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his reappointment. A brief resume of the Mr. Vicha Poolvaraluk seeking reappointment along with other details, is given as Annexure II to Director's Report.

Fixed Deposits

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

Directors' Responsibility Statement

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

i. That in the preparation of the annual accounts for the financial year ended 31st March 2013, 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 judgements 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, 2013 on a going concern basis.

Employee Stock Option Scheme: "PVR ESOS 2012"

Your Company had obtained Members' approval through Postal Ballot on 13th September 2012 for the implementation of PVR Employees Stock Option Scheme 2012 ("PVR ESOS 2012").

During the financial year under review the Compensation Committee in the meeting held on 14th January 2013 granted 5,50,000 Options to the employees 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 2012" has been implemented in accordance with the Guidelines, shall be placed before the shareholders at the ensuing Annual General Meeting.

Deferred Tax

The Company is entitled to exemption from payment of entertainment tax in respect of some of its multiplexes, in accordance with the scheme of the respective State Governments. The Company's contention that Entertainment tax is a capital receipt and the Company's appeal for not setting off such capital receipt from the value of fixed assets was rejected by Assessing Officer and Commissioner of Income Tax (Appeals) for Assessment Years 2006-07 onwards. The Company had filed appeal against the order of CIT (Appeals) before the Income Tax Appellate Tribunal (ITAT), Delhi in respect of the assessment year 2006-07 and 2007-08. The Income Tax Appellate Tribunal, Delhi for Assessment Year 2006-07 has accepted Company's contention of treating Entertainment Tax as a capital receipt and for not setting off such capital receipt from block of fixed assets. Based on the above order and order pronounced by Honourable High Court of Gujrat and Mumbai in the similar matters during the year and also basis the tax opinion obtained, the Company has reversed deferred tax liabilities of Rs. 307,531,453 upto March 31, 2012 in the current year. However, the overall deferred tax credit is reduced by Rs. 178,180,078 during the current year on account of principles of virtual certainty.

Auditors' Report

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Co., LLP, Chartered Accountants having firm's Registration No.: 301003E hold office until the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment and have confirmed that their reappointment if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956. The Board recommends the reappointment of M/s S. R. Batliboi & Co., LLP, Chartered Accountants, as Statutory Auditors of the Company for the financial year 2013-14.

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 on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). During the year under review, the Company allotted 6,93,878 equity shares to Mr. Ajay Bijli, the promoter of the Company, 3,26,531 equity shares to Mr. Sanjeev Kumar, a resident Individual, 62,44,898 equity shares to L Capital Eco Limited and 46,49,326 equity shares to Multiples Private Equity Fund I Limited, both Mauritius based Companies besides 15,95,572 equity shares to Multiples Private Equity Fund, a SEBI registered Venture Capital Fund, on preferential Issue basis in accordance with chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further, during the period under review the Company allotted 1,56,130 Equity Shares under PVR ESOS, 2008 and 1,31,329 equity shares under PVR ESOS 2011 Schemes, to the permanent employees of the Company against same numbers of options exercised by the employees pursuant to the aforesaid Employees Stock Option Schemes of the company.

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

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

Particulars of Employees

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

Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

Acknowledgement

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

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

For and on behalf of the Board

Place: Gurgaon, Haryana **Ajay Bijli**
Date: 30th July, 2013 Chairman cum Managing Director

Annexure – I to Directors Report

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

Particulars required under Section 217(1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as mentioned herein below:

i) Conservation of Energy

Energy conservation measures taken:

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

ii) Technology Absorption:

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

iii) Foreign Exchange Earnings & Outgo

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Earnings in foreign currency (on accrual basis)		
Advertisement Income (including Service Tax)	2,491,337	1,575,992
Expenditure in foreign currency (on accrual basis)		
Travelling	5,961,609	6,190,036
Professional fees (including expenses, net of income tax)	18,832,044	16,114,098
Director Sitting Fees	-	49,989
Others	20,67,610	137,830
Total	**26,861,263**	**22,491,953**
CIF Value of Imports		
Capital Goods	135,074,676	90,692,825
Software	-	-
Total	**135,074,676**	**90,692,825**

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: 30th July, 2013

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, 2013

A.

	Particulars	ESOP Scheme
1	Number of options granted	550,000
2	The Pricing Formula	Grant Price Fixed @ Rs. 200/- each option.
3	Number of options vested	Nil
4	Number of options exercised	N.A.
5	Total number of shares arising as a result of exercise of options	N.A.
6	Number of options lapsed	Nil
7	Variation in the terms of options	N.A.
8	Money realized by exercise of options	Nil
9	Total Number of Options in force	550,000

B. Employee-wise details of options granted to:

(i) Senior managerial personnel

Name	No. of options granted
Mr. N. C. Gupta	60,000
Mr. Pramod Arora	90,000
Mr. Nitin Sood	80,000
Mr. Gautam Dutta	80,000
Mr. Ashwani Handa	40,000
Mr. Sunil Bhatnagar	20,000
Mr. Ajay Kalra	20,000
Mr. Rakesh Kaul	20,000
Mr. Vijay Kapoor	20,000
Mr. Sanjay Walia	20,000
Ms. Sumneet Kaur	20,000
Mr. Rahul Singh	20,000
Mr. Pankaj Dhawan	12,500
Mr. Brijesh Arora	12,500
Ms. Maushami Das Gupta	12,500
Mr. Saurabh Gupta	12,500
Mr. Sanjay Kapoor	10,000

(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	548,514,863
Add - Intrinsic Value Cost	6,158,396
Less - Fair Value Cost	20,455,429
Profit as adjusted	534,217,830
Earning per share (Basic) as reported	18.42
Earning per share (Basic) adjusted	17.94
Earning per share (Diluted) as reported	18.40
Earning per share (Diluted) adjusted	17.92

E. Weighted average exercise price of Options whose

(a) Exercise price equals market price	N.A.
(b) Exercise price is greater than market price	Nil
(c) Exercise price is less than market price	287.25

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	147.87

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	14th January, 2013
1. Risk Free Interest Rate	7.80%
2. Expected life	6
3. Expected Volatility	36.99%
4. Dividend Yield	0.70%
5. Price of the underlying share in market at the time of the option grant (Rs.)	287.25

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, 2013. 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

India's domestic theatrical revenues grew at a CAGR of 23.8 percent, contributing 76 percent to the INR 112.4 billion film industry and this trend is expected to continue in the foreseeable future. Digital distribution played a significant role in increasing the reach of the industry. The industry has begun penetrating tier II and III markets and entertaining the un-served population which sits near the bottom of the pyramid. All this has been made possible by leveraging technology which allows for a movie watching experience at an affordable cost and in a secure environment.

Indian cinema has continued to enchant the Indian audience for a century now and it is expected to continue on its growth trajectory and be worth INR 193.3 billion by 2017. Domestic theatricals will continue to be the major growth driver for the industry while ancillary revenue streams will also grow rapidly albeit off a smaller base.

(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

Digitization has changed the face of the movie industry in a number of ways, one being simultaneous release of Indian movies on several screens, including those in tier II and tier III cities. Movie Exhibitors now see tier II and tier III cities as potential drivers of 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 share of the digital format has increased from roughly 50 percent in 2010 to around 80-90 percent in 2012. 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.

The main driver behind this is the huge price difference between digital and physical prints, which now makes it affordable for a distributor to release a greater number of prints for a film. Big-budget movies are now released across as many as 3,500 screens now as compared to 1,000 three years ago.

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:

he industry has witnessed a marked improvement in transparency of ticket sales over the years. Systems and processes introduced by multiplex chains in addition to digitization of theatres is the key contributor. 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. 2012 proved to be a blockbuster year not only for Bollywood but also for Hollywood films in India. The share of Hollywood movies in gross box office collections increased to 8.5 percent in 2012 with total collections of INR 9.5 billion. A wider distribution network due to digitization, growth in multiplexes and robust marketing has aided the growth of Hollywood content.

Growth of Multiplexes

The exponential growth in domestic theatrical revenues can be attributed to the growth in number of screens via growth of multiplexes, coupled with increased ticket prices and delivery of robust content. In 2012, the industry added 152 new screens with major growth coming from expansion of multiplexes. 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. Inorganic activity gathered pace in 2012 with PVR acquiring Cinemax. 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. A few years ago, a film reached television and home video only after six months of its theatrical release. Pirates could take advantage of this delay, and would flood the market with pirated DVDs/VCDs. Currently the theatre-to-television window has been reduced to less than 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, which is currently challenged due to the overall economic slowdown. At many places urban land supply is controlled by state-owned development bodies and housing boards, leaving limited space for development of malls. Restricted land supply also leads to high real estate prices. 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.

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 incentivise the sector and boost growth and development of such cities.

Cable and satellite rights

Revenue from Cable and satellite (C&S) rights grew at 20 percent in 2012. 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 and films such as 'Kahaani', 'Ek Tha Tiger', and 'Son of Sardar' were broadcasted on TV within 3 months of their release.

Reflecting a reversal of the trend of showcasing new movies on GECs, 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.

Pay per view (PPV):

With the net DTH subscriber base growing at 18.8 percent in 2012, pay per view is expected to grow robustly over the years. The phase 2 of TV digitization is set to cover 38 cities by March 2013 (although with likely delays) and phase 3 aims to cover smaller towns and cities by November 2014. There will be considerable monetization potential for regional pay per view services. PPV will also aid the airing of parallel cinema movies, which often struggle to find slots in the exhibition space. With the emergence of new talented directors producing movies with strong storyline and inclination of Indian audience towards good quality content, PPV will be a strong driver for indian cinema.

Product wise analysis

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

Revenue Growth

(Rs in Lacs)

	Year ended		
	31.03.2013	31.03.2012	Growth
Income from Ticket Sales/ Revenue Sharing	42,127	29,754	42%
Sale of Food and Beverages	13,568	9,285	46%
Advertisement & Royalty Income	7,529	6,137	23%
Other Operating Income	3,929	2,650	48%
Net Operating Income	**67,153**	**47,826**	**40%**
Other Income	288	776	-63%
Total Income	**67,441**	**48,601**	**39%**

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 32.6 million patrons at our cinemas during FY 2012-13 as compared to 24.7 million patrons during the FY 2011-12, registering a growth of 32%. With the addition of 75 new screens planned in 2013-14, your Company expects a robust growth in footfalls during the current year.

2. **Future Outlook**

   Future outlook for the FY 2013-14 is positive and barring the unforseen circumstances the company's performance is expected to show continued growth.

Internal Control Systems and their adequacy

The Company has adequate internal control systems commensurate with its size and need.

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

Material Developments in Human Resources:

Recruitment & Selection

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

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

Industrial Relations

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

Report on Corporate Governance

Corporate Governance

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

Company's philosophy on Corporate Governance

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

Corporate Governance is an integral part of PVR in its pursuit of excellence, growth and value creation. It continuously endeavors to leverage available resources for translating opportunities into reality. During the year under review, the Board of Directors, Management and employees of the Company continued their pursuit of achieving these objectives through the adoption and monitoring of prudent business plans and monitoring of major risks of the Company's business.

The Company pursues policies and procedures to satisfy its legal and ethical responsibilities. The Company's Philosophy is to achieve business excellence and optimize long-term Shareholders' value on a sustained basis by ethical business conduct. The Company is committed to transparency in all its dealings and places strong emphasis on business ethics.

BOARD OF DIRECTORS

Composition of the Board of Directors

As on 31st March, 2013, the Company had nine Directors on the Board. The Board is comprised of two Executive Directors and seven Non Executive Directors out of which four are Independent Directors. Mr. Ajay Bijli, the promoter and Executive Director is the Chairman of the Board.

The terms of reference of the Board of Directors are in accordance with that *inter-alia* as 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 2012-13, the details regarding directorship/membership in Committees of public companies, attendance in last Annual General Meeting & Board Meetings held during the financial year 2012-13 are as follows:

Name of the Directors	Category	Shareholding in the Company (No. of shares)	No. of Board Meetings attended during the year.	Attendance at the last AGM held on September 28, 2012.	Number of other Directorships as on 31.03.2013	Number of Committee Memberships and Chairmanship in all Companies including PVR Limited	
						Membership	Chairmanship
Ajay Bijli	Promoter, Executive Director	2,264,165	7	Yes	15	5	4
Sanjeev Kumar	Executive Director	3,44,131	1	Yes	13	5	2
**Renuka Ramnath	Non Executive Non Independent	-	1	NA	10	-	-
**Ravinder Singh Thakran	Non Executive Non Independent	-	1	NA	7	-	-
Vicha Poolvaraluk	Non Executive Non Independent	-	1	No	1	1	-
Sanjay Khanna	Non Executive Independent	15,000	8	Yes	1	7	-
Vikram Bakshi	Non Executive Independent	-	4	No	25	1	4
Sanjai Vohra	Non Executive Independent	-	3	No	1	2	-
*Ravi. K. Sinha	Non Executive Non Independent	-	6	No	4	1	-
*Sumit Chandwani	Non Executive Independent	-	6	Yes	3	4	2
**Amit Burman	Non Executive Independent	-	Nil	NA	23	3	-

* Mr. Ravi Kumar Sinha and Mr. Sumit Chandwani have resigned from the Board of the Company w.e.f. 05th December 2012 and 29th January 2013 respectively.

** Mr. Ravinder Singh Thakran, Ms. Renuka Ramnath and Mr. Amit Burman joined the Board effective from 08th October 2012, 30th January 2013 and 28th March 2013 respectively.

Number of Board Meetings

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

- 29th May, 2012.
- 01st August 2012.
- 28th September 2012.
- 30th October, 2012.
- 26th November, 2012.
- 29th November 2012 (met twice)
- 30th January 2013

Remuneration paid to Directors

Executive Directors

Mr. Ajay Bijli, Chairman cum Managing Director and Mr. Sanjeev Kumar, Joint Managing Director of the Company were paid following remuneration and perquisites for the financial year ended 31st March 2013:

Amount (Rs.)

Remuneration	Mr. Ajay Bijli	Mr. Sanjeev Kumar
Salary	1,50,00,000	1,16,64,000
Perquisites (HRA)	75,00,000	58,32,000
Commission	6,00,000	56,00,000
Total	2,31,00,000	2,30,96,000

Non Executive Directors

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

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

Name of the Directors	Sitting Fees (Rs.)
Mr. Sanjay Khanna	2,80,000
Mr. Ravi. K. Sinha	60,000
Mr. Sumit Chandwani	1,80,000
Mr. Vikram Bakshi	1,40,000
Mr. Ravinder Singh Thakran	-
Mr. Vicha Poolvaraluk	-
Ms. Renuka Ramnath	-
Mr. Sanjai Vohra	-
Mr. Amit Burman	-
Total	**6,60,000**

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

Code of Conduct

The Board has laid down a Code of Conduct for all the 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, 2013, the Audit Committee is comprised of three Non Executive and Independent Directors. The Chief Financial Officer, the Statutory Auditors and the Internal Auditors are the invitees in the Committee meetings.

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

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

Composition and Attendance

Mr. Sumit Chandwani was the Chairman of the Audit Committee and on his ceasing to be a member of the Committee with effect from 29th January 2013, Mr. Vikram Bakshi, who has knowledge in Finance and Accounts, was appointed as the Chairman of the Audit Committee. During the year under review the Audit Committee met Four times on 29th May 2012, 01st August 2012, 30th October 2012 and 30th January 2013 and the maximum gap between any such two meetings did not exceed four months as stipulated under Clause 49 of the Listing Agreement.

Name of the Members	No. of meetings attended
*Mr. Sumit Chandwani	3
Mr. Sanjay Khanna	4
Mr. Vikram Bakshi	2
Mr. Sanjai Vohra	1

*Ceased to be member w.e.f. 29.01.2013

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 investor complaints including transfer of shares, non-receipt of dividends/ annual reports and other such issues.

Composition and Attendance

The Investor Grievance Committee comprises of three Directors, two of whom are Non-Executive Directors. During the year under review the Investors Grievance Committee met once on 30th January, 2013 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 of the Directors. During the year under review Mr. Sumit Chandwani ceased to be the member of Remuneration Committee effective from 29th January 2013 and Mr. Sanjai Vohra was appointed as a member of Remuneration Committee.

Composition

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

*Ceased to be member w.e.f. 29.01.2013

Remuneration Committee met once on 16th October 2012 during the financial year under review and was attended by Mr. Sumit Chandwani, Mr. Vikram Bakshi and Mr. Sanjay Khanna.

The Remuneration policy of the Company is aimed at rewarding performance, based on review of the achievements on a regular basis. The remuneration paid to the Executive Directors is recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the subsequent approval by the shareholders and such other authorities, if 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 Employee Stock Option Schemes of the Company besides determination of all related matters.

Composition

Name of the Members
Mr. Ajay Bijli
Mr. Vikram Bakshi
Mr. Sanjay Khanna

The Compensation Committee met once on 14th January 2013 during the year under review and was attended by Mr. Ajay Bijli, Mr. Vikram Bakshi and Mr. Sanjay Khanna.

Details of complaints/ queries received and resolved during the Financial Year 2012-13 are as follows:

Nature of Complaint	Number of Complaints/Queries received during the year	Complaints/Queries resolved during the year
Status of applications lodged for public issue(s)	Nil	Nil
Non-receipt of Securities	1	1
Non-receipt of Annual Report	8	8
Non-receipt of Dividend Warrants	30	30
Non-receipt of refund orders	Nil	Nil
Non-receipt of Electronic Credits	Nil	Nil
Total	39	39

The transfer/transmission/split of physical share certificates is approved normally once in a fortnight on the basis of recommendations received from the Company's Registrars and Share Transfer Agent M/s Karvy Computershare Private Limited. The Investors may lodge their grievances through e-mails at cosec@pvrcinemas.com or through letters addressed to Mr. S.D. Prabhakar, Assistant 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
2009-10	Monday, September 27, 2010	10:30 A.M	The Claremont Hotel & Convention Centre, Aaya Nagar, Mehrauli Gurgaon Road, New Delhi – 110 030	Granting of Options under the "PVR ESOS 2008" to an employee of the than wholly owned subsidiary namely CR Retail Malls (India) Limited.
2010-11	Monday, August 08, 2011	10:30 A.M	The Mapple Emerald, Rajokri, NH-8 Delhi – 110 038	None
2011-12	Friday, September 28, 2012	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 read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011:

1. Granting of 5,50,000 employee Stock Options to the employees under PVR Employees Stock Option Scheme 2012.
2. Issue of 28,85,000 fully paid equity shares on Preferential Issue basis to L Capital Eco Limited, a Mauritius based Company.

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 scrutinizer by the Board. The Scrutinizer had submitted his report on September 13, 2012 based on which on the same day the result was declared by the Company.

The summary of the results is as follows:

Resolution I: Granting of 5,50,000 employee Stock Options to the employees under PVR Employees Stock Option Scheme 2012

Particulars	No. of Postal Ballot Forms	No. of Shares	%(Percentage) to votes casted
Total Postal Ballot forms received	119	1,44,73,775	100%
Less: Invalid Postal Ballot forms	14	170	0.001%
Net valid Postal Ballot forms	105	1,44,73,605	100%
Postal Ballot forms with assent for the Resolution	96	1,44,72,980	99.995%
Postal Ballot forms with dissent for the Resolution	9	625	0.005%

Resolution II: Issue of 28,85,000 fully paid equity shares on Preferential Issue basis to L Capital Eco Limited, a Mauritius based Company.

Particulars	No. of Postal Ballot Forms	No. of Shares	%(Percentage) to votes casted
Total Postal Ballot forms received	119	1,44,73,775	100%
Less: Invalid Postal Ballot forms	14	170	0.001%
Net valid Postal Ballot forms	105	1,44,73,605	100%
Postal Ballot forms with assent for the Resolution	94	1,44,72,836	99.994%
Postal Ballot forms with dissent for the Resolution	11	769	0.006%

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. Accordingly, Cine Hospitality Private Limited, a wholly owned subsidiary of PVR Limited is a material non listed Indian subsidiary of the Company.

Disclosures

a) Related Party Transactions:

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

b) Compliances made by the Company:

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

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

Pursuant to amended Clause 5A of the Listing Agreement there are now four cases with 126 Equity shares of the Company which have been credited to a suspense account opened by the Company.

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

Management Discussion and Analysis Report

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

CMD/CFO Certification

A Certificate from Mr. Ajay Bijli, Chairman cum Managing Director and Mr. Nitin Sood, Chief Financial Officer in terms of Clause 49 (V) of the listing agreement with the stock exchanges for the year under review as placed before the Board is enclosed at the end of this report.

Shareholders

a) Means of Communication

The Company interacts with its shareholders through multiple forms of corporate and financial communication such as annual reports, result announcement and media releases. The financial results are also made available at the web site of the Company www.pvrcinemas.com. The web site also displays official news releases.

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

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

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

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

General Shareholders' Information

1. Annual General Meeting : 27th day of September, 2013
   10:00 A.M. at Mapple Emerald, Rajokri, National Highway-8, New Delhi – 110 038

2. Financial calendar : Tentative Schedule:
   Accounting Year : 1st April to 31st March
   Adoption of Quarterly Results for the Quarter

Ended:	**on or before**
June 30, 2013,	14th August, 2013
September 30, 2013	15th November, 2013
December 31, 2013	15th February, 2014
March 31, 2014	31st May, 2014 (for audited result)

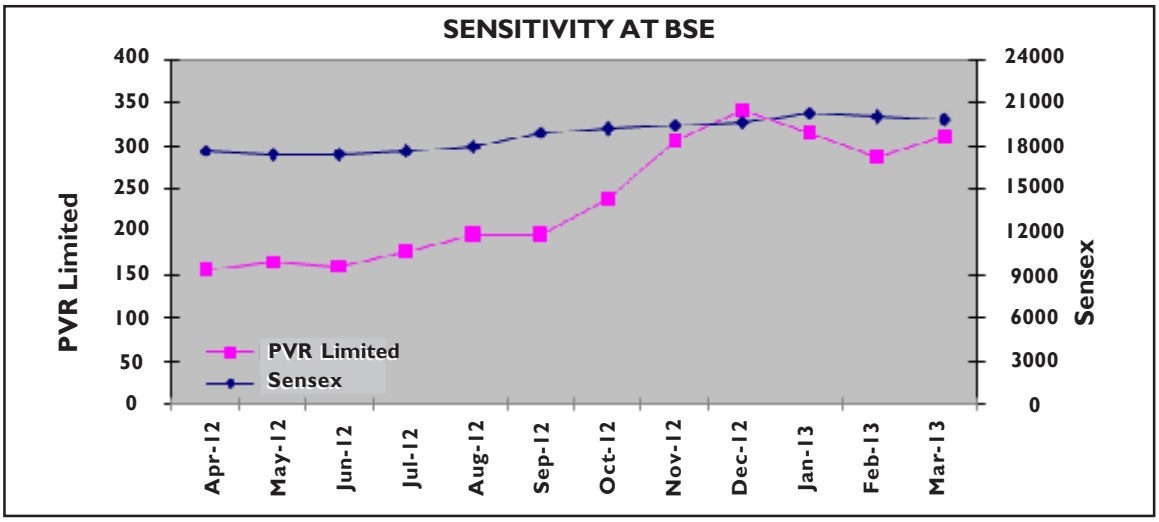
3. Book Closure Date : 23.09.2013 to 27.09.2013 *(both days inclusive)*
4. Dividend Payment : By 15th October, 2013
5. Listing on Stock Exchanges : BSE Limited (BSE)
   National Stock Exchange of India Limited (NSE)
6. Stock Code : BSE Script Code: 532689;
   NSE Symbol: PVR
   ISIN: INE 191H01014

7. Market Price Data

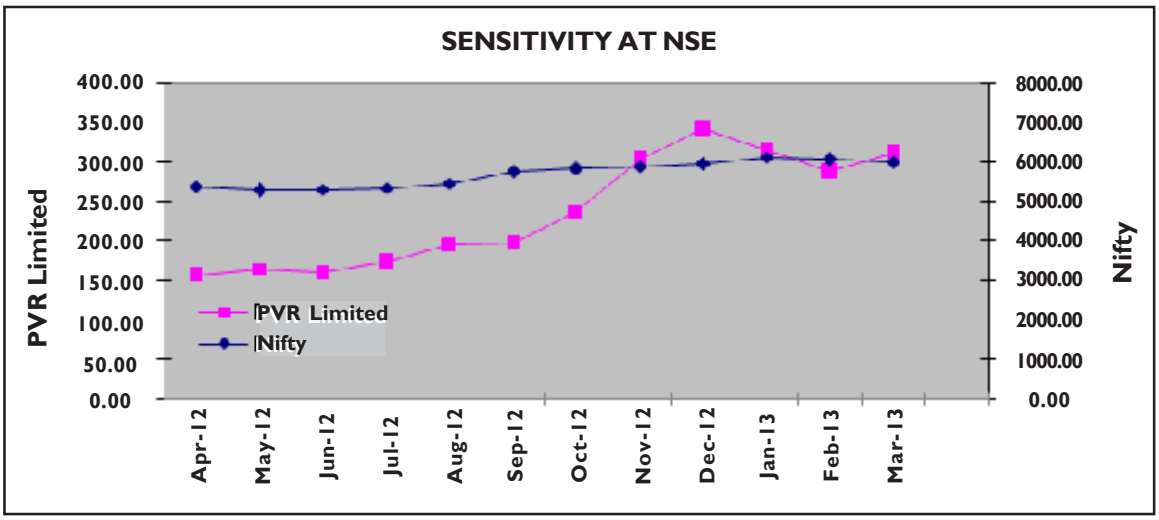
Monthly High Low for the year under review				
	NSE		BSE	
Month	High	Low	High	Low
Apr-12	156.20	141.00	156.00	140.55
May-12	164.70	142.10	166.00	141.85
Jun-12	160.80	146.40	160.00	147.05
Jul-12	173.60	149.00	176.80	148.30
Aug-12	195.90	164.00	195.90	163.00
Sep-12	196.40	178.00	196.00	179.35
Oct-12	237.80	193.00	237.90	193.00
Nov-12	302.55	227.00	306.50	222.00
Dec-12	340.90	272.45	341.10	275.05
Jan-13	314.50	252.30	314.50	251.25
Feb-13	287.00	229.30	286.00	229.55
Mar-13	310.00	260.00	310.80	262.00

8. Performance of PVR Share Price in Comparison to:

BSE SENSEX



NSE NIFTY INDEX



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

Consolidated Distribution Schedule as on March 31, 2013

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
1-5000	16445	97.09	920572	9205720	2.32
5001- 10000	235	1.39	190584	1905840	0.48
10001- 20000	100	0.59	151507	1515070	0.38
20001- 30000	31	0.18	79799	797990	0.20
30001- 40000	15	0.09	54147	541470	0.14
40001- 50000	18	0.11	83297	832970	0.21
50001- 100000	25	0.15	188367	1886370	0.48
100001& Above	69	0.41	37948452	379484520	95.79
TOTAL	**16938**	**100.00 %**	**39616995**	**396169950**	**100.00%**

11(b). Shareholding Pattern

Consolidated Shareholding Pattern as on 31/03/2013

Sl. No.	Category	No. of Cases	Total Shares	% to Equity
1	Promoters Bodies Corporate	1	10031805	25.32
2	Mutual Funds	17	3670704	9.27
3	Foreign Corporate Bodies	3	13451224	33.94
4	Resident Individuals	15972	2266197	5.72
5	Trusts	5	2045795	5.16
6	Promoters	1	2264165	5.72
7	Bodies Corporates	371	975510	2.46
8	Foreign Institutional Investors	14	3970514	10.02
9	Non Resident Indians	178	721204	1.82
10	HUF	290	55514	0.14
11	Insurance Companies	1	59295	0.15
12	Clearing Members	83	102822	0.26
13	Banks	2	2246	0.01
	Total	**16938**	**39616995**	**100.00 %**

12. Dematerialization of shares and liquidity

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

The breakup of Equity Share capital in dematerailised form held with depositories and in physical form as on 31st March 2013 is as follows:

Sl.No.	Category	No. of Holders	Total Shares	% to Equity
1	Physical	591	2173	0.01%
2	NSDL	12665	38311741	96.70%
3	CDSL	3682	1303081	3.29%
	Total	16938	39616995	100.00%

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

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

Corporate Office:
Block A, 4th Floor, Building No. 9A,
DLF Cyber City,
Phase-III, Gurgaon, Haryana – 122002

Investor grievance email: cosec@pvrcinemas.com
Tel: + 91-124-4708100
Fax: + 91-124-4708101
Website: www.pvrcinemas.com

14. 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.

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: July 30th, 2013

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, 2013.

Place: Gurgaon, Haryana
Date: May 28th, 2013

Ajay Bijli
Chairman cum Managing Director

CMD and CFO's Certification

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

1. We have reviewed the financial statements and cash flow statements for the year and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, wherever applicable:
   a) Deficiencies in the design or operation of internal controls, if any, which come to our notice and steps have been taken / proposed to be taken to rectify these deficiencies;
   b) Significant changes in internal control over financial reporting during the year;
   c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
   d) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Gurgaon
Date: May 28th, 2013

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 **PVR Limited** during the period ended March 31, 2013 with the relevant records and documents maintained by the Company, furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges.

For **Arun Gupta & Associates**
Company Secretaries

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

Place: New Delhi
Date: May 28th, 2013

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, 2013, 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. 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, 2013;

(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.

Emphasis of Matter

We draw attention to note no. 38 of payment of managerial remuneration to the Managing Director, Mr. Ajay Bijli for earlier years from 2008 to 2011 which is in excess of the approval granted by Ministry of Corporate Affairs, Central Government (CG) by Rs. 11,875,097. As represented by the Company, it has filed an application in respect of the aforesaid matter with the CG for waiver of excess remuneration paid. Pending the final outcome of the Company's representations, no adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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
Firm's Registration No.: 301003E

per Vikas Mehra
Partner
Membership No. 94421

Place: Gurgaon
Date: May 28th, 2013

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. As informed, no material discrepancies were noticed on such verification.

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

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

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

(c) The company is maintaining proper records of inventory. 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 interest free loan to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 149,600,000 and the year-end balance of loans granted to such parties was Rs 83,100,000.

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

(c) The loans granted are re-payable on demand. As informed, the Company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. 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, 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 Rs. 500,000 have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

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

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

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

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	*51,581,201	Assessment Years 2006-7, 2007-08, 2008-09, 2009-10 and 2010-11	High Court, Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals)
Finance Act 1994, (Service Tax Provission) along with rules	Service Tax	31,728,300	Various dates	Customs Excise and Serrvice Tax Appellate Tribunal
Finance Act 1994, (Service Tax Provission) along with rules	Service Tax	20,231,146	Various dates	Additional Commissioner
		103,540,647		

* Net of Rs. 96,242,608 paid under protest

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.

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

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

(xiv) In respect of dealing 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 on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

(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
Firm's registration number: 301003E

per Vikas Mehra
Partner
Membership No.: 94421

Place: Gurgaon
Date: May 28th, 2013

Standalone Financial Statements

Balance Sheet as at March 31, 2013

	Notes	As at March 31, 2013 (Rs.)	As at March 31, 2012 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	396,169,950	259,026,640
Reserves and surplus	4	6,035,951,188	2,474,704,787
		6,432,121,138	**2,733,731,427**
Non-current liabilities			
Long-term borrowings	5	3,314,118,052	1,685,355,873
Deferred tax liabilities (net)	6	-	95,024,881
Other long term liabilities	7	73,471,183	26,908,258
Long-term provisions	8	38,260,992	27,448,054
		3,425,850,227	**1,834,737,066**
Current liabilities			
Trade payables	9	628,899,860	452,485,687
Other current liabilities	9	969,720,344	582,662,116
Short-term provisions	8	60,413,455	68,690,915
		1,659,033,659	**1,103,838,718**
Total		**11,517,005,024**	**5,672,307,211**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	3,563,558,754	2,385,621,385
Intangible assets	11	75,292,023	32,015,650
Capital work-in-progress		1,072,541,895	606,414,990
Intangible assets under development		-	112,996,701
Pre-operative expenses (pending allocation)	12	347,218,620	249,883,192
Non-current investments	13	4,136,386,208	287,223,078
Loans and advances	14	1,494,449,439	1,409,817,930
Other non-current assets	16	29,137,807	8,743,903
		10,718,584,746	**5,092,716,829**
Current assets			
Current investments	17	548,000	593,000
Inventories	18	76,458,512	66,508,282
Trade receivables	15	242,740,802	197,810,860
Cash and bank balances	19	206,258,668	125,518,608
Loans and advances	14	268,514,305	174,462,354
Other current assets	16	3,899,991	14,697,278
		798,420,278	**579,590,382**
Total		**11,517,005,024**	**5,672,307,211**

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

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

Place: Gurgaon
Date: May 28th, 2013

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

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

N.C. Gupta
Company Secretary

Nitin Sood
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2013

	Notes	For the year ended March 31, 2013 (Rs.)	For the year ended March 31, 2012 (Rs.)
INCOME			
Revenue from operations (net)	20	6,693,748,070	4,760,440,304
Other income	21	50,324,809	99,688,710
Total revenue (I)		**6,744,072,879**	**4,860,129,014**
Expenses			
Film hire charges		1,850,175,773	1,294,505,840
Consumption of food and beverages		458,681,224	320,221,727
Employee benefits expense	22	626,353,490	507,348,947
Other expenses	23	2,716,096,262	1,926,870,257
Exceptional items	24	(33,293,650)	(26,939,705)
Total expenses (II)		**5,618,013,099**	**4,022,007,066**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		**1,126,059,780**	**838,121,948**
Depreciation and amortization expense	25	429,519,238	313,623,693
Finance costs	26	254,550,560	179,559,207
Profit before tax		**441,989,982**	**344,939,048**
Tax expense:			
Current tax		95,035,054	69,616,041
MAT credit entitlement		(95,035,054)	(69,616,041)
MAT credit entitlement for earlier year (refer note 43)		(11,500,000)	-
Income tax credit for earlier years		-	(775,683)
Deferred tax charge		-	67,992,147
Deferred tax credit for earlier years (refer note 43)		(95,024,881)	(3,366,725)
Total tax expenses/ (credit)		**(106,524,881)**	**63,849,739**
Profit after tax		**548,514,863**	**281,089,309**
Earnings per equity share: [nominal Value of share Rs. 10 (March 31, 2012: Rs.10)]	27		
Basic earning per equity share		18.42	10.50
Diluted earning per equity share		18.40	10.46
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**
Firm's Registration No.: 301003E
Chartered Accountants

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

Place: Gurgaon
Date: May 28th, 2013

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

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

N.C. Gupta
Company Secretary

Nitin Sood
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2013

	For the year ended March 31, 2013 (Rs.)	For the year ended March 31, 2012 (Rs.)
Cash flow from operating activities:		
Profit before tax	**441,989,982**	**344,939,048**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	429,519,238	313,623,693
Loss on disposal and discard of fixed assets (net)	16,979,106	5,316,535
Wealth tax	81,000	187,000
Interest income	(3,164,030)	(13,592,411)
Profit on sale of current investments	(25,601,106)	(61,726,526)
Profit on the sale of non current investment	(33,293,650)	(168,564,053)
Dividend income	(22,465)	(2,258,151)
Interest expense	217,413,118	155,078,847
Employee stock compensation expense	6,158,396	-
Provision for doubtful debts and advances (net)	5,986,075	1,487,626
Operating profit before working capital changes	**1,056,045,664**	**574,491,608**
Movements in working capital :		
Decrease/(Increase) in trade receivables	(48,902,325)	75,955,750
(Increase) in inventories	(9,950,230)	(32,168,635)
(Increase) in loans and advances and other current assets	(157,229,493)	(356,232,220)
Increase in current liabilities and provisions	386,184,151	168,454,317
Cash generated from operations	**1,226,147,767**	**430,500,820**
Direct taxes paid (net of refunds)	(106,010,531)	(117,685,935)
Net cash flow from/(used in) operating activities (A)	**1,120,137,236**	**312,814,885**
Cash flows (used in) investing activities		
Purchase of tangible assets	(1,729,315,425)	(1,049,568,740)
Purchase of intangible assets	(33,608,859)	(100,931,969)
Proceeds from sale of fixed assets	5,298,178	257,243
Proceeds from sale of the Investment in subsidiary company	329,978,340	368,564,053
Investment in a subsidiary	(4,143,847,820)	(641,632,640)
Purchase of current non trade investments	(3,107,431,570)	(5,367,514,581)
Sale of current non trade investments	3,134,735,853	5,428,166,110
Loans given to wholly owned subsidiaries	(99,600,000)	(50,000,000)
Loans refunded by wholly owned subsidiaries	66,500,000	596,902,802
Dividend received	22,465	2,258,151
Interest received	2,211,676	17,213,783
Fixed deposits with banks placed	(13,234,810)	(61,837,068)
Fixed deposits with banks encashed	17,125,111	99,077,151
Net cash flow from/(used in) investing activities (B)	**(5,571,166,861)**	**(759,045,705)**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including share premium	3,189,886,465	12,462,559
Buyback of the shares	-	(158,163,858)
Proceeds from long-term borrowings	2,000,000,000	918,000,000
Repayment of long-term borrowings	(290,854,858)	(549,676,730)
Proceeds from short-term borrowings	1,400,000,000	-
Repayment of short-term borrowings	(1,400,000,000)	(10,400,000)
Payment of Dividend and tax thereon	(60,336,893)	(150,817,321)
Interest paid	(305,665,325)	(203,930,836)
Net cash flow from/(used in) financing activities (C)	**4,533,029,389**	**(142,526,186)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**81,999,764**	**(588,757,006)**
Cash and cash equivalents at the beginning of the year	118,170,421	306,164,861
Add: Cash acquired on amalgamation	-	400,762,566
Cash and cash equivalents at the end of the year	**200,170,185**	**118,170,421**

Cash Flow Statement for the year ended March 31, 2013 (Continued)

Components of cash and cash equivalents	March 31, 2013	March 31, 2012
Cash and cheques on hand	35,100,667	12,523,567
Remittances in transit	9,407,129	5,581,132
With banks - on deposit accounts	4,091,737	842,372
With banks - on current accounts	151,570,652	99,223,350
Total cash and cash equivalent	**200,170,185**	**118,170,421**

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

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

Place: Gurgaon
Date: May 28th, 2013

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

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Notes to the financial statements for the year ended March 31, 2013

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. 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 agreement with the parties to operate and manage Multiscreen/Single Screen Cinemas on revenue sharing basis are amortized over the estimated useful life or the contract of the agreement (whichever is lower) on a straight line basis.

Depreciation on all other assets is provided on Straight-Line Method at the rates based on estimated useful life of the asset or the rates prescribed in Schedule XIV to the Companies Act, 1956 whichever is higher.

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 below:

S. No.	Asset	Schedule XIV Rates (SLM) (in years)	Rates (SLM) (in years)
1	LCD/Plasma	14.14	**4**
2	Carpet	10.53	**5**
3	IT Equipment	6.17	**4**
4	Concession Equipment	21.05	**8**
5	Vehicles	10.53	**5**

(d) Intangibles 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 six years.

Film Right's

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

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

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

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

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

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

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

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

(e) Expansions and Expenditure on new projects

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) 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.

(g) 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.

(h) Inventories

Inventories are valued as follows:

(i) Food and beverages

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.

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

(i) 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.

(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.

(c) Income from Home Video

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

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 the website of the Company.

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. **Interest Income**

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

x. **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

Notes to the financial statements for the year ended March 31, 2013

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

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

iii. Short term compensated absences are provided for 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, 2013

3. Share Capital

	As at March 31, 2013 (Rs.)	As at March 31, 2012 (Rs.)
Authorised share capital (refer note 3h)		
61,000,000 (March 31, 2012: 36,000,000) equity shares of Rs. 10 each	**610,000,000**	360,000,000
Nil (March 31, 2012: 20,000,000) 5% redeemable preference shares of Rs. 10 each	**-**	200,000,000
Nil (March 31, 2012: 5,000,000) 5% cumulative redeemable preference shares of Rs. 10 each	**-**	50,000,000
Issued, subscribed and fully paid-up shares		
39,616,995 (March 31, 2012: 25,902,664) equity shares of Rs. 10 each fully paid	**396,169,950**	259,026,640
Total issued, subscribed and fully paid-up share capital	**396,169,950**	259,026,640

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

Equity shares	March 31, 2013		March 31, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	25,902,664	259,026,640	27,149,372	271,493,720
Shares Issued during the year - ESOP (refer note 29)	204,126	2,041,260	141,620	1,416,200
Shares Issued during the year on preferential basis	13,510,205	135,102,050	-	-
Shares bought back during the year (refer note 3f)	-	-	(1,388,328)	(13,883,280)
Shares outstanding at the end of the year	**39,616,995**	**396,169,950**	25,902,664	259,026,640

b. Terms and rights attached to equity shares

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

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

Name of Shareholder	March 31, 2013		March 31, 2012	
	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	25.32	-	-
L Capital Eco Ltd	6,244,898	15.76	-	-
Multiples Private Equity Fund I Limited	4,649,326	11.73	-	-
Major Cineplex Group Public Company Limited	2,557,000	6.45	2,557,000	9.87
Ajay Bijli	2,264,165	5.71	1,570,287	6.06
Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund	1,635,100	4.13	1,581,793	6.11
IDBI Trusteeship Services Limited (India Advantage Fund)	450,000	1.14	2,021,742	7.81
Bijli Investment Pvt Ltd	-	-	5,401,805	20.85
Priya Exhibitors Private Limited	-	-	4,630,000	17.87

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

d. During the year, the Company has allotted 13,510,205 Equity Shares of face value of Rs 10 each on preferential basis, which are locked in up to the period detailed below:

Name of Shareholder	No. of shares	Premium per share	Date of allotment	Date of release of lock-in
L Capital Eco Limited	2,885,000	190	Sept. 28, 2012	Sept. 28, 2013
Ajay Bijli	693,878	235	Jan. 11, 2013	Jan. 11, 2016
Sanjeev Kumar	326,531	235	Jan. 11, 2013	Jan. 11, 2014
L Capital Eco Limited	3,359,898	235	Jan. 11, 2013	Jan. 11, 2014
Multiples Private Equity Fund	1,595,572	235	Jan. 11, 2013	Jan. 11, 2014
Multiples Private Equity Fund I Limited	4,649,326	235	Jan. 11, 2013	Jan. 11, 2014

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

	(Aggregate No. of Shares)			
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity shares bought back during the previous year pursuant to scheme of buy back (refer note 3f)	-	1,388,328	-	-
In addition, the 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.	204,126	141,620	64,930	53,460

f. During the previous year ended March 31, 2012, the Company through open market bought back and extinguished 1,388,328 Equity shares for a total consideration of Rs. 158,163,858 (at an average price of Rs. 113.92 per share). The premium paid on these shares amounting to Rs. 144,280,578 was adjusted from Securities Premium and mandatory transfer of Rs. 13,883,280 to Capital Redemption Reserve was made as per Section 77A and 77AA of the Companies Act, 1956, respectively. The buy back was in terms of SEBI (Buy Back of Securities) Regulations, 1998 pursuant to the first proviso to clause (b) of sub-section (2) of Section 77A of the Companies Act, 1956.

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 29).

h Reclassification of Authorised share capital

The shareholders of the Company approved reclassification of the authorised share capital of the Company from Rs. 610,000,000 divided into 36,000,000 equity share of Rs. 10 each and 20,000,000 5% redeemable preference share of Rs.10 each and 5,000,000 5% cumulative redeemable preference shares of Rs.10 each to Rs. 610,000,000 divided into 61,000,000 equity shares of Rs.10 each in the extraordinary general meeting held on December 29, 2012.

Notes to the financial statements for the year ended March 31, 2013

4. Reserves and Surplus

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Capital reserve		
Balance as per last financial statements	-	25,820,400
Less : Utilized on restructuring of assets and liabilities (refer note 34 (ii))	-	(25,820,400)
Closing Balance	**-**	**-**
Capital redemption reserve		
Balance as per last financial statements	-	200,000,000
Add : Transfer from general reserve pursuant to scheme of buy back (refer note 3f)	-	13,883,280
Less : Utilized on restructuring of assets and liabilities (refer note 34 (ii))	-	(213,883,280)
Closing Balance	**-**	-
Securities premium account		
Balance as per last financial statements	1,705,847,679	2,006,575,734
Add : Additions on ESOPs exercised	17,272,915	11,046,359
Add : Premium on preferential issue of shares	3,045,073,174	-
Add : On merger of production business pursuant to the composite scheme of arrangement (refer note 34 (i))	-	71,807,980
Less : premium applied in writing off the expenses on preferential issue of shares	(9,602,934)	-
Less : premium utilized for buy back of shares pursuant to scheme of buy back (refer note 3f)	-	(144,280,578)
Less : premium utilized on restructuring of assets and liabilities pursuant to the composite scheme of arrangement (refer note 34 (ii))	-	(239,301,816)
Closing Balance	**4,758,590,834**	1,705,847,679
Debenture redemption reserve		
Balance as per last financial statements	19,080,000	10,600,000
Add : Transfer from surplus balance in the statement of profit and loss	8,480,000	8,480,000
Closing Balance	**27,560,000**	19,080,000
Amalgamation reserve		
Balance as per last financial statements	-	19,336,308
Less : Utilized on restructuring of assets and liabilities (refer note 34 (ii))	-	(19,336,308)
Closing Balance	**-**	-
Employee stock option outstanding (refer note 29)		
Gross employee stock compensation for options granted during the year	47,987,500	-
Less : deferred employee stock compensation	(41,829,104)	-
Closing Balance	**6,158,396**	**-**
General reserve		
Balance as per last financial statements	345,062,318	4,086,174
Add : Transfer on account of dividend declared	-	28,108,931
Add : on merger of production business pursuant to the composite scheme of arrangement (refer note 34 (i))	-	326,750,493
Less : Transfer to capital redemption reserve pursuant to scheme of buy back (refer note 3f)	-	(13,883,280)
Closing Balance	**345,062,318**	345,062,318

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Surplus in the statement of profit and loss		
Balance as per last financial statements	404,714,790	339,583,931
Profit for the year	548,514,863	281,089,309
Less : Appropriations		
Proposed final equity dividend (amount per share Rs. 1 (March 31, 2012 : Rs.2))	(39,726,875)	(50,837,734)
Tax on proposed equity dividend	(6,443,138)	(8,143,573)
Special interim equity dividend (amount per share Nil (March 31, 2012 : Rs. 4))	-	(103,584,256)
Tax on special interim equity dividend	-	(16,803,956)
Transfer to debenture redemption reserve	(8,480,000)	(8,480,000)
Transfer to general reserve on dividend declared	-	(28,108,931)
Total appropriations	(54,650,013)	(215,958,450)
Net surplus in the statement of profit and loss	**898,579,640**	404,714,790
Total reserves and surplus	**6,035,951,188**	**2,474,704,787**

5. Long-term Borrowings

	Non-current portion		Current maturities	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Debentures				
290 (March 31, 2012: 290) 11.40% Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	290,000,000	290,000,000	-	-
Term loans				
Secured term loans from banks	1,414,750,000	821,875,000	157,125,000	142,500,000
Secured term loans from body corporates	1,609,368,052	573,116,671	212,533,332	143,994,445
Other loans and advances				
Secured car finance loans from banks	-	364,202	364,202	3,145,126
	3,314,118,052	1,685,355,873	**370,022,534**	289,639,571
Amount disclosed under the head "other current liabilities" (refer note 9)	**-**	**-**	(370,022,534)	(289,639,571)
	3,314,118,052	1,685,355,873	**-**	**-**

Notes:

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

b **(i)** Term loan from banks and body corporates are secured by first pari passu charge over all fixed assets of the Company (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the Company both present and future.

(ii) Term loan from banks and body corporates are also gauranted by the personal guarantee of two of its working directors of the Company to the extent of Rs. 96,875,000 (March 31, 2012: Rs.184,375,000) and Rs.10,333,339 (March 31, 2012: Rs. 87,777,785) respectively.

(iii) Car finance loan to the extent of Rs. 364,202 (March 31, 2012: Rs. 3,509,328) carries interest @ 9.75% to 11.25% p.a. and is repayable in 36 unequal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

Notes to the financial statements for the year ended March 31, 2013

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

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

Particulars	**March 31, 2013**	March 31, 2012
Repayable within 1 year	-	-
Repayable within 1 - 3 year	-	-
Repayable after 3 years	290,000,000	290,000,000
Term Loan:		
Repayable within 1 year	369,658,332	286,494,445
Repayable within 1 - 3 year	1,387,284,716	573,075,005
Repayable after 3 years	1,636,833,336	821,916,666
Secured car finance loans from banks:		
Repayable within 1 year	364,202	3,145,126
Repayable within 1 - 3 year	-	364,202
Repayable after 3 years	-	-

(v) Term Loan from banks and body corporates carries variable interest rate based on respective bank/ body corporate bench mark rate effective rate of interest varying in between 9.75% to 13.86% p.a.

6. Deferred Tax Liabilities (net) (also refer note 43)

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Deferred tax liability		
Impact of differences in depreciation in block of tangible and intangible assets as per tax books and financial books	226,955,072	331,776,409
Gross deferred tax liability	**226,955,072**	331,776,409
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	20,491,966	14,463,473
Provision for doubtful debts and advances	3,919,303	5,818,273
Unabsorbed depreciation and business losses	202,543,803	216,469,782
Gross deferred tax asset	**226,955,072**	236,751,528
Net deferred tax liability	**-**	95,024,881

7. Other Long Term Liabilities

	March 31, 2013 (Rs.)	March 31, 2013 (Rs.)
Retention money	28,204,516	26,908,258
Unearned revenue	45,266,667	-
	73,471,183	26,908,258

Notes to the financial statements for the year ended March 31, 2013

8. Provisions

	Long-term		Short-term	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Provision for employee benefits				
Provision for gratuity (refer note 28)	22,446,097	12,770,769	5,136,516	2,682,047
Provision for leave benefits	15,814,895	14,677,285	9,233,077	5,798,126
	38,260,992	27,448,054	**14,369,593**	8,480,173
Other provisions				
Proposed equity dividend	-	-	39,616,995	51,805,328
Provision for tax on proposed equity dividend	-	-	6,426,867	8,405,414
	-	**-**	**46,043,862**	60,210,742
	38,260,992	27,448,054	**60,413,455**	68,690,915

9. Other current liabilities

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Trade payables (refer note 40 for details of dues to micro and small enterprises)	628,899,860	452,485,687
	628,899,860	452,485,687
Other liabilities		
Payables on purchase of fixed assets	321,643,257	165,890,650
Current maturities of long-term borrowings (refer note 5)	370,022,534	289,639,571
Security deposits	25,731,451	23,692,756
Interest accrued but not due on borrowings		
Term loans	10,984,725	7,919,448
Debentures	7,336,603	7,336,603
Unearned revenue	160,782,229	49,736,678
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividends	801,467	745,039
Statutory dues payable	72,418,078	37,701,371
	969,720,344	582,662,116
	1,598,620,204	1,035,147,803
Included in Trade payable is:		
Payable to PVR Pictures Ltd., a subsidiary company	14,885,715	5,622,375
Payable to Cinemax India Ltd., a subsidiary company	241,568	-
Payable to Vista Entertainment Pvt. Ltd., a subsidiary company	18,469	-
Payable to Odeon Shrine Multiplex Pvt. Ltd., a subsidiary company	10,419	-

Notes to the financial statements for the year ended March 31, 2013

10. Tangible Assets

Amount in Rs.

Particulars	Freehold Land	Building	Plant & Machinery (Including Office Equipement)	Furniture & Fittings	Office Equipments	Vehicles	Leasehold Improvements	Total
Gross Block								
At April 1, 2011	298,789,630	59,406,821	1,496,774,021	443,549,883	137,523,260	35,609,200	1,021,939,797	**3,493,592,612**
Assets transferred on scheme of arrangement (refer note 34(i))	-	-	-	-	-	2,047,638	-	**2,047,638**
Additions	-	86,447	256,764,257	87,263,831	19,202,300	-	141,315,593	**504,632,428**
Disposals and discard	-	-	(7,179,510)	(1,229,038)	(1,632,186)	-	(771,402)	**(10,812,136)**
Adjustments on account of restructuring (refer Note 34(ii))	-	-	(174,920,377)	(39,662,884)	(31,085,361)	-	(28,451,383)	**(274,120,005)**
Other adjustments - Borrowing costs	-	-	10,421,427	6,448,140	-	-	10,905,791	**27,775,358**
At March 31, 2012	**298,789,630**	**59,493,268**	**1,581,859,818**	**496,369,932**	**124,008,013**	**37,656,838**	**1,144,938,396**	**3,743,115,895**
Additions	10,444,382	156,313	634,164,390	185,630,564	56,771,689	-	572,325,380	**1,459,492,718**
Disposals and discard	-	-	(25,796,059)	(13,449,512)	(1,968,456)	(11,585,712)	(18,173,022)	**(70,972,761)**
Other adjustments - Borrowing costs	-	-	21,891,958	-		-	45,020,028	**66,911,986**
At March 31, 2013	**309,234,012**	**59,649,581**	**2,212,120,107**	**668,550,984**	**178,811,246**	**26,071,126**	**1,744,110,782**	**5,198,547,838**
Depreciation								
At April 1, 2011	-	30,571,595	493,972,979	197,994,078	40,438,941	8,835,195	339,700,027	**1,111,512,815**
Charge for the year	-	1,969,964	110,847,169	43,398,592	10,737,427	3,620,838	81,192,289	**251,766,279**
Disposals and discard	-	-	(4,284,939)	(384,791)	(888,473)	-	(226,381)	**(5,784,584)**
At March 31, 2012	**-**	**32,541,559**	**600,535,209**	**241,007,879**	**50,287,895**	**12,456,033**	**420,665,935**	**1,357,494,510**
Charge for the year	-	1,798,487	146,215,409	55,166,882	20,594,616	7,675,216	94,739,441	**326,190,051**
Disposals and discard	-	-	(22,830,090)	(9,817,649)	(963,430)	(5,524,319)	(9,559,989)	**(48,695,477)**
At March 31, 2013	**-**	**34,340,046**	**723,920,527**	**286,357,112**	**69,919,081**	**14,606,930**	**505,845,387**	**1,634,989,084**
Net Block								
At March 31, 2012	**298,789,630**	**26,951,709**	**981,324,609**	**255,362,053**	**73,720,118**	**25,200,805**	**724,272,461**	**2,385,621,385**
At March 31, 2013	**309,234,012**	**25,309,535**	**1,488,199,580**	**382,193,871**	**108,892,165**	**11,464,196**	**1,238,265,395**	**3,563,558,754**

Notes:

1. Fixed assets of the cost of Rs. 37,436,531, (March 31, 2012: Rs. 8,476,518), (WDV Rs. 13,915,583, March 31, 2012: Rs. 4,003,187) have been discarded during the year.
2. Gross Block of Fixed Assets include Rs. 43,845,509 (March 31, 2012: Rs. 43,845,509) being Company's proportionate share of expenses towards modification in the leasehold improvement, claimed by the various landlords of the properties taken on rent.
3 Addition to Freehold land represents registration charges.

Notes to the financial statements for the year ended March 31, 2013

11. Intangible Assets

Amount in Rs.

	Software Development Cost	Film Rights' Cost	Total
Gross Block			
At April 1, 2011	36,907,784	1,834,658	38,742,442
Assets transferred on scheme of arrangement (refer note 34(i))	-	254,254,561	254,254,561
Additions	13,755,893	92,554,350	106,310,243
Adjustments on account of restructuring (refer Note 34(ii))	-	(287,976,303)	(287,976,303)
Deductions/ Adjustments	(849,720)	-	(849,720)
At March 31, 2012	**49,813,957**	**60,667,266**	**110,481,223**
Additions	26,955,560	119,650,000	146,605,560
Deductions/ Adjustments	-	-	-
At March 31, 2013	**76,769,517**	**180,317,266**	**257,086,783**
Amortisation			
At April 1, 2011	15,076,995	1,834,658	16,911,653
For the year	6,324,806	55,532,608	61,857,414
Deductions/ Adjustments	(303,494)	-	(303,494)
At March 31, 2012	**21,098,307**	**57,367,266**	**78,465,573**
For the year	9,109,187	94,220,000	103,329,187
Deductions/ Adjustments	-	-	-
At March 31, 2013	**30,207,494**	**151,587,266**	**181,794,760**
Net Block			
At March 31, 2012	**28,715,650**	**3,300,000**	**32,015,650**
At March 31, 2013	**46,562,023**	**28,730,000**	**75,292,023**

12 Pre-operative expenses (pending allocation)

(Amount in Rs.)

	March 31, 2013	March 31, 2012
Balance as per the last financial statements	249,883,192	138,298,878
Salaries, allowances and bonus	84,217,542	69,863,639
Contribution to provident and other funds (refer note 28)	4,013,951	3,390,567
Staff welfare expenses	1,822,419	140,014
Rent	64,587,453	3,419,910
Rates and taxes	40,034,578	11,215,575
Communication costs	715,184	57,207
Architect and other fees	23,757,486	31,553,777
Professional charges	28,862,277	23,665,735
Travelling and conveyance	12,746,253	10,896,377
Printing and stationery	79,755	126,662
Insurance	3,434,014	1,231,506
Repairs and maintenance:		
Buildings	5,337,484	1,147,764
Common area maintenance	7,379,468	2,067,505
Plant & Machinery	1,598,520	774,292
Electricity and water charges [net of recovery of Rs. 5,280,577 (March 31, 2012 : Rs. 2,731,134)]	7,152,568	572,163
Security service charges	20,952,969	9,671,222
Borrowing cost	91,317,484	52,815,027
Miscellaneous expenses	495,778	710,090
	648,388,375	361,617,910
Less : Project management fees received*	6,955,539	10,442,425
Less : Allocated to fixed assets capitalised during the year	294,214,216	101,292,293
	347,218,620	249,883,192

Note: * Project management fees received includes recovery from PVR bluO Entertainment Limited, a subsidiary company of Rs. 3,000,000 (March 31, 2012 : Rs. 6,000,000).

Notes to the financial statements for the year ended March 31, 2013

13. Non-current Investments

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Non-trade Investment (valued at cost unless stated otherwise)		
Investment in equity instruments of subsidiaries (unquoted)		
102,60,000 (March 31, 2012 : Nil) Equity shares of Rs. 10 each fully paid-up in Cine Hospitality Private Limited (refer note below)	3,710,100,000	-
Nil (March 31, 2012 : 9,334,388) Equity shares of Rs. 10 each fully paid-up in PVR bluO Entertainment Limited	-	121,098,970
35,833,334 (March 31, 2012 : 35,833,334) Equity shares of Rs. 4 each fully paid-up in PVR Pictures Limited (refer note 34 and 36)	160,229,108	160,229,108
10,20,000 (March 31, 2012 : Nil) Equity shares of Rs. 10 each fully paid-up in PVR Leisure Limited	258,162,000	-
1 (March 31, 2012 : Nil) Share warrant of Rs. 100 each fully paid up in PVR Leisure Limited	100	-
Investment in Government Securities (unquoted)		
6 years National Savings Certificates * (Deposited with Entertainment Tax Authorities)	3,600,000	1,600,000
6 years National Savings Certificates ** (Deposited with Entertainment Tax Authorities)	3,500,000	3,500,000
6 years National Savings Certificates ** (Deposited with Sales Tax Authorities, Udaipur)	20,000	20,000
6 years National Savings Certificates *** (Deposited with Entertainment Tax Authorities, Allahabad)	775,000	775,000
	4,136,386,208	287,223,078
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	4,136,386,208	287,223,078
Aggregate amount of provision made for diminution in value of investment	-	-

Notes :

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

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

*** Held in the name of the Developer in the interest of the Company.

The Company through its wholly owned subsidiary Cine hospitality Private Limited (CHPL), has during the year, acquired 19,394,816 (69.27%) and 6,697,189 (23.92%) equity shares of Cinemax India Limited of face value Rs. 5 each by way of off market block deal with the Promoters and Open Offer from Public as per SEBI guidelines respectively on January 8, 2013 and February 25, 2013 respectively. Accordingly, the Company through CHPL holds aggregate 93.19% controlling equity stake in the Cinemax India Limited. All such shares acquired were pledged with lenders for borrowing of loans by CHPL.

Notes to the financial statements for the year ended March 31, 2013

14. Loans and Advances

	Non-current		Current	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Capital advances				
Unsecured, considered good	123,569,958	239,720,763	-	-
Unsecured, considered doubtful	1,907,365	1,600,000	-	-
	125,477,323	**241,320,763**	**-**	-
Provision for doubtful capital advances	(1,907,365)	(1,600,000)	**-**	**-**
(A)	**123,569,958**	239,720,763	**-**	**-**
Security deposit				
Unsecured, considered good	931,865,380	807,044,667	-	-
(B)	**931,865,380**	807,044,667	**-**	-
Loan and advances to related parties				
Unsecured, considered good				
Interest free loan to wholly owned subsidiary companies	-		83,100,000	50,000,000
Advances recoverable in cash or kind	-	-	19,367,374	16,506,373
Share application money pending allotment	-	41,320,423	-	-
(C)	**-**	41,320,423	**102,467,374**	66,506,373
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	104,065,161	56,973,260
Unsecured, considered doubtful	-	-	3,777,539	2,071,212
	-	-	**107,842,700**	59,044,472
Provision for doubtful advances	-	-	(3,777,539)	(2,071,212)
(D)	**-**	-	**104,065,161**	56,973,260
Other loans and advances				
Unsecured, considered good				
Advance income tax (net of provision)	71,650,348	60,755,871	-	-
Income tax paid under protest	96,242,608	96,242,608	-	-
MAT credit entitlement	236,536,424	130,001,370	-	-
Prepaid expenses	34,584,721	34,732,228	24,272,732	16,271,703
Balances with statutory/government authorities	-	-	37,709,038	34,711,018
(E)	**439,014,101**	321,732,077	**61,981,770**	50,982,721
Total (A+B+C+D+E)	**1,494,449,439**	1,409,817,930	**268,514,305**	174,462,354

a. Loans and advances to related parties include

	Non-current		Current	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
PVR Pictures Limited (unsecured loan)	-	-	50,000,000	50,000,000
PVR Pictures Limited (advances)	-	-	16,873,874	16,506,373
Cine Hospitality Private Limited (unsecured loan)	-	-	33,100,000	-
PVR bluO Entertainment Limited (advances)			2,493,500	
PVR bluO Entertainment Limited (share application money pending allotment)	-	41,320,423	-	-
Security Deposits include deposits with a related party				
Priya Exhibitors Private Limited (security deposit for immovable property)	6,600,000	6,600,000	-	-

Notes to the financial statements for the year ended March 31, 2013

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

i. PVR Pictures Limited
Balance as at March 31, 2013 Rs. 50,000,000 (March 31, 2012: Rs. 50,000,000)
Maximum amounts outstanding during the year Rs. 50,000,000 (March 31, 2012: Rs. 50,000,000)
There is no repayment schedule in respect of this loan. It is repayable on demand.

c. The asset of Rs. 236,536,424 (March 31, 2012 : Rs. 130,001,370) recognized by the Company as 'MAT credit entitlement' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

15 Trade receivables

	Non-current		Current	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Outstanding for a period more than six months from the date they are due for payment				
Secured, considered good	-	-	1,240,461	1,529,751
Unsecured, considered good	-	-	6,262,441	8,707,494
Unsecured, considered doubtful	-	-	5,106,740	13,471,671
	-	**-**	**12,609,642**	23,708,916
Provision for doubtful receivables	-	-	(5,106,740)	(13,471,671)
(A)	**-**	**-**	**7,502,902**	10,237,245
Other receivables				
Secured, considered good	-	-	3,098,814	5,928,004
Unsecured, considered good	-	-	232,139,086	181,645,611
Unsecured, considered doubtful	-	-	1,288,191	789,843
	-	**-**	**236,526,091**	188,363,458
Provision for doubtful receivables	-	-	(1,288,191)	(789,843)
(B)	**-**	**-**	**235,237,900**	187,573,615
Total (A+B)	**-**	**-**	**242,740,802**	197,810,860

Trade receivables include:

	Non-current		Current	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Receivable from PVR bluO Entertainment Limited, a subsidiary company	-	-	15,487,757	10,124,865
Receivable from PVR Pictures Limited, a subsidiary company	-	-	1,761,679	-
Receivable from PVR Leisure Limited, a subsidiary company	-	-	58,697	-

Notes to the financial statements for the year ended March 31, 2013

16. Other Assets

	Non-current		Current	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 19)	248,257	2,822,426	-	-
(A)	**248,257**	2,822,426	**-**	-
Others				
Interest accrued on fixed deposits	6,757	178,065	1,098,380	647,263
Interest accrued on investments	999,433	802,353	775,482	300,017
Revenue earned but not billed	-	-	2,026,129	13,749,998
Entertainment tax recoverable (refer note below)	27,883,360	4,941,059	-	-
(B)	**28,889,550**	5,921,477	**3,899,991**	14,697,278
Total (A+B)	**29,137,807**	8,743,903	**3,899,991**	14,697,278

Note:
The Entertainment tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective State Government Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs. 27,883,360 (March 31, 2012 Rs. 4,941,059) being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit & loss.

17 Current investments

	March 31, 2013 (Rs.)	**March 31, 2012 (Rs.)**
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Investment in Government Securities (unquoted)		
6 years National Savings Certificates *	548,000	548,000
(Deposited with Entertainment Tax Authorities)		
6 years National Savings Certificates **	-	45,000
(Deposited with Municipal Corporation of Hyderabad)	**548,000**	593,000
Aggregate amount of quoted investment	**-**	-
Aggregate amount of unquoted investment	548,000	593,000
Aggregate amount of provision made for diminution in value of investment	**-**	-

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

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

	March 31, 2013 (Rs.)	**March 31, 2012 (Rs.)**
Food and beverages	29,733,882	21,007,344
Stores and spares	46,724,630	45,500,938
	76,458,512	66,508,282

Notes to the financial statements for the year ended March 31, 2013

19 Cash and bank balances

	Non-current		Current	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Cash and cash equivalents				
Balance with banks:				
On current accounts	-	-	151,570,652	99,223,350
Deposits with original maturity of less than 3 months	-	-	4,091,737	842,372
Cash on hand	-	-	35,100,667	12,523,567
Remittances in transit	-	-	9,407,129	5,581,132
	-	**-**	**200,170,185**	118,170,421
Other bank balances				
Deposits with maturity for more than 12 months	248,257	2,822,426	-	-
Deposits with maturity for more than 3 months but less than 12 months	-	-	5,287,016	6,603,148
Unpaid and unclaimed dividend accounts	-	-	801,467	745,039
	248,257	2,822,426	**6,088,483**	7,348,187
Amount disclosed under non-current assets (refer note 16)	(248,257)	(2,822,426)	-	-
	-	**-**	**206,258,668**	125,518,608

Note:
Deposits are pledged with Banks/ Government Authorities.

20 Revenue from operations (net)

	March 31, 2013 (Rs.)	**March 31, 2012 (Rs.)**
Sale of product- Finished goods	1,356,827,864	928,477,335
Sale of services	5,158,281,130	3,690,332,265
Other operating revenue	178,639,076	141,630,704
	6,693,748,070	4,760,440,304
Details of products sold		
Sale of food and beverages	1,356,827,864	928,477,335
	1,356,827,864	928,477,335

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

	March 31, 2013 (Rs.)	**March 31, 2012 (Rs.)**
Details of services rendered		
Income from sale of tickets of films (net of entertainment tax Rs. 824,042,547, March 31, 2012: Rs. 497,225,041)	3,940,938,040	2,766,537,125
Income from revenue sharing (net of entertainment tax Rs. 124,305,946, March 31, 2012: Rs. 90,686,997)	271,791,369	208,867,380
Advertisement	752,942,933	613,675,375
Income from film production	167,464,847	82,685,650
Management fees	25,143,941	18,566,735
	5,158,281,130	3,690,332,265
Details of other operating revenue		
Convenience fees	81,328,598	55,279,615
Food court Income	91,848,707	83,395,831
Rent Income	5,461,771	2,955,258
	178,639,076	141,630,704

21 Other income

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Interest income on		
Bank deposits	766,475	1,928,968
Long term Investments	702,473	950,208
Loan given to a subsidiary	-	6,085,142
Others	1,695,082	4,628,093
Dividend income earned on current investments	22,465	2,258,151
Net gain on sale of current investments	25,601,106	61,726,526
Unspent Liabilities written back (net)	333,911	4,556,419
Other non-operating income (net)	21,203,297	17,555,203
	50,324,809	99,688,710

22 Employee benefit expense

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Salaries, allowances and bonus	524,470,934	432,748,634
Contribution to provident and other funds (refer note 28)	52,372,061	41,239,414
Employee stock option scheme (refer note 29)	6,158,396	-
Staff welfare expenses	43,352,099	33,360,899
	626,353,490	507,348,947

Notes to the financial statements for the year ended March 31, 2013

23 Other expenses

		March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Rent (refer note 30)		1,101,708,880	797,439,853
Less: Rental income from sub-lessees		(46,336,081)	(32,139,534)
Rent (net)		1,055,372,799	765,300,319
Film print and promotion cost:			
Film print cost		15,973,210	14,500,264
Film promotion cost		56,733,133	11,514,455
Rates and taxes		64,854,452	44,308,362
Communication costs		31,078,480	30,551,459
Legal and professional charges		62,992,234	40,291,413
Advertisement and publicity		136,373,623	128,483,075
Business promotion and entertainment expenses		5,394,242	4,036,271
Travelling and conveyance		101,072,036	80,631,383
Printing and stationery		23,521,259	15,165,507
Insurance		16,251,579	12,074,506
Repairs and maintenance :			
Buildings		94,184,501	60,429,062
Plant and machinery		116,072,173	85,498,000
Common area maintenance (net of recovery of Rs. 449,850, March 31, 2012 : Rs. 449,850)		364,825,139	270,651,504
Others		8,302,047	6,600,700
Electricity and water charges (net of recovery of Rs. 14,178,705, March 31, 2012 : Rs. 11,671,660)		428,920,980	270,356,432
Security service charges		71,593,863	52,665,840
Donations		2,001,000	2,940,000
Provision for doubtful debts and advances:			
Provision for doubtful debts and advances		3,770,616	1,487,626
Bad Debts written off	11,838,966		-
Utlised from provisions	(9,623,507)	2,215,459	-
Loss on disposal/ discard of fixed assets (net)		16,979,106	5,316,535
Directors' sitting fees		706,767	800,000
Exchange differences (net)		35,623	(453,264)
Miscellaneous expenses		36,871,941	23,720,808
		2,716,096,262	1,926,870,257

Notes:

i. Rent includes amount paid to directors	10,416,000	10,296,000
ii Professional charges include amount paid to directors	2,400,000	2,400,000

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Payment to auditors (included in legal and professional charges above)		
As auditor:		
Audit fee	2,550,000	2,500,000
Limited Review	1,200,000	900,000
Tax audit fee	250,000	250,000
Reimbursement of expenses	285,729	225,055
	4,285,729	3,875,055

24 Exceptional Items

		March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Service tax on renting of immovable properties for the period upto March 31, 2011 (net of CENVAT credit) (refer note 33)	**A**	-	141,624,348
Profit on sale of investment of a subsidiary company (refer note 35)	**B**	33,293,650	168,564,053
	A-B	**(33,293,650)**	(26,939,705)

25 Depreciation and amortisation expense

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Depreciation of tangible assets	326,190,051	251,766,279
Amortisation of intangible assets	103,329,187	61,857,414
	429,519,238	**313,623,693**

26 Finance costs

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Interest on		
Debentures	24,944,838	14,539,670
Term loans	188,020,490	132,021,198
Banks and others	4,447,790	8,517,979
Bank and other charges	37,137,442	24,480,360
	254,550,560	179,559,207

27 Earning per share (EPS)

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

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Profit after tax	548,514,863	281,089,309
Weighted average number of equity shares in calculating basic EPS:		
Number of equity shares outstanding at the beginning of the year	25,902,664	27,149,372
-Number of equity shares issued on June 08, 2011	-	26,730
-Number of equity shares Buy Back on July 22, 2011	-	(987,503)
-Number of equity shares Buy Back on August 02, 2011	-	(6,821)
-Number of equity shares Buy Back on August 27,2011	-	(389,457)
-Number of equity shares Buy Back on August 31,2011	-	(4,547)
-Number of equity shares issued on Sept 19, 2011	-	108,290
-Number of equity shares issued on March 29 , 2012	-	6,600
-Number of equity shares 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 outstanding at the end of the year	39,616,995	25,902,664
Weighted number of equity shares of Rs. 10 each outstanding during the year	**29,784,774**	26,761,239
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year.	25,902,664	27,149,372
Number of equity shares outstanding at the end of the year.	39,616,995	25,902,664
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**29,784,774**	26,761,239
Add: Effect of stock options vested and outstanding for 168,277 (March 31, 2012: 189,070) equity shares	27,486	98,788
Weighted number of equity shares of Rs. 10 each outstanding during the year	**29,812,260**	26,860,027
Basic earnings per equity share	18.42	10.50
Diluted earnings per equity share	18.40	10.46

Notes to the financial statements for the year ended March 31, 2013

28. Gratuity plan:

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

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

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(Amount in Rs.)

	2012-13	2011-12
Current service cost	**7,887,229**	6,258,645
Interest cost on benefit obligation	**2,487,212**	1,941,785
Expected return on plan assets	**(1,172,801)**	(1,258,459)
Net actuarial loss/(gain) recognized in the year	**2,928,157**	2,445,775
Net benefit expense	**12,129,797**	9,387,746
Actual return on plan assets	**1,427,863**	1,231,760

Balance Sheet

Benefit Assets/ Liabilities

	2012-13	2011-12
Defined benefit obligation	**42,824,016**	31,090,156
Fair value of plan assets	**(15,241,403)**	(15,637,340)
Plan asset/(liability)	**(27,582,613)**	(15,452,816)

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

	2012-13	2011-12
Opening defined benefit obligation	**31,090,156**	22,844,525
Interest cost	**2,487,212**	1,941,785
Current service cost	**7,887,229**	6,258,645
Benefits paid	**(1,823,800)**	(2,373,875)
Actuarial losses/(gain) on obligation	**3,183,219**	2,419,076
Closing defined benefit obligation	**42,824,016**	31,090,156

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

	2012-13	2011-12
Opening fair value of plan assets	**15,637,340**	16,779,455
Expected return	**1,172,801**	1,258,459
Benefits paid	**(1,823,800)**	(2,373,875)
Actuarial Gain/(losses)	**(255,062)**	(26,699)
Closing fair value of plan assets	**15,241,403**	15,637,340

The Company expects to contribute Rs. 21,745,514 to gratuity fund in the year 2013-14.

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

	2012-13	2011-12
	%	%
Investments with insurer	**97.89**	97.94
Bank balances with the insurer	**2.11**	2.06

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:

	2012-13	2011-12
	%	%
Discount rate	**8.00**	8.50
Expected rate of return on plan assets	**7.50**	7.50
Increase in compensation cost	**5.50**	6.00
Employee turnover		
upto 30 years	**25**	25
Above 30 years but upto 44 years	**15**	15
Above 44 years	**10**	10

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Defined Contribution Plan:

(Amount in Rs.)

Contribution to Provident Fund	2012-13	2011-12
Charged to statement of profit and loss	**36,535,710**	28,911,048
Charged to Pre-operative expenses	**4,013,951**	3,226,176

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

(Amount in Rs.)

	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	**42,824,016**	31,090,156	22,844,525	21,675,791	16,531,926
Fair value of plan assets	**(15,241,403)**	(15,637,340)	(16,779,455)	(17,252,470)	(11,259,851)
Plan asset/(liability)	**(27,582,613)**	(15,452,816)	(6,065,070)	(4,423,321)	(5,272,075)
Experience adjustment on plan liabilities (loss)/gain	**(3,027,768)**	(2,516,109)	3,334,140	(6,729)	-
Experience adjustment on plan assets (loss)/gain	**255,062**	(26,699)	(168,180)	674,749	-

29. Employee Stock Option Plans

The Company has provided stock option scheme to its employees. As at March 31, 2013, 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 financial statements for the year ended March 31, 2013

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

(Amount in Rs.)

	2012-13		2011-12	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**189,070**	**88**	330,690	88
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**156,130**	**88**	141,620	88
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**32,940**	**88**	189,070	88
Exercisable at the end of the year	**32,940**	**88**	189,070	88
Weighted average remaining contractual life of options (in years)	**0.83**	**88**	1.83	88

The weighted average share price at the date of exercise for stock options was Rs. 226.10 (March 31, 2012: Rs. 118.01)

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:

	2012-13		2011-12	
	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**	**116.15**	-	-
Granted during the year	**-**	**-**	550,000	116.15
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**47,996**	**116.15**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**502,004**	**116.15**	550,000	116.15
Exercisable at the end of the year	**135,337**	**116.15**	-	-
Weighted average remaining contractual life of options (in years)	**3.51**	**116.15**	4.51	116.15

The weighted average share price at the date of exercise for stock options was Rs. 235.42 (March 31, 2012: Nil)

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:

	2012-13 Number of Options	2011-12 Number of Options
Outstanding at the beginning of the year	-	-
Granted during the year	550,000	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	550,000	-
Exercisable at the end of the year	-	-
Weighted average fair value of options granted on the date of grant	147.85	-

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

	March 31, 2013	March 31, 2012
Dividend yield (%)	**0.70%**	-
Expected volatility	**36.99%**	-
Risk-free interest rate	**7.80%**	-
Weighted average share price (Rs.)	**Rs. 147.85**	-
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, 2013 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. 6,158,396 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:

(Amount in Rs.)

Particulars	2012-13	2011-12
Profit after tax and before appropriation, as reported	**548,514,863**	281,089,309
Add - Employee stock compensation under Intrinsic Value method	**61,58,396**	-
Less - Employee stock compensation under Fair Value	**20,455,429**	8,502,637
Proforma Profit /(Loss)	**534,217,830**	272,586,672
Basic		
- As reported	**18.42**	10.50
- Proforma	**17.94**	10.19
Diluted		
- As reported	**18.40**	10.46
- Proforma	**17.92**	10.15

30. Leases

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

Operating Lease (for assets taken on lease)

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

(Amount in Rs.)

Particulars	2012-13	2011-12
Lease payments for the year recognized in statement of profit and loss	**1,101,708,880**	797,439,853
Lease payments for the year recognized in pre-operative expenditure	**64,587,453**	3,419,910
Minimum lease payments :		
Not later than one year	**747,963,315**	557,973,699
Later than one year but not later than five years	**2,653,946,878**	1,825,237,151
Later than five years	**926,623,559**	912,933,270

ii. Rental income/Sub-Lease income in respect of operating leases are recognized as an income in the statement of profit and loss or netted off from rent expense, as the case may be.

Operating Lease (for assets given on lease)

The Company has given various spaces under operating lease agreements. These are generally cancellable on mutual consent and the lessee can vacate the rented property at any time. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

(Amount in Rs.)

Particulars	2012-13	2011-12
Lease rent receipts for the year recognized in the statement of profit and loss	**103,800,735**	84,124,138

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.

31. Capital and Other commitments

(Amount in Rs.)

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. 123,569,958 (March 31, 2012 : Rs 241,320,763)}	**407,460,842**	470,075,953

Notes to the financial statements for the year ended March 31, 2013

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

(Amount in Rs.)

Particulars	March 31,2013	March 31,2012
a) Claims against the Company not acknowledged as debts (the Company has paid under protest an amount of Rs. 1,998,809 (March 31, 2012 : Rs. 1,998,809) which is appearing under Loans and Advances)	**3,241,330**	3,506,380
b) Show Cause Notice raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on certain invoices. (the Company has already paid an amount of Rs.1,900,334 which is appearing under Loans and Advances)	**25,595,770**	13,095,770
c) Demands by Service tax Commissionerate, New Delhi for non-levy of Service tax on certain Convenience Fees.	**20,231,146**	-
d) Demands by Service Tax Commissioner (Adjn.), New Delhi for non-levy of Service tax on certain marketing income.	**8,033,084**	8,033,084
e) Appeals filed by the Company with Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal with regard to certain expenses disallowed by the assessing officer in respect of financial year ended March 31, 2009, 2008, 2007, 2006 respectively. (the Company has already paid an amount of Rs. 96,242,608 under protest which is appearing under Loans and Advances) (also refer note 45)	**147,823,809**	137,739,449
f) Possible Demands on account of entertainment tax exemption treated as capital subsidy for assessment year 2010-11 to 2013-14 on the grounds of ongoing assessments. (also refer note 45)	**215,447,233**	-
g) Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT, Lucknow.	**11,497,200**	11,497,200
h) Appeal filed by CR Retails Malls (India) Ltd., against the order of Chief Controlling Revenue Authority, Pune against the demand of deficit stamp duty indemnified by the Company.	**9,068,925**	9,068,925
i) Notice from Entertainment department Chennai regarding short deposit of Entertainment tax on regional movies.	**4,254,152**	4,254,152
j) Arbitration filed on rental dues claimed by erstwhile landlord of food court in Ludhiana, Punjab.	**-**	45,288,360
k) Notice from Commercial Tax department, Indore regarding alleged collection of Entertainment tax during exemption period	**82,341,754**	-
l) 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. Based on the discussions and meetings with the solicitors, the management believes that it is more likely than not that the Company has a strong chance of success in the above cases and hence no provision there against is considered necessary.

33. In respect of service tax on immovable properties matter where Special Leave Petition (SLP) is pending before the Honorable Supreme Court an amount of Rs. 141,624,348 (net of CENVAT) for the period upto March 31, 2011 has been shown as an Exceptional item in the financial statement in the previous year ended March 31, 2012.

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

i. During the previous year ended March 31, 2012, Pursuant to the Composite Scheme of Arrangement ('Scheme') filed by PVR Limited (the transferee Company) and PVR Pictures Limited (the transferor Company), under the provisions of the Companies Act, 1956 and as approved by the shareholders, and sanctioned by the Honorable High Court of Delhi on February 02, 2012, the production business undertaking of the transferor Company (non listed) was transferred to and vested in the transferee Company with effect from April 01, 2011 (the appointed date). The Company has made necessary filing with the Registrar of Companies, NCT of Delhi and Haryana on February 29, 2012 being the effective date. The Scheme provides that all the assets and liabilities pertaining to production business undertaking in the books of transferor Company as on appointed date shall be transferred to and vested in the transferee Company pursuant to this scheme and recorded by the transferee Company. Accordingly, the scheme has been given effect in the financial statements of previous year ended March 31, 2012.

Notes to the financial statements for the year ended March 31, 2013

ii. The approved Scheme further provides that from the effective date, such of the assets and liabilities covered under the Scheme and as the Board of Directors consider relevant and appropriate after considering corresponding deferred tax adjustments and proportionate reduction in value of investments in subsidiary, shall be adjusted to their fair values, and the corresponding adjustment out of above shall be set off against specified reserves (including Securities Premium account). Accordingly the Company had written down the value of such assets by Rs. 493,783,033 and set off the same against reserves as per Scheme during the previous year ended March 31, 2012.

35. Pursuant to Share Purchase Agreement inter-alia with L Capital Eco Limited, the Company has transferred 151,87,245 equity shares held by it in PVR bluO Entertainment Limited to PVR Leisure Limited, a subsidiary of the Company for a sum of Rs. 329,978,340 on 28th December, 2012. As a result the Company has earned a profit of Rs. 33,293,650 in the current year. Also during the previous year ended March 31, 2012, the Company had sold its investment in the shares of its subsidiary company CR Retail Mall (India) Ltd and had earned a profit of Rs 168,564,053. The profit on the above sales has been considered as exceptional item in the statement of profit and loss in the respective years.

36. During the previous year ended March 31, 2012, the Company has on July 05, 2011 purchased 40% share capital of PVR Pictures Limited from JP Morgan Mauritius Holdings IV Limited and ICICI Venture Funds Management Company Limited. Subsequent to the above purchase, PVR Pictures Ltd. had become a wholly owned subsidiary of the Company.

37. Segment Information

Business Segments:

The Company is engaged in the business of film production as well as exhibition. However considering the proportion of revenues, profits and assets of production business to the total revenues, profits and assets of the combined operations, the Company does not consider the production business as a separately identifiable reportable segment and hence no separate disclosures have been made in line with Accounting Standard – 17 on Segment Reporting.

Geographical Segments:

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

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

39. Related Party Disclosure

Subsidiaries	PVR Pictures Limited PVR Leisure Limited Cine Hospitality Private Limited Cinemax India Limited Vista Entertainment Limited Growel Entertainment Limited Nikmo Entertainment Limited Cinemax Motion Pictures Limited Odeon Shrine Multiplex Limited PVR bluO Entertainment Limited Lettuce Entertain You Limited CR Retail Malls (India) Limited (till May 18, 2011)
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 Priya Exhibitors Private Limited
Enterprises over which Key Management Personnel are able to exercise significant influence	PVR Nest

Notes to the financial statements for the year ended March 31, 2013

Related Party Disclosure

Amount in Rs.

	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		Grand Total	
Transactions during the year	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012
Remuneration paid										
Ajay Bijli	-	-	-	-	23,100,000	19,968,000	-	-	23,100,000	19,968,000
Sanjeev Kumar	-	-	-	-	23,096,000	14,976,000	-	-	23,096,000	14,976,000
Salena Bijli	-	-	-	-	3,000,000	751,835	-	-	3,000,000	751,835
Rent Expense										
Priya Exhibitors Private Limited	-	-	19,659,850	16,693,800	-	-	-	-	19,659,850	16,693,800
Film Distributors Share expense (net of recovery towards publicity)										
PVR Pictures Limited	66,152,659	46,131,917	-	-	-	-	-	-	66,152,659	46,131,917
Expenses on Food, Brewerage & Bowling (Staff Welfare)										
PVR bluO Entertainment Limited	36,102	55,348	-	-	-	-	-	-	36,102	55,348
Expenses Incurred On Behalf & Reimbursement										
PVR Pictures Limited	-	357,385	-	-	-	-	-	-	-	357,385
PVR Leisure Ltd.	58,697	-	-	-	-	-	-	-	58,697	-
PVR bluO Entertainment Limited	112,518	-	-	-	-	-	-	-	112,518	-
Reimbursement of Expenses										
PVR Pictures Limited	2,544,638	-	-	-	-	-	-	-	2,544,638	-
Management Fees										
PVR bluO Entertainment Limited	10,194,800	12,497,800	-	-	-	-	-	-	10,194,800	12,497,800
Revenue Share										
PVR bluO Entertainment Limited	7,364,657	4,200,928	-	-	-	-	-	-	7,364,657	4,200,928
Income From Film Production										
PVR Pictures Limited	68,153,725	-	-	-	-	-	-	-	68,153,725	-
Income From Sales of Tickets of Films										
PVR Pictures Limited	4,338,773	1,918,146	-	-	-	-	-	-	4,338,773	1,918,146
Advertisement Income										
Cinemax India Limited	241,568	-	-	-	-	-	-	-	241,568	-
Vista Entertainment Pvt. Ltd.	18,469	-	-	-	-	-	-	-	18,469	-
Odeon Shrine Multiplex Pvt. Ltd.	10,419	-	-	-	-	-	-	-	10,419	-
Advance Recoverable from										
PVR bluO Entertainment Limited	2,493,500	-	-	-	-	-	-	-	2,493,500	-
PVR Pictures Limited	367,501	-	-	-	-	-	-	-	367,501	-
Final Dividend Paid										
Bijli Holding Private Limited	-	-	20,063,610	-	-	-	-	-	20,063,610	-
Bijli Investments Private Limited	-	-	-	5,401,805	-	-	-	-	-	5,401,805
Priya Exhibitors Private Limited	-	-	-	4,630,000	-	-	-	-	-	4,630,000
Ajay Bijli	-	-	-	-	3,140,574	1,570,287	-	-	3,140,574	1,570,287
Sanjeev Kumar	-	-	-	-	35,200	17,600	-	-	35,200	17,600
Salena Bijli	-	-	-	-	1,216	608	-	-	1,216	608
Sandhuro Rani	-	-	-	-	304	152	-	-	304	152

Notes to the financial statements for the year ended March 31, 2013

Related Party Disclosure

Amount in Rs.

	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		Grand Total	
Transactions during the year	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012
Special Interim Dividend Paid										
Bijli Investments Private Limited	-	-	-	21,607,220	-	-	-	-	-	21,607,220
Priya Exhibitors Private Limited	-	-	-	18,520,000	-	-	-	-	-	18,520,000
Ajay Bijli	-	-	-	-	-	6,281,148	-	-	-	6,281,148
Sanjeev Kumar	-	-	-	-	-	70,400	-	-	-	70,400
Salena Bijli	-	-	-		-	2,432	-		-	2,432
Sandhuro Rani	-	-	-	-	-	608	-	-	-	608
Subscription to Equity share capital										
Cine Hospitality Pvt. Ltd.	3,710,100,000	-	-	-	-	-	-	-	3,710,100,000	-
PVR Leisure Limited	258,162,000	-	-	-	-	-	-	-	258,162,000	-
PVR bluO Entertainment Limited	175,585,710	-	-	-	-	-	-	-	175,585,710	-
Lettuce Entertain You Ltd.	500,000	-	-	-	-	-	-	-	500,000	-
Subscription to Share Warrant										
PVR Leisure Limited	100	-	-	-	-	-	-	-	100	-
Preferencial allotment of Equity Shares including share premium										
Ajay Bijli	-	-	-	-	170,000,110	-	-	-	-	-
Sanjeev Kumar	-	-	-	-	80,000,095	-	-	-	-	-
Advance towards share subscription										
PVR bluO Entertainment Limited	-	41,320,404	-	-	-	-	-	-	-	41,320,404
Sale of Investment										
PVR Leisure Limited	330,478,340	-	-	-	-	-	-	-	330,478,340	-
Security Deposit Paid										
Priya Exhibitors Private Limited	-	-	-	4,100,000	-	-	-	-	-	4,100,000
Inter Corporate Loans Given										
Cine Hospitality Pvt. Ltd.	88,100,000	-	-	-	-	-	-	-	88,100,000	-
Lettuce Entertain You Ltd.	11,500,000	-	-	-	-	-	-	-	11,500,000	-
PVR Pictures Limited	-	50,000,000	-	-	-	-	-	-	-	50,000,000
Inter Corporate Loans Refund										
Cine Hospitality Pvt. Ltd.	55,000,000	-	-	-	-	-	-	-	55,000,000	-
Lettuce Entertain You Ltd.	11,500,000	-	-	-	-	-	-	-	11,500,000	-
CR Retail Malls (India) Limited	-	596,902,802	-	-	-	-	-	-	-	596,902,802
Donation given										
PVR Nest							2,000,000	1,000,000	2,000,000	1,000,000
Interest Received										
CR Retail Malls (India) Limited	-	6,085,142	-	-	-	-	-	-	-	6,085,142

Notes to the financial statements for the year ended March 31, 2013

Related Party Disclosure

Amount in Rs.

	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		Grand Total	
Transactions during the year	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012
Balance outstanding at the end of the year										
Trade Receivable										
PVR bluO Entertainment Limited	15,487,757	10,124,865							15,487,757	10,124,865
PVR Leisure Ltd.	58,697	-							58,697	-
PVR Pictures Limited	1,761,679	-	-	-	-	-	-	-	1,761,679	-
Trade Payable										
PVR Pictures Limited	14,885,715	5,622,375	-	-	-	-	-	-	14,885,715	5,622,375
Cinemax India Limited	241,568	-	-	-	-	-	-	-	241,568	-
Vista Entertainment Pvt. Ltd.	18,469	-	-	-	-	-	-	-	18,469	-
Odeon Shrine Multiplex Pvt. Ltd.	10,419	-	-	-	-	-	-	-	10,419	-
Priya Exhibitors Private Limited	-	-	-	38,270	-	-	-	-	-	38,270
Security Deposits										
Priya Exhibitors Private Limited	-	-	6,600,000	6,600,000	-	-	-	-	6,600,000	6,600,000
Inter Corporate Loans Given										
Cine Hospitality Pvt. Ltd.	33,100,000	-	-	-	-	-	-	-	33,100,000	-
PVR Pictures Limited	50,000,000	50,000,000	-	-	-	-	-	-	50,000,000	50,000,000
Advance Receivable in Cash or Kind										
PVR bluO Entertainment Limited	2,493,500	-							2,493,500	-
PVR Pictures Limited	16,873,874	16,506,373	-	-	-	-	-	-	16,873,874	16,506,373
Investment in Equity Share Capital										
Cine Hospitality Pvt. Ltd.	3,710,100,000	-	-	-	-	-	-	-	3,710,100,000	-
PVR Leisure Limited	258,162,000	-	-	-	-	-			258,162,000	-
PVR Pictures Limited	160,229,108	160,229,108	-	-	-	-	-	-	160,229,108	160,229,108
PVR bluO Entertainment Limited	-	121,098,970	-	-	-	-	-	-	-	121,098,970
Investment in Share Warrant										
PVR Leisure Limited	100	-	-	-	-	-	-	-	100	-
Guarantees Given (Corporate Guarantees)										
Cine Hospitality Pvt. Ltd.	1,681,310,540	-	-	-	-	-	-	-	1,681,310,540	-
Guarantees Taken (Personal Guarantees)										
Ajay Bijli	-	-	-	-	*	*	-	-	*	*
Sanjeev Kumar	-	-	-	-	*	*	-	-	*	*

Notes:

(a) *The Company has availed loans from banks and a body corporate aggregating to Rs. 107,208,339 (March 31,2012 : Rs. 272,152,785) which are further secured by personal gaurantee of two directors of the 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) The above particulars exclude expenses reimbursed to/by related parties.

(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, 2013

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

(Amount in Rs.)

Particulars	March 31, 203	March 31, 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	Nil	Nil
- Interest amount	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

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

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Travelling	**5,961,609**	6,190,036
Professional fees (including expenses, net of withholding tax)	**18,832,044**	16,114,098
Director Sitting Fees (net of withholding tax)	**-**	49,989
Others	**2,067,610**	137,830
Total	**26,861,263**	22,491,953

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

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Advertisement Income (including Service Tax)	**2,491,377**	1,575,992

(iii) CIF value of imports

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Capital Goods	**135,074,676**	90,692,825
Software	**-**	-
Total	**135,074,676**	90,692,825

42. 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, 2013 Amount (Rs.)	March 31, 2012 Amount (Rs.)
Cash in Hand	Thai Bhat	**87,898**	5,200
	Hongkong Dollar	**3,916**	3,740
	Sterling Pound	**7,016**	7,046
	Singapore Dollar	**18,515**	4,289
	US Dollar	**27,142**	85,971
		144,487	106,246
Trade Receivables	US Dollar	**897,677**	-

Notes to the financial statements for the year ended March 31, 2013

43. The Company is entitled to exemption from payment of entertainment tax in respect of some of its multiplexes, in accordance with the scheme of the respective State Governments. The Company's contention that Entertainment tax is a capital receipt and the Company's appeal for not setting off such capital receipt from the value of fixed assets was rejected by Assessing Officer and Commissioner of Income Tax (Appeals) for Assessment Years 2006-07 onwards. The Company had filed appeal against the order of CIT (Appeals) before the Income Tax Appellate Tribunal (ITAT), Delhi in respect of the assessment year 2006-07 and 2007-08. The Income Tax Appellate Tribunal, Delhi for Assessment Year 2006-07 has accepted Company's contention of treating Entertainment Tax as a capital receipt and for not setting off such capital receipt from block of fixed assets. Based on the above order and order pronounced by Honorable High Court of Gujrat and Mumbai in the similar matters during the year and also basis the tax opinion obtained, the Company has reversed deferred tax liabilities of Rs. 307,531,453 upto March 31, 2012 in the current year. However, the overall deferred tax credit is reduced by Rs. 178,180,078 during the current year on account of principles of virtual certainty.

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

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

As per our report of even date

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

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

Place: Gurgaon
Date: May 28th, 2013

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

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

N.C. Gupta
Company Secretary

Nitin Sood
Chief Financial Officer

PVR LIMITED

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

REGISTRATION NO : 67827 STATE CODE: 55

BALANCE SHEET DATE : March 31, 2013

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

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

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

TOTAL LIABILITIES :	TOTAL ASSETS :
11,517,005	11,517,005

SOURCE OF FUNDS

PAID UP CAPITAL :	RESERVES & SURPLUS :
396,170	6,035,951
SECURED LOANS :	UNSECURED LOANS :
3,684,141	1,400,743

DEFERRED TAX LIABILITIES
–

APPLICATION OF FUNDS

NET FIXED ASSETS :	INVESTMENTS :
5,058,611	4,136,934
NET CURRENT ASSETS :	MISC. EXPENDITURE :
2,321,460	NIL
DEFERRED TAX :	ACCUMULATED LOSSES :
NIL	NIL

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

TURNOVER :	TOTAL EXPENDITURE :
6,744,073	6,302,083
PROFIT BEFORE TAX :	PROFIT AFTER TAX :
441,990	548,515
EARNING PER SHARE IN RS. :	DIVIDEND RATE %:
18.42	10.00

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

ITEM CODE NO. : NIL

SERVICE DESCRIPTION : DISPLAY OF FILMS, SALES OF FOOD & BEVERAGES AND ADVERTISMENT INCOME

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

Place: Gurgaon
Date: May 28th, 2013

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, 2013, 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 consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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, 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit/ loss 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.

Emphasis of Matter

We draw attention to note no. 41 on payment of managerial remuneration to the Managing Director, Mr. Ajay Bijli for earlier years from 2008 to 2011 which is in excess of the approval granted by Ministry of Corporate Affairs, Central Government (CG) by Rs. 11,875,097. As represented by the Parent Company, it has filed an application in respect of the aforesaid matter with the CG for waiver of excess remuneration paid. Pending the final outcome of the Parent Company's representations, no adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of Rs. 8,606,502,058 as at March 31, 2013, total revenues of Rs. 1,127,518,906 and net cash inflows amounting to Rs. 3,121,855 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
Firm's Registration No. : 301003E

per Vikas Mehra
Partner
Membership No. 94421

Place: Gurgaon
Date: May 28th, 2013

Consolidated Financial Statements

Consolidated Balance Sheet as at March 31, 2013

	Notes	As at March 31, 2013 (Rs.)	As at March 31, 2012 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	396,169,950	259,026,640
Reserves and surplus	5	6,031,252,967	2,531,727,150
Share application money pending allotment		3,886	39,700,000
		6,427,426,803	**2,830,453,790**
Minority interest	6	**854,243,798**	**139,260,595**
Non-current liabilities			
Long-term borrowings	7	5,790,143,415	1,735,655,873
Deferred tax liabilities (net)	8 (i)	6,587,628	106,123,937
Other long term liabilities	9	75,198,602	29,589,439
Long-term provisions	10	59,515,120	29,534,059
		5,931,444,765	**1,900,903,308**
Current liabilities			
Short-term borrowings	11	224,211,171	-
Trade payables	12	1,021,495,287	492,867,633
Other current liabilities	12	1,342,755,309	693,353,525
Short-term provisions	10	66,496,136	69,266,405
		2,654,957,903	**1,255,487,563**
Total		**15,868,073,269**	**6,126,105,256**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	13	5,717,777,552	2,621,485,253
Intangible assets	14	170,453,627	79,833,644
Goodwill on Consolidation	14	4,071,876,545	26,647,273
Capital work-in-progress		1,453,287,624	762,974,314
Intangible assets under development		-	112,996,701
Pre-operative expenses (pending allocation)	15	461,253,710	267,234,842
Non-current investments	16	16,369,155	5,895,000
Deferred tax assets (net)	8 (ii)	16,251,815	-
Loans and advances	17	2,171,751,942	1,460,662,349
Other non-current assets	19	140,060,745	8,962,680
		14,219,082,715	**5,346,692,056**
Current assets			
Current investments	20	363,656,800	593,000
Inventories	21	107,452,212	78,587,173
Trade receivables	18	425,434,106	270,194,086
Cash and bank balances	22	367,777,984	216,484,550
Loans and advances	17	379,318,321	195,964,437
Other current assets	19	5,351,131	17,589,954
		1,648,990,554	**779,413,200**
Total		**15,868,073,269**	**6,126,105,256**

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 and on behalf of the Board of Directors of PVR Limited

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

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

Place: Gurgaon
Date: May 28th, 2013

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

N.C. Gupta
Company Secretary

Nitin Sood
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

	Notes	For the year ended March 31, 2013 (Rs.)	For the year ended March 31, 2012 (Rs.)
INCOME			
Revenue from operations (net)	23	8,053,236,122	5,177,357,535
Other income	24	90,594,530	120,467,040
Total revenue (I)		**8,143,830,652**	**5,297,824,575**
Expenses			
Film hire charges		2,004,300,179	1,251,545,523
Consumption of food and beverages		544,658,724	338,766,418
Purchase of traded goods		3,801,832	816,266
Employee benefits expense	25	796,155,116	562,720,796
Other expenses	26	3,535,350,746	2,262,728,493
Exceptional items	27	12,496,188	23,711,920
Total expenses (II)		**6,896,762,785**	**4,440,289,416**
Earnings before interest, tax, depreciation, amortization and prior period adjustment (EBITDA) (I)-(II)		**1,247,067,867**	**857,535,159**
Depreciation and amortization expense	28	560,124,978	364,717,898
Finance costs	29	367,579,963	184,800,493
		927,704,941	**549,518,391**
Earnings before tax and prior period adjustment		**319,362,926**	**308,016,768**
Prior period adjustment (refer note 47)		-	2,033,333
Profit before tax		**319,362,926**	**310,050,101**
Tax expense:			
Current tax		94,199,654	73,882,341
MAT credit entitlement		(91,438,074)	(73,882,341)
MAT credit entitlement for earlier year (refer note 46)		(11,500,000)	-
Excess provision for fringe benefit tax pertaining to earlier year written back		-	(769,020)
Income tax credit for earlier years		-	(775,683)
Deferred tax charge/ (credit)		(19,960,826)	62,116,606
Deferred tax credit for earlier years (refer note 46)		(95,024,881)	(3,366,725)
		(123,724,127)	**57,205,178**
Profit after tax (before adjustment for share of minority interest)		**443,087,053**	**252,844,923**
Add: Share of loss transferred from Minority Interest		1,958,991	1,267,755
Profit for the year		**445,046,044**	**254,112,678**
Earnings per equity share:			
[Nominal Value of share Rs. 10 (March 31, 2012: Rs.10)]	30		
Basic earning per equity share		14.95	9.50
Diluted earning per equity share		14.93	9.46
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**
Firm's Registration No.: 301003E
Chartered Accountants

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

Place: Gurgaon
Date: May 28th, 2013

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

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

N.C. Gupta
Company Secretary

Nitin Sood
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2013

	For the year ended March 31, 2013 (Rs.)	For the year ended March 31, 2012 (Rs.)
Cash flow from operating activities:		
Profit before tax	**319,362,926**	**310,050,101**
Adjustments for :		
Depreciation and amortisation expense	560,124,978	364,717,898
Loss on disposal and discard of fixed assets	17,297,142	5,772,511
Wealth tax	81,000	187,000
Interest income	(11,167,393)	(23,911,071)
Profit on sale of current investments	(35,570,808)	(61,726,526)
Dividend income	(379,989)	(3,923,757)
Interest expense	326,463,976	158,598,507
Employee stock option scheme	6,158,396	-
Bad debts / Deposits written off	13,274,006	148,158
Provision for doubtful debts and advances	11,601,512	1,531,632
Operating profit before working capital changes	**1,207,245,745.70**	**751,444,453**
Movements in working capital :		
Decrease/(Increase) in trade receivables	24,117,161	29,810,043
Decrease/(Increase) in inventories	13,546,481	(37,994,594)
Decrease/(Increase) in loans and advances and other current assets	405,124,309	(288,552,552)
Decrease/(Increase) in current liabilities and provisions	113,236,385	144,758,003
Cash generated from operations	**1,763,270,081**	**599,465,353**
Direct taxes paid (net of refunds)	(233,123,799)	(108,247,402)
Net cash from operating activities (A)	**1,530,146,282**	**491,217,951**
Cash flows (used in) investing activities		
Purchase of tangible assets	(2,275,163,628)	(1,259,970,070)
Purchase of intangible assets	(114,510,780)	(158,296,050)
Proceeds from sale of fixed assets	18,076,236	858,638,404
Consideration paid for acquiring interest in a subsidiary	(5,354,415,245)	(600,000,000)
Purchase of current non trade investments	(4,960,043,828)	(5,672,155,619)
Sale of current non trade investments	4,630,388,040	5,732,807,145
Dividend received	379,989	3,923,757
Interest received	10,311,979	27,340,320
Fixed deposits with banks purchased	(45,467,699)	(61,865,845)
Fixed deposits with banks encashed	17,125,111	99,077,151
Net cash (used in) investing activities (B)	**(8,073,319,825)**	**(1,030,500,807)**
Cash flow (used in)/from financing activities		
Proceeds from issuance of share capital including share premium	3,859,482,569	52,462,560
Proceeds from share application money pending allotment	(39,696,114)	39,700,000
Buyback of shares	-	(158,163,858)
Proceeds from long term borrowings	4,056,559,444	976,000,000
Repayment of long term borrowings	(538,671,495)	(548,917,470)
Repayment of short term borrowings	(239,603,139)	-
Dividend and tax thereon paid	(60,280,465)	(150,409,683)
Interest paid	(425,358,766)	(207,212,478)
Net cash (used in)/from financing activities (C)	**6,612,432,033**	**3,459,071**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**69,258,489**	**(535,823,785)**
Cash and cash equivalents at the beginning of the year	209,136,364	745,067,222
Add: Cash acquired on acquisition of subsidiary	52,054,159	-
Less: Cash outflow on sale of asset of subsidiary	-	(107,074)
Cash and cash equivalents at the end of the year	**330,449,013**	**209,136,363**

Consolidated Cash Flow Statement for the year ended March 31, 2013 (Continued)

	For the year ended March 31, 2013 (Rs.)	For the year ended March 31, 2012 (Rs.)
Components of cash and cash equivalents		
Cash and cheques on hand	61,093,322	13,943,526
Remittance in transit	13,392,217	5,985,680
With banks - on deposit accounts	4,091,737	17,953,372
With banks - on current accounts	251,871,737	171,253,785
Total cash and cash equivalent	**330,449,013**	**209,136,363**

Summary of significant accounting policies **3.1**

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

As per our report of even date

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

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

Place: Gurgaon
Date: May 28th, 2013

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

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

N.C. Gupta
Company Secretary

Nitin Sood
Chief Financial Officer

Notes to the Consolidated financial statements for the year ended March 31, 2013

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	Date of Disposal	Percentage of Ownership as at March 31, 2013	Percentage of Ownership as at March 31, 2012
PVR Pictures Limited	PVR Limited	India	Existing stake	-	100	100
Cine Hospitality Private Limited	PVR Limited	India	August 01, 2012	-	100	-
PVR Leisure Limited	PVR Limited	India	July 30, 2012	-	53.68	-
PVR bluO Entertainment Limited	PVR Limited	India	-	December 27, 2012	-	51
PVR bluO Entertainment Limited	PVR Leisure Limited	India	December 28, 2012	-	51	-
Lettuce Entertain You Limited	PVR Leisure Limited	India	November 21, 2012	-	100	-
Cinemax India Limited	Cine Hospitality Private Limited	India	January 08, 2013 and February 25, 2013	-	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	-

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.

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

Notes to the Consolidated financial statements for the year ended March 31, 2013

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, 2013 (Rs.)	March 31, 2012 (Rs.)
Investment in equity share of Cinemax India Limited on January 08, 2013 and February 25, 2013	5,354,415,245	-
Less: Cine Hospitality Private Limited's share in the net assets of its subsidiary, Cinemax India Limited	1,318,113,875	-
Balance (A)	**4,036,301,370**	**-**
Investment in equity share of Nikmo Entertainment Ltd. on April 07, 2006	40,080	-
Less: Growel Entertainment Limited's share in the net assets of its subsidiary, Nikmo Entertainment Limited	(4,185,362)	-
Balance (B)	**4,225,442**	-
Investment in equity shares of PVR Pictures Limited	-	600,000,000
Less: PVR Limited's share in the net assets of its subsidiary PVR Pictures Limited	-	443,251,336
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.	-	125,398,931
Balance (C)	**-**	**31,349,733**
Goodwill (A+B+C)	**4,040,526,812**	**31,349,733**

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 statements to comply in all material respects with the notified Accounting Standards issued by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by PVR Group and are consistent with those used in the previous year.

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 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 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 Parent Company has entered into agreement with the parties to operate and manage Multiscreen/Single Screen Cinemas on revenue sharing basis are amortized over the estimated useful life or the contract of the agreement (whichever is lower) on a straight line basis.

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

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

S. No.	Asset	Schedule XIV Rates (SLM) (in years)	Rates (SLM) (in years)
1	LCD/Plasma	14.14	4 to 14.14
2	Carpet	10.53	5 to 10.53
3	IT Equipment	6.17	4 to 6.17
4	Concession Equipment	21.05	8 to 21.05
5	Vehicles	10.53	5 to10.53

(e) Intangibles assets

Trademark, Copyrights and Liquor Licenses

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

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

Software and Website Development

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

Film Right's

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

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

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

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

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

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

- 25% of the cost is amortised on domestic theatrical release of the movie.
- 40% of the cost amortised on the sale of Satellite rights. In cases where there is no theatrical release, 70% of the cost is amortised at time of sale of satellite rights.
- 10% of the cost is amortised on the sale of Home Video rights.

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

  In cases where the sale is on Consignment basis, an estimate of future revenue potential is expected up to 3 years from the date of release on Home Video. In such cases 7.5% of the total cost (75% of 10% cost) is amortised in the First year of sale and balance 1.25% (12.5% of 10%) is amortised equally for second and third year.
- balance 25% cost is amortised on the second sale of satellite rights.

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

In case these rights are not exploited along with or prior to the first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited or at the end of 1 year from the date of first theatrical release, whichever occurs earlier. In case circumstances indicate that the realisable value of a right is less than its unamortised cost, an impairment loss is recognised for the excess of unamortised cost over the management's estimate of film rights realisable value.

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

Notes to the Consolidated financial statements for the year ended March 31, 2013

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

(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 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.

(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 recognised as and when the film is exhibited.

ii. **Revenue Sharing**

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

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

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

iv. **Revenue from Bowling and gaming**

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

v. **Income from Shoe Rental**

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

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

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

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

(a) **Income from Theatrical Distribution**

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

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

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

(c) **Income from Home Video**

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

vii. **Advertisement**

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

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 the website of the Company.

x. **Rental and Food court Income**

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

xi. **Interest Income**

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

xii. **Dividend Income**

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

(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.

Notes to the Consolidated financial statements for the year ended March 31, 2013

iii. Exchange Differences

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

(n) Retirement and other employee benefits

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

ii. Gratuity is a defined benefit obligation. The Parent Company has created an approved gratuity fund for the future payment of gratuity to the employees. The PVR Group accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary. Gratuity liability of an employee, who leaves the PVR Group before the close of the year and which is remaining unpaid, is 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 company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

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

(p) Segment Reporting policies

Identification of segments:

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

Inter segment Transfer:

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

Allocation of common costs:

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

Unallocated items:

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

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

(r) Earnings Per share

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

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

(s) Cash and Cash equivalents

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

(t) Employee Stock Compensation Cost

In accordance with the 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) Miscellaneous Expenditure (to the extent not written off)

Costs incurred on incorporation of PVR bluO Entertainment Ltd., a subsidiary company are amortized over a period of five years, from the year of commencement of commercial operations.

Whereas in other subsidiaries, preliminary expenses incurred on incorporation are fully amortized and charged to the statement of profit and loss during the reporting period.

(v) 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.

(w) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the 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.

(x) Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the PVR Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The PVR Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the PVR Group does not include depreciation and amortization expense, finance costs and tax expense.

Notes to the Consolidated financial statements for the year ended March 31, 2013

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

	March 31, 2013	March 31, 2012
Authorised share capital (refer note 4h)		
61,000,000 (March 31, 2012: 36,000,000) equity shares of Rs. 10 each	610,000,000	360,000,000
Nil (March 31, 2012: 20,000,000) 5% redeemable preference shares of Rs. 10 each	-	200,000,000
Nil (March 31, 2012: 5,000,000) 5% cumulative redeemable preference shares of Rs. 10 each	-	50,000,000
Issued, subscribed and paid-up		
39,616,995 (March 31, 2012: 25,902,664) equity shares of Rs. 10 each fully paid	396,169,950	259,026,640
Total issued, subscribed and fully paid-up share capital	**396,169,950**	259,026,640

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

	March 31, 2013		March 31, 2012	
Equity shares	**Number**	**Amount**	Number	Amount
Shares outstanding at the beginning of the year	25,902,664	259,026,640	27,149,372	271,493,720
Shares issued during the year-ESOP (refer note 32)	204,126	2,041,260	141,620	1,416,200
Shares issued during the year on preferential basis	13,510,205	135,102,050	-	-
Shares bought back during the year (refer note 4f)	-	-	(1,388,328)	(13,883,280)
Shares outstanding at the end of the year	**39,616,995**	**396,169,950**	25,902,664	259,026,640

b. Terms and rights attached to equity shares

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

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

	March 31, 2013		March 31, 2012	
Name of Shareholder	**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	25.32	-	-
L Capital Eco Ltd	6,244,898	15.76	-	-
Multiples Private Equity Fund I Limited	4,649,326	11.73	-	-
Major Cineplex Group Public Company Limited	2,557,000	6.45	2,557,000	9.87
Ajay Bijli	2,264,165	5.71	1,570,287	6.06
Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund	1,635,100	4.13	1,581,793	6.11
IDBI Trusteeship Services Limited (India Advantage Fund)	450,000	1.14	2,021,742	7.81
Bijli Investment Pvt Ltd	-	-	5,401,805	20.85
Priya Exhibitors Private Limited	-	-	4,630,000	17.87

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

d. During the year, the Parent Company has allotted 13,510,205 Equity Shares of face value of Rs 10 each on preferential basis, which are locked in up to the period detailed below:

(Amount in Rs.)

Name of Shareholder	No. of Shares	Premium Per Share	Date of Allotment	Date of release of lock-in
L Capital Eco Limited	2,885,000	190	Sept. 28, 2012	Sept. 28, 2013
Ajay Bijli	693,878	235	Jan. 11, 2013	Jan. 11, 2016
Sanjeev Kumar	326,531	235	Jan. 11, 2013	Jan. 11, 2014
L Capital Eco Limited	3,359,898	235	Jan. 11, 2013	Jan. 11, 2014
Multiples Private Equity Fund	1,595,572	235	Jan. 11, 2013	Jan. 11, 2014
Multiples Private Equity Fund I Limited	4,649,326	235	Jan. 11, 2013	Jan. 11, 2014

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

	(Aggregate No. of Shares)			
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity shares bought back during the previous year pursuant to scheme of buy back (refer note 4f)	-	1,388,328	-	-
In addition, the Parent Company has issued shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.	204,126	141,620	64,930	53,460

f. During the previous year ended March 31, 2012, the Parent Company through open market bought back and extinguished 1,388,328 Equity shares for a total consideration of Rs. 158,163,858 (at an average price of Rs. 113.92 per share). The premium paid on these shares amounting to Rs. 144,280,578 was adjusted from Securities Premium and mandatory transfer of Rs. 13,883,280 to Capital Redemption Reserve was made as per Section 77A and 77AA of the Companies Act, 1956, respectively. The buy back was in terms of SEBI (Buy Back of Securities) Regulations, 1998 persuant to the first proviso to clause (b) of sub-section (2) of Section 77A of the Companies Act, 1956.

g. Share reserved for issue under options

For details of share reserved for issue under the employee stock options (ESOP) plan of the Parent Company (refer note 32).

h. Reclassification of Authorised share capital

The shareholders of the Parent Company approved reclassification of the authorised share capital of the Parent Company from Rs. 610,000,000 divided into 36,000,000 equity share of Rs. 10 each and 20,000,000 5% redeemable preference share of Rs. 10 each and 5,000,000 5% cumulative redeemable preference shares of Rs. 10 each to Rs. 610,000,000 divided into 61,000,000 equity shares of Rs. 10 each in the extraordinary general meeting held on December 29, 2012.

5. Reserves and Surplus

(Amount in Rs.)

	March 31, 2013	March 31, 2012
Capital reserve (on consolidation)		
Balance as per last financial statements	24,483	24,483
Closing Balance	**24,483**	24,483
Capital reserve		
Balance as per last financial statements	-	25,820,400
Less: Utilized on restructuring of assets and liabilities (refer note 37(ii))	-	(25,820,400)
Closing Balance	**-**	-

Notes to the Consolidated financial statements for the year ended March 31, 2013

(Amount in Rs.)

Capital Redemption Reserve		
Balance as per last financial statements	-	200,000,000
Add: Transfer from general reserve pursuant to shares buy back (refer note 4e)	-	13,883,280
Less: Utilized on restructuring of assets and liabilities (refer note 37(ii))	-	(213,883,280)
Closing Balance	**-**	-
Securities premium account		
Balance as per last financial statements	1,705,847,679	2,624,443,344
Add : additions on ESOPs exercised	17,272,915	11,046,360
Add: on merger of production business pursuant to the composite scheme of arrangement (refer note 37 (i))	-	(957,971,372)
Add: on purchase of minority interest of PVR Pictures Limited	-	411,911,741
Add: premium on preferential issue of shares	3,045,073,174	-
Add: additions on issue of share	41,748,745	-
Less : premium utilized for buy back of shares pursuant to scheme of buy back (refer note 4f)	-	(144,280,578)
Less: premium utilized on restructuring of assets and liabilities pursuant to the composite scheme of arrangement (refer note 37 (ii))	-	(239,301,816)
Less: premium applied in writing off the legal and other expenses on preferential issue of shares	(9,602,934)	-
Closing Balance	**4,800,339,579**	**1,705,847,679**
Debenture Redemption Reserve		
Balance as per last financial statements	19,080,000	10,600,000
Add: Transfer from surplus balance in the statement of profit and loss	8,480,000	8,480,000
Closing Balance	**27,560,000**	19,080,000
Amalgamation Reserve		
Balance as per last financial statements	-	19,336,308
Less: Utilized on restructuring of assets and liabilities (refer note 37(ii))	-	(19,336,308)
Closing Balance	**-**	-
Employee Stock Option Outstanding (refer note 32)		
Gross employee stock compensation for options granted during the year	47,987,500	-
Less: deferred employee stock compensation	(41,829,104)	-
Closing Balance	**6,158,396**	**-**
General Reserve		
Balance as per last financial statements	376,412,051	4,086,174
Add: transfer on account of dividend declared	-	28,108,931
Add: on merger of production business pursuant to the composite scheme of arrangement (refer note 37(i))	-	326,750,493
Add: amount of goodwill created on account of purchase of minority share	-	31,349,733
Add: transfer to capital redemption reserve pursuant to scheme of buy back (refer note 4f)	-	(13,883,280)
Closing Balance	**376,412,051**	376,412,051
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	430,362,937	257,840,255
Profit for the year	445,046,044	254,112,678
Less: Appropriations		
Proposed final equity dividend (amount per share Re. 1 (March 31, 2012 : Rs. 2))	(39,726,875)	(50,837,734)
Dividend on preference shares	(439)	
Tax on proposed equity dividend	(6,443,138)	(8,143,573)
Tax on preference dividend	(71)	-
Adjustment on account of merger of production business (net)	-	134,368,454
Special interim dividend (amount per share Rs. Nil (March 31, 2012 : Rs. 4))	-	(103,584,256)
Tax on special interim dividend	-	(16,803,956)
Transfer to debenture redemption reserve	(8,480,000)	(8,480,000)
Transfer to general reserve on dividend declared	-	(28,108,931)
Total appropriations	(54,650,523)	(81,589,996)
Net Surplus in the Statement of Profit and Loss	**820,758,458**	430,362,937
Total Reserve and Surplus	**6,031,252,967**	2,531,727,150

6. Minority interest

(Amount in Rs.)

	March 31, 2013	March 31, 2012
(a) Minority interest in 0.001% Non Cummulative Convertible Preference Share of PVR Leisure Limited 586,667 586,667 (March 31, 2012 : Nil) of Rs 341.52 each (refer note 6(ii))	200,358,514	-
(b) Minority interest in Equity of PVR Leisure Limited 880,000 (March 31, 2012: Nil) of Rs. 10 each equity shares	8,800,000	-
(c) Minority interest in Securities premium of PVR Leisure Limited	249,988,855	-
(d) Minority Interest in Non-Equity of PVR Leisure Limited		
- Share in profit/(loss) of the current year	(3,306,274)	-
(A)	**455,841,095**	-
(e) Minority interest in Equity of PVR bluO Entertainment Limited 14,591,666 (March 31, 2012: 8,968,333) of Rs. 10 each equity shares	145,916,664	89,683,330
(f) Minority interest in Securities premium of PVR bluO Entertainment Limited	139,133,324	26,666,670
(g) Minority Interest in Non-Equity of PVR bluO Entertainment Limited		
- Share of profit/(loss) brought forward	22,910,596	18,050,426
- Share in profit/(loss) of the current year	(3,531,987)	4,860,169
(B)	**304,428,597**	139,260,595
(h) Minority interest in Equity of subsidiaries of Cinemax India Limited 26,092,005 (March 31, 2012: Nil) of Rs. 5 each equity shares	9,539,975	-
(i) Minority Interest in Securities premium of a subsidiary of Cinemax India Ltd.	40,602,653	-
(j) Minority Interest in Non-Equity of subsidiaries of Cinemax India Ltd.		
- Share in profit/(loss) at the time of acquisition	38,952,208	-
- Share in profit/(loss) of the current year	4,879,270	-
(C)	**93,974,106**	-
Total (A+B+C)	**854,243,798**	139,260,595
Note:		
i Minority Interest in Equity	164,256,639	89,683,330
Minority Interest in Convertible Preference Share	200,358,514	-
Minority Interest in Securities premium	429,724,832	26,666,670
Minority Interest in Non-Equity	59,903,813	22,910,595
	854,243,798	139,260,595

ii. Preference shares issued to minority shareholders in one of the subsidiary company are convertible into equity shares of that subsidiary at a price, to be determined in accordance with the shareholder's agreement.

7. Long term borrowings

	Non-current portion		Current Maturities	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Debentures				
290 (March 31, 2012: 290) 11.40% Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	290,000,000	290,000,000	-	-
Term loans				
Secured term loans from banks	2,208,395,754	872,175,000	338,409,817	150,200,000
Secured term loans from a body corporates	3,290,678,592	573,116,671	212,533,332	143,994,445
Other loans and advances				
Secured car finance loans from banks	1,069,069	364,202	728,469	3,145,126
	5,790,143,415	1,735,655,873	**551,671,618**	297,339,571
Amount disclosed under the head "other current liabilities" (refer note 12)	-	-	(551,671,618)	(297,339,571)
	5,790,143,415	1,735,655,873	-	-

Notes to the Consolidated financial statements for the year ended March 31, 2013

Notes:

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

b (i) Term loan from banks and body corporates are secured by first pari passu charge over all fixed assets of the borrowing company (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the borrowing company both present and future.

(ii) Term loan from banks and body corporates taken by the Parent company are also gauranted by the personal guarantee of two of its working directors of the Parent company to the extent of Rs. 96,875,000 (March 31, 2012: Rs.184,375,000) and Rs.10,333,339 (March 31, 2012: Rs. 87,777,785) respectively.

(iii) Term loans from body corporates amounting to Rs. 1,681,330,540 taken by a susidiary company is secured by way of pledge of 26,092,005 equity shares of its subsidiary company held with the Security Trustee, namely Axis Trustee Services Limited. The loan is further secured by way of corporate guarantee of the Parent Company. The susidiary company has call option at the end of 12 months or any time thereafter till matuirty of loan to prepay the loan amount.

(iv) Term loans from banks and body corporates carries variable interest rate based on respective bank/ body corporate bench mark rate effective rate of interest varies between 9.75% p.a. to 13.86% p.a.

c (i) Car finance loans aggregating to Rs. 1,797,538 (March 31, 2012: Rs. 3,509,328) carries interest @ 8.82% p.a. to 11.25% p.a. and is repayable within 36 unequal monthly installments. The loan is secured by hypothecation of vehicles purchased out of the proceeds of the loan.

(ii) Car finance loan taken by a subsidiary company to the extent of Rs. 1,433,336 (March 31, 2012: Rs. Nil) is further secured by the personal guarantees of the erstwhile directors of the subsidiary company.

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

(Amount in Rs.)

Debentures:		
Particulars	**March 31, 2013**	March 31, 2012
Repayable within 1 year	-	-
Repayable within 1 - 3 year	-	-
Repayable after 3 years	290,000,000	290,000,000
Term Loan:		
Repayable within 1 year	550,943,149	294,194,445
Repayable within 1 - 3 year	3,490,784,228	608,875,005
Repayable after 3 years	2,008,290,118	836,416,666
Secured car finance loans from banks:		
Repayable within 1 year	728,469	3,145,126
Repayable within 1 - 3 year	662,153	364,202
Repayable after 3 years	406,916	-

8. Deferred tax liabilities/assets (net)

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

	March 31, 2013	March 31, 2012
Deferred tax liability		
Impact of differences in depreciation in block of tangible and intangibles assets as per tax books and financial books	245,124,251	343,955,676
Deferred tax liability (A)	**245,124,251**	343,955,676
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	21,471,960	14,939,011
Provision for doubtful debts and advances	3,919,303	5,818,273
Unabsorbed depreciation and business losses	213,145,360	217,074,455
Deferred tax asset (B)	**238,536,623**	237,831,739
Net deferred tax liability (A-B)	**6,587,628**	106,123,937

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

	March 31, 2013	March 31, 2012
Deferred tax liability		
Impact of differences in depreciation in block of tangible and intangibles assets as per tax books and financial books	76,906,385	-
Deferred tax liability (A)	**76,906,385**	-
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	22,090,485	-
Provision for doubtful debts and advances	2,688,066	-
Unabsorbed depreciation and business losses	68,379,649	-
Deferred tax asset (B)	**93,158,200**	-
Net deferred tax assets (B-A) (refer note below) #	**16,251,815**	-

Note:

Based on the revenue agreements entered and future estimates of profitability in respect of certain subsidiaries, where it has convincing evidence that it would be able to realize the net deferred tax assets recognized in the financial statements in near future.

9. Other long term liabilities **(Amount in Rs.)**

	March 31, 2013	March 31, 2012
Retention money	29,931,935	29,589,439
Unearned Revenue	45,266,667	-
	75,198,602	29,589,439

Notes to the Consolidated financial statements for the year ended March 31, 2013

10. Provisions

	Long-term		Short-term	
	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)	**March 31, 2013 (Rs.)**	March 31, 2012 (Rs.)
Provision for employee benefits				
Provision for gratuity (refer note 31)	36,604,940	13,833,778	7,865,086	2,774,633
Provision for leave benefits	22,910,180	15,700,281	11,328,040	6,281,030
	59,515,120	29,534,059	**19,193,126**	9,055,663
Other provisions				
Proposed equity dividend	-	-	39,616,995	51,805,328
Proposed preference dividend	-	-	439	-
Provision for tax on proposed equity dividend	-	-	6,426,867	8,405,414
Provision for tax on proposed preference dividend	-	-	71	-
Provision for taxation	-	-	1,258,638	-
	-	**-**	**47,303,010**	60,210,742
	59,515,120	29,534,059	**66,496,136**	69,266,405

11. Short-term borrowings

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Unsecured loans and advances from others	3,172,435	-
Secured working capital loan repayable on demand (refer note below)	221,038,736	-
	224,211,171	-

Note:
Working capital loans are secured against charge on the movable fixed assets and current assets of the subsidiary company.

12. Other current liabilities

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Trade payables (refer note 44 for details of dues to micro and small enterprises)	1,021,495,287	492,867,633
	1,021,495,287	492,867,633
Other liabilities		
Payables on purchase of fixed assets	389,640,009	235,356,018
Current maturities of long-term borrowings (refer note 7)	551,671,618	297,339,571
Security deposits	35,024,188	23,692,756
Interest accrued but not due on borrowings		
Term loans	12,695,245	8,507,855
Debentures	7,336,603	7,336,603
Unearned revenue	212,320,992	72,413,676
Investor Education and Protection Fund will be credited by followoing amounts (as and when due)		
Unpaid dividends	801,467	745,039
Statutory dues payable	133,265,187	47,962,007
	1,342,755,309	693,353,525
	2,364,250,596	1,186,221,158

13. Tangible assets

Amount in Rs.

Particulars	Freehold Land	Building	Plant & Machinery	Furniture & Fittings	Office Equipments	Vehicles	Leasehold Building	Leasehold Improvements	Total
Gross Block									
At April 1, 2011	298,789,630	59,406,821	1,687,736,877	483,749,925	164,216,599	38,137,148	635,711,841	1,178,314,663	**4,546,063,504**
Additions	-	86,447	337,482,366	104,935,086	22,230,983	-	-	186,303,722	**651,038,604**
Disposals and discard	-	-	(7,338,325)	(1,865,967)	(1,632,186)	-	-	(771,402)	**(11,607,880)**
Adjustments on account of restructuring (refer note 37(i))	-	-	(174,920,377)	(39,662,884)	(31,085,361)	-	-	(28,451,383)	**(274,120,005)**
Other adjustments (refer note 38)	-	-	(112,225,108)	(30,782,552)	(19,301,506)	-	(635,711,841)	(125,193,294)	**(923,214,301)**
Other adjustments- Borrowing costs	-	-	10,421,426	6,448,140	-	-	-	10,905,791	**27,775,357**
At March 31, 2012	**298,789,630**	**59,493,268**	**1,741,156,859**	**522,821,748**	**134,428,529**	**38,137,148**	**-**	**1,221,108,097**	**4,015,935,279**
Assets acquired on purchase of Cinemax India Limited	-	-	594,656,849	576,975,006	3,977,782	6,242,502	-	380,432,399	**1,562,284,538**
Additions	10,444,382	156,313	942,567,014	189,780,250	70,466,727	-	-	711,397,255	**1,924,811,941**
Disposals and discard	-	-	(31,169,534)	(36,919,147)	(1,968,456)	(11,585,712)	-	(21,274,362)	**(102,917,211)**
Other adjustments- Borrowing costs	-	-	25,255,190	92,802	-	-	-	47,161,146	**72,509,138**
At March 31, 2013	**309,234,012**	**59,649,581**	**3,272,466,378**	**1,252,750,659**	**206,904,582**	**32,793,938**	**-**	**2,338,824,535**	**7,472,623,685**
Depreciation									
At April 1, 2011	-	30,571,595	525,842,818	205,811,881	44,678,509	9,315,505	23,477,970	354,013,962	**1,193,712,240**
Charge for the year	-	1,969,964	121,654,681	46,150,526	11,451,628	3,620,838	1,334,298	85,726,986	**271,908,921**
Disposals and discard	-	-	(4,328,371)	(549,573)	(888,473)	-	-	(226,381)	**(5,992,798)**
Other Adjustment (refer note 38)	-	-	(18,054,386)	(7,129,204)	(3,225,464)	-	(24,812,268)	(11,957,015.00)	**(65,178,337)**
At March 31, 2012	**-**	**32,541,559**	**625,114,742**	**244,283,630**	**52,016,200**	**12,936,343**	**-**	**427,557,552**	**1,394,450,026**
Charge for the year	-	1,798,487	197,722,115	77,260,107	25,631,185	8,017,033	-	117,511,013	427,939,940
Disposals and discard	-	-	(26,006,498)	(22,297,540)	(963,430)	(5,471,319)	-	(12,805,046)	(67,543,833)
At March 31, 2013	**-**	**34,340,046**	**796,830,359**	**299,246,197**	**76,683,955**	**15,482,057**	**-**	**532,263,519**	**1,754,846,133**
Net Block									
At March 31, 2012	**298,789,630**	**26,951,709**	**1,116,042,117**	**278,538,118**	**82,412,329**	**25,200,805**	**-**	**793,550,545**	**2,621,485,253**
At March 31, 2013	**309,234,012**	**25,309,535**	**2,475,636,019**	**953,504,462**	**130,220,627**	**17,311,881**	**-**	**1,806,561,016**	**5,717,777,552**

Notes:

1. Fixed assets of the cost of Rs. 37,436,531, (March 31, 2012 : Rs. 9,113,447), WDV Rs. 13,915,583, (March 31, 2012: Rs. 6,694,630) have been discarded during the year.
2. Gross Block of Fixed Assets include Rs. 43,845,509 (March 31, 2012 : Rs. 43,845,509) being the Parent Company's proportionate share of expenses towards modification in the leasehold improvements, claimed by the various landlords of the properties taken on rent.
3. Addition to Freehold land represents registration charges.

Notes to the Consolidated financial statements for the year ended March 31, 2013

14. Intangible Assets

Amount in Rs.

	Other Intangible Asset					
	Goodwill on Consolidation	Software Development	Copyright	Film Rights'	Total	Grand Total
	A	B	C	D	E = B+C+D	A+E
Gross Block						
At April 1, 2011	-	40,895,894	13,267,449	873,302,854	927,466,197	927,466,197
Additions (refer note 2 for Goodwill computation)	31,349,733	14,181,283	-	118,213,933	132,395,216	163,744,949
Assets transferred on restructuring (refer note 37(i))	-	-	-	(516,231,991)	(516,231,991)	(516,231,991)
Other adjustments	-	(336,000)	-	-	(336,000)	(336,000)
Deductions/ Adjustments	-	(872,845)	-	(287,976,303)	(288,849,148)	(288,849,148)
At March 31, 2012	**31,349,733**	**53,868,332**	**13,267,449**	**187,308,493**	**254,444,274**	**285,794,007**
Additions (refer note 2 for Goodwill computation)	4,040,526,812	30,969,788	18,802,250	177,735,442	227,507,480	4,268,034,292
Deductions/ Adjustments	-	-	-	-	-	-
At March 31, 2013	**4,071,876,545**	**84,838,120**	**32,069,699**	**365,043,935**	**481,951,754**	**4,553,828,299**
Amortisation						
At April 1, 2011	-	16,323,375	5,452,378	581,409,329	603,185,082	603,185,082
Amortisation transferred on amalgamation (refer note 37(i))	-	-	-	(516,231,993)	(516,231,993)	(516,231,993)
For the year	4,702,460	6,970,801	2,660,760	78,474,956	88,106,517	92,808,977
Deductions/ Adjustments	-	(448,976)	-	-	(448,976)	(448,976)
At March 31, 2012	**4,702,460**	**22,845,200**	**8,113,138**	**143,652,292**	**174,610,630**	**179,313,090**
For the year	(4,702,460)	10,077,273	3,549,962	123,260,263	136,887,498	132,185,038
Deductions/ Adjustments	-	-	-	-	-	-
At March 31, 2013	**-**	**32,922,473**	**11,663,100**	**266,912,555**	**311,498,128**	**311,498,128**
Net Block						
At March 31, 2012	**26,647,273**	**31,023,132**	**5,154,311**	**43,656,201**	**79,833,644**	**106,480,917**
At March 31, 2013	**4,071,876,545**	**51,915,647**	**20,406,599**	**98,131,380**	**170,453,627**	**4,242,330,171**

15. Pre-operative expenses (pending allocation)

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Balance as per the last financial statements	267,234,842	145,828,541
Assets acquired on purchase of Cinemax India Limited	64,853,009	-
Salaries, allowances and bonus	95,056,603	72,853,811
Contribution to provident and other funds (refer note 31)	4,565,028	3,584,626
Staff welfare expenses	4,189,407	850,842
Rent	88,071,034	7,398,044
Rates and taxes	43,221,886	11,253,625
Communication costs	788,171	58,422
Architect and other fees	39,474,153	40,228,478
Professional charges	43,781,154	26,046,465
Travelling and conveyance	19,145,073	13,153,856
Printing and stationery	100,510	203,730
Insurance	4,519,963	1,553,473
Repairs and maintenance		
Buildings	13,258,275	2,487,169
Common area maintenance	7,379,468	2,067,505
Plant & Machinery	1,775,851	774,292
Electricity and water charges (net)	7,405,294	301,209
Security service charges	22,477,747	10,647,021
Borrowing cost	103,082,181	53,165,416
Bank and other charges	903,419	229,047
Miscellaneous expenses	7,552,108	1,434,595
	838,835,176	394,120,167
Less : Project management fees received	3,955,539	4,442,425
Less : Allocated to fixed assets capitalised during the year	373,625,927	122,442,900
	461,253,710	267,234,842

16. Non-current investment

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
(i) Non-trade Investment (valued at cost unless stated otherwise)		
Investment in Government Securities (unquoted)		
6 years National Savings Certificates* (Deposited with Entertainment Tax Authorities)	3,600,000	1,600,000
6 years National Savings Certificates ** (Deposited with Entertainment Tax Authorities)	3,500,000	3,500,000
6 years National Savings Certificates ** (Deposited with Sales Tax Authorities, Udaipur)	20,000	20,000
6 years National Savings Certificates *** (Deposited with Entertainment Tax Authorities, Allahabad)	775,000	775,000
6 years National Savings Certificates **** (Deposited with Entertainment Tax Authorities)	8,429,155	-
(ii) Trade Investment (valued at cost unless stated otherwise)		
2,000 (March 31, 2012 :Nil) Equity shares in Gupta Infrastructure (I) Pvt. Ltd. of Rs.10 each, fully paid-up	20,000	-
2,500 (March 31, 2012 : Nil) Equity shares of Saraswat Co-Op. Bank Ltd. of Rs.10 each, fully paid-up	25,000	-
	16,369,155	5,895,000
Aggregate amount of quoted investment	-	-
Aggregate amount of unquoted investment	16,369,155	5,895,000
Aggregate amount of provision made for diminution in value of investment	-	-

Notes :
*Held in the name of the Managing Director in the interest of the Parent Company.
**Held in the name of the employee in the interest of the Parent Company.
*** Held in the name of the developer in the interest of the Parent Company.
**** Held in the name of the erstwhile director of a subsidiary company.

Notes to the Consolidated financial statements for the year ended March 31, 2013

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

	Non-current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
Capital advances				
Unsecured, considered good	155,245,458	260,704,951	-	-
Unsecured, considered doubtful	1,907,365	1,600,000	-	-
	157,152,823	262,304,951	**-**	-
Provision for doubtful capital advances	(1,907,365)	(1,600,000)	-	-
(A)	**155,245,458**	260,704,951	**-**	-
Security deposit				
Unsecured, considered good	1,407,136,958	847,551,481	2,381,526	555,000
Doubtful	7,154,000	-	-	-
	1,414,290,958	847,551,481	**2,381,526**	555,000
Provision for doubtful security deposit	(7,154,000)	-	-	-
(B)	**1,407,136,958**	847,551,481	**2,381,526**	555,000
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	306,776,316	139,909,552
Doubtful	-	-	9,094,157	2,829,830
	-	**-**	**315,870,473**	142,739,382
Provision for doubtful advances	-	-	(9,094,157)	(2,829,830)
(C)	**-**	**-**	**306,776,316**	139,909,552
Other loans and advances				
Unsecured, considered good				
Advance income tax (net of provision for taxation)	139,924,231	87,163,411	-	-
Income tax paid under protest	96,242,608	96,242,608	-	-
MAT credit entitlement account	323,288,068	134,267,670	-	-
Prepaid expenses	49,914,619	34,732,228	27,590,330	17,833,178
Balances with statutory/ government authorities	-	-	42,570,149	37,666,707
(D)	**609,369,526**	352,405,917	**70,160,479**	55,499,885
Total (A+B+C+D)	**2,171,751,942**	1,460,662,349	**379,318,321**	195,964,437

	Non-current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
Notes:				
a. Security Deposits include deposits with a related party:				
Priya Exhibitors Private Limited (security deposit for immovable property)	6,600,000	6,600,000	-	-

b. The asset of Rs. 323,288,068 (March 31, 2012 : Rs. 134,267,670) recognized by PVR Group as 'MAT credit entitlement account' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

18. Trade receivables **(Amount in Rs.)**

	Non-current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
Outstanding for a period more than six months from the date they are due for payment				
Secured, considered good	-	-	1,240,461	1,529,751
Unsecured, considered good	-	-	142,920,263	85,604,878
Unsecured, considered doubtful	-	-	5,106,740	13,471,671
	-	**-**	**149,267,464**	100,606,300
Provision for doubtful receivables	-	-	(5,106,740)	(13,471,671)
(A)	**-**	**-**	**144,160,724**	87,134,629
Other receivables				
Secured, considered good	-	-	3,098,814	5,928,004
Unsecured, considered good	-	-	278,174,568	177,131,453
Unsecured, considered doubtful	-	-	14,200,153	6,314,619
	-	**-**	**295,473,535**	189,374,076
Provision for doubtful receivables	-	-	(14,200,153)	(6,314,619)
(B)	**-**	**-**	**281,273,382**	183,059,457
Total (A+B)	**-**	**-**	**425,434,106**	270,194,086

19. Other assets **(Amount in Rs.)**

	Non-current		Current	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 22)	1,459,435	3,041,203	-	-
(A)	**1,459,435**	3,041,203	**-**	**-**
Others				
Interest accrued on fixed deposits	6,757	178,065	1,215,401	861,224
Interest accrued on investments	999,433	802,353	775,482	300,017
Revenue earned and not billed	-	-	2,026,129	13,749,998
Entertainment tax recoverable (refer note below)	137,595,120	4,941,059	-	-
Other receivables	-	-	1,334,119	2,678,715
(B)	**138,601,310**	5,921,477	**5,351,131**	17,589,954
Total (A+B)	**140,060,745**	8,962,680	**5,351,131**	17,589,954

Note:
The Entertainment tax exemption in respect of some of the Multiplexes of the Group Companies has been accounted on the basis of eligibility criteria as laid down in the respective State Government Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs. 137,595,120 (March 31, 2012 Rs. 4,941,059) being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit & loss.

Notes to the Consolidated financial statements for the year ended March 31, 2013

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

	March 31, 2013	March 31, 2012
Other than trade investments (quoted)		
Units in mutual funds of Rs. 10 each		
466,230 (March 31, 2012: Nil) units of 1525/ ICICI Prudential Flexible Income- Regular Plan- Growth	100,695,374	-
23,799 (March 31, 2012: Nil) units of TFGI Tata Floater Fund Plan A- Growth	41,235,660	-
64,463 (March 31, 2012: Nil) units of UTI-Treasury Advantage Fund - Institutional Plan - Growth	100,687,615	-
138,121 (March 31, 2012: Nil) units of B132G Birla Sun Life Savings Fund - Growth-Regular Plan	30,490,151	-
5,912,845 (March 31, 2012: Nil) units of JPMORGAN India Treasury Fund Super Inst. Growth	90,000,000	-
Current portion of long term investments		
Investment in Government Securities (unquoted)		
6 years National Savings Certificates * (Deposited with Entertainment Tax Authorities)	548,000	548,000
6 years National Savings Certificates ** (Deposited with Municipal Corporation of Hyderabad)	-	45,000
	363,656,800	**593,000**
Aggregate amount of quoted investment	363,108,800	-
Market value of quoted investment	367,695,440	-
Aggregate amount of unquoted investment	548,000	593,000
Aggregate amount of provision made for diminution in value of investment	-	-

Notes:
*Held in the name of the Managing Director in the interest of the Parent Company.
**Held in the name of the employee in the interest of the Parent Company.

21. Inventories

	March 31, 2013 (Rs.)	March 31, 2012 **(Rs.)**
Food and beverages	55,144,957	24,019,731
Stores and spares	46,724,630	49,160,734
Stock of traded goods	5,582,624	5,406,708
	107,452,212	78,587,173

22. Cash and bank balance

	Non-current		**Current**	
	March 31, 2013 (Rs.)	March 31, 2012 **(Rs.)**	**March 31, 2013 (Rs.)**	March 31, 2012 **(Rs.)**
Cash and cash equivalents				
Balance with banks				
On current accounts	-	-	251,871,737	171,253,785
Deposits with original maturity of less than 3 months	-	-	4,091,737	17,953,372
Cash on hand (including cheques on hand)	-	-	61,093,322	13,943,526
Remittance in transit	-	-	13,392,217	5,985,680
	-	**-**	**330,449,013**	209,136,363
Other bank balances				
Deposits with maturity for more than 12 months	1,459,435	3,041,203	89,799	-
Deposits with maturity for more than 03 months but less than 12 months	-	-	36,437,705	6,603,148
Unpaid and unclaimed dividend accounts	-	-	801,467	745,039
	1,459,435	3,041,203	**37,328,971**	7,348,187
Amount disclosed under non-current assets (refer note 19)	(1,459,435)	(3,041,203)	-	-
	-	**-**	**367,777,984**	216,484,550

Note: Deposits are pledged with Banks/ Government Authorities.

Notes to the Consolidated financial statements for the year ended March 31, 2013

23. Revenue from Operations (net)

(Amount in Rs.)

	March 31, 2013	March 31, 2012
Sale of product		
Finished goods	1,671,289,884	1,001,202,577
Traded goods	7,342,999	3,094,831
Sale of services	6,177,288,823	4,033,926,299
Other operating revenue	197,314,416	139,133,828
	8,053,236,122	**5,177,357,535**
Details of products sold		
Sale of food and beverages	1,671,289,884	1,001,202,577
Others	7,342,999	3,094,831
	1,678,632,883	**1,004,297,408**
Details of services rendered		
Income from sale of tickets of films (net of entertainment tax Rs. 957,557,399, March 31, 2012: Rs. 497,225,041)	4,470,298,565	2,777,379,086
Income from revenue sharing (net of entertainment tax Rs. 124,305,946, March 31, 2012: Rs. 90,686,997)	271,791,369	218,305,291
Income from sale of film rights, distribution of films	291,476,844	203,556,895
Income from bowling (net of entertainment tax Rs. 19,328,759 March 31, 2012 : Rs. 8,895,660)	148,384,228	76,620,408
Advertisement	859,292,256	653,681,329
Income from film production	99,311,122	82,615,951
Income from shoe rentals	21,257,908	10,479,332
Management fees	15,476,531	11,288,007
	6,177,288,823	**4,033,926,299**
Details of other operating revenue		
Convenience fees	88,644,680	55,279,615
Food Court Income	91,848,707	80,530,231
Gaming Income	11,359,258	-
Rental Income	5,461,771	3,323,982
	197,314,416	**139,133,828**

24. Other Income

(Amount in Rs.)

	March 31, 2013	March 31, 2012
Interest income on		
Bank deposits	2,036,144	2,197,451
Long term investments	702,473	950,208
Others	8,428,776	20,763,412
Dividend income earned on current investments	379,989	3,923,757
Net gain on sale of current investments	35,570,808	61,726,526
Exchange difference (net)	3,297,226	3,625,511
Unspent liabilities written back (net)	7,010,131	4,556,419
Other non-operating Income (net)	33,168,983	22,723,756
	90,594,530	**120,467,040**

Notes to the Consolidated financial statements for the year ended March 31, 2013

25. Employee Benefit Expense

(Amount in Rs.)

	March 31, 2013	March 31, 2012
Salaries, allowances and bonus	672,721,101	481,959,905
Contribution to provident and other funds (refer note 31)	62,077,004	44,387,901
Employee stock option scheme (refer note 32)	6,158,396	-
Gratuity expense (refer note 31)	526,222	208,969
Staff welfare expenses	54,672,393	36,164,021
	796,155,116	**562,720,796**

26. Other Expenses

		March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Rent (refer note 33)		1,343,478,374	848,351,532
Less: Rental income from sub-lessees		(47,123,210)	(35,486,134)
Rent (net)		1,296,355,164	812,865,398
Movie production, distribution and print charges			
Film distribution cost		96,294,910	74,317,078
Film print cost		61,957,027	61,070,166
Film promotion cost		52,394,360	9,596,309
Others		954,348	1,232,142
Rates and taxes		82,043,559	46,342,358
Communication costs		36,715,915	32,842,760
Legal and professional charges		83,793,160	55,568,941
Advertisement and publicity (net)		223,056,642	194,756,290
Business promotion and entertainment		5,417,585	4,849,230
Travelling and conveyance		113,561,592	85,793,258
Printing and stationery		25,926,915	16,454,447
Insurance		18,853,358	12,314,742
Repairs and maintenance :			
Buildings		134,211,795	71,042,982
Plant and machinery		133,498,270	90,119,386
Common area maintenance (net)		448,465,622	300,292,129
Others		18,971,361	7,422,196
Electricity and water charges (net)		516,319,082	281,487,986
Security service charges		81,309,937	53,617,392
Donations		2,001,000	2,940,000
Provision for doubtful debts and advances:			
Provision for doubtful debts and advances		21,225,019	1,531,632
Bad debts/deposits written off	13,274,006		-
Utlised from provisions	(9,623,507)	3,650,499	148,158
Loss on disposal/ discard of fixed assets (net)		17,297,142	5,772,511
Directors sitting fees		944,071	800,000
Provision for inventory		323,942	-
Miscellaneous expenditure written off		210,933	152,340
Miscellaneous expenses		59,597,538	39,398,662
		3,535,350,746	**2,262,728,493**
Notes:			
Included in Legal and professional charges:			
i. Payment to auditors of the Parent Company			
As auditor:			
Audit fee		3,530,010	3,005,620
Limited review		1,200,000	977,044
Tax audit fee		494,990	418,540
Reimbursement of expenses		285,729	225,055
		5,510,729	**4,626,259**
ii. Payment to auditors of the subsidiary Companies:			
As auditor:			
Audit fee		1,518,540	646,070
Limited review		839,900	-
Tax audit fee		100,000	101,124
Reimbursement of expenses		70,747	12,685
		2,529,187	**759,879**

27. Exceptional Items

(Amount in Rs.)

	March 31, 2013	March 31, 2012
Service tax on renting of immovable properties for the period upto March 31, 2011 (net of CENVAT credit) (refer note 36)	-	144,801,716
Profit on sale of investment of a subsidiary company (refer note 38)	-	(168,564,053)
Reversal of accumulated Profit pursuant to sale of investment of a subsidairy company	-	47,474,257
Reversal of Provision of expenses / doubtful debts	(13,804,227)	-
Reversal of accrual of entertainment tax	6,130,879	-
Write off of Fixed Assets including CWIP	20,169,536	-
	12,496,188	**23,711,920**

28. Depreciation and Amortisation

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Depreciation on tangible assets	427,939,940	271,908,921
Amortisation of intangible assets	132,185,038	92,808,977
	560,124,978	**364,717,898**

29. Finance Costs

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Interest on		
Debentures	24,944,838	14,539,670
Term loans	293,915,206	135,540,858
Banks and others	7,603,932	8,517,979
Bank and other charges	41,115,987	26,201,986
	367,579,963	**184,800,493**

Notes to the Consolidated financial statements for the year ended March 31, 2013

30. Earning Per Share (EPS)

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

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
Profit after tax	445,046,044	254,112,678
Less: Dividend on Preference Shares and tax thereon	510	-
Net Profit after Tax	**445,045,534**	**254,112,678**
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	25,902,664	27,149,372
-Number of equity shares issued on June 08, 2011	-	26,730
-Number of equity shares buy back on July 22, 2011	-	(987,503)
-Number of equity shares buy back on August 02, 2011	-	(6,821)
-Number of equity shares buy back on August 27, 2011	-	(389,457)
-Number of equity shares buy back on August 31, 2011	-	(4,547)
-Number of equity shares issued on Sept 19, 2011	-	108,290
-Number of equity shares issued on March 29, 2012	-	6,600
-Number of equity shares 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 outstanding at the end of the year	**39,616,995**	**25,902,664**
Weighted number of equity shares of Rs. 10 each outstanding during the year	**29,784,774**	**26,761,239**
Weighted average number of equity shares in calculating diluted EPS:		
Number of equity shares outstanding at the beginning of the year.	25,902,664	27,149,372
Number of equity shares outstanding at the end of the year.	39,616,995	25,902,664
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**29,784,774**	**26,761,239**
Add: Effect of stock options vested and outstanding for 168,277 (March 31, 2012: 189,070) equity shares	27,486	98,788
Weighted number of equity shares of Rs. 10 each outstanding during the year	**29,812,260**	**26,860,027**
Basic earnings per equity share	14.95	9.50
Diluted earnings per equity share	14.93	9.46

31. 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

(Amount in Rs.)

	Funded		Unfunded	
	2012-13	**2011-12**	**2012-13**	**2011-12**
Current service cost	**7,887,229**	6,258,645	**595,907**	371,725
Interest cost on benefit obligation	**2,487,212**	1,941,785	**92,448**	80,463
Expected return on plan assets	**(1,172,801)**	(1,258,459)	**-**	-
Net actuarial loss/(gain) recognised in the year	**2,928,157**	2,445,775	**(162,133)**	(243,219)
Net benefit expense	**12,129,797**	9,387,746	**526,222**	208,969
Excess of Actual return over estimated return	**255,062**	26,699	**-**	-

Balance sheet
Details of provision for gratuity are as follows:

(Amount in Rs.)

		Funded			
	2012-13	**2011-12**	**2010-11**	**2009-10**	**2008-09**
Defined benefit obligation	**42,824,016**	31,090,156	22,844,525	21,675,791	16,531,926
Fair value of plan assets	**(15,241,403)**	(15,637,340)	(16,779,455)	(17,252,470)	(11,259,851)
Plan asset/(liability)	**(27,582,613)**	(15,452,816)	(6,065,070)	(4,423,321)	(5,272,075)
Experience adjustment on plan liabilities (loss)/gain	**(3,027,768)**	(2,516,109)	3,334,140	(6,729)	-
Experience adjustment on plan assets (loss)/gain	**255,062**	(26,699)	(168,180)	674,749	-
		Unfunded			
Defined benefit obligation	**17,537,252**	1,155,595	946,626	704,966	2,029,839
Fair value of plan assets	**-**	-	-	-	-
Plan asset/(liability)	**(17,537,252)**	(1,155,595)	(946,626)	(704,966)	(2,029,839)
Experience adjustment on plan liabilities (loss)/gain	**16,492**	239,138	(26,681)	706,245	(373,042)
Experience adjustment on plan assets (loss)/gain	**-**	-	-	-	-

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

	Funded		Unfunded	
	2012-13	**2011-12**	**2012-13**	**2011-12**
Opening defined benefit obligation	**31,090,156**	22,844,525	1,155,595	946,626
Adjustment on account of Acquisition	**-**	-	16,575,953	-
Interest cost	**2,487,212**	1,941,785	92,448	80,463
Current service cost	**7,887,229**	6,258,645	595,907	371,725
Benefits paid	**(1,823,800)**	(2,373,875)	(720,518)	-
Actuarial losses/(gain) on obligation	**3,183,219**	2,419,076	(162,133)	(243,219)
Closing defined benefit obligation	**42,824,016**	31,090,156	17,537,252	1,155,595

Notes to the Consolidated financial statements for the year ended March 31, 2013

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

	Gratuity	Gratuity
	2012-13	2011-12
Opening fair value of plan assets	**15,637,340**	16,779,455
Expected return	**1,172,801**	1,258,459
Contributions by employer	**-**	-
Benefits paid	**(1,823,800)**	(2,373,875)
Actuarial Gain/(losses)	**255,062**	(26,699)
Closing fair value of plan assets	**15,241,403**	15,637,340

The Parent Company expects to contribute Rs. 21,745,514 to gratuity fund in the year 2012-13.

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

	2012-13	2011-12
	%	%
Investments with insurer	**97.94**	97.94
Bank balances with the insurer	**2.06**	2.06

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:

	2012-13	2011-12
	%	%
Discount rate	**8.00**	8.50
Expected rate of return on plan assets of the Parent Company	**7.50**	7.50
Increase in compensation cost	**5.50**	6.00
Employee turnover		
upto 30 years	**25**	25
Above 30 years but upto 44 years	**15**	15
Above 44 years	**10**	10

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Defined Contribution Plan: (Amount in Rs.)

Contribution to Provident Fund	**2012-13**	2011-12
Charged to statement of profit and loss	**42,869,776**	31,217,047
Charged to Pre-operative expenses	**4,437,559**	3,420,235

32. Employee Stock Option Plans

The Parent Company has provided stock option scheme to its employees. As at March 31, 2013, the following scheme is in operation:

PVR ESOS 2008:

Date of grant	January 30, 2009
Date of Shareholder's approval	January 5, 2009
Date of Board Approval	January 30, 2009
Number of options granted	500,000
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Not less than one year and not more than ten years from the date of grant of options.
Exercise Period	Within a period of two years from the date of vesting
Vesting Conditions	Subject to continued employment with the Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.
Market value as at January 30, 2009	Rs. 88
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:

	2012-13		2011-12	
	Number of options	**Weighted Average Exercise Price (Rs.)**	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**189,070**	**88**	330,690	88
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**156,130**	**88**	141,620	88
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**32,940**	**88**	189,070	88
Exercisable at the end of the year	**32,940**	**88**	189,070	88
Weighted average remaining contractual life of options (in years)	**0.83**	**88**	1.83	88

The weighted average share price at the date of exercise for stock options was Rs. 226.10 (March 31, 2012 : Rs. 118.01)

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

PVR ESOS 2011:

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

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

Notes to the Consolidated financial statements for the year ended March 31, 2013

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

	2012-13		2011-12	
	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**	**116.15**	-	-
Granted during the year	**-**	**-**	550,000	116.15
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**47,996**	**116.15**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**502,004**	**116.15**	550,000	116.15
Exercisable at the end of the year	**135,337**	**116.15**	-	-
Weighted average remaining contractual life of options (in years)	**3.51**	**116.15**	4.51	116.15

The weighted average share price at the date of exercise for stock options was Rs. 235.42 (March 31, 2012 : Nil)

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

PVR ESOS 2012:

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

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

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

	March 31, 2013 Number of options	March 31, 2012 Number of options
Outstanding at the beginning of the year	-	-
Granted during the year	550,000	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	550,000	-
Exercisable at the end of the year	-	-
Weighted average fair value of options granted on the date of grant	147.85	-

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

	March 31, 2013	March 31, 2012
Dividend yield (%)	**0.70%**	-
Expected volatility	**36.99%**	-
Risk-free interest rate	**7.80%**	-
Exercise price (Rs.)	**Rs. 200**	-
Expected life of option granted in years	**6**	-

The options have not been vested by the Parent Company as a result the average remaining contractual life of the option is not determinable as on March 31, 2013 as mentioned above. 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. 6,158,396 is recorded in the statement 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:

(Amount in Rs.)

Particulars	2012-13	2011-12
Profit after tax and before appropriation, as reported	**445,045,534**	254,112,678
Add - Employee stock compensation under Intrinsic Value method	**61,58,396**	-
Less - Employee stock compensation under Fair Value	**20,455,429**	8,502,637
Proforma Profit /(Loss)	**430,748,501**	245,610,041
Basic		
- As reported	**14.95**	9.50
- Proforma	**14.46**	9.18
Diluted		
- As reported	**14.93**	9.46
- Proforma	**14.45**	9.14

33. Leases

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

Operating Lease (for assets taken on lease)

(i) The PVR Group has taken various cinemas, multiplexes, offices, food courts, bowling alleys and godown premises under operating lease agreements. These are generally renewable at the option of the PVR Group. The management of the PVR Group based on inputs from valuation experts, has allocated rent into two parts i.e. rent paid for use of land and building separately. The impact of straight lining of lease rent as required by Accounting Standard 19 on Leases, for use of building does not have material impact on profit for the current year.

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

Particulars	2012-13 (Rs.)	2011-12 (Rs.)
Lease payments for the year recognized in statement of profit and loss	**1,343,478,374**	838,912,621
Lease payments for the year recognized in Preoperative Expenditure	**87,894,258**	7,398,044
Minimum Lease Payments:		
Not Later than one year	**1,439,578,444**	610,440,311
Later than one year but not later than five years	**5,525,983,628**	2,039,263,149
Later than five years	**4,456,672,712**	1,854,058,257

Notes to the Consolidated financial statements for the year ended March 31, 2013

b. Rental income/Sub-Lease income in respect of operating leases are recognized as an income in the statement of profit and loss and netted off from rent expense, as the case may be.

(i) Operating Lease (for assets given on lease)

The PVR Group has given various spaces under operating lease agreements. These are generally cancellable on mutual consent and the lessee can vacate the rented property at any time. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Particulars	**2012-13 (Rs.)**	2011-12 (Rs.)
Lease rent receipts for the year recognized in statement of profit and loss	**104,587,864**	84,972,862

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

34 Capital Commitments

	March 31, 2013 (Rs.)	March 31,2012 (Rs.)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	538,264,541	568,421,990

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

(Amount in Rs.)

	March 31,2013	March 31,2012
Claims against the Parent Company not acknowledged as debts (the Parent Company has paid under protest an amount of Rs. 1,998,809 (March 31, 2012 : Rs. 1,998,809) which is appearing in the Schedule of Loans and Advances)	**3,259,330**	3,524,380
Show Cause Notice raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on certain invoices. (the Parent Company has already paid an amount of Rs.1,900,334 which is appearing under Loans and Advances)	**25,595,770**	13,095,770
Demands by Service Tax Commissioner (Adjn.), New Delhi for non-levy of Service tax on certain marketing income of the Parent Company.	**8,033,084**	8,033,084
Demands by Service tax Commissionerate, New Delhi for non-levy of Service tax on certain Convenience Fees of the Parent Company.	**20,231,146**	-
Appeals filed by the Parent Company with Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal with regard to certain expenses disallowed by the assessing officer in respect of financial year ended March 31, 2009, 2008, 2007, 2006 respectively. (the Parent Company has paid an amount of Rs. 96,242,608 which is appearing in the Schedule of Loans and Advances)	**197,116,829**	137,739,449
Possible Demands on account of entertainment tax exemption treated as capital subsidy for assessment year 2010-11 to 2013-14 by the Parent Company on the grounds of ongoing assessments.	**343,002,907**	-
Notice u/s 271C of the Income Tax Act, 1961 issued by JCIT, Lucknow of one of the property of the Parent Company.	**11,497,200**	11,497,200
Appeal filed by CR Retails Malls (India) Ltd., against the order of Chief Controlling Revenue Authority, Pune against the demand of deficit stamp duty indemnified by the Parent Company.	**9,068,925**	9,068,925
Notice from Entertainment department Chennai regarding short deposit of Entertainment tax on regional movie	**4,254,152**	4,254,152
Arbitration filed on rental dues claimed by erstwhile landlord of food court in Ludhiana, Punjab.	**-**	45,288,360
Notice from Commercial Tax department, Indore regarding alleged collection of Entertainment tax during exemption period	**82,341,754**	**-**
Claims against the subsidiary companies not acknowledged as debts	**35,360,915**	-
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.

Based on the discussions and meetings with the solicitors, the management believes that it is more likely than not that the Company has a strong chance of success in the above cases and hence no provision there against is considered necessary.

36. In respect of service tax on immovable properties matter where Special Leave Petition (SLP) is pending before the Honorable Supreme Court an amount of Rs. 144,801,716 (net of CENVAT) for the period upto March 31, 2011 has been shown as an Exceptional item in the financial statement in the previous year ended March 31, 2012.

37. Scheme of arrangement for Demerger of Production Business of one of the subsidiary PVR Pictures Limited

(i) During the previous year ended March 31, 2012, Pursuant to the Composite Scheme of Arrangement ('Scheme') filed by PVR Limited (the transferee Company) and PVR Pictures Limited (the transferor Company), under the provisions of the Companies Act, 1956 and as approved by the shareholders, and sanctioned by the Honorable High Court of Delhi on February 02, 2012, the production business undertaking of the transferor Company (non listed) was transferred to and vested in the transferee Company with effect from April 01, 2011 (the appointed date). The Company has made necessary filing with the Registrar of Companies, NCT of Delhi and Haryana on February 29, 2012 being the effective date. The Scheme provides that all the assets and liabilities pertaining to production business undertaking in the books of transferor Company as on appointed date shall be transferred to and vested in the transferee Company pursuant to this scheme and recorded by the transferee Company. Accordingly, the scheme has been given effect in the financial statements of previous year ended March 31, 2012.

(ii) The approved Scheme further provided that from the effective date, such of the assets and liabilities covered under the Scheme and as the Board of Directors consider relevant and appropriate after considering corresponding deferred tax adjustments and proportionate reduction in value of investments in subsidiary, shall be adjusted to their fair values, and the corresponding adjustment out of above shall be set off against specified reserves (including Securities Premium account). Accordingly the Company had written down the value of such assets by Rs. 493,783,033 and set off the same against reserves as per Scheme during the previous year ended March 31, 2012.

38. Pursuant to Share Purchase Agreement inter-alia with L Capital Eco Limited, the Parent Company has transferred 151,87,245 equity shares held by it in PVR bluO Entertainment Limited to PVR Leisure Limited, a subsidiary of the Company for a sum of Rs. 329,978,340 on 28th December, 2012. As a result the Parent Company has earned a profit of Rs. 33,293,650 in the current year. Also during the previous year ended March 31, 2012, the Parent Company had sold its investment in the shares of its subsidiary company CR Retail Mall (India) Ltd and had earned a profit of Rs 168,564,053. The profit on the above sales has been considered as exceptional item in the statement of profit and loss in the respective years.

39. During the previous year ended March 31, 2012, the Parent Company has purchased 40% share capital of PVR Pictures Limited from JP Morgan Mauritius Holdings IV Limited and ICICI Venture Funds Management Company Limited on July 05, 2011. Subsequent to the above purchase, PVR Pictures Ltd. had became a wholly owned subsidiary of the Parent Company.

40. Segment Information

Business Segments:

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

Costs directly attributable to either segment are accounted for in the respective segment.

The following table presents the revenue and profit information of the business segments for the year ended March 31, 2013 and March 31, 2012 and certain asset and liability information regarding business segments as at March 31, 2013 and March 31, 2012.

Notes to the Consolidated financial statements for the year ended March 31, 2013

Revenue

Amount in Rs.

Particulars	Movie exhibition		Movie Production & Distribution		Others (Bowling, gaming. restaurant services etc.)		Elimination		Total	
Business Segment	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012
Revenue										
Income from Operations	7,247,609,241	4,694,801,690	408,821,478	286,172,846	396,805,403	198,416,332	-	-	8,053,236,122	5,179,390,868
Inter segment sales	15,478,229	4,995,946	139,283,686	46,466,073	36,102	55,348	(154,798,017)	(51,517,367)	-	-
Other Income*	37,211,513	23,113,525	5,328,842	7,355,323	935,985	436,838	-	-	43,476,340	30,905,686
Total Revenue	**7,300,298,983**	4,722,911,161	**553,434,006**	339,994,242	**397,777,490**	198,908,518	**(154,798,017)**	(51,517,367)	**8,096,712,462**	5,210,296,554
Results										
Segment Results	**624,632,660**	427,552,811	**25,566,705**	(12,590,287)	**184,974**	20,041,010	**1,936,547**	(6,002,374)	**652,320,887**	429,001,160
Amortisation of Goodwill									-	4,702,460
Interest Expense									(367,579,963)	(184,800,493)
Dividend Income									379,989	3,923,757
Profit on sale of current investments									35,570,808	61,726,526
Interest Income									11,167,393	23,911,071
Exceptional items									(12,496,188)	(23,711,920)
Provision for Income Tax (including Deferred Tax)									123,724,127	(57,205,178)
Net Profit before Minority Interest									**443,087,052**	252,844,923
* Total Other Income as per the statement of profit and loss is Rs. 90,594,530 (March 31, 2012: Rs. 120,467,040) which includes Rs. 47,118,190 (March 31, 2012: Rs. 89,561,354) pertaining to Corporate office.										
Other Information										
Total Assets	13,833,863,056	5,001,308,214	622,562,187	588,496,434	1,455,320,708	552,047,849	(43,672,689)	(15,747,240)	15,868,073,263	6,126,105,256
Unallocated corporate assets									5,399,843,713	470,248,086
Segment Assets									**10,468,229,549**	5,655,857,170
Total Liabilities	8,207,608,473	2,913,976,186	62,684,493	71,561,985	359,782,390	186,599,940	(43,672,689)	(15,747,240)	8,586,402,668	3,156,390,871
Unallocated corporate liabilities									6,638,690,052	1,920,525,634
Segment Liabilities									**1,947,712,616**	**1,235,865,237**
Capital employed (Allocable)	7,386,358,997	3,689,856,189	248,026,517	366,844,542	886,131,420	363,291,203	-	-	8,520,516,933	4,419,991,933
Capital Employed (Unallocable)							-	-	(1,238,846,338)	(1,450,277,548)
Capital Expenditure #	2,399,339,844	1,074,482,853	65,055,280	27,969,274	531,768,909	276,260,541	-	-	2,996,164,033	1,378,712,669
Depreciation and amortisation	379,185,164	265,778,546	126,371,383	81,112,024	54,568,431	17,827,328	-	-	560,124,978	364,717,898
Provision for doubtful debts and advances	21,225,019	1,487,626	-	44,006	-	-	-	-	21,225,019	1,531,632

Capital expenditure comprises additions to fixed assets including capital work in progress and pre-operative expenses.

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, 2013

41 The Parent Company in the earlier years had applied to the Ministry of Corporate Affairs, Central Government for approval for the remuneration paid beyond the prescribed limits to its Director aggregating to Rs 11,875,097 for the financial years ended from 2008 to 2011. The approval of the Central Government is awaited. The remuneration paid for the current financial year is within the stipulated limits prescribed by Companies Act, 1956.

42. Related Party Disclosure

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

(Amount in Rs.)

	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 2013**	March 31 2012	**March 31 2013**	March 31 2012	**March 31 2013**	March 31 2012
Remuneration paid						
Ajay Bijli	-	-	23,100,000	19,968,000	-	-
Sanjeev Kumar	-	-	23,096,000	14,976,000	-	-
Salena Bijli	-	-	3,000,000	751,835	-	-
Rent Expense						
Priya Exhibitors Private Limited	19,659,850	16,693,800	-	-	-	-
Donation given						
PVR Nest	-	-	-	-	2,000,000	1,000,000
Final Dividend Paid						
Bijli Holding Private Limited	20,063,610	-	-	-	-	-
Bijli Investments Private Limited	-	5,401,805	-	-	-	-
Priya Exhibitors Private Limited	-	4,630,000	-	-	-	-
Ajay Bijli	-	-	3,140,574	1,570,287	-	-
Sanjeev Kumar	-	-	35,200	17,600	-	-
Selena Bijli	-	-	1,216	608	-	-
Sandhuro Rani	-	-	304	152	-	-
Special Interim Dividend Paid						
Bijli Investments Private Limited	-	21,607,220	-	-	-	-
Priya Exhibitors Private Limited	-	18,520,000	-	-	-	-
Ajay Bijli	-	-	-	6,281,148	-	-
Sanjeev Kumar	-	-	-	70,400	-	-
Selena Bijli	-	-	-	2432	-	-
Sandhuro Rani	-	-	-	608	-	-
Preferencial allotment of Equity Shares including share premium						
Ajay Bijli	-	-	170,000,110	-	-	-
Sanjeev Kumar	-	-	80,000,095	-	-	-
Security Deposit Paid						
Priya Exhibitors Private Limited	-	4,100,000	-	-	-	-
Balance Outstanding at the end of the year						
Trade Payable						
Priya Exhibitors Private Limited		38,920				
Security Deposit						
Priya Exhibitors Private Limited	6,600,000	6,600,000				
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. 107,208,339 (March 31, 2012 : Rs. 272,152,785) which are further secured by personal guarantee of two directors of the Parent Company.

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

(c) 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 debt or advance/written off or written back in the year in respect of debts due from/to above related parties.

Notes to the Consolidated financial statements for the year ended March 31, 2013

43. In one of the subsidiary, PVR bluO Entertainment Limited, Capital work in progress includes loss of an under constructed site, based on interim claim received from Insurance Company, management does not foresee any further loss arising on this account.

44. Based on the available information with the management, the Parent Company and its subsidiaries does not owe any sum to a micro, small and medium enterprise as defined in Micro, Small and Medium Enterprises Development Act, 2006.

45. 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, 2013 Amount (Rs.)**	March 31, 2012 Amount (Rs.)
Trade Payable	Thai Bhat	**689,369**	612,760
	USD	**2,783,069**	12,966,406
Trade Receivable	USD	**897,677**	-
Cash in Hand	Thai Bhat	**93,821**	10,488
	Hongkong Dollar	**3,916**	3,740
	Sterling Pound	**7,016**	7,046
	Singapore Dollar	**18,515**	4,289
	USD	**76,048**	131,805

46. The Parent Company is entitled to exemption from payment of entertainment tax in respect of some of its multiplexes, in accordance with the scheme of the respective State Governments. The Parent Company's contention that Entertainment tax is a capital receipt and the Parent Company's appeal for not setting off such capital receipt from the value of fixed assets was rejected by Assessing Officer and Commissioner of Income Tax (Appeals) for Assessment Years 2006-07 onwards. The Company had filed appeal against the order of CIT (Appeals) before the Income Tax Appellate Tribunal (ITAT), Delhi in respect of the assessment year 2006-07 and 2007-08. The Income Tax Appellate Tribunal, Delhi for Assessment Year 2006-07 has accepted Company's contention of treating Entertainment Tax as a capital receipt and for not setting off such capital receipt from block of fixed assets. Based on the above order and order pronounced by Honorable High Court of Gujrat and Mumbai in the similar matters during the year and also basis the tax opinion obtained, the Parent Company has reversed deferred tax liabilities of Rs. 307,531,453 upto March 31, 2012 in the current year. However, the overall deferred tax credit is reduced by Rs. 178,180,078 during the current year on account of principles of virtual certainty.

47. Prior period adjustment of Rs. Nil (March 31, 2012: Rs. 2,033,333) represents revenue from advertisement in one of the subsidiary.

48. The Parent Company through its wholly owned subsidiary Cine hospitality Private Limited (CHPL), has during the year, acquired 19,394,816 (69.27%) and 6,697,189 (23.92%) equity shares of Cinemax India Limited of face value Rs. 5 each by way of off market block deal with the Promoters and Open Offer from Public as per SEBI guidelines respectively on January 8, 2013 and February 25, 2013 respectively. Accordingly, the Parent Company through CHPL holds aggregate 93.19% controlling equity stake in the Cinemax India Limited.

49 (i) Previous year's figures have been re-grouped/ re-arranged wherever necessary to conform to current year's classification.
(ii) Current year figures are not strictly comparable with the previous year figures in view of the acquisition of Cinemax India Limited.
(iii) The figures in the financial statements and notes thereto have been rounded off to nearest rupee.

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

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

Place: Gurgaon
Date: May 28th, 2013

Ajay Bijli
Chairman cum Managing Director

Sanjeev Kumar
Joint Managing Director

N.C. Gupta
Company Secretary

Nitin Sood
Chief Financial Officer

Summarised Financial Statements of Subsidiaries

for the financial year ended 31.03.2013

(Amount in Rs.)

		NAMES OF SUBSIDIARIES										
Sr. No.	Particulars	PVR Pictures Limited	PVR bluO Entertainment Limited	PVR Leisure Limited	Cine Hospitality Private Limited	Lettuce Entertain You Ltd.	Cinemax India Limited	Vista Entertainment Limited	Nikmo Entertainment Limited	Odeon Shrine Multiplex Limited	Cinemax Motion Pictures Limited	Growel Entertainment Limited
		2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013
1	Capital	143,333,336	297,789,110	219,358,614	102,600,000	60,500,000	140,000,000	10,100,000	500,000	500,000	500,000	500,000
2	Reserve and Surplus	61,054,201	322,977,896	541,038,637	3,537,261,914	(4,308,240)	841,585,761	329,554,778	95,752,650	11,460,355	(42,636,497)	(924,064)
3	Total Assets (Fixed Assets + Current Assets)	337,486,952	975,546,521	761,262,960	5,363,782,770	78,292,617	2,651,266,808	384,657,676	139,636,527	30,643,467	8,587,629	556,769
4	Total Liabilities	133,099,415	354,779,515	865,709	1,723,920,856	22,100,857	1,669,681,046	45,002,898	43,383,877	18,683,112	50,724,126	980,833
5	Investments (except in case of investments in subsidiary company)	-	-	363,108,800	-	-	8,474,155	-	-	-	-	-
6	Turnover	369,933,048	391,044,126	3,930,474	-	9,200	3,592,046,998	295,633,860	148,679,841	119,423,402	834,846	-
7	Profit / loss before tax	20,068,898	(10,795,374)	1,955,147	(70,529,924)	(5,902,682)	319,601,032	57,781,451	21,141,846	(748,513)	(2,116,464)	(204,221)
8	Provision for tax	(7,671,784)	(3,071,394)	615,600	(291,838)	(1,594,442)	72,278,512	25,072,700	7,165,266	(8,633,739)	-	-
9	Profit after tax	27,740,682	(7,723,980)	1,339,547	(70,238,086)	(4,308,240)	247,322,520	32,708,751	13,976,580	7,885,226	(2,116,464)	(204,221)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-

PVR

PVR LIMITED

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Corporate Office: Block A, 4th Floor, Building No. 9,
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