PVR

ANNUAL REPORT
2010-2011

Board of Directors

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

Company Secretary
Mr. N.C. Gupta

Auditors
S.R. Batliboi & Co.
Chartered Accountants,
Gurgaon

Main Bankers
DBS Bank Limited
HDFC Bank Limited
Axis Bank Limited

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

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

Subsidiaries
PVR Pictures Limited
PVR bluO Entertainment Limited
CR Retail Malls (India) Limited

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

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Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the Sixteenth Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended March 31, 2011.

Financial Highlights

(Rs. In Lacs)

		2010-11		2009-10
Income		**36,002**		**28,065**
Expenditure		29,926		24,892
Earnings before depreciation/ amortization interest and tax (EBDITA)		**6,076**		**3,173**
Depreciation		2,411		2,162
Interest		1,374		986
Profit before Tax		**2,291**		**25**
Provision for Tax Credit/ (Expense) (net)		(657)		1
Profit after Tax		**1,634**		**26**
Balance brought forward from previous year	2,220		2,749	
Accumulated profit brought forward of Sunrise Infotainment Pvt. Ltd.	-		29	
Loss after tax of 2008-09 of Sunrise Infotainment Pvt. Ltd.	-	2,220	(263)	2,515
Profit available for appropriation		**3,854**		**2,541**
Appropriations				
Transfer to Debenture Redemption Reserve		85		21
Transfer to General Reserve		41		-
Dividend on Equity Shares		286		256
Tax on Dividend		46		44
Balance carried over to Balance Sheet		**3,396**		**2,220**

Financial Review:

While the performance of the Company for the first nine months of 2010-11 was decent, however the fourth quarter was impacted due to the Cricket World Cup as no blockbuster movies were released during the period. On an overall basis, the company has been able to demonstrate promising growth in revenues led by 7%-10% growth in ticket pricing and food & beverage realizations across the same stores.

The success of big blockbuster movies like "Rajneeti", "Housefull" and "Dabangg" boosted the film industry's fortune. Small Budget movies like "Peepli Live", "Phas Gaye Re Obama", "Tanu Weds Manu" among others also did well at the Box Office.

During the financial year under review the total income of the Comapny were Rs. 360 Crores as compared to Rs. 280.6 Crores in 2009-10, up by 28%. EBITDA for 2010-11, were Rs. 60.7 Crores as compared to Rs. 31.7 Crores in 2009-10, up by 91%. Profit after Tax for 2010-11 was Rs. 16.3 Crores as compared to Rs. 0.26 Crores in 2009-10.

The company at present operates 33 properties with 142 screens in 18 cities across the country. The company added 19 Screens at 3 locations i.e. Chennai, Ahmadabad and Lucknow in 2010-11. The Company had signed Agreements/MOUs for 75-80 screens for the coming financial year in different parts of the country including cities like Udaipur, Vijaywada, Delhi, Mysore, Bangalore, Bhopal, Pune etc. which will further boost the revenues and profitability of the company.

The pipeline of the movies for FY 2011-12 looks exciting and the company expects its revenues to consolidate further on the strength of its properties in the best locations.

The company expects that about 25-30 3D films that are expected to be released in financial year 2011-12, will fetch higher ticket prices. The company also has a plan to install digital IMAX theatre systems at its four locations in India. The first two of them would be installed within the next 12 months at Company's two multiplexes in Mumbai and Bangalore.

Dividend

Your Directors are pleased to recommend a dividend of 10% (Re. One per Equity Share) for the financial year ended March 31, 2011.

Operations Review

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

Subsidiaries

As on March 31, 2011 the Company had three subsidiary companies namely M/s CR Retail Malls (India) Limited (CRR) a wholly owned subsidiary, M/s PVR Pictures Limited (PVR Pictures) and M/s PVR bluO Entertainment Limited (PVR bluO).

CR Retail Malls (India) Limited (CRR)

CR Retail Malls (India) Limited operates the 7 screen Multiplex at "The Phoenix Mills Compound" at Lower Parel, a prime retail and entertainment destination in Mumbai. CRR during the period 2010-11 recorded an income of Rs. 28.65 Crores and a Net Profit of Rs. 4.06 Crores.

On 5th May, 2011, PVR Ltd. entered into an arrangement with JM Financial group of Companies for sale of equity shares of CRR. Under the terms of sale of entire equity share of CRR, PVR Ltd. has realized Rs. 100 Crores. PVR has also entered into a lease agreement with CRR to continue to operate the multiplex property on a long term lease basis.

PVR Pictures Limited (PVR Pictures)

PVR Pictures is in the business of film production & distribution. The year under review was adversely impacted on account of poor performance of company's production "Khelein Hum Jee Jaan Sey". As a result the company incurred a loss of Rs. 22.18 Crores at PAT level during 2010-11. The loss after excluding Minority Interest was Rs. 13.31 Crores.

Due to these losses both the investors i.e., JP Morgan Mauritius Holdings IV Limited and India Advantages fund (IAF) have shown their intention for exiting from the company. Your company ("PVR Limited") has now decided to purchase balance 40% equity share capital of PVR Pictures Limited from the said two investors and pay Rs. 60 Crores i.e., Rs. 30 Crores to each of the said two Investors. Post acquisition of 40% share capital by PVR Limited, PVR Pictures Limited shall become a wholly owned subsidiary of your Company.

The company is in the process of completing a movie "Shanghai" which is being directed by Dibakar

Banerjee starring Abhay Deol and Emran Hashmi and is expected to be released in the third quarter of the FY 2011-12.

PVR bluO Entertainment Limited (PVR bluO)

PVR bluO in the financial year 2010-2011 earned a Net Revenue of Rs.14.27 Crores and a Profit after Tax of Rs. 2.08 Crores.

Presently the company operates India's largest bowling alley center in Ambience Mall, Gurgaon. The center has been able to establish itself as a premier leisure and entertainment destination for consumers in NCR. The Company has made a roadmap for expansion of its business and has plans to open additional 3-4 bowling centres in India in next 12 months.

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 2010-11.

Particulars under Section 212 of the Companies Act, 1956

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

Corporate Governance

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

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

Management Discussion and Analysis Report

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

Directors

In accordance with the provisions of Sections 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vikram Bakshi and Mr. Sumit Chandwani, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment as Directors of the Company.

Fixed Deposits

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

Directors' Responsibility Statement

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

i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

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

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

iv) That they had prepared the annual accounts for the Financial Year ended 31st March, 2011 on a going concern basis.

Group Companies

Pursuant to the provisions under the Monopolies Restrictive Trade Practices Act, 1969, read with the relevant provisions under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, ("SEBI Regulations, 1997") and all other applicable laws, persons constituting group for availing of various exemptions from the applicability of the provisions of various Regulations under the SEBI Regulations, 1997, Income Tax Act, 1961 are given in the MDA.

Buy Back of Company's own Equity Shares

The Board of Directors in the meeting held on 27th May, 2011 approved buy back of Company's own Equity Shares from the Stock Exchanges for a sum not exceeding Rs. 26.21 Crores i.e., 10% of the paid up Equity Share Capital and Free Reserves at a price not exceeding Rs. 140 each equity share of face value of Rs. 10 each in accordance with the applicable provisions under the securities and exchange board of India Buy Back of Securities regulations 1998.

Auditors' Report

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Co., Chartered Accountants, Gurgaon, hold office until the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment and have confirmed that their re-appointment if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956. The Board recommends the re-appointment of M/s S. R. Batliboi & Co., Chartered Accountants as Statutory Auditors of the Company.

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

Change in Capital Structure and Listing of equity shares

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). During the year, 14,60,112 Equity Shares of face value of Rs. 10 each were allotted to the Equity Shareholders of M/s Leisure World Private Limited on 8th September, 2010, pursuant to the Order of the Hon'ble High Court of Delhi dated 19th August, 2010.

Further 57,330 Equity Shares were allotted to employees of the Company on 31st August, 2010, 1st November, 2010, 30th November, 2010 and 6th January, 2011 against 57,330 options exercised by employees pursuant to Employees Stock Option Scheme of the company.

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

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

Particulars of Employees

The information as required in accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in Annexure 'II' to the Directors' Report. However, as per the provisions of Section 219 (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 records their gratitude to the shareholders, customers/patrons, suppliers, collaborators, bankers, financial institutions and all other business associates and Central Government and State Government for the incessant support provided by them to the company and their confidence in its management.

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

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: May 27th, 2011

Ajay Bijli
Chairman cum Managing Director

Annexure – I to Directors Report

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

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

i) Conservation of Energy

Energy conservation measures taken:

- Power factor is being maintained above 0.95 with the use of capacitor banks. These banks are used to neutralize the inductive current by providing capacitive current. As a result a power factor improves and gets rebate applicable on energy bills from Electricity Distribution Companies (Tata Power/BSES).
- Switching on/off procedure is being followed for entire lighting and other load within the premises. Timers are being used to ensure this.
- The air conditioning system preventive maintenance routine services are monitored to make the system efficient. Also regulation of the AHU timings for proper utilization has further helped in saving electricity consumption.
- All the new fittings are with CFL or energy saver which uses less electrical power as compared to old GL lamps.
- Temperature sensors are being put in Audi's for better control on AC.
- Seat lights of LED's are used in place of GSL light to save energy.
- Outside consultants have been appointed to suggest energy saving measures over and above the existing system, optimization of energy distribution, Lux level of various areas, design aspects of electrical and HVAC system etc. so that other aspects of energy conservation and equipment efficiency can be maintained.
- Installed Variable Frequency Drives (VFD) for various Air Handling Units (AHU's) to conserve energy.
- Close monitoring of AC Plant, AHU's, pumps, running hours by installation of Running Hours Meters & Energy Meters.
- Building Signage with LED's based Technology to save energy and longer life span.
- Poster windows in all cinemas having copper chokes have been replaced with electronic ballast to conserve energy and to enhance the light of tube lights and also reduce the numbers of tube lights from 4 to 2 in each poster window to conserve Energy.

ii) Technology Absorption

- Installed and commissioned the energy efficient Air Conditioning plant at PVR Priya in New Delhi.
- Installed Energy Efficient Air conditioning plant at PVR Phoenix in Mumbai and PVR Saket in New Delhi during the year.
- Replacing the existing projection system (Analog) with 2k digital projection system for better viewing of movie and save energy as well.
- Added 30 screen PAN India basis on 3D format.

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

iii) Foreign Exchange Earnings & Outgo

	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Earnings in foreign currency (on accrual basis)		
Income from Sale of Film Rights	Nil	Nil
Expenditure in foreign currency (on accrual basis)		
Travelling	3,116,371	1,948,161
Professional fees (including expenses, net of income tax)	6,984,619	3,081,409
Director Sitting Fees	32,000	168,370
Advertisement Expense		-
Total	**10,132,990**	**5,197,940**
CIF Value of Imports		
Capital Goods	44,302,583	20,923,540
Software	25,548	658,280
Total	**44,328,130**	**21,581,820**

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: May 27th, 2011

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, 2011

A.

	Particulars	ESOP Scheme
1	Number of options granted	500,000
2	The Pricing Formula	The closing market Price on the day prior to the date of grant.
3	Number of options vested	330,000
4	Number of options exercised	118,390
5	Total number of shares arising as a result of exercise of options	118,390
6	Number of options lapsed	NIL
7	Variation in the terms of options	The vesting period has been changed from graded over 4 years to equally over 3 years pursuant to the Compensation Committee Resolution No. 3 passed on October 29, 2009
8	Money realised by exercise of options	Rs. 10,418,320
9	Total Number of Options in force	381,610

B. Employee-wise details of options granted to:

(i) Senior managerial personnel

Name	No. of options granted
No options were granted during the year	

(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
No options were granted during the year	

(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
No options were granted during the year	

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20
6.01

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

	Rs.
Profit as reported	163,446,973
Add - Intrinsic Value Cost	-
Less - Fair Value Cost	4,660,407
Profit as adjusted	158,786,566
Earning per share (Basic) as reported	6.03
Earning per share (Basic) adjusted	5.85
Earning per share (Diluted) as reported	6.01
Earning per share (Diluted) adjusted	5.84

E. Weighted average exercise price of Options whose
(a) Exercise price equals market price
(b) Exercise price is greater than market price — No options were granted during the current year
(c) Exercise price is less than market price

Weighted average fair value of options whose
(a) Exercise price equals market price
(b) Exercise price is greater than market price — No options were granted during the current year
(c) Exercise price is less than market price

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

No options were granted during the current year

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, 2011. 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 Film industry is one of the largest in the world with more than 1200 movie releases and over 3 billion moviegoers annually.

2010-11 witnessed the successful release of big blockbuster movies like "Rajneeti", "Housefull" and "Dabang" which boosted the film industry's fortune. Small Budget movies like "Peepli Live", "Phas Gaye Re Obama" Tanu Weds Manu" among other appear to indicate an increasing audience demand for strong content. In 2011, as a consequence of the Cricket World Cup, fewer films were released during February to March 2011.

However, with an interesting line up of films in 2011-12 the industry is estimated to achieve a 9 percent growth to touch ~INR 91 billion. In the long term, the industry is projected to grow at the CAGR of 9.6% between 2010-2014, and reach the size of INR 132.1 billion by 2014.

2010 witnessed significant capacity expansion by multiplex chains and currently have significant expansion plans. The industry which currently has approximately 1000 multiplex screens is likely to double its screen count over the next 5 years. This multiplex growth is expected to be the key driving force for the growth of Indian film industry.

While theoretical collections continue to be the largest contributor to industry revenues, ancillary revenue streams such as sale of TV rights, mobile rights, internet download rights etc are becoming increasingly important in the overall pie of the industry. Also rising number of digital screens in the country will enable wider releases of films which may lead to higher theatrical revenues and help reduce piracy. (*Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2011*)

Opportunities

1. **Largest Industry -** The Indian film industry is one of the largest globally with a history of steady growth. With films being the most popular form of mass entertainment in India, the film industry has witnessed robust double-digit growth over the past decade.
2. **Demographic scenario supports long-term fundamentals:** Due to favourable demographics (75% of the country's population is below the age of 35) and economic conditions in India, coupled with consumers willing to spend more on a variety of leisure and entertainment services, the filmed entertainment business is set to grow in the years to come.
3. **Urbanization and growing middle class:** Rising urbanization is expected to drive multiplex growth through two levers – (i) a population that increasingly spends on discretionary items such as entertainment, and (ii) availability of quality spaces such as malls which are suitable for multiplexes.

4. **Under screened market:** When compared to global benchmarks such as USA, UK, France, Spain, India is a significantly under screened. Mumbai and Bangalore have a higher number of screens per million at 23 and 21 respectively, while cities such as Hyderabad and Chennai have only about 6, indicating a huge opportunity.

5. **Rising market for Indian film abroad:** Indian expatriates and the worldwide embracing of Indian cultural products have created a strong new market for Indian films outside India. In recent times, the overseas market has been fast emerging as a primary source of revenue for the filmmakers because of the growing interest in the Hindi films amongst non-resident Indians and is further expected to promote the growth of Indian film industry.

6. **Improvement in the quality and variety of content:** Growing corporatisation in the film industry has opened up gateways for creative producers who have good scripts but no source of financing. Multiplexes are offering greater opportunities for creating content catering to the multiplex audience. This has enabled the producers to be more experimental with projects, creating new avenues for growth.

7. **Adoption of Digital Technology:** Digitization of content is playing a major role in transforming the face of the Indian entertainment and media industry. Digital solutions in Filmed Entertainment have helped the producers & exhibitors to reach relevant audience and increase the number of prints with comparatively lower additional costs. A movie can therefore be released simultaneously in metros and smaller cities and towns thus reducing potential losses caused due to delay in movie releases. Digital technology also provides exhibitors with the opportunity to garner additional revenues through alternative content offerings such as cricket matches, award shows, etc. Digitalization also helps counter piracy to a great extent.

8. **Integration across value chain and changing business mix creating additional value:** On the back of high growth witnessed in the sector, film exhibition companies are increasingly looking for opportunities to vertically integrate across the film industry value chain (production, distribution and exhibition) and diversify their business mix into other entertainment-related revenue generating avenues such as food courts, gaming, advertising.

Threats/Risks and Mitigation Measures

1. **Concentration risk:** Significant expansion plans across various markets of India by the Multiplex Owners may lead to excess supply and unhealthy competition.

   However in view of screen density in India being less than 12 screens per million populations as compared to 117 screens per million in USA, we believe that the situation across the country is far from over supply.

2. **Execution delays:** There is a possibility of execution delays due to delay or failure in handover of properties from real estate developers due to pace of retail development or slowdown in organized retail and sluggish real estate activity.

   Company has a team comprising of qualified executives which ensures timely execution and completion of projects.

3. **Piracy:** The difference between the average time lag between release of films in major Tier-I cities such as Mumbai and Tier-II cities is the highest in India, making significant scope for piracy. Increase in piracy activities can further hamper revenue streams from sale of rights for TV, DVD, CDs, mobiles etc. Since the shelf life of films in the last few years have reduced significantly, therefore the success or failure of the film now depends largely on its performance in the opening weeks with the piracy having an adverse impact on legitimate revenues of the producers, distributor and exhibitors. However, Government's continued support against piracy will help the Indian film industry strengthen its position in the years to come.

4. **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 organised 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.

However we are of the view that the quality of the movies to be produced is expected to be better in the time to come.

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

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 31.03.2011	Year ended 31.03.2010	Growth
Income from Ticket Sales Revenue Sharing	22,949	18,367	25%
Sale of Food and Beverages	6,433	5,305	21%
Advertisement & Royalty Income	4,919	3504	40%
Other Operating Income	898	659	36%
Net Operating Income	**35,198**	**27,836**	**26%**
Other Income	804	230	249%
Total Income	**36,002**	**28,066**	**28%**

Financial performance

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

Operating performance

Footfalls & Occupancy

We entertained around 19.6 million patrons at our cinemas during FY 2010-11 as compared to 16.2 million patrons during the FY 2009-10, there by recording a growth of 21%.With the expected addition of 70-80 new screens planned in 2011-12, your Company looks forward for a significant growth in footfalls during the current financial year.

Future Outlook

The Company has been pursuing an expansion plan that involves setting up of 70-80 additional screens in the next year, which will be in line with our strategy to be the major Cinema Exhibition player in the country.

Future outlook for the FY 2011-12 is positive and barring the unforseen circumstances the company's performance is expected to show continued growth.

Group Company/Firms

Name of Group Company	:	The Amritsar Transport Company (P) Ltd.
Name of Partnership Firm	:	KM Holdings

Internal Control Systems and their adequacy

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

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

Material Developments in Human Resources:

Recruitment & Selection

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

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

Industrial Relations

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

Report on Corporate Governance

Corporate Governance

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

Company's philosophy on Corporate Governance

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

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

Board of Directors

Composition of the Board of Directors

As on 31st March, 2011, the Company had eight Directors on the Board. The Board is comprised of two Executive Directors, six Non Executive Directors out of which four are Independent Directors.

The Company has an Executive Chairman and the number of the Independent Directors is half of total number of Directors.

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

Details of the Board of Directors as on 31st March, 2011 in terms of their directorship/membership in committees of public companies and attendance in the Last Annual General Meeting & Board Meetings are as follows:

Name of the Directors	Category	Shareholding in the Company (No. of shares)	No. of Board Meetings attended during the year.	Attendance at the last AGM held on September 27, 2010.	Number of other Directorships	Number of Committee Memberships and Chairmanship in all Companies including PVR Limited	
						Membership	Chairmanship
Ajay Bijli	Promoter, Executive Director	1,570,287	4	No	8	2	2
Sanjeev Kumar	Executive Director	17,600	4	Yes	6	2	1
Sumit Chandwani	Non Executive Independent	-	5	Yes	6	2	1
Vicha Poolvaraluk	Non Executive Non Independent	-	1	No	17	1	-
Vikram Bakshi	Non Executive Independent	-	3	No	26	3	-
Ravi. K. Sinha	Non Executive Non Independent	-	5	No	2	1	-
Renaud Jean Palliere	Non Executive Independent	-	-	No	4	1	-
Sanjay Khanna	Non Executive Independent	7,500	5	Yes	-	3	-

Number of Board Meetings

The Board of Directors met five (5) times during the year as follows:

- 12th April, 2010.
- 28th May, 2010.
- 30th July, 2010.
- 1st November, 2010.
- 28th January, 2011.

Remuneration paid to Directors

Executive Directors

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

Mr. Ajay Bijli, Chairman cum Managing Director (CMD) and Mr. Sanjeev Kumar, Joint Managing Director (JMD) of the company were paid the following remuneration and perquisites during the year under review:

		Amount (Rs.)
Remuneration	**Mr. Ajay Bijli**	**Mr. Sanjeev Kumar**
Salary	12,480,000	6,240,000
Perquisites (HRA)	7,488,000	3,744,000
Total	19,968,000	9,984,000

Non Executive Directors

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

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

Name of the Directors	Sitting Fees (Rs.)
Mr. Sanjay Khanna	180,000
Mr. Ravi. K. Sinha	100,000
Mr. Sumit Chandwani	180,000
Mr. Renaud Jean Palliere	Nil
Mr. Vikram Bakshi	100,000
Mr. Vicha Poolvaraluk	20,000
Total	**580,000**

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

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company which is available on the website of the Company www.pvrcinemas.com. All Board members and senior management that includes company executive's one level below the Board have affirmed compliance with the said Code. A declaration signed by the Chairman to this effect is provided elsewhere in the Annual Report.

Audit Committee

Composition, Meetings and Attendance:

As on March 31, 2011, the Audit Committee is comprised of four Non Executive and Independent Directors. The Chief Financial Officer, the Statutory Auditors and the Internal Auditors are the invitees in the Committee meetings.

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

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

Composition and Attendance

Mr. Sumit Chandwani who has knowledge in Finance and Accounts is the Chairman of the Audit Committee. During the year under review the Audit Committee met Four times on 28th May, 2010, 30th July, 2010, 1st Nov, 2010 and 28th January, 2011 and the maximum gap between any such two meetings did not exceed four months as stipulated under Clause 49.

Name of the Members	No. of meetings attended
Mr. Sumit Chandwani	4
Mr.Vikram Bakshi	2
Mr. Renaud Jean Palliere	-
Mr. Sanjay Khanna	4

Investors Grievance Committee

Terms of Reference

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

Composition and Attendance

The Investor Grievance Committee comprises of three Directors, two of whom are Non-Executive Directors. During the year under review the Investors Grievance Committee met one time on January 28, 2011. Names of the Members who attended the meeting are as follows:

Name of the Members	Attendence
Mr.Ajay Bijli	1
Mr. Sanjay Khanna	1

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

Composition

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

The Remuneration policy of the Company is aimed at rewarding performance, based on review of the achievements on a regular basis. The remuneration paid to the Executive Directors is recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the subsequent approval by the shareholders and such other authorities if any required.

No Remuneration Committee meeting was held during the year ended March 31, 2011.

Compensation Committee

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

Composition

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

No Compensation Committee meeting was held during the year ended March 31, 2011.

Details of complaints/ queries received and resolved during the Financial Year 2010-11 are as follows:

Nature of Complaints	Number of Complaints/ Queries received during the year	Complaints/ Queries resolved during the year
Status of applications lodged for public issue(s)	6	6
Non-receipt of Securities	1	1
Non-receipt of Annual Report	2	2
Non-receipt of Dividend Warrants	10	10
Non-receipt of refund orders	2	2
Non-receipt of Electronic Credits	3	3
Total	24	24

The transfer/transmission/split of physical share certificates is approved at least once in a fortnight on the basis of recommendations received from the Company's Registrars and Share Transfer Agent M/s Karvy Computershare Private Limited.The Investors may lodge their grievances through e-mails at cosec@pvrcinemas.com or through letters addressed to Mr. P A Varghese, General Manager, Unit PVR Ltd., Karvy Computershare Private Limited, 17-24,Vittal Rao Nagar, Madhapur, Hyderabad-500 081.

General Body 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
2007-08	Friday, September 30, 2008	10:00 A.M.	The Claremont Hotel & Convention Centre, Aaya Nagar, Mehrauli Gurgaon Road, New Delhi – 110 030	(i) Approval for Mr. Ravi K Sinha a non executive non independent Director to hold office or Place of Profit in the Company.
2008-09	Wednesday, September 30, 2009	10:30 A.M	The Claremont Hotel & Convention Centre, Aaya Nagar, Mehrauli Gurgaon Road, New Delhi – 110 030	None
2009-10	Monday, September 27,2010	10:30 A.M	The Claremont Hotel & Convention Centre, Aaya Nagar, Mehrauli Gurgaon Road, New Delhi –110030	I) Appointment of Mr.Vicha Poolvaraluk as Director of the Company, liable to retire by rotation. II) Granting of Options under the PVR ESOP 2008, Scheme to an employee of the wholly owned subsidiary namely CR Retail Malls (India) Limited.

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.

PVR Pictures Limited is the material non listed Indian subsidiary of the Company and has Mr. Sumit Chandwani an Independent Director on the Board of PVR Pictures Limited.

Disclosures

a) **Related Party Transactions:**

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

b) **Compliances made by the Company:**

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

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

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

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

Management Discussion and Analysis Report

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

CMD/CFO Certification

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

Shareholders

a) Means of Communication

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

All material information about the Company is promptly sent through email 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. More than 11000 members of your Company have registered their E-mail for the dispatch / service by way of soft copies of the above documents.

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

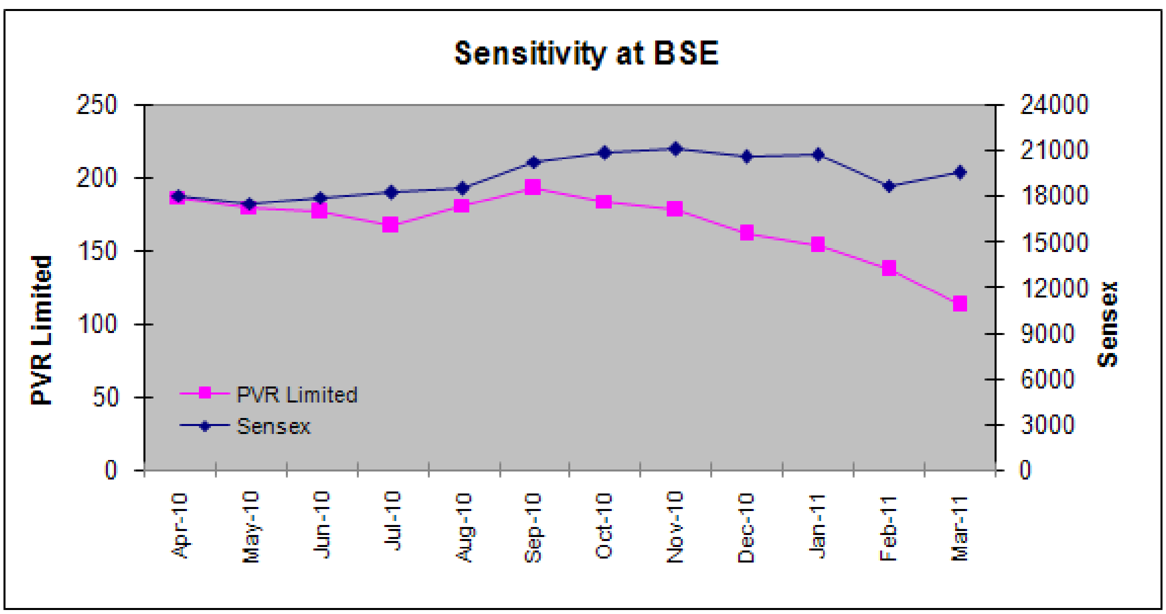
1.	Annual General Meeting:	8th day of August, 2011 10:30 A.M. at Mapple Emerald, Rajokri, National Highway-8, New Delhi – 110 038
2.	Financial calendar:	Tentative Schedule:
	Accounting Year:	1st April to 31st March
		Approval of Quarterly Results for the Quarter
	Ended:	**on or before**
	June 30, 2011,	14th August, 2011
	September 30, 2011	15th October, 2011
	December 31, 2011	15th January, 2012
	March 31, 2012	end May, 2012

3. Book Closure Date : 01.08.2011 to 08.08.2011 *(both days inclusive)*
4. Dividend Payment : 10th August, 2011 onwards.
5. Listing on Stock Exchanges : Bombay Stock Exchange Limited (BSE)
   National Stock Exchange of India Limited (NSE)
6. Stock Code : BSE Script Code: 532689;
   NSE Symbol: PVR
   ISIN: INE 191H01014
7. Market Price Data

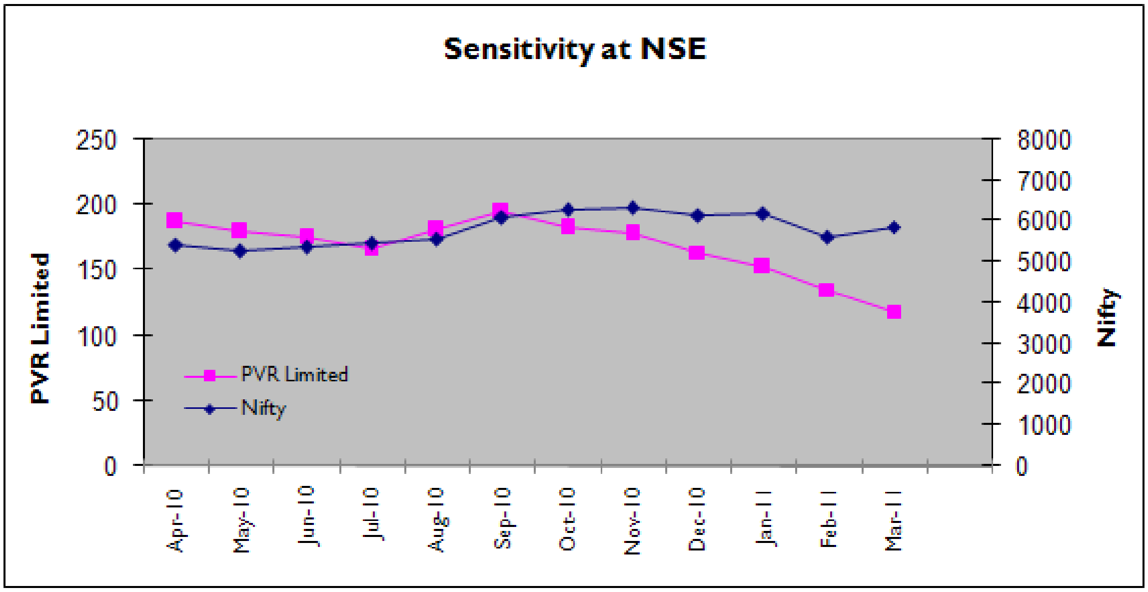
Monthly High Low for the year under review:

	NSE		BSE	
Month	**High**	**Low**	**High**	**Low**
Apr-10	186.75	169.00	186.75	161
May-10	180.00	140.05	180	130
Jun-10	175.70	143.50	176	143
Jul-10	166.50	144.30	166.75	148
Aug-10	181.25	148.65	181.4	149
Sep-10	194.80	166.15	193	167.3
Oct-10	183.00	162.85	184	163.25
Nov-10	178.00	136.05	177.5	137
Dec-10	164.00	131.25	162	131.1
Jan-11	153.00	132.30	153.8	131.1
Feb-11	135.40	108.00	137.6	108
Mar-11	118.90	93.00	113	93.5

8. Performance of PVR Share Price in comparison to:
   BSE SENSEX



NSE NIFTY INDEX



9. Registrar and Transfer Agents : Karvy Computershare Private Limited (KCPL), 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500 081.
Tel : +91-40-23420 815-824
Fax: +91-40-23420 814
Website: www.kcpl.karvy.com

10. Share Transfer System : Share transfers in physical form can be lodged with KCPL at the above mentioned address

11 (a) Distribution Schedule

PVR LIMITED
Consolidated Distribution Schedule as on March 31, 2011

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
1 - 5000	21106	96.50	1347956	13479560	4.96
5001 - 10000	369	1.69	296252	2962520	1.09
10001 - 20000	184	0.84	269558	2695580	0.99
20001 - 30000	66	0.30	169639	1696390	0.62
30001 - 40000	25	0.11	89228	892280	0.33
40001 - 50000	26	0.12	121763	1217630	0.45
50001 - 100000	38	0.17	269353	2693530	0.99
100001 & Above	58	0.27	24585623	245856230	90.56
TOTAL	**21872**	**100.00**	**27149372**	**271493720**	**100.00**

11 (b) Shareholding Pattern

Consolidated Shareholding Pattern as on March 31, 2011				
Sl. No.	Category	No.of Cases	Total Shares	% to Equity
1	Promoters	3	11575456	42.64
2	Foreign Institutional Investors	12	2473459	9.11
3	Mutual Funds	13	4396048	16.19
4	Resident Individuals	21091	2500681	9.21
5	Bodies Corporates	426	3730934	13.74
6	Financial Institutions / Banks	2	60396	0.22
7	Non Resident Indians	207	220223	0.81
8	Clearing Members	114	170210	0.63
9	Trusts	4	2021965	7.45
	Total	21872	27149372	100.00

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

The breakup of Equity Share capital held with depositories and in physical form is as follows:

Sl. No.	Category	No. of Holders	Total Shares	% to Equity
1	Physical	876	2292	0.008
2	NSDL	16208	26333223	96.994
3	CDSL	4788	813857	2.998
	Total	21872	27149372	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. 9,
DLF Cyber City, Phase III
Gurgaon, Haryana – 122002
Investor grievance email:
cosec@pvrcinemas.com
Tel : + 91-124-4708100
Fax : + 91-124-4708101
Website : www.pvrcinemas.com

14. Auditor's Certificate on Corporate Governance

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

For and on behalf of the Board

Place: Gurgaon, Haryana
Date: May 27th, 2011

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, 2011.

Place: Gurgaon, Haryana
Date: May 27th, 2011

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 statement 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	**Ajay Bijli**	**Nitin Sood**
Date: May 27th, 2011	Chairman cum Managing Director	Chief Financial Officer

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements

To the Members of PVR Limited

1. We have examined the compliance of condition of Corporate Governance by **PVR Limited** during the period ended March 31, 2011 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 Exchange.

For **Arun Gupta & Associates**
Company Secretaries

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

Place: New Delhi
Date: May 27th, 2011

Auditors' Report to the Members of PVR Limited

1. We have audited the attached balance sheet of PVR Limited ('the Company') as at March 31, 2011 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

   (a) Note 7 of Schedule 22 of the financial statements, wherein as per requirements of the Finance Act 2010, the Company may be liable to pay service tax in respect of renting of immovable properties as lessee of such properties. The Company has challenged the impugned provisions of law by way of a writ petition filed with the Hon'ble High Court of Delhi and an interim stay order is obtained. The Company has also been legally advised that no Service Tax is payable on renting of immovable properties as lessee of such properties. Pending the final outcome of this matter, no provision for service tax liability amounting to Rs. 141,624,348 (including Rs. 87,303,515 pertaining to earlier years) (net of service tax credit claimable) has been made.

   (b) Note No. 22.1 of Schedule 22 of the financial statements, the Company has during the year ended March 31, 2011 paid managerial remuneration to Mr. Ajay Bijli which is in excess of the approval granted by Ministry of Corporate Affairs, Central Government (CG) by Rs. 1,628,903. In the previous years, the Company had paid managerial remuneration in excess of the approval granted by Ministry of Corporate Affairs, Central Government by Rs. 6,848,852 paid to Mr. Ajay Bijli. The Company has filed representations in the matter with the CG and a separate representation is being filed with CG for waiver of excess remuneration of Rs. 1,628,903 paid to Mr. Ajay Bijli during the financial year 2010-11. Pending the final outcome of the Company's representations, no adjustments have been made to the accompanying financial statements in this regard.

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

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

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

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

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

   v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;

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

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

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

per Yogender Seth
Partner
Membership No.: 94524

Place : Gurgaon
Date : May 27th, 2011

Annexure referred to in paragraph 3

of our report of even date

Re: PVR Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

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

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

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) The Company has granted loan to one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 670,608,652 and the year end balance of loan granted to such party was Rs. 596,902,802.

(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.

(c) The loans granted are re-payable on demand. As informed, the Company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

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

(e) According to information and explanations given to us, the Company has 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 major weakness in internal control system of the company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

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

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

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

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

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

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

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

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

Name of the statute	Nature of dues	Amount (Rs. in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	*4.10	Assessment Years 2006-07, 2007-08 and 2008-09	IncomeTax Appellate Tribunal and Commissioner of Income Tax (Appeals)
		4.10		

* Net of Rs. 7.32 Crores paid under protest and disclosed in Schedule 13 Loans and Advances.

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

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

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

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

(xiv) In respect of dealing/trading in mutual funds, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The units and securities have been held by the Company in its own name except for Rs. 5,413,000.

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

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

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

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

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

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

per Yogender Seth
Partner
Membership No.: 94524

Place : Gurgaon
Date : May 27th, 2011

Standalone Financial Statements

Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	**271,493,720**	256,243,300
Reserves and surplus	2	**2,606,002,547**	2,216,384,594
		2,877,496,267	**2,472,627,894**
Loan Funds			
Secured loans	3	**1,605,912,915**	1,346,986,262
Deferred payment liabilities		**10,400,000**	20,800,000
(Due within one year Rs. 10,400,000 previous year Rs. 10,400,000)		**1,616,312,915**	1,367,786,262
Deferred Tax Liabilities (Net)	4	**272,730,106**	205,981,762
		4,766,539,288	**4,046,395,918**
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross block		**3,493,592,612**	2,760,826,954
Less :Accumulated depreciation		**1,111,512,815**	884,847,296
Net block		**2,382,079,797**	1,875,979,658
Capital Work-in-Progress including Capital Advances		**277,011,626**	242,198,189
Pre-operative expenses (pending allocation)	6	**138,298,878**	101,032,267
Fixed Assets		**2,797,390,301**	**2,219,210,114**
Intangible Assets (net of amortisation and including capital advances)	7	**21,830,789**	17,668,995
Investments	8	**499,879,330**	1,114,346,001
Current Assets, Loans and Advances			
Interest accrued on long term investments		**562,163**	190,696
Inventories	9	**44,753,430**	31,511,518
Sundry debtors	10	**165,273,237**	104,688,643
Cash and bank balances	11	**353,167,919**	85,834,026
Other current assets	12	**29,953,377**	12,231,824
Loans and advances	13	**1,379,149,216**	957,861,295
		1,972,859,342	**1,192,318,002**
Less: Current Liabilities and Provisions			
Current liabilities	14	**471,660,398**	449,257,059
Provisions	15	**53,760,076**	47,890,135
		525,420,474	497,147,194
Net Current Assets		**1,447,438,868**	695,170,808
		4,766,539,288	4,046,395,918
Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

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

per **Yogender Seth**
Partner
Membership No. 94524

Place: Gurgaon
Date: May 27th, 2011

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Profit and Loss Account for the year ended March 31, 2011

	Schedules	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
INCOME			
Operating income	16	**3,491,491,660**	2,747,561,078
Other income	17	**108,727,096**	58,984,374
		3,600,218,756	**2,806,545,452**
EXPENDITURE			
Film distributors' share (including commission)		**1,011,601,635**	783,933,171
Consumption of food and beverages		**218,069,132**	180,744,719
Personnel expenses	18	**406,152,149**	351,194,273
Operating and other expenses	19	**1,356,741,006**	1,173,326,287
		2,992,563,922	2,489,198,450
Profit before depreciation/amortisation, interest and tax (EBITDA)		**607,654,834**	317,347,002
Depreciation/amortisation		**241,121,073**	216,217,583
Interest paid	20	**137,439,385**	98,650,394
Profit before tax		**229,094,376**	**2,479,025**
Provision for Minimum Alternative Tax (MAT)		**(44,185,329)**	-
Less: MAT Credit Entitlement Account		**44,185,329**	-
Wealth Tax		**(166,000)**	(115,000)
Deferred tax credit/(charge)		**(66,742,826)**	308,861
Deferred tax (charge) for earlier years		**-**	(11,500,000)
Income tax credit for earlier years (net)		**-**	11,403,833
Excess provision for Fringe benefit tax pertaining to earlier year written back		**1,261,423**	-
Total Tax credit /(Expense)		**(65,647,403)**	97,694
Net Profit after tax		**163,446,973**	2,576,719
Balance brought forward from previous year		**222,011,031**	274,898,821
Add: Amount of accumulated profit brought forward of Sunrise Infotainment Private Limited(refer Note 8B of schedule 22)		**-**	2,936,870
Loss after tax of 2008-09 of Sunrise Infotainment Private Limited (refer Note 8B of schedule 22)		**-**	(26,302,193)
Profit available for appropriation		**385,458,004**	**254,110,217**
Appropriations			
- Transfer to Debenture Redemption Reserve		**8,480,000**	2,120,000
- Transfer to General Reserve (refer Note 24 (iii) of Schedule 22)		**4,086,174**	
- Proposed dividend on equity shares (refer Note 24 of Schedule 22)		**28,648,684**	25,624,330
- Tax on dividends		**4,659,215**	4,354,855
Surplus carried to Balance Sheet		**339,583,931**	**222,011,032**
Earnings per share	21		
Basic [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		**6.03**	0.11
Diluted [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		**6.01**	0.11
Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

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

per **Yogender Seth**
Partner
Membership No. 94524

Place: Gurgaon
Date: May 27th, 2011

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Cash Flow Statement for the year ended March 31, 2011

		For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
A.	**Cash flow from operating activities:**		
	Profit before taxation	**229,094,376**	2,479,025
	Adjustments for :		
	Depreciation/amortisation	**241,121,073**	216,217,583
	Loss on disposal of fixed assets (net)	**8,155,011**	9,542,819
	Pre-operative expenses charged off	**-**	2,117,095
	Interest income	**(52,236,839)**	(11,009,914)
	Profit on sale of current investments	**(1,906,602)**	(159,229)
	Dividend income	**(26,230,705)**	(11,822,807)
	Interest expense	**137,439,385**	98,650,394
	Provision for doubtful debts and advances (net)	**11,350,453**	11,216,613
	Operating profit before working capital changes	**546,786,152**	317,231,579
	Movements in working capital :		
	Decrease/(Increase) in sundry debtors	**(69,697,457)**	20,170,449
	(Increase) in inventories	**(13,241,912)**	(3,119,010)
	(Increase) in loans and advances and other current assets	**(86,805,470)**	(8,056,957)
	Increase in current liabilities and provisions	**7,828,853**	(70,287,549)
	Cash generated from operations	**384,870,166**	255,938,512
	Direct taxes paid (net of refunds)	**7,244,937**	(6,867,725)
	Net cash from operating activities	**392,115,103**	249,070,787
B.	**Cash flows (used in) investing activities**		
	Purchase of fixed assets	**(463,698,481)**	(378,018,978)
	Purchase of intangible assets	**(9,605,143)**	(7,102,932)
	Proceeds from sale of fixed assets	**2,810,661**	9,754,979
	Investment in a subsidiary	**(20,816,330)**	-
	Purchase of investments	**(3,222,742,000)**	(2,617,627,635)
	Sale of investments	**3,859,931,603**	2,073,328,138
	Loan refunded by a body corporate	**5,000,000**	15,000,000
	Loans given to subsidiaries	**(453,502,802)**	(128,500,000)
	Loans refunded by subsidiaries	**92,600,000**	124,425,000
	Dividend received	**26,230,705**	11,822,807
	Interest received	**50,900,814**	14,059,071
	Fixed Deposits with banks placed	**(50,457,683)**	(49,147,824)
	Fixed Deposits with banks encashed	**48,270,970**	45,161,714
	Net cash (used in) investing activities	**(135,077,686)**	(886,845,660)
C.	**Cash flow (used in)/from financing activities**		
	Proceeds from issuance of share capital including share premium	**5,713,840**	426,609,480
	Share Issue expenses	**-**	(6,603,547)
	Proceeds from long-term borrowings	**601,184,000**	835,836,586
	Repayment of long-term borrowings	**(347,748,036)**	(506,793,880)
	Proceeds from short-term borrowings	**-**	49,886,540
	Repayment of short-term borrowings	**(49,886,540)**	-
	Dividend and tax thereon paid	**(31,464,735)**	(26,926,267)
	Interest paid	**(170,237,481)**	(110,557,538)
	Net cash (used in)/from financing activities	**7,561,048**	661,451,374
	Net (decrease)/increase in cash and cash equivalents (A + B + C)	**264,598,465**	23,676,501
	Cash and cash equivalents at the beginning of the year	**36,219,867**	11,559,490
	Add: Cash acquired on amalgamation	**548,715**	983,876
	Cash and cash equivalents at the end of the year	**301,367,047**	36,219,867

Cash Flow Statement for the year ended March 31, 2011 (Continued)

Components of cash and cash equivalents as at	**March 31, 2011**	March 31, 2010
Cash and cheques on hand	**4,749,035**	3,949,351
With banks - on deposit accounts*	**-**	-
With banks - on current accounts	**296,280,611**	32,096,920
With banks - on unpaid and unclaimed dividend accounts**	**337,401**	173,596
	301,367,047	36,219,867

*difference of Rs. 51,800,872 (Previous year Rs. 49,614,159) from Schedule 14 represents short-term investments with an original maturity of more than three months.

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

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

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

As per our report of even date

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

per **Yogender Seth**
Partner
Membership No. 94524

Place: Gurgaon
Date: May 27th, 2011

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Schedules to the Accounts

Schedule 1 : Share capital

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Authorised share capital		
36,000,000 (Previous year 35,000,000) equity shares of Rs. 10 each	**360,000,000**	350,000,000
20,000,000 (Previous year 20,000,000) preference shares of Rs. 10 each	**200,000,000**	200,000,000
5,000,000 (Previous year 5,000,000) 5% cumulative preference shares of Rs. 10 each	**50,000,000**	50,000,000
	610,000,000	**600,000,000**
Issued, subscribed and paid-up		
27,149,372 (Previous year 25,624,330) equity shares of Rs. 10 each fully paid	**271,493,720**	**256,243,300**
	271,493,720	**256,243,300**

Notes:

1. For stock options outstanding details, refer note 15 of Schedule 22.
2. Authorised share capital pursuant to scheme of amalgamation has been increased during the year, in accordance with the scheme approved by the Hon'ble High Court of New Delhi (refer note 8A of schedule 22).
3. The above shares includes 1,460,112 equity shares issued to the shareholders of erstwhile Leisure World Private Limited pursuant to scheme of amalgamation. (refer note 8A of schedule 22)

Schedule 2 : Reserves and Surplus

Capital Reserve		
As per last account	**-**	-
Add:Transfer from Profit and loss account (refer Note 24 (iii) of Schedule 22)	**4,086,174**	-
	4,086,174	**-**
Capital Reserve		
As per last account	**25,820,400**	25,820,400
	25,820,400	**25,820,400**
Amalgamation Reserve pursuant to amalgamation (refer note 8A of Schedule 22)	**19,336,308**	-
	19,336,308	**-**
Capital Redemption Reserve Account		
As per last account	**200,000,000**	200,000,000
	200,000,000	**200,000,000**
Securities Premium Account		
As per last account	**1,766,433,162**	1,372,531,829
Add: Received during the year	**240,142,572**	400,504,880
Less: Utilized for share issue expenses	**-**	6,603,547
	2,006,575,734	**1,766,433,162**
Debenture Redemption Reserve		
As per last account	**2,120,000**	-
Add:Transferred from Profit and Loss Account during the year	**8,480,000**	2,120,000
	10,600,000	**2,120,000**
Profit and Loss Account Balance	**339,583,931**	222,011,032
	2,606,002,547	**2,216,384,594**

Schedules to the Accounts

Schedule 3 : Secured Loans

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Debentures	**290,000,000**	290,000,000
11.40%, 290 Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each (redeemable at par at the end of 7th, 8th, 9th and 10th year in the ratio of 20:20:30:30 respectively from the deemed date of allotment i.e 01.01.2010)		
Loans from banks		
Term loans from banks	**641,875,000**	354,874,542
(Due within one year Rs. 127,500,000 (Previous year Rs. 67,374,542))		
Car finance loans from banks	**7,216,432**	12,836,145
(Due within one year Rs. 3,703,111 (Previous year Rs. 6,375,747))		
Cash Credit facility	**-**	49,886,540
Other loans		
Term loans from a body corporate	**666,821,483**	619,989,035
(Due within one year Rs. 156,731,920 (Previous year Rs. 151,500,896))		
Term loan from Small Industries Development Bank of India (SIDBI)	**-**	19,400,000
(Due within one year Rs.Nil (Previous year Rs. 19,400,000))		
	1,605,912,915	**1,346,986,262**

Notes:

1. 11.40% Secured Redeemable Non-convertible Debentures, 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 vehicle hypothecated to banks), and all current assets including receivables of any kind belonging to the Company both present and future.
2. a) Term loan from bank to the extent of Rs. 370,000,000 pertaining to DBS Bank, is secured by first pari passu charge over all fixed assets of the Company both present and future (excluding immovable property located at Gujarat, Bangalore and PVR Anupam, New Delhi and vehicles hypothecated to banks). The loan is further secured by first pari passu charge on the current assets and future receivables of the company.
   b) Term loan from banks to the extent of Rs. 271,875,000 pertianing to Axis Bank, is secured by first pari passu charge over all fixed assets of the Company (excluding immovable property located at Gujarat, Bangalore and PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the Company both present and future. This loan is further secured by the personal guarantee of two directors of the Company.
3. Car finance loans to the extent of Rs. 7,216,432 are to be secured by hypothecation of vehicles purchased out of the proceeds of the loans.
4. a) Term loan from a body corporate to the extent of Rs. 468,488,150 are secured by first pari passu charge with other lenders on all movable fixed assets of the Company (excluding vehicle hypothecated to banks) both present and future. These loans are further secured by first pari passu charge on all receivables, both present and future. The loans to the extent of Rs. 188,619,676 are further secured by the personal guarantee of two directors of the Company.
   b). Term loan from a body corporate to the extent of Rs. 198,333,333 are secured by first pari passu charge on all movable and immovable fixed assets (excluding immovable properties at Gujarat, Bangalore, PVR Anupam, New Delhi and vehicles hypothecated to banks) both present and future. This loan is further secured by first pari passu charge on the all receivables, both present and future.
5. Loan from SIDBI to the extent of Rs. Nil (previous year Rs.19,400,000) was secured by a first pari passu charge by way of hypothecation of all the movable assets (except vehicles hypothecated to banks) both present and future, of all cinemas of the Company ranking pari passu with other lenders. It was further secured by a second charge on personal properties of a director at Vasant Vihar and Jhandewalan, New Delhi and was also secured by the personal guarantee of two directors of the Company.
6. Term loans and Cash Credit facility from United Bank of India to the extent of Rs. Nil (previous year Rs. 54,761,082), were secured by first pari passu charge by way of hypothecation of the Company's movable assets (except vehicles hypothecated to banks) including plant and machinery except those at PVR Juhu, Mumbai of all present and future operating theatres of the Company and current assets, belonging to the Company both present and future. These were further secured by the personal guarantee of two directors of the Company.

Schedule 4 : Deferred Tax Liabilities (Net)

Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets and intangibles as per tax books and financial books	**316,131,594**	286,968,379
Gross Deferred Tax Liabilities	**316,131,594**	286,968,379
Deferred Tax Assets		
Effect of expenditure debited to profit and loss account in the current year/earlier years but allowable for tax purposes in following years	**8,658,152**	11,992,654
Provision for doubtful debts and advances	**5,462,651**	6,019,266
Unabsorbed Depreciation	**29,280,685**	62,974,697
Gross Deferred Tax Assets	**43,401,488**	80,986,617
Net Deferred Tax Liabilities	**272,730,106**	205,981,762

Schedule 5 : Fixed Assets

Rs.

	Land Freehold	Building	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block								
At 01.04.2010	190,350	1,273,590	917,989,254	1,412,451,616	395,760,741	33,161,403	2,760,826,954	2,479,893,254
Assets transferred on amalgamation (refer note 8A of Schedule 22)	298,599,280	23,600,720	-	472,863	-	-	322,672,863	153,243,051
Adjustments on account of amalgamation	-	34,532,511	(34,532,511)	-	-	-	-	-
Additions	-	-	140,480,841	230,182,603	56,628,721	4,436,790	431,728,955	163,826,580
Deductions/Adjustments	-	-	1,997,787	8,809,801	8,839,579	1,988,993	21,636,160	36,135,931
At 31.03.2011	**298,789,630**	**59,406,821**	**1,021,939,797**	**1,634,297,281**	**443,549,883**	**35,609,200**	**3,493,592,612**	2,760,826,954
Depreciation								
At 01.04.2010	-	252,580	291,633,186	423,205,439	163,817,948	5,938,143	884,847,296	674,704,083
Accumulated depreciation transferred on amalgamation	-	-	-	-	-	-	-	12,221,789
Adjustments on account of amalgamation	-	28,356,602	(28,356,602)	-	-	-	-	-
For the year	-	1,962,413	76,650,298	114,827,475	39,636,392	3,259,429	236,336,007	212,513,895
Deductions			226,855	3,620,994	5,460,262	362,377	9,670,488	14,592,471
At 31.03.2011	**-**	**30,571,595**	**339,700,027**	**534,411,920**	**197,994,078**	**8,835,195**	**1,111,512,815**	884,847,296
For previous year	-	20,761	74,350,035	99,700,121	35,395,988	3,046,990	212,513,895	
Net Block								
At 31.03.2011	**298,789,630**	**28,835,226**	**682,239,770**	**1,099,885,361**	**245,555,805**	**26,774,005**	**2,382,079,798**	1,875,979,658
At 31.03.2010	190,350	1,021,010	626,356,068	989,246,177	231,942,793	27,223,260	1,875,979,658	
Capital work in progress							190,030,124	198,708,613
Capital Advances (Unsecured, considered good)							86,981,502	43,489,576
							277,011,626	242,198,189
Total	**298,789,630**	**28,835,226**	**682,239,770**	**1,099,885,361**	**245,555,805**	**26,774,005**	**2,659,091,424**	2,118,177,847

Notes:

1. Fixed assets of the cost of Rs. 6,222,483, Previous year Rs. 17,575,831, (WDV Rs. 2,699,890, Previous year Rs. 2,535,825) have been discarded during the year.
2. Gross Block of Fixed Assets include Rs. 43,951,089 (Previous year Rs. 43,951,089) being Company's proportionate share of expenses towards modification in the building structure and equipments, claimed by the various landlords of the properties taken on rent.
3. Claims of Rs. 8,921,779 (Previous year Rs. 8,921,779) lodged by some developers on the Company and claims of Rs. 4,531,033 (Previous year Rs. 4,531,033) lodged by the Company on the developers are subject to confirmation/reconciliation. However, the Company had duly accounted for aforesaid claims in the books. Adjustments, if any, which in the opinion of the management, will not be material, would be made once the claims are confirmed/reconciled.

Schedules to the Accounts

Schedule 6 : Pre-operative Expenses (pending allocation)

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Balance brought forward	**101,032,267**	31,810,837
Salary and other allowances	**33,712,324**	32,788,620
Contribution to provident and other funds (Refer Note 14 of Schedule 22)	**1,880,384**	1,849,904
Staff welfare expenses	**150,229**	503,619
Rent (net of recovery of Rs. Nil, Previous year Nil)	**1,729,204**	2,315,642
Rates and taxes	**3,576,085**	1,671,317
Communication costs	**169,242**	152,348
Architect and other fees	**9,254,489**	7,693,836
Professional charges	**27,552,181**	14,022,789
Travelling and conveyance	**2,959,933**	2,750,043
Printing and stationery	**69,863**	23,254
Insurance	**-**	138,180
Repairs and maintenance:		
- Buildings	**623,783**	839,282
Electricity and water charges (net of recovery of Rs. 1,166,503 , Previous year Rs. 835,090)	**823,082**	381,772
Security service charges	**1,416,758**	1,035,159
Interest on debentures and fixed loans	**33,470,462**	16,633,022
-Interest to others	**1,022,986**	3,838,521
-Bank and other charges	**-**	1,137,575
Miscellaneous expenses	**440,318**	120,375
	219,883,590	119,706,095
Less : Management fees recovered	**3,000,000**	3,550,000
Less :Allocated to fixed assets	**78,584,712**	13,006,733
Less: Expenses written off	**-**	2,117,095
Balance Carried Forward	**138,298,878**	101,032,267
Note:		
Salary and other allowance includes amount paid to a director	**4,992,000**	4,992,000
Rates and taxes include stamp duty on registration of lease deeds	**3,575,850**	1,632,900

Schedule 7 : Intangible Assets

Rs.

	Goodwill	Website Development	Software Development Cost	Film Rights' Cost	Total	Previous Year
Gross Block						
At 01.04.2010	25,000	625,000	27,006,781	1,834,658	29,491,439	21,838,088
Assets transferred on amalgamation	-	-	-	-	-	879,560
Additions	-		9,276,003	-	9,276,003	6,773,792
At 31.03.2011	**25,000**	**625,000**	**36,282,784**	**1,834,658**	**38,767,442**	**29,491,440**
Amortisation						
At 01.04.2010	25,000	69,391	10,222,535	1,834,658	12,151,584	8,305,810
Amortisation transferred on amalgamation	-	-	-	-	-	142,086
For the year	-	101,313	4,683,757	-	4,785,069	3,703,688
At 31.03.2011	**25,000**	**170,704**	**14,906,292**	**1,834,658**	**16,936,653**	**12,151,584**
For previous year	-	69,391	3,634,297	-	3,703,688	
Net Block						
At 31.03.2011	**-**	**454,297**	**21,376,493**	**-**	**21,830,789**	**17,339,856**
Capital Advances (Unsecured, considered good)					-	329,140
At 31.03.2011	**-**	**454,297**	**21,376,493**	**-**	**21,830,789**	**17,668,996**
At 31.03.2010	-	555,609	16,784,247	-	17,668,996	

Schedules to the Accounts

Schedule 8 : Investments

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Long Term Investments (At Cost)		
Other than trade investments		
A. In Subsidiary Companies (Unquoted)		
Fully paid up equity shares of Rs. 10 each		
20,000,000 (Previous year 20,000,000) in CR Retail Malls (India) Limited	**200,000,000**	200,000,000
21,500,000 (Previous year 21,500,000) in PVR Pictures Limited	**215,000,000**	215,000,000
7,946,633 (Previous year 5,865,000) in PVR bluO Entertainment Limited	**79,466,330**	58,650,000
B. In Government Securities (Unquoted)		
6 years National Savings Certificates * (Deposited with Entertainment Tax Authorities)	**2,148,000**	548,000
6 years National Savings Certificates ** (Deposited with Entertainment Tax Authorities)	**2,425,000**	1,375,000
6 years National Savings Certificates ** (Deposited with Sales Tax Authorities, Udaipur)	**20,000**	-
6 years National Savings Certificates ** (Deposited with Municipal Corporation of Hyderabad)	**45,000**	45,000
6 years National Savings Certificates *** (Deposited with Entertainment Tax Authorities, Allahabad)	**775,000**	-
Current Investments (At lower of cost and market value)	**-**	
Other than trade investments (Unquoted)		
Units in mutual funds of Rs. 10 each		
Nil (Previous year 1,370,634.107) units of C122 L&T Freedom Income STP Inst -Cum -Org- Plan	**-**	20,321,981
Nil (Previous year 993,857.957) units of L&T Select Income Fund - Flexi Debt Institutional -Dividend	**-**	10,062,810
Nil (Previous year 6,912,142.248) units of LIC MF Saving Plus Fund -Growth plan	**-**	101,156,437
Nil (Previous year 417,269.195) units of SBI -SHF Ultra Short term fund Inst. Growth Fund	**-**	5,005,144
Nil (Previous year 2,799,653.873) units of 2032/ HDFC Cash Management Fund -Treasury-Advantage Plan-Whole-Growth	**-**	56,516,333
Nil (Previous year 1,402,180.390) units of G44 IDFC Money Manager Fund-Investment-Inst Plan -B Growth	**-**	20,000,000
Nil (Previous year 5,000,000.000) units of G679 IDFC Fixed Maturity Plan- Quarterly Series -55 Plan-A - Growth	**-**	50,000,000
Nil (Previous year 3,904,429.464) units of JM Money Manager Fund Super Plus Plan- Growth (172)	**-**	50,688,865
Nil (Previous year 1,999,079.201) units of B51221W BSL floating Rate Fund -Long Term -INSTL-Weekly Dividend	**-**	20,090,628
Nil (Previous year 10,753,976.809) units of Kotak Flexi Debt Scheme Institutional - Growth	**-**	121,792,014
Nil (Previous year 812,767.051) units of S251 SBNPP Ultra ST Fund Inss.- Growth	**-**	10,004,593
Units in mutual funds of Rs. 1,000 each		
Nil (Previous year 38,374.168) units of DSP Black Rock Floating Rate Fund- Institutional Plan - Growth	**-**	50,873,897
Nil (Previous year 97,414.758) units of Relainace Money Manager Fund- instiutional Option -Growth Plan	**-**	122,215,299
	499,879,330	**1,114,346,001**
Notes :		
1. *Held in the name of the Managing Director in the interest of the Company.		
2. **Held in the name of the Employee in the interest of the Company.		
3. *** Held in the name of the Developer in the interest of the Company.		
4. Invested out of unutilised monies out of issue of share capital	-	315,314,842

Schedules to the Accounts

Schedule 8 : Investments (continued)

5.The following units held in mutual funds were purchased and sold during the year:

Units	Particulars	Value in (Rs.)
Purchased		
Units in mutual funds of Rs. 10 each		
7,059,799.371	JPLDI - JP Morgan India Liquid fund -Super inst. Daily Dividend Plan -Reinvest	**70,653,766**
4,996,014.553	JPPDI - JP Morgan India Treasury fund -Super inst. Daily Dividend Plan -Reinvest	**50,004,610**
14,954,023.031	2031 / HDFC Cash Management Fund Treasury - Advantage Plan -Wholesale-Daily Dividend Option : Reinvest	**150,011,282**
11,282,827.836	3006 / HDFC Cash Management Fund Saving Plan -Daily Dividend Reinvestment Option : Reinvestment	**120,008,670**
1,000,767.760	5717/ HDFC FMP 35D Aug-2010 (1)-Dividend -Series XIV	**10,007,678**
5,000,000.000	5749 / HDFC FMP 35 D Sep 2010 (3) -Dividend -Series XIV	**50,000,000**
2,012,205.278	B332DD Birla Sunlife Saving Funds -Instl. Daily Dividend Reinvestment	**20,135,736**
1,014,290.000	C518 L&T FMP-I (June 914D A)-Div Payout	**10,142,900**
1,000,000.000	C519 L& T -FMP -I (June 91D A) -Growth	**10,000,000**
7,750,000.000	DSP Black Rock FMP 3M Series 24 Dividend Payout	**77,500,000**
1,000,000.000	HDFC Short term Opporunites Fund-Dividend Option: Payout	**10,000,000**
7,137,344.723	IDFC cash Fund Super inst.Plan C Daily Dividend	**71,391,291**
7,108,318.699	IDFC Money Manaer Fiund TP-Super Inst Plan C-Daily Dividend	**71,093,849**
2,001,000.569	JM Money Manager Fund Regular plan-Daily Dividend (167)	**20,032,417**
4,997,351.404	JM Money Manager Fund Super Plus plan-Daily Dividend (171)	**50,000,000**
2,008,623.842	JM Money Manager Super plan-Daily Dividend (169)	**20,109,940**
16,791,188.632	Kotak Flexi Debt Scheme institutional -Daily Dividend	**168,709,468**
1,984,166.353	Kotak Floter Long Term -Daily Dividend	**20,000,000**
7,018,061.766	Kotak Floter Short Term- Daily Dividend	**70,996,116**
9,875,022.242	Kotak Liquid (Institutional Premium)-Daily Dividend	**120,752,759**
4,869,847.226	Kotak quaterly Intervel Plan Series 3- Dividend	**48,704,316**
10,501,974.423	L147D SBI-SHF Ulta Short Term Fund - Institutional plan- Daily Dividend	**105,082,756**
10,218,828.596	LIC Nomura MF Interval Fund -Series-1 -Monthly Dividend plan	**102,188,286**
4,729,924.962	LIC Nomura MF Liquid Fund -Dividend Plan	**51,935,049**
15,348,437.466	LIC Nomura MF Saving Plus Fund Daily Dividend Plan	**153,484,375**
1,997,543.022	Principal Floating Rate Fund - Flexible Maturity Plan Dividend Reinvestment Daily	**20,000,000**
1,999,500.125	Relaince Monthly Interval Fund -Series I Institutional Dividend Plan	**20,000,000**
9,309,235.625	Relaince Monthly Interval Fund -Series II Institutional Dividend Plan	**93,108,612**
3,270,667.347	Reliance Liquid Fund -Treasury Plan insti-Option Daily Dividend	**50,000,000**
2,998,950.367	Reliance Quaterly Interval Fund -Series III Inst Dividend Plan	**30,000,000**
10,086,810.460	TFIMA2 TATA Fixed Income portfolio Fund Scheme A2 institutional	**100,878,191**
6,000,000.000	TFIMA3 TATA Fixed Income Portfolio	**60,000,000**
31,975,036.936	TFLD Tata Floter Fund- Daily Dividend	**320,888,681**
6,526,418.518	UTI Fixed Income Interval Fund - Monthly Interval Plan Series -I- Istitutional Dividend Plan -Payout	**65,268,842**
4,999,450.060	UTI Fixed Income Interval Fund - Monthly Interval Plan Series -II- Istitutional Dividend Plan -Payout	**50,000,000**
Units in mutual funds of Rs. 1,000 each		
81,999.852	Axis Treasury Advantage Fund- Institutional Daily Dividend Reinvestment	**82,000,000**
49,977.361	DSP Black Rock Floating Rate Fund- Institutional Plan - Daly Dividend	**50,004,608**
60,465.713	DSP Black Rock Liquidity Fund- Institutional Plan - Daly Dividend	**60,484,826**
77,438.050	DSP Black Rock Money manager Fund Institutional Plan- Daly Dividend	**77,500,000**
10,431.253	DSP Black Rock Money manager Fund Regular- Daly Dividend	**10,455,089**
225,195.345	Reliance Money Manager Fund Instittuional Option Daily Dividend	**225,504,201**
89,724.725	TLSD01 TATA Liquid Super High Investment Fund - Daily Dividend	**100,000,000**
150,226.522	UTI Treasury Advantage Fund -Institutiional Plan (Daily dividend Option)	**150,258,686**

Schedules to the Accounts

Schedule 8 : Investments (continued)

		Value in (Rs.)
Sold		
Units in mutual funds of Rs. 10 each		
7,059,799.371	JPLDI - JP Morgan India Liquid fund -Super inst. Daily Dividend Plan -Reinvest	**70,653,766**
4,996,014.553	JPPDI - JP Morgan India Treasury fund -Super inst. Daily Dividend Plan -Reinvest	**50,004,610**
14,954,023.031	2031 /HDfC Cash Management Fund Treasury -Advantage Plan -Wholesale-Daily Dividend Option : Reinvest	**150,011,282**
2,799,653.884	2032/HDFC Cash Management Fund Treasury Advantage fund-wholesale Growth	**56,573,458**
11,282,827.836	3006 / HDFC Cash Management Fund Saving Plan - Daily Dividend Reinvestment Option : Reinvestment	**120,008,670**
1,000,767.760	5717/ HDFC FMP 35D Aug-2010 (1)-Dividend -Series XIV	**10,007,678**
5,000,000.000	5749 / HDFC FMP 35 D Sep 2010 (3) -Dividend -Series XIV	**50,000,000**
1,999,079.201	B 512IW BSL floating Rate Fund -Long Term Instl.- Weekly Dividend	**20,090,628**
2,012,205.278	B332DD Birla Sunlife Saving Funds -Instl. Daily Dividend Reinvestment	**20,135,736**
1,370,634.107	C122 L& T Freedom Income STP Inst -Cum -Org- Plan	**20,321,981**
993,857.957	C227 L& T Select Income Fund -Flexi debt Institutional - Dividend	**10,062,810**
1,014,290.000	C518 L&T FMP-I (June 914D A)-Div Payout	**10,142,900**
1,000,000.000	C519 L& T -FMP -I (June 91D A) -Growth	**10,160,800**
7,750,000.000	DSP Black Rock FMP 3M Series 24 Dividend Payout	**77,500,000**
1,000,000.000	HDFC Short term Opporunites Fund-Dividend Option:Payout	**10,000,000**
7,137,344.723	IDFC cash Fund Super inst.Plan C Daily Dividend	**71,391,291**
5,000,000.000	IDFC Fixed Maturity Plan-Quarterly Series-55 Plan-A-Growth	**50,740,500**
7,108,318.699	IDFC Money Manager Fiund TP-Super Inst Plan C- Daily Dividend	**71,093,849**
1,402,180.391	IDFC Money Manager Fund-Investment plan -Inst Plan B-Growth	**20,353,349**
2,001,000.569	JM Money Manager Fund Regular plan- Daily Dividend (167)	**20,032,417**
4,997,351.404	JM Money Manager Fund Super Plus plan- Daily Dividend (171)	**50,000,000**
3,904,429.465	JM Money Manager Fund Super Plus plan-Growth (172)	**50,732,985**
2,008,623.842	JM Money Manager Super plan-Daily Dividend (169)	**20,109,940**
16,791,188.632	Kotak Flexi Debt Scheme institutional -Daily Dividend	**168,709,468**
10,753,976.816	Kotak Flexi Debt Scheme Institutional -Growth	**121,904,930**
1,984,166.353	Kotak Floter Long Term -Daily Dividend	**20,000,000**
7,018,061.766	Kotak Floter Short Term- Daily Dividend	**70,996,116**
9,875,022.242	Kotak Liquid (Institutional Premium)-Daily Dividend	**120,752,759**
	4,869,847.226Kotak quaterly Intervel Plan Series 3- Dividend	**48,704,316**
10,501,974.423	L147D SBI-SHF Ulta Short Term Fund - Institutional plan- Daily Dividend	**105,082,756**
10,218,828.596	LIC Nomura MF Interval Fund -Series-I - Monthly Dividend plan	**102,188,286**
4,729,924.962	LIC Nomura MF Liquid Fund -Dividend Plan	**51,935,049**
15,348,437.466	LIC Nomura MF Saving Plus Fund Daily Dividend Plan	**153,484,375**
6,912,142.249	LIC Nomura MF Saving Plus Fund Growth Fund	**101,296,089**
1,997,543.022	Principal Floating Rate Fund - Flexible Maturity Plan Dividend Reinvestment Daily	**20,000,000**
1,999,500.125	Relaince Monthly Interval Fund -Series I Institutional Dividend Plan	**20,000,000**
9,309,235.625	Relaince Monthly Interval Fund -Series II Institutional Dividend Plan	**93,108,612**
3,270,667.347	Reliance Liquid Fund -Treasury Plan insti- Option Daily Dividend	**50,000,000**
2,998,950.367	Reliance Quaterly Interval Fund -Series III Inst Dividend Plan	**30,000,000**
812,767.051	S251 Sundaram Ultra ST Fund Inst. Growth	**10,015,566**
417,269.195	SBI -SHF Ultra Short term fund Inst. Growth Fund	**5,082,756**
10,086,810.460	TFIMA2 TATA Fixed Income portfolio Fund Scheme A2 institutional	**100,878,191**
6,000,000.000	TFIMA3 TATA Fixed Income Portfolio Fund Scheme A3 Institutional	**60,000,000**

Schedules to the Accounts

Schedule 8 : Investments (continued)

		Value in (Rs.)	
31,975,036.936	TFLD Tata Floter Fund- Daily Dividend	**320,888,681**	
6,526,418.518	UTI Fixed Income Interval Fund - Monthly Interval Plan Series -I- Istitutional Dividend Plan -Payout	**65,268,842**	
4,999,450.060	UTI Fixed Income Interval Fund - Monthly Interval Plan Series -II- Istitutional Dividend Plan -Payout	**50,000,000**	
Units in mutual funds of Rs. 1,000 each			
81,999.852	Axis Treasury Advantage Fund- Institutional Daily Dividend Reinvestment	**82,000,000**	
49,977.361	DSP Black Rock Floating Rate Fund- Institutional Plan - Daly Dividend	**50,004,608**	
38,374.167	DSP Black Rock Floating Rate Fund- Institutional Plan - Growth	**50,917,362**	
60,465.713	DSP Black Rock Liquidity Fund- Institutional Plan - Daly Dividend	**60,484,826**	
77,438.050	DSP Black Rock Money manager Fund Institutional Plan - Daly Dividend	**77,500,000**	
10,431.253	DSP Black Rock Money manager Fund Regular - Daly Dividend	**10,455,089**	
97,414.759	Relainace Money Manager Fund instiutional Option -Growth Plan	**122,381,389**	
225,195.345	Reliance Money Manager Fund Instituional Option Daily Dividend	**225,504,201**	
89,724.725	TLSD01 TATA Liquid Super High Investment Fund -Daily Dividend	**100,000,000**	
150,226.522	UTI Treasury Advantage Fund -Institutiional Plan (Daily dividend Option)	**150,258,686**	
for investment purchased and stock in the previous year refer Note 19			
6. Unquoted (Net Asset value of units in mutual funds as on March 31st, 2011 Nil, previous year Rs. 639,038,678 (cost Nil, previous year Rs. 638,728,001))		-	

Schedule 9 : Inventories

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
(At lower of cost and net realisable value)		
Food and beverages	**10,952,550**	10,653,162
Stores and spares	**33,800,880**	20,858,356
	44,753,430	31,511,518

Schedule 10 : Sundry Debtors

Debts outstanding for a period exceeding six months		
Secured, considered good	**511,213**	2,746,295
Unsecured, considered good	**9,033,376**	6,560,491
Unsecured, considered doubtful	**13,944,882**	17,454,906
Other debts		
Secured, considered good	**12,887,283**	7,823,000
Unsecured, considered good	**142,841,366**	87,558,857
Unsecured, considered doubtful	**429,005**	254,023
	179,647,125	122,397,572
Less : Provision for doubtful debts	**14,373,888**	17,708,929
	165,273,237	**104,688,643**
Included in Sundry debtors are:		
i) Outstanding from a subsidiary company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 i.e PVR bluO Entertainment Limited	**6,547,965**	-
ii) Maximum amount outstanding from such company at any time during the year		
PVR bluO Entertainment Limited	**6,547,965**	2,988,888

Schedules to the Accounts

Schedule 11 : Cash & Bank Balances

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Cash on hand	**4,749,035**	3,949,351
Balances with scheduled banks:		
On current accounts	**296,280,611**	32,096,920
On deposit accounts*	**51,800,872**	49,614,159
On unpaid and unclaimed dividend accounts	**337,401**	173,596
	353,167,919	**85,834,026**

* Includes fixed deposit receipts pledged with banks amounting to Rs. 50,514,283 (Previous year Rs. 48,403,700).

Schedule 12 : Other Current Assets

Interest accrued on deposits and others	**4,986,907**	4,022,349
Unbilled Revenue	**2,187,859**	6,802,300
Entertainment Tax Receivable (refer note 18 of Schedule 22)	**22,778,611**	1,247,175
Assets held for sale (at lower of net written down value and net realisable value)	**-**	160,000
	29,953,377	12,231,824
Included in Other Current Assets are:		
i) Outstanding from subsidiary, company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 i.e. PVR bluO Entertainment Limited	**-**	16,076
ii) Maximum amount outstanding from such Company at any time during the year PVR bluO Entertainment Limited	**-**	98,218

Schedule 13 : Loans and advances

Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	**52,531,611**	55,982,900
Balance with excise authorities	**41,441,398**	58,181,721
Inter-corporate loans and advances to subsidiaries	**596,902,802**	238,927,707
Inter-corporate loans to others	**-**	5,000,000
Advance payment of Income Tax/Tax Deducted at Source/Tax Refundable (net of provision for income tax Rs. 137,799,867, previous year Rs. 100,970,396)	**108,339,902**	158,674,745
MAT Credit Entitlement Account	**60,385,329**	16,200,000
Deposits - others	**519,548,174**	424,894,222
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	**2,071,212**	57,462
	1,381,220,428	957,918,757
Less : Provision for doubtful advances	**2,071,212**	57,462
	1,379,149,216	957,861,295
Included in Loans and advances are:		
i) Outstanding from subsidiaries, Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 i.e. CR Retail Malls (India) Limited	**596,902,802**	238,927,707
ii) Maximum amount outstanding from such Companies at any time during the year CR Retail Malls (India) Limited	**670,608,652**	280,425,000
iii) Outstanding from Companies in which some of the directors of the Company are interested as directors		
Priya Exhibitors Private Limited	**2,500,000**	2,500,000
Leisure World Private Limited	**-**	2,400,000

Schedules to the Accounts

Schedule 14 : Current Liabilities

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises (refer Note 13 of Schedule 22)	**-**	-
(b) total outstanding dues of creditors other than Micro and Small Enterprises	**370,720,939**	347,892,001
Unclaimed dividend (statutory liabilities as referred in Section 205C of the Companies Act, 1956)*	**337,401**	173,596
Book overdraft with banks	**1,773,173**	98,206
Security deposits	**22,017,910**	20,378,898
Income received in advance (includes amount adjustable after one year Rs. 4,000,000, Previous year Rs. 18,000,000)	**64,464,714**	70,063,449
Interest accrued but not due on debenture	**8,151,781**	8,151,781
Interest accrued but not due on loans	**4,194,480**	2,499,128
	471,660,398	**449,257,059**
Included in Sundry Creditors are:		
Payable to subsidiary company i.e. - PVR Pictures Ltd.	**6,241,048**	6,266,325
Payable to Directors	**-**	88,000
* Shall be transferred to Investor Education and Protection Fund (as and when due)		

Schedule 15 : Provisions

For Proposed Dividend		
- on Equity Shares	**27,149,372**	25,624,330
For Corporate Dividend Tax	**4,509,172**	4,354,855
For Staff benefit schemes - Leave Encashment	**16,036,462**	13,487,629
For Staff benefit schemes - Gratuity	**6,065,070**	4,423,321
	53,760,076	47,890,135

Schedules to the Accounts

Schedule 16 : Operating Income

	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
Income from sale of tickets of films (net of entertainment tax paid Rs. 369,425,716, Previous year Rs. 300,146,398)	**2,056,157,112**	1,652,419,722
Income from Revenue Sharing (net of entertainment tax paid Rs. 52,758,513, Previous year Rs. 24,639,233)	**238,739,319**	184,285,617
Sale of food and beverages	**643,259,570**	530,535,169
Advertisement (Gross, Tax Deducted at source Rs. 10,554,683, Previous year Rs.9,152,700)	**491,850,240**	350,408,720
Management fees (Gross, Tax Deducted at source Rs. 12,68,260 Previous year Nil)	**13,029,818**	58,065
Convinience Fees	**48,455,601**	29,853,785
	3,491,491,660	**2,747,561,078**

Schedule 17 : Other Income

Interest		
- On bank deposits (Gross, Tax Deducted at Source Rs. 368,542, Previous year Rs. 546,493)	**3,685,417**	4,157,754
- On long term investments - Non Trade (Gross, Tax Deducted at Source Rs. Nil, Previous year Rs. Nil)	**1,060,516**	600,951
- From subsidiaries (Gross, Tax Deducted at Source Rs. 4,660,960), Previous year Nil)	**46,609,597**	-
- On Inter-corporate loans to others (Gross, Tax Deducted at Source Rs. 3,253, Previous year Rs. 296,111)	**32,534**	1,516,267
- From others (Gross, Tax Deducted at Source Nil, Previous year Nil)	**848,775**	4,734,942
Dividend income (from current investments - other than trade)	**26,230,705**	11,822,807
Profit on sale of current investments - other than trade	**1,906,602**	159,229
Rent received (Gross, Tax Deducted at Source Rs. 680,022, Previous year Rs. 662,975)	**5,482,583**	4,156,926
Foreign exchange difference (net)	**34,119**	-
Unspent Liabilities written back (net)	**4,146,767**	13,168,134
Miscellaneous income	**18,689,481**	18,667,364
	108,727,096	**58,984,374**

Schedule 18 : Personnel Expenses

Salary and other allowances	**352,425,466**	305,645,888
Contribution to gratuity fund (Refer Note 14 of Schedule 22)	**1,641,749**	3,698,343
Contribution to provident and other funds (Refer Note 14 of Schedule 22)	**33,128,491**	25,754,359
Staff welfare expenses	**18,956,443**	16,095,683
	406,152,149	**351,194,273**

Schedules to the Accounts

Schedule 19 : Operating and Other Expenses

	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
Rent (Refer Note 16 (i) of Schedule 22)	**537,324,002**	488,751,845
Less: Receipt from sub-lessees (Gross,Tax Deducted at Source Rs 5,790,831 Previous year 8,818,579)	**(70,888,243)**	(65,954,270)
Rent (net)	**466,435,759**	422,797,575
Rates and taxes	**33,876,650**	27,477,765
Communication costs	**18,788,425**	16,915,851
Professional charges (Refer Note 11 of Schedule 22)	**29,547,237**	34,837,081
Advertisement and publicity (net)	**105,335,587**	79,433,585
Business promotion and entertainment	**3,403,317**	3,473,016
Travelling and conveyance	**54,135,715**	47,524,647
Printing and stationery	**13,110,377**	11,588,773
Insurance	**8,894,689**	7,511,877
Repairs and maintenance :		
- Buildings	**56,128,015**	47,767,302
- Plant & Machinery	**47,242,261**	42,122,352
- Common area maintenance (net of recovery of Rs. 17,975,423, previous year Rs. 15,394,382)	**202,470,565**	166,851,815
- Others	**11,085,951**	15,451,977
Electricity and water charges (net of recovery of Rs. 17,491,998, previous year Rs. 13,158,706)	**200,266,004**	159,102,434
Security service charges	**41,322,223**	27,418,257
Donations	**3,335,000**	2,375,000
Pre-operative expenses charged off	**-**	2,117,095
Irrecoverable balances written off (net)	**-**	223,188
Provision for doubtful debts and advances (net)	**11,350,453**	11,216,613
Loss on disposal of fixed assets (net)	**5,455,121**	7,006,994
Loss on discard of fixed assets	**2,699,890**	2,535,825
Directors Sitting Fees	**580,000**	760,000
Bank and other charges	**22,117,412**	22,543,933
Foreign exchange difference (net)	**-**	56,152
Miscellaneous expenses	**19,160,355**	14,217,180
	1,356,741,006	**1,173,326,287**
Note:		
Rent includes amount paid to directors	9,360,000	9,360,000
Professional charges include amount paid to director	2,400,000	2,400,000

Schedule 20 : Interest Paid

Interest		
-on debentures	**33,060,000**	11,990,301
-on fixed loans	**94,182,510**	80,898,133
-to banks and others	**10,196,875**	5,761,960
	137,439,385	**98,650,394**

Schedules to the Accounts

Schedule 21 : Earning Per Share (EPS)

	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
Net Profit after Tax	**163,446,973**	2,576,719
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	**25,624,330**	23,013,870
-Number of equity shares issued on January 1, 2010	**-**	2,557,000
-Number of equity shares issued on March 19, 2010	**-**	53,460
-Number of equity shares issued on April 30, 2010	**7,600**	-
-Number of equity shares issued on August 30, 2010	**31,600**	-
-Number of equity shares issued on Sept 8, 2010 w.e.f 1st April 2010	**1,460,112**	-
-Number of equity shares issued on Nov 1, 2010	**22,730**	-
-Number of equity shares issued on Nov 30, 2010	**1,000**	-
-Number of equity shares issued on Jan 06, 2011	**2,000**	-
-Number of equity shares outstanding at the end of the year	**27,149,372**	25,624,330
Weighted number of equity shares of Rs. 10 each outstanding during the year	**27,120,169**	23,660,278
Weighted average number of equity shares in calculating diluted EPS:		
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**27,120,169**	23,660,278
Add: Effect of stock options vested and outstanding for 211,610 equity shares	**73,733**	18,335
Weighted number of equity shares of Rs. 10 each outstanding during the year	**27,193,902**	23,678,613
Basic Earnings Per Share	**6.03**	0.11
Diluted Earnings Per Share	**6.01**	0.11

Notes to the Accounts

Schedule 22 : Notes to the Accounts

1. Nature of Operations

PVR Limited is in the business of film exhibition. The Company also earns revenue from in-cinema advertisements/product displays and in-cinema sale of food and beverages.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared 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 the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

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

(d) Depreciation

Leasehold Improvements are amortized over the estimated useful life or unexpired period of lease (whichever is lower) on a straight line basis. Cost of structural improvements at premises where Company has entered into agreement with the parties to operate and manage Multiscreen/Single Screen Cinemas on revenue sharing basis are amortized over the estimated useful life or lock in period of the agreement (whichever is lower) on a straight line basis. Depreciation on all other assets is provided on Straight-Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs. 5,000 and below are fully depreciated in the year of acquisition.

(e) Intangibles

Goodwill

Goodwill arising due to amalgamation of a subsidiary company with the Company is amortized in the year of acquisition.

Software and Website Development cost

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

Software licenses costing Rs. 5,000 and below are fully amortized in the year of acquisition.

Film Right's Cost

Film right cost is capitalized and is amortized fully as and when the film is released.

(f) Expenditure on new projects and substantial expansion

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

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

(g) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 risks specific to the asset.

(h) Investments

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

(i) Inventories

Inventories are valued as follows:

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

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

(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 Profit and Loss Account on an ongoing basis.

Where the Company is the Lessor
Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

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

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

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.

Income from Distribution of films
Theatrical revenue from the distribution of films is accounted for on the basis of box office reports received from various exhibitors and revenue from the sale of satellite /TV rights is recognised at the time of initial period of transfer of right to the customer.

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

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

Management Fee Revenue and Royalty income (to the extent of Pouring Fee, from a customer)
Revenue is recognised on an accrual basis in accordance with the terms of the relevant agreements.

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

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

Dividend Income
Revenue is recognized where the shareholder's right to receive payment is established by the balance sheet date.

(l) Foreign currency Translations

(i) Initial Recognition

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

(ii) Conversion

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

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

(m) Retirement and other Employee Benefits

(i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the provident funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(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 provide on actual computation basis.

(iii) Short term compensated absences are provided for on based on estimates. Long term compensated balances are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. Leave encashment liability of an employee, who leaves the 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 profit and loss account and are not deferred.

(n) Segment Reporting Policies

Identification of segments :

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

Inter Segment Transfers :

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

Allocation of Common Costs :

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

Unallocated Items :

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

(o) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised. In case where the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognized 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 realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a 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 realised. 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.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(p) Earning Per Share

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

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

(q) Provisions

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

(r) Cash and Cash Equivalents

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

(s) Employee Stock Compensation Cost

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

(t) Government Grants and Subsidies

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

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

3. Segment Information

Business Segments:

The Company is solely engaged in the business of film exhibition. The entire operations are governed by the same set of risk and returns, hence, the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the 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.

4. Related Party Disclosure

Subsidiaries	CR Retail Malls (India) Limited
	PVR Pictures Limited
	PVR bluO Entertainment Limited
Key Management Personnel	Ajay Bijli, Chairman cum Managing Director and ; Sanjeev Kumar, Joint Managing Director
Enterprises having significant influence over the Company	Bijli Investments Private Limited Priya Exhibitors Private Limited

Related Party Disclosure

Rs.

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Total	
Transactions during the year	**March 31, 2011**	March 31, 2010	**March 31, 2011**	March 31, 2010	**March 31, 2011**	March 31, 2010	**March 31, 2011**	March 31, 2010	**March 31, 2011**	March 31, 2010
Remuneration paid										
Ajay Bijli	-	-	-	-	19,968,000	19,968,000	-	-	19,968,000	19,968,000
Sanjeev Kumar	-	-	-	-	9,984,000	9,984,000	-	-	9,984,000	9,984,000
Management Fees										
PVR bluO Entertainment Limited	8,400,000	3,624,574	-	-	-	-	-	-	8,400,000	3,624,574
Rent Expense										
Priya Exhibitors Private Limited	-	-	13,080,412	13,256,845	-	-	-	-	13,080,412	13,256,845
Leisure World Private Limited	-	-	-	-	-	-	-	33,780,000	-	33,780,000
Film Distributors Share expense (net of recovery towards publicity)										
PVR Pictures Limited	72,516,879	38,875,889	-	-	-	-	-	-	72,516,879	38,875,889
Fixed Assets purchased										
Leisure World Private Limited	-	-	-	-	-	-	-	9,200,000	-	9,200,000
Interest Paid										
PVR Pictures Limited	-	647,260	-	-	-	-	-	-	-	647,260
Expenses on Food, Brewerage & Bowling										
PVR bluO Entertainment Limited	81,314	233,339	-	-	-	-	-	-	81,314	233,339
Revenue Share										
PVR bluO Entertainment Limited	2,835,528	2,554,787	-	-	-	-	-	-	2,835,528	2,554,787
Expenses Incurred On Behalf & Reimbursement										
PVR bluO Entertainment Limited	-	160,000	-	-	-	-	-	-	-	160,000
PVR Pictures Limited	2,968,288	1,473,329	-	-	-	-	-	-	2,968,288	1,473,329
CR Retail Malls (India) Limited*	8,362,727	648,518	-	-	-	-	-	-	8,362,727	648,518
Income From Sales Of Tickets of Films										
PVR Pictures Limited	2,181,702	-	-	-	-	-	-	-	2,181,702	-
Dividend Paid										
Bijli Investments Private Limited	-	-	5,133,169	5,058,615	-	-	-	-	5,133,169	5,058,615
Priya Exhibitors Private Limited	-	-	4,330,000	4,330,000	-	-	-	-	4,330,000	4,330,000
Ajay Bijli	-	-	-	-	1,554,674	102,922	-	-	1,554,674	102,922
Subscription to Equity share capital										
PVR bluO Entertainment Limited	20,816,330	-	-	-	-	-	-	-	20,816,330	-
Inter Corporate Loans Given										
CR Retail Malls (India) Limited	453,502,802	58,500,000	-	-	-	-	-	-	453,502,802	58,500,000
Amount received on behalf of										
CR Retail Malls (India) Limited	-	12,367,249	-	-	-	-	-	-	-	12,367,249
Inter Corporate Loans Taken										
PVR Pictures Limited	-	70,000,000	-	-	-	-	-	-	-	70,000,000
Inter Corporate Loans Repaid										
PVR Pictures Limited	-	70,000,000	-	-	-	-	-	-	-	70,000,000
Inter Corporate Loans Refund										
CR Retail Malls (India) Limited	92,600,000	54,425,000	-	-	-	-	-	-	92,600,000	54,425,000
Interest Received										
CR Retail Malls (India) Limited	46,609,597	-	-	-	-	-	-	-	46,609,597	-

Related Party Disclosure

Rs.

	Subsidiary Companies		Enterprises having significant influence over the Company		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Total	
Transactions during the year	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Balance outstanding at the end of the year										
Trade Receivable										
PVR bluO Entertainment Limited	6,547,962	16,076	-	-	-	-	-	-	6,547,962	16,076
Trade Payable										
PVR Pictures Limited	6,241,048	6,266,325	-	-	-	-	-	-	6,241,048	6,266,325
Priya Exhibitors Private Limited	-	-	298,091	516,001	-	-	-	-	298,091	516,001
Security Deposits										
Priya Exhibitors Private Limited	-	-	2,500,000	2,500,000	-	-	-	-	2,500,000	2,500,000
Leisure World Private Limited	-	-	-	-	-	-	-	2,400,000	-	2,400,000
Inter Corporate Loans Given										
CR Retail Malls (India) Limited	596,902,802	236,000,000	-	-	-	-	-	-	596,902,802	236,000,000
Advance Receivable in Cash or Kind										
CR Retail Malls (India) Limited	-	2,927,707	-	-	-	-	-	-	-	2,927,707
Investment in Equity Share Capital										
CR Retail Malls (India) Limited	200,000,000	200,000,000	-	-	-	-	-	-	200,000,000	200,000,000
PVR Pictures Limited	215,000,000	215,000,000	-	-	-	-	-	-	215,000,000	215,000,000
PVR bluO Entertainment Limited	79,466,330	58,650,000	-	-	-	-	-	-	79,466,330	58,650,000
Guarantees Given (Corporate Guarantees)										
CR Retail Malls (India) Limited	-	429,582,995	-	-	-	-	-	-	-	429,582,995
Guarantees Taken (Personal Guarantees)										
Ajay Bijli	-	-	-	*	*	-	-	-	*	*
Sanjeev Kumar	-	-	-	*	*	-	-	-	*	*
Assets Mortgaged										
Ajay Bijli	-	-	-	*	*	-	-	-	*	*
Sanjeev Kumar	-	-	-	*	*	-	-	-	*	*

*Netted off Advertisement Income.

Notes to the Accounts

NOTES:

a) *The Company has availed loans from banks and a body corporate aggregating to Rs. 460,494,676 (Previous year Rs.757,105,528) which are further secured by personal guarantee of two directors of the Company. Loan from SIDBI was further secured by second charge on personal properties of a director at Vasant Vihar and Jhandewalan, New Delhi.

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

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

5. The followings are the details of loans and advances by the Company, outstanding at the end of the year in terms of Securities & Exchange Board of India's circular dated January 10, 2003:

	Outstanding amount as at		**Maximum amount outstanding during the year**	
	March 31, 2011 Rs.	March 31, 2010 Rs.	**March 31, 2011 Rs.**	March 31, 2010 Rs.
Loans and Advances to Subsidiaries (including accrued interest)				
- CR Retail Malls (India) Limited	**596,902,802**	238,927,707	**670,608,652**	280,425,000

Repayment of principal amount is not due as per stipulation.

6. Security Deposits (paid) include Rs. 2,832,089 (Previous year Rs. 2,832,089) recoverable from one party, with whom the Company had entered into Memorandum of Understanding for taking office space on rent and Rs. 5,890,311 paid to various developers for taking multiplex space on lease. The Company has filed legal suit for recovery of the aforesaid dues and is hopeful of recovering the same. Hence, no provision against the same has been considered necessary.

7. (a) The Finance Act 2010, amended the definition of the 'Renting of the Immovable Property Service' to explicitly provide that the activity of the 'renting' itself is a taxable service with retrospective effect from 1st June, 2007. The Company has challenged the impugned provisions of law by way of a writ petition filed with the Hon'ble High Court of Delhi and a stay order is obtained. Also, based on the legal advice obtained, the management is confident that the service tax on renting of the immovable property is not applicable and hence is not payable. In view of this judgment, the service tax on renting of immovable properties to the extent of Rs. 141,624,348 (including Rs. 87,303,515 pertaining to earlier years) (net of service tax credit claimable) not paid to the landlords has not been provided during the year.

(b) Service tax amounting to Rs 15,011,689 (including Rs 5,409,585 pertaining to earlier years) on rental income has been charged from the lessees' in the current year.

8A. Amalgamation of erstwhile Leisure World Private Limited with the Company

(i) Pursuant to the scheme of Amalgamation of Leisure World Private Limited with the Company under Section 391 to 394 of the Companies Act, 1956, (the scheme of Amalgamation) as sanctioned by the Hon'ble High Court of New Delhi vide its Order dated August 19, 2010, the assets and liabilities of Leisure World Private Limited were transferred to and vested in the Company with effect from the appointed date, i.e. April 1, 2010. The Company has made necessary filings with the Registrar of Companies, NCT of Delhi and Haryana. The Scheme of Amalgamation has accordingly been given effect to in these accounts.

(ii) In terms of the Accounting Standard 14 – Accounting for amalgamation, issued by the Institute of Chartered Accountants of India, the Scheme of Amalgamation is accounted under "Purchase method", wherein all the assets and liabilities of Leisure World Private Limited, have been accounted for in the books on the basis of the fair values as on April 1, 2010.

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

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

(v) As per the Scheme, the excess if any, of the aggregate fair value of the assets reduced by the aggregate value of the liabilities as recorded by the Company and upon their transfer shall be credited to the Amalgamation Reserve which forms the part of the net worth of the Company. Accordingly, an amount of Rs.19,336,308 has been credited to Amalgamation Reserve forming the part of the Reserve and Surplus of the Company. The summary of such Assets, Liabilities and Reserves is as below:

Assets and Liabilities	**Amount in Rs.**
Fixed Assets	322,672,862
Current Assets, Loans and advances	4,272,460
Current liabilities and Provision	(2,547,117)
Secured Loan	(55,377,229)
Deferred tax liability	(5,516)
Total (A)	**269,015,460**
Capital issued as purchase consideration (refer note 8A (iii))	
Share Capital	14,601,120
Security Premium	235,078,032
Total (B)	**249,679,152**
Amalgamation Reserve (A-B)	**19,336,308**

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

In view of this amalgamation being effective from April 1, 2010, the figures for the year ended March 31, 2011 are not comparable with the previous year's figures.

8B. Amalgamation of erstwhile Sunrise Infotainment Private Limited with the Company in the previous year

(i) Pursuant to the scheme of Amalgamation of Sunrise Infotainment Private Limited with the Company under Section 391 to 394 of the Companies Act, 1956, (the scheme of Amalgamation) as sanctioned by the Hon'ble High Court of New Delhi vide its Order dated September 25, 2009, the assets and liabilities of Sunrise Infotainment Private Limited (a Company engaged in the business of film exhibition) were transferred to and vested in the Company with effect from April 1, 2008. The Company had made necessary filings with the Registrar of Companies, NCT of Delhi and Haryana. The Scheme of Amalgamation has accordingly been given effect to in the accounts in the previous year.

(ii) In terms of the Accounting Standard 14 – Accounting for amalgamation, issued by the Institute of Chartered Accountants of India, the Scheme of Amalgamation is accounted under "Pooling of Interest method", wherein all the assets and liabilities of Sunrise Infotainment Private Limited, have been accounted for in their book values as appearing in the books as on April 1, 2008.

(iii) Goodwill arising out of difference in the acquisition value of shares in the merged entity and the book value of shares of the Transferor Company had been amortized.

	April 1, 2008 (Rs.)
Investment – Purchase/Investment in equity shares issued by Sunrise Infotainment Private Limited	50,025,000
PVR Limited's share in the net assets of its subsidiaries	50,000,000
Goodwill	25,000

(iv) On the amalgamation of the Transferor Company and Transferee Company, the share capital of the Transferor Company was extinguished since all the shares of the Transferor Company were held by the Transferee Company as its Holding Company. Since the Transferor Company was a wholly owned subsidiary of the Transferee Company, no shares were issued by the Transferee Company to the shareholders of the Transferor Company as a result of amalgamation.

(v) Pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court, all assets and liabilities of the transferor company were transferred to the transferee company and all inter-company transactions were eliminated. However, elimination of inter-company transactions were made for transactions entered upto March 31, 2008.

(vi) The credit balance in the Profit and Loss Account of erstwhile Sunrise Infotainment Private Limited of Rs. 2,936,870 as at April 1, 2008 was added to the accumulated surplus of the Company of the previous year.

(vii) As per the Scheme, during the period between the Appointed Date and the Effective Date, erstwhile Sunrise Infotainment Private Limited was deemed to have carried on the existing business in "trust" on behalf of the Company. Further all profits or incomes earned and losses and expenses incurred by Sunrise Infotainment Private Limited during such period, was for all purposes, be deemed to be profits or incomes or expenditure or losses of the Company. Accordingly, the net loss after tax incurred by erstwhile Sunrise Infotainment Private Limited during the year from April 1, 2008 to March 31, 2009 of

Notes to the Accounts

Rs. 26,302,193 has been incorporated in the financial statements of the Company by way of an adjustment to the balance of the Profit and Loss Account as at March 31, 2008.

(viii) Pursuant to Scheme of Amalgamation approved by the Hon'ble High Court of Delhi, the authorized share capital of the Company was reclassified as 35,000,000 Equity Shares of Rs. 10 each; 20,000,000 Preference shares of Rs. 10 each and 5,000,000 5% cumulative Preference shares of Rs. 10 each from 30,000,000 Equity shares of Rs. 10 each and 20,000,000 Preference shares of Rs. 10 each respectively in the previous year.

(ix) Pursuant to the Scheme of Amalgamation, the bank accounts and agreements in the name erstwhile Sunrise Infotainment Private Limited are in the process of being transferred in the name of the Company.

9. 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. In the assessment orders for the Assessment years 2006-07 and 2007-08, the Assessing Officer has accepted the Company's contention that the amount of entertainment tax is a capital receipt by reducing the notional amount of entertainment tax from the block of fixed assets while calculating depreciation on fixed assets. However the Company's contention of Entertainment tax a capital receipt and the Company's appeal for not setting off such capital receipt from the value of fixed assets has been rejected by Commissioner of Income Tax (Appeals) and the Company has filed appeals against the order of CIT (Appeals) before the Hon'ble Income Tax Appellate Tribunal, Delhi in respect of these years. Till the time the appeal is pending, provision for current income tax and deferred tax liabilities for the current year and earlier years has been made based on the Company's position of treating the entertainment tax as a capital receipt and reducing the notional amount of entertainment tax from the block of fixed assets while calculating depreciation on fixed assets . Had the Company made the income tax provision based on the CIT (Appeals) order, the advance payment of income tax and deferred tax liability would have been lower by Rs. 192,389,520 each. There is no material impact in the Profit before tax of the current year.

10. The asset of Rs. 60,385,329 (Previous year Rs.16,200,000) recognized by the Company as 'MAT Credit Entitlement Account' under 'Loans and Advances' 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.

11. Professional charges includes Auditor's Remuneration comprises of :

Particulars	**2010-11 (Rs.)**	2009-10 (Rs.)
Audit fee	**2,261,150**	2,257,928
Tax audit fee	**275,750**	275,750
Quarterly limited review of accounts	**992,700**	987,149
Certification etc.	**16,545**	340,476
Out of pocket expenses	**170,799**	163,319
Total	**3,716,944**	4,024,622

12. Derivative Instruments and unhedged Foreign Currency Exposure:

Particulars of unhedged foreign currency exposure as at the balance sheet date:

Particulars	Currency	**March 31, 2011**		March 31, 2010	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Cash in Hand	Thai Bhat	**3,100**	4,650	3,100	4,299
	Hongkong Dollar	**560**	3,265	130	753
	Sterling Pound	**85**	6,204	50	3,391
	Singapore Dollar	**100**	3,597	100	3,216
	US Dollar	**9,057**	411,641	2,949	132,717

Conversion rates used:

1 Thai Bhat = Rs 1.5 (Previous year Rs 1.39); 1 Hongkong Dollar = Rs 5.83 (Previous year Rs 5.79); 1 Sterling Pound = Rs 72.99 (Previous year Rs 67.82); 1 Singapore Dollar = Rs 35.97 (Previous year Rs 32.16); 1 US Dollar = Rs 45.45 (Previous year Rs 45).

Notes to the Accounts

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

Particulars	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	-	-
- Interest amount	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

14. 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 at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

Profit and Loss Account

(Amount in Rs.)

Net employee benefit expense (recognized in Employee Cost)

	2010-11	2009-10
Current service cost	4,786,591	4,377,816
Interest cost on benefit obligation	1,734,063	1,223,773
Expected return on plan assets	(1,293,935)	(844,489)
Net actuarial loss/(gain) recognised in the year	(3,584,970)	(681,478)
Effect of the Transfers of Employees	-	(377,279)
Net benefit expense	1,641,749	3,698,343
Actual return on plan assets	1,125,755	1,519,238

Balance sheet

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

	2010-11	2009-10	2008-09	2007-08	2006-07
Defined benefit obligation	22,844,525	21,675,791	16,531,926	12,907,090	8,917,260
Fair value of plan assets	(16,779,455)	(17,252,470)	(11,259,851)	(8,134,508)	5,069,993
Plan asset/(liability)	(6,065,070)	(4,423,321)	(5,272,075)	(4,772,582)	(3,847,267)
Experience adjustment on plan liabilities (loss)/gain	(3,753,150)	(6,729)	-	-	-
Experience adjustment on plan assets (loss)/gain	168,180	(674,749)	-	-	-

Notes to the Accounts

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

	2010-11	2009-10
Opening defined benefit obligation	**21,675,791**	16,531,926
Adjustment on account of amalgamation of subsidiary company during the year	**-**	347,699
Interest cost	**1,734,063**	1,223,773
Current service cost	**4,786,591**	4,377,816
Benefits paid	**(1,598,770)**	(798,694)
Actuarial losses/(gain) on obligation	**(3,753,150)**	(6,729)
Closing defined benefit obligation	**22,844,525**	21,675,791

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

	2010-11	2009-10
Opening fair value of plan assets	**17,252,470**	11,259,851
Expected return	**1,293,935**	844,489
Contributions by employer	**-**	5,272,075
Benefits paid	**(1,598,770)**	(798,694)
Actuarial Gain/(losses)	**(168,180)**	674,749
Closing fair value of plan assets	**16,779,455**	17,252,470

The Company expects to contribute Rs. 9,937,420 to gratuity fund in the year 2011-12.

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

	2010-11	2009-10
	%	%
Investments with insurer	**98.08**	98.14
Bank balances with the insurer	**1.92**	1.86

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:

	2010-11	2009-10
	%	%
Discount rate	**8.00**	7.25
Expected rate of return on plan assets	**7.50**	7.50
Increase in compensation cost	**5.50**	5.00
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:

	Rs.	Rs.
Contribution to Provident Fund	**2010-11**	2009-10
Charged to Profit and Loss Account	**23,214,050**	18,645,896
Charged to Pre-operative expenses	**1,790,855**	1,731,874

15. Employee Stock Option Plans:

The Company has provided stock option scheme to its employees. During the year ended March 31, 2011, the following scheme is in operation:

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

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

	2010-11		2009-10	
	Number of options	Weighted Average Exercise Price (Rs.)	Numberof options	Weight Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**446,540**	**88**	500,000	88
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**64,930**	**88**	53,460	88
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**381,610**	**88**	446,540	88
Exercisable at the end of the year	**211,610**	**88**	111,540	88
Weighted average remaining contractual life of options (in years)	**2.84**	**88**	3.84	88

The weighted average share price at the date of exercise for stock options was Rs. 167.73.

Stock Options granted:

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

The options in earlier years were granted on then prevailing market price of Rs. 88. As a result, there is no expense to be recorded in the financial statements.

In March 2005, the ICAI has issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting

Notes to the Accounts

in the financial statements.Applying the fair value based method defined in said guidance note, the impact on the reported net profit and earnings per share would be as follows: (Rs.)

Particulars	2010-11	2009-10
Profit after tax and before appropriation, as reported	**163,446,973**	2,576,719
Add - Employee stock compensation under Intrinsic Value method	**-**	-
Less - Employee stock compensation under Fair Value	**4,660,407**	10,686,240
Proforma Profit /(Loss)	**158,786,566**	(8,109,521)
Basic		
- As reported	**6.03**	0.11
- Proforma	**5.85**	(0.32)
Diluted		
- As reported	**6.01**	0.11
- Proforma	**5.84**	(0.31)

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

	2010-11	2009-10
Total Employee Compensation Cost pertaining to share-based payment plans	**4,660,407**	10,686,240
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	**4,660,407**	10,686,240
Total Liability for employee stock options outstanding as at year end	**Nil**	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested	**Nil**	Nil

16. Leases

i) Rental expenses in respect of operating leases are recognized as an expense in the Profit and Loss Account 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 carrying commercial operations is as under:

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Lease payments for the year recognized in Profit and Loss Account	**537,324,002**	488,751,845
Lease payments for the year recognized in Preoperative Expenditure	**1,729,204**	2,315,642
Minimum Lease Payments :		
Not Later than one year	**406,021,800**	354,004,649
Later than one year but not later than five years	**1,117,781,835**	1,078,335,712
Later than five years	**228,490,932**	275,757,581

ii) Rental income/Sub-Lease income in respect of operating leases are recognized as an income in the Profit and Loss Account and 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.

	2010-11 (Rs.)	2009-10 (Rs.)
Lease rent receipts for the year recognized in Profit and Loss Account	**76,370,826**	70,111,196
Lease rent receipts for the year recognized in Preoperative Expenditure	**-**	-

17. During the year, the company has written off certain debtors amounting to Rs. 12,671,744 on account of non recovery of the same. These amounts have been charged off to profit and loss account in earlier years.

18. Other current assets include an amount of Rs. 22,778,611 which represents amount of entertainment tax recoverable from the Government of Uttar Pradesh in respect of its multiplexes at Allahabad and Lucknow which commenced operations effective from 5th March 2010 and 10th September, 2010 respectively. The Company has received the amounts in respect of Rs 8,995,297 subsequent to year end and is hopeful of recovering the balance in accordance with the Uttar Pradesh State Government Order no. 101/2009-10.

19. The following units held in mutual funds were purchased and sold during the year ended March 31, 2010.

		Amount in Rs
Purchased		
Units in mutual funds of Rs. 10 each		
500,214.271	SBI -SHF Ultra Short Term fund Inst. Daily Dividend Plan	5,005,144
5,010,884.922	AIG India Treasury Fund Institutional Daily Dividend	50,163,969
4,019,587.223	DWS Ultra Short Term Fund-Institutional Daily Dividend -Reinvestment	40,267,823
1,997,779.034	DSP Black Rock Floating Rate Fund- Regular Plan - Daily Dividend	20,040,121
4,999,768.298	Tata Floter Fund -Daily Dividend	50,175,675
996,771.292	S246 SBNPP Ultra ST Fund Inss. Dividend Reinvestment Plan	10,004,593
1,039,576.529	GFBD IDFC Money Manager Fund Treasury Plan -Inst Plan -B Daily Dividend	10,468,848
7,992,176.999	3006 / HDFC Cash Management Fund Saving Plan -Daily Dividend Reinvestment Option : Reinvestment	85,007,991
1,618,815.367	NLPIDD Canara Reboco Treasury Advantage Institutional Daily Dvidend Fund	20,084,804
10,115,643.695	LIC MF Saving Plus Fund Daily Dividend Plan	101,156,437
9,068,732.101	JPPDI -JP Morgan India Treasury fund -Super inst. Daily Dividend Plan -Reinvestment	90,768,033
15,107,441.011	Kotak Flexi Debt Scheme Institutional - Daily Dividend	151,792,014
5,954,778.559	C222 L&T Freedom Income STP Inst - Daily Dividend Reinvestment Plan	60,471,967
20,099,720.322	JM Money Manager Fund Super Plus plan- Daily Dividend (171)	201,103,732
15,060,031.324	B332DD Birla Sunlife Saving fund- Inst. Daily Dividend -Reinvestment	150,702,721
44,540,855.205	2031 /HDFC Cash Management Fund Treasury -Advantage Plan -Wholesale-Daily Dividend Option : Reinvestment	446,811,589
1,370,634.107	C122 L&T Freedom Income STP Inst -Cum -Org- Plan	20,321,981
993,857.957	L& T Select Income Fund - Flexi Debt Institutional -Dividend	10,062,810
6,912,142.248	LIC MF Saving Plus Fund -Growth plan	101,156,437
417,269.195	SBI -SHF Ultra Short term fund Inst. Growth Fund	5,005,144
2,799,653.873	2032/ HDFC Cash Management Fund -Treasury-Advantage Plan-Whole-Growth	56,516,333
1,402,180.390	G44 IDFC Money Manager Fund-Investment-Inst Plan -B Growth	20,000,000
5,000,000.000	G679 IDFC Fixed Maturity Plan- Quarterly Series -55 Plan-A - Growth	50,000,000
3,904,429.464	JM Money Manager Fund Super Plus Plan- Growth(172)	50,688,865
1,999,079.201	B51221W BSL Floating Rate Fund -Long Term -INSTL-Weekly Dividend	20,090,628
10,753,976.809	Kotak Flexi Debt Scheme Institutional - Growth	121,792,014
812,767.051	S251 SBNPP Ultra ST Fund Ins.- Growth	10,004,593
Units in mutual funds of Rs. 100 each		
947,879.087	ICICI Prudential Flexible Income Plan Premium- Daily Dividend	100,223,995

Notes to the Accounts

(Amount in Rs.)

Units in mutual funds of Rs. 1,000 each		
100,818.931	DSP Black Rock Floating Rate Fund- Institutional Plan - Daily Dividend	100,873,897
90,167.166	Axis Treasury Advantage Fund- Daily Dividend	90,167,166
192,015.907	Reliance Money Manager Fund Institutional-Option Daily Dividend Plan	192,234,114
38,374.168	DSP Black Rock Floating Rate Fund- Institutional Plan - Growth	50,873,897
97,414.758	Reliance Money Manager Fund- Institutional Option -Growth Plan	122,215,300
Sold		
Units in mutual funds of Rs. 10 each		
10,115,643.695	LIC MF Saving Plus Fund Daily Dividend Plan	101,156,437
500,214.271	SBI -SHF Ultra Short term fund Inst. Daily dividend Plan	5,005,144
4,999,768.298	Tata Floater Fund -Daily Dividend	50,175,675
996,771.292	S246 SBNPP Ultra ST Fund Institutional Dividend Reinvestment Plan	10,004,593
1,039,576.529	GFBD IDFC Money Manager Fund Treasury Plan -Inst Plan -B Daily Dividend	10,468,848
3,891,294.641	DWS Ultra Short Term fund-Institutional -Growth	40,194,350
7,992,176.999	3006 / HDFC Cash Management Fund Saving Plan -Daily Dividend Reinvestment Option : Reinvestment	85,007,991
1,618,815.367	NLPIDD Canara Reboco Treasury Advantage Institutional Daily Dividend Fund	20,084,804
743,106.133	GFBG IDFC Money Manager Fund Treasury Plan -Inst Plan B -Growth	10,443,242
5,010,884.922	AIG India Treasury Fund Institutional Daily Dividend	50,163,969
1,997,779.034	DSP Black Rock Floating Rate Fund- Regular Plan - Daily Dividend	20,040,121
15,060,031.324	B332DD Birla Sunlife Saving fund- inst. Daily Dividend -Reinvestment	150,702,721
4,019,587.223	DWS Ultra Short Term fund-Institutional Daily Dividend -Reinvestment	40,267,823
15,107,441.011	Kotak Flexi Debt Scheme Institutional - Daily Dividend	151,792,014
9,068,732.101	JPPDI -JP Morgan India Treasury fund -Super inst. Daily Dividend Plan –Reinvestment	90,768,033
44,540,855.205	2031 /HDFC Cash Management Fund Treasury -Advantage Plan -Wholesale-Daily Dividend Option : Reinvest	446,811,589
20,099,720.322	JM Money Manager Fund Super Plus plan- Daily Dividend (171)	201,103,732
5,954,778.559	C222 L&T Freedom Income STP Inst - Daily Dividend reinvestment Plan	60,471,967
2,086,714.350	2032/HDFC Cash Management Fund - Treasury Advantage Fund - Wholesale – Growth	40,165,912
Units in mutual funds of Rs. 100 each		
947,879.087	ICICI Prudential Flexible Income Plan Premium- Daily Dividend	100,223,995
Units in mutual funds of Rs. 1,000 each		
100,818.931	DSP Black Rock Floating Rate Fund- Institutional Plan - Daily Dividend	100,873,897
90,167.166	Axis Treasury Advantage Fund- Daily Dividend	90,167,166
192,015.907	Reliance Money Manager Fund institutional-Option Daily Dividend Plan	192,234,114

20. Capital Commitments

	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances of Rs. 86,981,502 (Previous years Rs. 43,864,597))	**303,497,751**	85,087,628

Notes to the Accounts

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

	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
a) Labour cases pending *	**Amount not ascertainable**	Amount not ascertainable
b) Claims against the Company not acknowledged as debts (the Company has paid under protest an amount of Rs. 1,998,809 (Previous year Rs. 3,578,441) which is appearing in the Schedule of Loans and Advances)**	**2,809,468**	4,188,073
c) Corporate guarantee given against the loan of Rs. 500,000,000 sanctioned by a financial institution to the subsidiary, to the extent of loan drawn.		429,582,995
d) Show cause notices raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on invoices. (the Company has already paid an amount of Rs.1,900,334 prior to the issuance of show cause notice which is appearing in the Schedule of Loans and Advances)**	**18,432,861**	18,432,861
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, 2008, 2007, 2006 respectively. (the Company has paid an amount of Rs. 73,255,899 which is appearing in the Schedule of Loans and Advances)**	**114,260,843**	5,502,471
f) Appeal filed by the Company against the order of Municipal Corporation of Greater Mumbai against the demand of property tax for a multiplex at Mumbai.**	**14,773,264**	10,731,694

*In view of the large number of cases pending at various forums/courts, it is not practicable to furnish the details of each case.

**Based on the discussions with the solicitors/meeting the terms and conditions by the Company, the management believes that the Company has a strong chance of success in the cases and hence no provision there against is considered necessary.

22. Supplementary Statutory Information

22.1

Managerial Remuneration	**(Rs.)**	**(Rs.)**
Chairman cum Managing Director's Remuneration*	**2010-11**	2009-10
Salary	**12,480,000**	12,480,000
Perquisites	**7,488,000**	7,488,000
Total	**19,968,000**	19,968,000
Joint Managing Director's Remuneration*		
Salary	**6,240,000**	6,240,000
Perquisites	**3,744,000**	3,744,000
Total**	**9,984,000**	9,984,000

* As the future liability of gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the director is not included above.

*excluding provident fund contribution of Rs. 2,246,400 (Previous year Rs. 2,246,400).

** including Rs. 4,992,000 (Previous year Rs. 4,992,000) charged to pre-operative expenses. The said amount does not include provident fund contribution of Rs. 374,400 (Previous year Rs. 374,400).

Notes to the Accounts

Computation of Net Profit in accordance with Section 349 read with Section 198 of the Companies Act, 1956 for calculation of remuneration payable to directors		
Particulars	**2010-11 (Rs.)**	2009-10 (Rs.)
Profit Before Tax	**229,094,376**	2,479,025
Add:		
Director Sitting fees	**580,000**	760,000
Loss on sale of fixed assets as per Section 349 of the Companies Act, 1956	**8,155,011**	9,542,819
Provision for doubtful debts and advances	**11,350,453**	11,216,613
Profit on the sale of current investment	**(1,906,602)**	(159,229)
Net profit as per Section 349 of the Companies Act, 1956	**247,273,238**	23839,228
Add: Directors' remuneration (including contribution to provident fund of Rs. 1,872,000, Previous year Rs. 1,872,000)	**26,832,000**	26,832,000
Profits as per Section 198 of Companies Act, 1956	**274,105,238**	50,671,228
Remuneration permissible to Managing and Whole time Directors at 10% of the net profits as calculated above	**27,410,524**	5,067,123

The Ministry of Corporate Affairs (MCA), Central Government vide letter dated April 5th, 2010 had approved remuneration of Rs. 14,500,000 to Mr. Ajay Bijli, Chairman cum Managing Director (CMD) of the Company for the period 01.04.2008 to 31.03.2009 as against Rs. 19,719,949 paid during the said period. A representation has been made to MCA, Central Government for approval of the excess remuneration of Rs. 5,219,949 (as approved by the Remuneration Committee and shareholders of the Company) and the approval of the Central Government is awaited.

The MCA, Central Government vide another letter dated April 5th, 2010, had approved annual remuneration to CMD for the period 01.04.2009 to 31.03.2012 shall be as per last year's remuneration i.e Rs. 19,719,949 (including contribution to provident fund). The Company has filed a representation to the Central Government for seeking approval for waiver of excess amount of remuneration of Rs. 1,628,903 per annum (excluding contribution to provident fund) paid to CMD during the period 01.04.2009 to 31.03.2010 and 01.04.2010 to 31.03.2011.

Remuneration of Rs. 9,984,000 (excluding contribution to provident fund) paid to the Joint Managing Director (JMD) during the financial year 2010-11 is within the limits prescribed under Schedule XIII to the Companies Act, 1956. The remuneration paid for the financial year 2009-10 was short of the approvals by Rs.7,584,000 for which the approval has been received in the current year.

22.2

Expenditure in foreign currency (on accrual basis)	**March 31, 2011 (Rs.)**	March 31, 2010 (Rs.)
Travelling	**3,116,371**	1,948,161
Professional fees (including expenses, net of income tax)	**6,984,619**	3,081,409
Director Sitting Fees (net of income tax)	**32,000**	168,370
Total	**10,132,990**	5,197,940

22.3

CIF value of imports		
Capital Goods	**44,302,582**	20,923,540
Software	**25,548**	658,280
Total	**44,328,130**	21,581,820

23. 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.

24. i) The Board of Director of the Company had recommended a dividend of Re. 1/- per share at its meeting held on May 28, 2010 subject to the approval of the shareholders at the annual general meeting and accordingly made an appropriation of Rs. 25,624,330 and Rs. 4,354,855 towards proposed dividend and dividend distribution tax respectively. The company has increased the appropriation by Rs. 1,499,312 for dividend and Rs. 150,043 for dividend distribution tax pertaining to dividend on shares allotted subsequent to March 31, 2010 but before the record date. The same has been disclosed under the current year appropriation.

iii) Final Dividend of Rs 1/- per share (i.e. 10% on equity share of face value of Rs 10/- each) for the year ended March 31, 2010 was approved by the shareholders in Annual General Meeting held on September 27, 2010 and same was paid in the current year except for Rs. 61,021 lying in unpaid dividend account.

iii) Proposed Dividend of Re 1/- per share (i.e. 10% on equity share of face value of Rs 10/- each) for the year ended March 31, 2011 has been approved by the Board of Directors in the meeting held on May 27, 2011 subject to the approval of shareholders in Annual General Meeting. The Company has also transferred 2.5% of the current year profits to general reserves.

25. (a) The board of directors in its meeting held on May 27, 2011 approved buy back of Company's own share from the open market for a sum up to 10% of its paid up equity share capital and free reserves.

(b) The Board of Directors of the Company in its meeting held subsequent to year end on 5th May, 2011 approved the sale of its investments in the shares of its subsidiary company CR Retail Mall (India) Ltd for a consideration more than the cost of investments

26. a) The Company has during the year started commercial operations at LDA Lucknow, Ahmedabad and Chennai. Hence, current year's figures are not strictly comparable with those of the previous year.

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

Signatures to Schedule 1 to 22

As per our report of even date

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

per **Yogender Seth**
Partner
Membership No. 94524

Place: Gurgaon
Date: May 27th, 2011

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

PVR LIMITED

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

REGISTRATION NO	:	67827	STATE CODE:	55
BALANCE SHEET DATE	:	March 31, 2011		

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

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

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

TOTAL LIABILITIES : 4,766,539	TOTAL ASSETS : 4,766,539

SOURCE OF FUNDS

PAID UP CAPITAL : 271,494	RESERVES & SURPLUS : 2,606,003
SECURED LOANS : 1,605,913	UNSECURED LOANS : 10,400
DEFERRED TAX LIABILITIES 272,730	

APPLICATION OF FUNDS

NET FIXED ASSETS : 2,819,221	INVESTMENTS : 499,879
NET CURRENT ASSETS : 1,447,439	MISC. EXPENDITURE : NIL
DEFERRED TAX : NIL	ACCUMULATED LOSSES : NIL

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

TURNOVER : 3,600,219	TOTAL EXPENDITURE : 3,371,124
PROFIT BEFORE TAX : 229,094	PROFIT AFTER TAX : 163,447
EARNING PER SHARE IN RS. : 6.03	DIVIDEND RATE %: 10

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

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

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

Place: Gurgaon
Date: May 27th, 2011

Auditors' Report

Auditor's Report to the Board of Directors of PVR Limited on the consolidated financial statements of PVR Limited and its subsidiaries (CR Retail Malls (India) Limited, PVR Pictures Limited and PVR bluO Entertainment Limited) (referred to as "PVR Group").

1. We have audited the attached Consolidated Balance Sheet of PVR Group as at March 31, 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the PVR Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

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

3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 2,143,764,473 as at March 31, 2011, the total revenues of Rs. 1,077,557,409 and cash inflows amounting to Rs. 284,818,725 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

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

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

   (a) Note 8 (a) of Schedule 26 of the financial statements, wherein as per requirements of the Finance Act 2010, the Parent Company and a subsidiary company may be liable to pay service tax in respect of renting of immovable properties as lessee of such properties. The Parent Company has challenged the impugned provisions of law by way of a writ petition filed with the Hon'ble High Court of Delhi and an interim order is obtained. The Parent Company has also been legally advised that no Service Tax is payable on renting of immovable properties as lessee of such properties. Pending the final outcome of this matter, no provision for service tax liability amounting to Rs.143,274,232 (including Rs. 88,830,999 pertaining to earlier years) (net of service tax credit claimable) has been made.

   (b) Note No. 26 of Schedule 26 of the financial statements, the Parent Company has during the year ended March 31, 2011, paid managerial remuneration to Mr. Ajay Bijli which is in excess of the approval granted by Ministry of Corporate Affairs, Central Government (CG) by Rs. 1,628,903. In the previous years, the Parent Company had paid managerial remuneration in excess of the approval granted by Ministry of Corporate Affairs, Central Government by Rs. 6,848,852 paid to Mr. Ajay Bijli. The Parent Company has filed representations in the matter with the CG and a separate representation is being filed with CG for waiver of excess remuneration of Rs. 1,628,903 paid to Mr. Ajay Bijli during the financial year 2010-11. Pending the final outcome of the Company's representations, no adjustments have been made to the accompanying financial statements in this regard.

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

   (i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of PVR Group as at March 31, 2011;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the PVR Group for the year ended on that date; and

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

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

per Yogender Seth
Partner
Membership No.: 94524

Place : Gurgaon
Date : May 27th, 2011

Consolidated Financial Statements

Consolidated Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	271,493,720	256,243,300
Reserves and surplus	2	3,142,150,964	2,834,209,355
		3,413,644,684	3,090,452,655
Minority Interest	3		
Equity		219,683,340	199,683,340
Securities premium account		411,911,741	411,911,741
Non-Equity		(87,815,395)	(9,282,365)
		543,779,686	602,312,716
Loan funds			
Secured loans	4	1,606,672,175	1,777,953,405
Unsecured loans	5	-	30,000
Deferred payment liabilities		10,400,000	20,800,000
(Due within one year Rs. 10,400,000 previous year Rs. 10,400,000)			
		1,617,072,175	1,798,783,405
Deferred Tax Liabilities (net)	6	313,566,297	217,097,420
		5,888,062,842	5,708,646,196
APPLICATION OF FUNDS			
Fixed Assets	7		
Gross block		4,546,063,504	3,797,155,935
Less : Accumulated depreciation		1,193,712,240	930,103,964
Net block		3,352,351,264	2,867,051,971
Capital Work-in-Progress including capital advances		321,831,117	242,966,002
Pre-operative expenses (pending allocation)	8	145,828,541	101,121,861
Fixed Assets		3,820,010,922	3,211,139,834
Intangible Assets (net of amortisation and including capital advances)	9	537,255,658	653,086,929
Investments	10	5,413,000	1,067,029,886
Deferred Tax Assets (net)	11	-	49,943,176
Current Assets, Loans and Advances			
Interest accrued on long term investments		562,163	4,057,302
Inventories	12	52,983,480	36,561,724
Sundry debtors	13	300,083,920	143,623,152
Cash and bank balances	14	792,260,279	207,412,532
Other current assets	15	29,975,215	16,483,123
Loans and advances	16	1,016,691,129	908,887,353
		2,192,556,186	1,317,025,186
Less: Current Liabilities and Provisions			
Current liabilities	17	611,790,661	540,506,157
Provisions	18	55,686,951	49,529,686
		667,477,612	590,035,843
Net Current Assets		1,525,078,574	726,989,343
Miscellaneous Expenditure (to the extent not written off)	19	304,688	457,028
		5,888,062,842	5,708,646,196
Notes to Accounts	26		

The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet.
As per our report of even date

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

per **Yogender Seth**
Partner
Membership No. 94524

Place: Gurgaon
Date: May 27th, 2011

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Consolidated Profit and Loss Account for the year ended March 31, 2011

	Schedules	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
INCOME			
Operating income	20	**4,572,883,374**	3,341,262,932
Other income	21	**115,979,563**	97,786,905
		4,688,862,937	**3,439,049,837**
EXPENDITURE			
Film distributors' share (including commission)		**1,006,427,462**	803,440,794
Movie distribution and print charges (including commission)		**317,391,203**	183,063,318
Cost of goods purchased for sale		**683,109**	1,889,670
Consumption of food and beverages		**241,954,956**	203,945,400
Personnel expenses	22	**473,113,377**	420,430,770
Operating and other expenses	23	**1,680,044,069**	1,386,058,792
Miscellaneous expenditure written off		**152,340**	152,340
		3,719,766,516	**2,998,981,084**
Profit before depreciation/amortisation, interest and tax (EBITDA)		**969,096,421**	440,068,753
Depreciation/amortisation		**674,117,511**	274,445,058
Interest paid	24	**137,683,799**	158,615,448
Profit before tax		**157,295,111**	**7,008,247**
Provision for Minimum Alternative Tax/Current Income Tax		**(65,189,059)**	(9,509,386)
Less: MAT Credit Entitlement Account		**56,468,940**	6,699,890
Wealth Tax		**(166,000)**	(115,000)
Deferred tax credit/(charge)		**(146,406,535)**	4,046,445
Deferred tax (charge)/ credit for earlier years		**(26,281)**	(11,500,000)
Income tax credit for earlier years		**-**	11,403,833
Excess provision of Fringe benefit tax pertaining to earlier years written back		**1,261,423**	-
Total Tax credit /(expense)		**(154,057,512)**	**1,025,782**
Profit after tax and before share of Minority Interest.		3,237,599	8,034,029
Add: Share of Minority Interest in (Profit)/ Losses (Net)		**78,533,029**	5,490,526
Net Profit for the year		**81,770,628**	**13,524,555**
Balance brought forward from previous year		**221,943,699**	237,441,504
Add: Adjustment on account of amalgamation of erstwhile Sunrise Infotainment Pvt. Ltd. (Refer note 3 of Schedule 26)		**-**	3,076,825
Profit available for appropriation		**303,714,327**	**254,042,884**
Appropriations			
- Transfer to Debenture Redemption Reserve		**8,480,000**	2,120,000
- Transfer to General Reserve (refer Note 26 (iii) of Schedule 26)		**4,086,174**	-
- Proposed dividend on equity shares		**28,648,684**	25,624,330
- Tax on dividends		**4,659,215**	4,354,855
Surplus carried to Balance Sheet		**257,840,254**	**221,943,699**
Earnings per share	25		
Basic [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		**3.02**	0.57
Diluted [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		**3.01**	0.57
Notes to Accounts	26		

The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date

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

per **Yogender Seth**
Partner
Membership No. 94524

Place: Gurgaon
Date: May 27th, 2011

For and on behalf of the Board of Directors

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Consolidated Cash Flow Statement for the year ended March 31, 2011

		For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
A.	**Cash flow from operating activities:**		
	Profit before taxation	**157,295,111**	7,008,247
	Adjustments for :		
	Depreciation/amortisation	**674,117,511**	274,445,058
	Deferred revenue expenditure written off		
	Loss on disposal of fixed assets (net)	**9,425,272**	9,804,650
	Pre-operative expenses charged off	**-**	2,117,095
	Miscellaneous expenditure written off	**-**	
	Interest income	**(16,522,890)**	(14,501,072)
	Loss/ (Profit) on sale of current investments (net)	**(28,240,766)**	(5,615,921)
	Loss on sale of current investments (net)	**-**	
	Miscellaneous expenditure incurred (Preliminary expenses) (net of amount written off)	**152,340**	152,340
	Dividend income	**(32,201,465)**	(33,437,120)
	Interest expense	**137,683,799**	158,615,448
	Foreign exchange fluctuation		
	Provision for doubtful capital advances	**-**	
	Provision for doubtful debts and advances	**13,577,461**	14,931,362
	Operating profit before working capital changes	**915,286,373**	413,520,087
	Movements in working capital :		
	Decrease/(Increase) in sundry debtors	**(167,042,023)**	26,351,603
	(Increase) in inventories	**(16,421,756)**	(4,208,390)
	(Increase) in loans and advances and other current assets	**(126,113,565)**	(59,385,160)
	Increase in current liabilities and provisions	**55,525,561**	(43,256,225)
	Cash generated from operations	**661,234,590**	333,021,915
	Direct taxes paid (net of refunds)	**(8,520,042)**	(19,568,933)
	Net cash from operating activities	**652,714,548**	313,452,982
B.	**Cash flows (used in) investing activities**		
	Purchase of fixed assets	**(525,012,511)**	(418,384,129)
	Purchase of intangible assets	**(284,899,368)**	(491,441,323)
	Proceeds from sale of fixed assets	**4,077,941**	9,754,984
	Investment in a subsidiary	**-**	
	Purchase of investments	**(6,146,863,519)**	(4,908,343,595)
	Sale of investments	**7,236,721,166**	4,995,329,239
	Loan given to a body corporate	**-**	
	Loans refunded by subsidiaries		
	Loans given to subsidiaries		
	Loan refunded by a body corporate	**5,000,000**	15,000,000
	Dividend received	**32,201,465**	33,437,120
	Interest received	**21,432,341**	14,326,542
	Fixed Deposits with banks placed	**(50,547,683)**	(151,487,824)
	Fixed Deposits with banks encashed	**150,610,970**	45,161,714
	Net cash (used in) investing activities	**442,720,802**	(856,647,272)
C.	**Cash flow from financing activities**		
	Proceeds from issuance of share capital	**5,713,840**	426,609,480
	Share Issue expenses	**20,000,000**	(6,603,547)
	Repayment of preference share capital	**-**	-
	Proceeds from long-term borrowings	**601,184,000**	835,836,586

Cash Flow Statement for the year ended March 31, 2011 (Continued)

(Rs.)

	March 31, 2011	March 31, 2010
Repayment of long-term borrowings	**(777,955,919)**	(548,310,069)
Proceeds from short-term borrowings	**-**	-
Repayment of short-term borrowings	**(49,916,540)**	49,886,540
Advance received against convertible warrants	**-**	-
Dividend and tax thereon paid	**(31,464,735)**	(26,926,267)
Interest paid	**(178,633,676)**	(170,522,592)
Net cash from financing activities	**(411,073,030)**	559,970,131
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**684,362,319**	16,775,841
Add: Cash acquired on amalgamation	**548,715**	-
Cash and cash equivalents at the beginning of the year	**55,358,373**	38,582,532
Cash and cash equivalents at the end of the year	**740,269,407**	55,358,373
Components of cash and cash equivalents as at*	**March 31, 2011**	**March 31, 2010**
Cash and cheques on hand	**5,431,704**	4,513,838
With banks - on current accounts	**734,500,302**	50,670,939
- on deposit accounts*	**-**	-
- on unpaid and unclaimed dividend accounts**	**337,401**	173,596
	740,269,407	55,358,373

* Difference of Rs. 51,990,872(Previous year Rs. 152,054,159) from Schedule 14 represents short-term investments with an original maturity of more than three months.

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

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

As per our report of even date

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

For and on behalf of the Board of Directors

per **Yogender Seth**
Partner
Membership No. 94524

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

Place: Gurgaon
Date: May 27th, 2011

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Schedules to the Consolidated Accounts

Schedule 1 : Share Capital

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Authorised share capital		
36,000,000 (Previous year 35,000,000) equity shares of Rs. 10 each	**360,000,000**	350,000,000
20,000,000(Previous year 20,000,000) Preference shares of Rs. 10 each	**200,000,000**	200,000,000
5,000,000 (Previous year 5,000,000) 5% cumulative Preference shares of Rs. 10 each	**50,000,000**	50,000,000
	610,000,000	**600,000,000**
Issued, subscribed and paid-up		
27,149,372 (Previous year 25,624,330) equity shares of Rs. 10 each fully paid	**271,493,720**	256,243,300
	271,493,720	**256,243,300**

Notes:

1. For stock options outstanding details, refer note 18 of Schedule 26.
2. Authorised share capital pursuant to scheme of amalgamation has been increased during the year, in accordance with the scheme approved by the Hon'ble High Court of New Delhi (refer note 11 of schedule 26).
3. The above shares includes 1,460,112 equity shares issued to the shareholders of erstwhile Leisure World Private Limited pursuant to scheme of amalgamation. (Refer note 11 of schedule 26).

Schedule 2 : Reserves and Surplus

Capital Reserve (on consolidation) difference between the cost of the investment in subsidiary and Parent Company's portion in equity of the subsidiary at the time of acquisition	**24,483**	3,101,308
Less: Transferred to Profit and Losss Account (refer note 12 of Schedule 26)	**-**	3,076,825
	24,483	24,483
General Reserve (refer Note 26 (iii) of Schedule 26)		
As per last account	**-**	-
Add: Transfer from Profit and loss account	**4,086,174**	-
	4,086,174	-
Capital Reserve		
As per last account	**25,820,400**	25,820,400
	25,820,400	25,820,400
Amalgamation Reserve pursuant to amalgamation (refer note 11 of Schedule 26)	**19,336,308**	-
	19,336,308	-
Capital Redemption Reserve Account	**200,000,000**	200,000,000
As per last account	**200,000,000**	200,000,000
Securities Premium account		
As per last account	**2,384,300,773**	1,990,399,440
Add: Received during the year	**240,142,572**	400,504,880
Less: Utilized for share issue expenses	**-**	6,603,547
	2,624,443,345	2,384,300,773
Debenture Redemption Reserve		
As per last account	**2,120,000**	-
Transferred from Profit and Loss Account during the year	**8,480,000**	2,120,000
	10,600,000	2,120,000
Profit and Loss Account Balance	**257,840,254**	221,943,699
	3,142,150,964	**2,834,209,355**

Schedules to the Consolidated Accounts

Schedule 3 : Minority Interest

		As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
a)	Minority interest in Equity of PVR Pictures Limited 14,333,334 Equity Shares of Rs. 10 each	**143,333,340**	143,333,340
b)	Minority interest in securities premium of PVR Pictures Limited (net of write off of share issue expenses incurred)	**411,911,741**	411,911,741
c)	Minority Interest in Non-Equity of PVR Pictures Limited		
	Share of (loss) brought forward	**(17,143,836)**	(2,014,527)
	Share of (loss) of the current year	**(88,721,985)**	(15,129,309)
		449,379,260	**538,101,245**
d)	Minority interest in Equity of PVR bluO Entertainment Limited 76,35,000 Equity Shares (Previous year 56,35,000 Equity Shares) of Rs. 10 each	**76,350,000**	56,350,000
e)	Minority Interest in Non-Equity of PVR bluO Entertainment Limited		
	Share of Profit / (loss) brought forward	**7,861,471**	(1,777,310)
	Share of Profit of the current year	**10,188,955**	9,638,781
		94,400,426	**64,211,471**
	Minority Interest in Equity of Subsidaries	**219,683,340**	199,683,340
	Minority Interest in Securities Premium of a Subsidary	**411,911,741**	411,911,741
	Minority Interest in Non-Equity of Subsidaries	**(87,815,395)**	(9,282,365)
		543,779,686	**602,312,716**

Schedule 4 : Secured Loans

Debentures 11.40%, 290 Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each (redeemable at par at the end of 7th, 8th, 9th and 10th year in the ratio of 20:20:30:30 respectively from the deemed date of allotment i.e 01.01.2010)	**290,000,000**	290,000,000
Loans from banks		
Term loans from banks (Due within one year Rs. 127,500,000 (Previous year Rs. 67,374,542))	**641,875,000**	354,874,542
Car finance loans from banks (Due within one year Rs. 4,400,251 (Previous year Rs. 7,000,635))	**7,975,692**	14,220,293
Cash credit facility	**-**	49,886,540
Other loans		
Term loan from a financial institution (Due within one year Nil (Previous year Rs. 42,000,004))	**-**	429,582,995
Term loans from a body corporate (Due within one year Rs. 156,731,920 (Previous year Rs. 151,500,896))	**666,821,483**	619,989,035
Term loan from small industries development bank of india (SIDBI) (Due within one year Nil (Previous year Rs. 19,400,000))	**-**	19,400,000
	1,606,672,175	**1,777,953,405**

Notes:

1. 11.40% Secured Redeemable Non-convertible Debentures, 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 vehicle hypothecated to banks), and all current assets including receivables of any kind belonging to the Parent Company both present and future.
2. a) Term loan from bank to the extent of Rs. 370,000,000 pertaining to DBS Bank, is secured by first pari passu charge over all fixed assets of the Parent Company both present and future (excluding immovable property located at Gujarat, Bangalore and PVR Anupam, New Delhi and vehicles hypothecated to banks).The loan is further secured by first pari passu charge on the current assets and future receivables of the Parent Company.

   b) Term loan from banks to the extent of Rs. 271,875,000 pertianing to Axis Bank, is secured by first pari passu charge over all fixed assets of the Parent Company (excluding immovable property located at Gujarat, Bangalore and PVR Anupam, New Delhi and vehicles hypothecated to banks) and receivables of the Parent Company both present and future. This loan is further secured by the personal guarantee of two directors of the Parent Company.

3. Car finance loans to the extent of Rs. 7,975,692 are to be secured by hypothecation of vehicles purchased out of the proceeds of the loans.
4. a) Term loan from a body corporate to the extent of Rs. 468,488,150 are secured by first pari passu charge with other lenders on all movable fixed assets of the Parent Company (excluding vehicle hypothecated to banks) both present and future. These loans are further secured by first pari passu charge on all receivables, both present and future. The loans to the extent of Rs. 188,619,676 are further secured by the personal guarantee of two directors of the Parent Company.

   b). Term loan from a body corporate to the extent of Rs. 198,333,333 are secured by first pari passu charge on all movable and immovable fixed assets excluding immovable properties at Gujarat, Bangalore, PVR Anupam and vehicle hypothecated to banks both present and future. This loan is further secured by first pari passu charge on the all receivable, both present and future.
5. Loan from SIDBI to the extent of Rs. Nil (previous year Rs.19,400,000) was secured by a first pari passu charge by way of hypothecation of all the movable assets (except vehicles hypothecated to banks) both present and future, of all cinemas of the Parent Company ranking pari passu with other lenders. It was further secured by a second charge on personal properties of a director at Vasant Vihar and Jhandewalan, New Delhi and was also secured by the personal guarantee of two directors of the Parent Company.
6. Term loans and Cash Credit facility from United Bank of India to the extent of Rs. Nil (previous year Rs. 54,761,082), were secured by first pari passu charge by way of hypothecation of the Parent Company's movable assets (except vehicles hypothecated to banks) including plant and machinery except those at PVR Juhu, Mumbai of all present and future operating theatres of the Parent Company and current assets, belonging to the Parent Company both present and future. These were further secured by the personal guarantee of two directors of the Parent Company.

Schedule 5 : Unsecured Loans

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Short term loans from a body corporate	**-**	30,000
	-	30,000

Schedule 6 : Deferred Tax Liabilities (Net)

Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets and intangibles as per tax books and financial books	**423,122,140**	348,092,007
Differences due to accelerated amortisation of intangibles under Income Tax Act	**801,907**	-
Gross Deferred Tax Liabilities	**423,924,047**	**348,092,007**
Deferred Tax Assets		
Effect of expenditure debited to profit and loss account in the current year/earlier years but allowable for tax purposes in following years	**8,912,577**	12,452,798
Provision for doubtful debts and advances	**5,462,651**	6,019,266
Unabsorbed Depreciation	**91,761,055**	108,301,056
Carried forward of losses	**4,221,467**	4,221,467
Gross Deferred Tax Assets	**110,357,750**	**130,994,587**
Net Deferred Tax Liabilities	**313,566,297**	**217,097,420**

Schedules to the Consolidated Accounts

Schedule 7 : Fixed Assets

Rs.

	Land Freehold	Building– Freehold	Building Leasehold	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block									
At 01.04.2010	190,350	1,273,590	635,711,841	1,068,120,703	1,620,312,755	435,857,345	35,689,351	3,797,155,935	3,661,968,879
Assets transferred on amalgamation (refer note 11 of Schedule 26)	298,599,280	23,600,720	-	-	472,863	-	-	322,672,863	-
Adjustments on account of amalgamation	-	34,532,511	-	(34,532,511)	-	-	-	-	-
Additions	-	-	-	147,372,635	238,760,261	59,946,830	4,436,790	450,516,516	176,104,450
Deductions	-	-	-	2,646,164	10,794,190	8,852,465	1,988,993	24,281,812	40,917,394
At 31.03.2011	**298,789,630**	**59,406,821**	**635,711,841**	**1,178,314,663**	**1,848,751,689**	**486,951,710**	**38,137,148**	**4,546,063,502**	3,797,155,935
Acumulated Depreciation									
At 01.04.2010	-	252,580	13,115,867	299,222,682	441,550,961	169,783,576	6,178,298	930,103,964	695,618,523
Adjustments on account of amalgamation	-	28,356,602	-	(28,356,602)	-	-	-	-	-
For the year	-	1,962,413	10,362,103	83,374,737	129,883,966	44,304,073	3,499,584	273,386,876	249,467,356
Deductions	-	-	-	226,855	3,729,105	5,460,262	362,377	9,778,599	14,981,915
At 31.03.2011	**-**	**30,571,595**	**23,477,970**	**354,013,962**	**567,705,822**	**208,627,387**	**9,315,505**	**1,193,712,241**	930,103,964
For previous year	-	20,761	10,362,103	80,651,971	114,575,999	40,569,377	3,287,145	249,467,356	
Net Block									
At 31.03.2011	**298,789,630**	**28,835,226**	**612,233,871**	**824,300,701**	**1,281,045,867**	**278,324,323**	**28,821,643**	**3,352,351,261**	2,867,051,971
At 31.03.2010	190,350	1,021,010	622,595,974	768,898,021	1,178,761,794	266,073,769	29,511,053	2,867,051,971	2,966,350,356
Capital work in progress								190,030,124	198,708,613
Capital Advances (Unsecured, considered good)								131,800,993	44,257,389
								321,831,117	242,966,002
Total								**3,674,182,379**	3,110,017,973

Notes:

1. Fixed assets of the cost of Rs. 6,222,483, Previous year Rs. 6,852,918, (written down value Rs. 2,699,890, Previous year Rs. 2,535,825) have been discarded during the year.
2. Gross Block of Fixed Assets include Rs. 43,845,509 (Previous year Rs. 43,845,509) being Parent Company's proportionate share of expenses towards modification in the building structure and equipments, claimed by the various landlords of the properties taken on rent.
3. Claims of Rs. 8,921,779 (Previous year Rs. 8,921,779) lodged by some developers on the Parent Company and claims of Rs. 4,531,033 (Previous year Rs. 4,531,033) lodged by the Parent Company on the developers are subject to confirmation/reconciliation. However, the Parent Company had duly accounted for aforesaid claims in the books. Adjustments, if any, which in the opinion of the management, will not be material, would be made once the claims are confirmed/reconciled.
4. Leasehold Building include premium paid amounting to Rs. 468,750,000 towards lease of 900 years.
5. Deduction from fixed assets include Rs. 648,377 (Previous year 4,130,183) being credit on settlement of liabilities relating to assets capitalized in previous year. Depreciation provided for the year is net of reversal of depreciation provided in earlier years of Rs. 32,827 (Previous year Rs. 14,667).

Schedules to the Consolidated Accounts

Schedule 8 : Pre-Operative Expenses (Pending allocation)

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Balance brought forward	**101,121,861**	31,810,838
Salary and other allowances	**33,712,324**	32,788,620
Contribution to provident and other funds (Refer Note 17 of Schedule 26)	**1,880,384**	1,849,904
Staff welfare expenses	**258,802**	503,619
Rent	**4,808,084**	2,315,642
Rates and taxes	**3,576,085**	1,671,317
Communication costs	**169,242**	152,348
Architect and other fees	**9,764,895**	7,783,429
Professional charges	**28,018,775**	14,022,789
Travelling and conveyance	**3,130,780**	2,750,043
Printing and stationery	**69,863**	23,254
Insurance	**109,820**	138,180
Repairs and maintenance:		
- Buildings	**623,783**	839,282
Electricity and water charges	**686,078**	381,772
Security service charges	**1,548,711**	1,035,159
Interest on debentures and fixed loans	**33,470,462**	16,633,022
Interest to others	**1,022,986**	3,838,521
Bank and other charges	**-**	1,137,575
Miscellaneous expenses	**440,318**	120,375
	224,413,253	119,795,689
Less : Management Fees recovered	**-**	3,550,000
Less :Allocated to fixed assets	**78,584,712**	13,006,733
Less: Expenses written off	**-**	2,117,095
Balance Carried Forward	**145,828,541**	**101,121,861**
Note:		
Salary and other allowances includes amount paid to a director of the Parent Company	**4,992,000**	4,992,000
Rates and taxes includes stamp duty on registration of lease deeds	**3,575,850**	1,632,900

Schedule 9: Intangible Assets

Rs.

	Goodwill (on Consolidation)	Website Development	Software Development Cost	Trademark & Copyrights	Film Rights' Cost	Total	Previous Year
Gross Block							
At 01.04.2010	3,237,299	824,313	30,094,559	13,267,449	289,474,832	336,898,452	321,103,076
Additions	-	75,000	9,902,022	-	596,056,329	606,033,351	15,795,376
Deletions	-	-	-	-	-	-	-
At 31.03.2011	**3,237,299**	**899,313**	**39,996,581**	**13,267,449**	**885,531,161**	**942,931,803**	336,898,452
Amortisation							
At 01.04.2010	2,728,678	89,927	10,818,214	2,798,890	201,484,338	217,920,047	192,942,345
For the yea	508,621	138,784	5,276,448	2,653,490	392,153,296	400,730,639	24,977,702
At 31.03.2011	**3,237,299**	**228,711**	**16,094,662**	**5,452,380**	**593,637,634**	**618,650,686**	217,920,047
For previous year	647,460	-	2,648,309	145,398	142,319,492	145,760,659	145,760,659
Net Block							
At 31.03.2011	**-**	**670,602**	**23,901,919**	**7,815,069**	**291,893,527**	**324,281,117**	118,978,405
Capital Advances (Unsecured, considered good)						212,974,541	534,108,524
At 31.03.2011	**-**	**670,602**	**23,901,919**	**7,815,069**	**291,893,527**	**537,255,658**	653,086,929
At 31.03.2010	508,621	734,386	19,276,345	10,468,559	87,990,494	118,978,405	128,160,731

Schedules to the Consolidated Accounts

Schedule 10 : Investments

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Long Term Investments (At Cost)		
Other than trade investments		
In Government Securities (Unquoted)		
6 years National Savings Certificates * (Deposited with Entertainment Tax Authorities)	**2,148,000**	7,548,000
6 years National Savings Certificates ** (Deposited with Entertainment Tax Authorities)	**2,425,000**	1,375,000
6 years National Savings Certificates ** (Deposited with Municipal Corporation of Hyderabad)	**45,000**	45,000
6 years National Savings Certificates ** (Deposited with Sales Tax Authorities, Udaipur)	**20,000**	
6 years National Savings Certificates *** (Deposited with Entertainment Tax Authorities)	**775,000**	
Current Investments (At lower of cost and market value)		
Other than trade investments (Unquoted)****		
Units in mutual funds of Rs. 10 each		
Nil (Previous year 1,370,634.107) units of C122 L&T Freedom Income STP Inst -Cum -Org- Plan	-	20,321,981
Nil (Previous year 993,857.957) units of L&T Select Income Fund - Flexi Debt Institutional -Dividend	-	10,062,810
Nil (Previous year 6,912,142.248) units of LIC MF Saving Plus Fund -Growth Plan	-	101,156,437
Nil (Previous year 417,269.195) units of SBI -SHF Ultra Short term fund Insst. growth fund	-	5,005,144
Nil (Previous year 7,555,949.034) units of 2032/ HDFC Cash Management Fund -Treasury-Advantage Plan-Whole-Growth	-	150,492,640
Nil (Previous year 1,402,180.390) units of G44 IDFC Money Manager Fund-Investment-Inst Plan -B Growth	-	20,000,000
Nil (Previous year 5,000,000.000) units of G679 IDFC Fixed Maturity Plan- Quarterly Series -55 Plan-A - Growth	-	50,000,000
Nil (Previous year 81,342,36.740) units of JM Money Manager Fund Super Plus plan-Growth (172)	-	104,439,141
Nil (Previous year 1,999,079.201) units of B51221W BSL Floating Rate Fund -Long Term -Instl-Weekly Dividend	-	20,090,628
Nil (Previous year 10,753,976.809) units of Kotak Flexi Debt Scheme Institutional-Growth	-	121,792,014
Nil (Previous year 812,767.051) units of S251 SBNPP Ultra ST Fund Inss.- Growth	-	10,004,593
Nil (Previous year 395,821.233) TFLD Tata Floater Fund - Growth	-	5,321,421
Nil (Previous year 938,135.0304) Birla Sun Life Savings Fund Institutional - Growth	-	16,048,488
Nil (Previous year 1,814,284.698) Kotak Floater Long Term - Growth	-	25,973,107

Schedules to the Consolidated Accounts

Schedule 10 : Investments (Continued)

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Nil (Previous year 2,073,402.521) IDFC Money Manager Fund -Investment Plan- Growth	-	29,079,189
Units in mutual funds of Rs. 100 each		
Nil (Previous year 416,105.684) ICICI Prudential Flexible Income Plan Premium - Growth	-	69,925,188
Units in mutual funds of Rs. 1,000 each		
Nil (Previous year 38,374.168) units of DSP Black Rock Floating Rate Fund- Institutional Plan - Growth	-	50,873,897
Nil (Previous year 144,697.359) units of Relainace Money Manager Fund- instiutional Option -Growth Plan	-	180,331,140
Nil (Previous year 52,568.17) UTI Treasury Advantage Fund-Institutional Plan (Growth Option)	-	63,641,161
Nil (Previous year 2813.196 units) of Reliance Money Manager Fund - Retail Option - Growth Plan	-	3,502,907
	5,413,000	**1,067,029,886**
Notes:		
1.*Held in the name of the Managing Director in the interest of the Company.	**2,148,000**	548,000
2. **Held in the name of the Employee in the interest of the Company.	**2,490,000**	7,000,000
3. *** Held in the name of the Developer in the interest of the Company.	**775,000**	1,420,000
4. **** Invested out of unutilised monies out of issue of share capital.	-	731,145,819

Unquoted (Net Asset value of units in mutual funds as on March 31st, 2011 Nil, previous year Rs. 1,066,621,475 (cost Nil , previous year Rs. 1,058,061,886)).

Schedules to the Consolidated Accounts

Schedule 11 : Deffered Tax Assets (Net)

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Deferred Tax Assets		
Effect of expenditure debited to profit and loss account in the current year/earlier years but allowable for tax purposes in following years	-	348,025
Provision for doubtful debts and advances	-	1,695,136
Carried forward business losses and unabsorbed depreciation	-	70,290,778
Gross Deferred Tax Assets	-	**72,333,939**
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets and intangibles as per tax books and financial books	-	(22,390,763)
Gross Deferred Tax Liabilities	-	**(22,390,763)**
Deferred Tax Assets (Net)	-	**49,943,176**

Note:
In the previous year, in respect of one of the subsidiary company a deferred tax asset was created considering the projected revenues from the firm contracts for movies which were under production and were expected to be released in 2010-11, coupled with the projected revenues from the distribution business, which had been included in the 2010-11 annual business plan (ABP) and was approved by the board of directors of subsidiary company, the management was of the view that there was virtual certainity that the deferred tax asset as at March 31,2010 will be realized against the future taxable profits. The same has been reversed in the current year in the absence of actual plans being achieved.

Schedule 12 : Inventories

(At lower of cost and net realisable value)		
Food and beverages	**12,865,476**	12,374,141
Stores and spares	**39,508,296**	23,357,309
Goods purchased for resale	**609,708**	830,274
	52,983,480	**36,561,724**

Schedule 13 : Sundry Debtors

Debts outstanding for a period exceeding six months		
Secured, considered good	**511,213**	2,746,295
Unsecured, considered good	**11,129,602**	17,320,470
Unsecured, considered doubtful	**20,375,014**	22,558,047
Other debts		
Secured, considered good	**12,887,283**	7,823,000
Unsecured, considered good	**275,555,822**	115,733,387
Unsecured, considered doubtful	**475,979**	254,023
	320,934,913	166,435,222
Less : Provision for doubtful debts	**20,850,994**	22,812,070
	300,083,919	**143,623,152**

Schedules to the Consolidated Accounts

Schedule 14 : Cash and Bank Balances

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Cash on hand	5,431,704	4,513,838
Balances with scheduled banks:		
On current accounts	734,500,302	50,670,939
On deposit accounts*	51,990,872	152,054,159
On unpaid and unclaimed dividend accounts	337,401	173,596
	792,260,279	**207,412,532**

* Includes fixed deposit receipts pledged with banks amounting to Rs. 50,704,283 (Previous year Rs. 50,853,700).

Schedule 15 : Other Current Assets

Interest accrued on deposits and others	5,008,745	6,423,057
Unbilled revenue	2,187,859	8,652,891
Entertainment Tax Receivable (refer note 21 of Schedule 26)	22,778,611	1,247,175
Assets held for sale	-	160,000
	29,975,215	**16,483,123**

Schedule 16 : Loans and Advances

Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	229,815,398	206,711,261
Balance with excise authorities	42,607,029	59,695,892
Inter-corporate loans to a body corporate	-	5,000,000
Advance payment of Income Tax/Tax Deducted at Source/Tax Refundable (net of provision for income tax)	130,744,271	184,299,619
MAT credit entitlement Account	77,324,313	22,899,890
Deposits - others	536,200,118	430,280,691
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	2,829,830	57,462
	1,019,520,959	908,944,815
Less : Provision for doubtful advances	2,829,830	57,462
	1,016,691,129	**908,887,353**
Included in Loans and advances are:		
Outstanding from Companies in which some of the directors of the Company are interested as directors.		
Priya Exhibitors Private Limited	2,500,000	2,500,000
Leisure World Private Limited	-	2,400,000

Schedules to the Consolidated Accounts

Schedule 17 : Current Liabilities

	As at March 31, 2011 (Rs.)	As at March 31, 2010 (Rs.)
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises (refer Note 16 of Scheule 26)	-	-
(b) total outstanding dues of creditors other than Micro and Small Enterprises	474,332,511	405,047,974
Unclaimed dividend (statutory liabilities as referred in Section 205C of the Companies Act, 1956)*	337,401	173,596
Book overdraft with banks	2,107,011	6,560,752
Advance from Customers	35,439,032	-
Security deposits	22,596,410	20,948,898
Income received in advance (includes amount adjustable after one year Rs. 4,000,000, Previous year Rs. 18,000,000)	64,632,034	97,124,028
Interest accrued but not due on debentures	8,151,781	-
Interest accrued but not due on loans	4,194,480	10,650,909
	611,790,660	**540,506,157**

* Shall be transferred to Investor Education and Protection Fund (as and when due)

Schedule 18 : Provisions

For Proposed Dividend		
- on Equity Shares	27,149,372	25,624,330
For Corporate Dividend Tax	4,509,172	4,354,855
For Staff benefit schemes - Leave Encashment	17,016,711	14,422,214
For Staff benefit schemes - Gratuity	7,011,696	5,128,287
	55,686,951	**49,529,686**

Schedule 19 : Miscellaneous Expenditure

(To the extent not written off)		
Preliminary expenses		
As per last account	457,028	-
Add: Incurred during the year	-	609,368
Less:Written off during the year	152,340	152,340
	304,688	**457,028**

Schedules to the Consolidated Accounts

Schedule 20 : Operating Income

	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
Income from sale of tickets of films (net of entertainment tax paid Rs. 369,646,437 Previous year Rs. 356,820,193)	**2,279,233,973**	1,845,318,942
Income from Revenue Sharing (net of entertainment tax paid Rs. 52,758,513, Previous year Rs. 24,639,233)	**238,739,319**	184,285,617
Income from sale of film rights, distribution of films and production of films (Gross, Tax Deducted at source Rs. 18,174,661 , Previous year Rs. 1,563,754)	**668,338,535**	210,610,140
Income from Bowling (net of entertainment tax paid Rs.8,589,782 Previous year Rs.12,318,726)	**53,174,420**	48,602,813
Sale of food and beverages	**732,265,665**	618,103,334
Advertisement (Gross, Tax Deducted at source Rs. 10,554,683, Previous year Rs. 9,152,700)	**531,453,669**	393,745,088
Management fees (Gross, Tax Deducted at source Rs. 1,268,260, Previous year Nil)	**11,049,818**	58,065
Sale of goods purchased for sale	**2,026,801**	2,158,377
Income from shoe rentals	**8,145,573**	8,526,771
Convinience Fees	**48,455,601**	29,853,785
	4,572,883,374	**3,341,262,932**

Schedule 21 : Other Income

Interest		
-On bank deposits (Gross, Tax Deducted at Source Rs. 432,437, Previous year Rs. 813,115)	**4,326,999**	6,822,128
-On long term investments - Non Trade (Gross, Tax Deducted at Source Rs. Nil, Previous year Rs. Nil)	**1,441,343**	1,427,735
-On Inter-corporate loans to others (Gross, Tax Deducted at Source Rs. 3,253, Previous year Rs. 296,111)	**32,534**	1,516,267
-From others (Gross, Tax Deducted at Source Rs. Nil Previous year Rs. Nil)	**10,722,014**	4,734,942
Dividend income (from current investments - other than trade)	**32,201,465**	33,437,120
Profit on sale of current investments - other than trade	**28,240,766**	5,615,921
Rent received (Gross, Tax Deducted at Source Rs. 912,174 Previous year Rs. 662,975)	**9,470,454**	6,675,221
Foreign exchange difference (net)	**(7,524)**	209,033
Unspent Liabilities written back (net)	**4,980,398**	15,973,647
Miscellaneous income	**24,571,114**	21,374,891
	115,979,563	**97,786,905**

Schedule 22 : Personnel Expenses

Salary and other allowances	**411,962,401**	367,504,503
Gratuity Expenses (Refer Note 17 of Schedule 26)	**2,162,712**	3,790,756
Contribution to provident and other funds (Refer Note 17 of Schedule 26)	**37,016,667**	30,399,695
Staff welfare expenses	**21,971,597**	18,735,816
	473,113,377	**420,430,770**

Schedules to the Consolidated Accounts

Schedule 23 : Operating and other Expenses

	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
Rent (Refer Note 19 (i) of Schedule 26)	566,172,855	515,940,966
Less: Receipt from sub-lessees (Gross, Tax Deducted at Source Rs. 5,790,831, Previous year Rs.8,818,579)	(70,888,243)	(65,954,270)
Rent (net)	495,284,612	449,986,696
Rates and taxes	45,568,503	37,039,538
Communication costs	22,150,029	20,194,778
Professional charges	56,906,382	51,597,573
Advertisement and publicity (net)	271,312,529	125,489,026
Commission to sub distributors	-	896,614
Business promotion and entertainment	3,886,503	4,743,186
Travelling and conveyance	64,764,910	61,077,212
Printing and stationery	14,514,685	13,085,427
Insurance	9,260,566	7,852,409
Consumable stores	1,134,828	1,075,747
Repairs and maintenance:		
- Buildings	62,977,123	54,377,844
- Plant & Machinery	51,545,842	44,736,485
- Common area maintenance	225,275,119	188,280,769
- Others	12,536,539	17,269,491
Electricity and water charges	224,500,739	181,287,924
Security service charges	43,715,502	29,706,450
Donations	3,335,000	2,375,000
Pre-operative expenses charged off	-	2,117,095
Irrecoverable balances written off (net)	-	25,823,615
Provision for doubtful debts and advances	13,483,036	14,931,362
Bad debts and Advances written off	94,425	-
Loss on disposal of fixed assets (net)	6,725,382	9,804,650
Loss on discard of fixed assets	2,699,890	-
Directors sitting fees	580,000	760,000
Bank and other charges	24,069,216	24,418,651
Miscellaneous expenses	23,722,709	17,131,250
	1,680,044,069	**1,386,058,792**
Rent includes amount paid to directors	3,755,611	9,360,000
Professional charges includes amount paid to director	2,400,000	2,400,000

Schedule 24 : Interest Paid

Interest		
-on debentures	33,060,000	11,990,301
-on fixed loans	94,304,931	141,317,926
-to banks and others	10,318,868	5,307,221
	137,683,799	**158,615,448**

Schedule 25 : Earnings Per Share (EPS)

	For the year ended March 31, 2011 (Rs.)	For the year ended March 31, 2010 (Rs.)
Net Profit after Tax	**81,770,628**	13,524,555
Weighted average number of equity shares in calculating basic EPS:		
-Number of equity shares outstanding at the beginning of the year	**25,624,330**	23,013,870
-Number of equity shares issued on January 1, 2010	**-**	2,557,000
-Number of equity shares issued on March 19, 2010	**-**	53,460
-Number of equity shares issued on April 30, 2010	**7,600**	-
-Number of equity shares issued on August 30, 2010	**31,600**	-
-Number of equity shares issued on Sept 8, 2010 w.e.f 1st April 2010	**1,460,112**	
-Number of equity shares issued on Nov 1, 2010	**22,730**	
-Number of equity shares issued on Nov 30, 2010	**1,000**	
-Number of equity shares issued on Jan 06, 2011	**2,000**	
-Number of equity shares outstanding at the end of the year	**27,149,372**	25,624,330
Weighted number of equity shares of Rs. 10 each outstanding during the year	**27,120,169**	23,660,278
Weighted average number of equity shares in calculating diluted EPS:		
Weighted number of equity shares of Rs. 10 each outstanding during the year (as above)	**27,120,169**	23,660,278
Add: Effect of stock options vested and outstanding for 211,610 equity shares	**73,733**	18,335
Weighted number of equity shares of Rs. 10 each outstanding during the year	**27,193,902**	23,678,613
Basic Earnings Per Share	**3.02**	0.57
Diluted Earnings Per Share	**3.01**	0.57

Notes to the Consolidated Accounts

Schedule 26 : Notes to the Consolidated Accounts

NOTES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011, Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date.

1. **Principles of Consolidation**

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

(i) The financial statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard – 21, Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006.

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

Name of Subsidiary Company	Country of Incorporation	Percentage of Ownership as at March 31, 2011	Percentage of Ownership as at March 31, 2010
CR Retail Malls (India) Limited	India	100	100
PVR Pictures Limited	India	60	60
PVR bluO Entertainment Limited	India	51	51

(iii) Goodwill represents the difference between the Parent Company's share in the net worth of a subsidiary company (CR Retail Malls (India) Limited) and the cost of acquisition at the time of making the investment in the subsidiary company. For this purpose, the Parent Company's share of net worth of the subsidiary company is determined on the basis of the latest financial statements of the subsidiary company prior to acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill is amortised pro-rata over a period of 5 years from the date of acquisition.

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

(v) Minorities' interest in net loss of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Company.Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been accounted for by the Parent Company.

(vi) As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. Differences in the accounting policies, if any, have been disclosed separately.

2. **Goodwill (on Consolidation)**

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

Particulars	March 31, 2005 (Rs.)
Investment - Fresh equity shares issued by CR Retail Malls (India) Limited on October 4, 2004	7,000,000
PVR Limited's share in the net assets of its subsidiary	5,448,602
Goodwill (A)	1,551,398
Investment – Additional equity shares purchased from The Phoenix Mills Limited on March 28, 2005	100,000
PVR Limited's share in the net assets of its subsidiary	82,460
Goodwill (B)	17,540
	March 31, 2007
Investment – Additional equity shares issued by CR Retail Malls (India) Limited on March 30, 2007	192,900,000
PVR Limited's share in the net assets of its subsidiary	191,231,639
Goodwill (C)	1,668,361
Total Goodwill (A+B+C)	3,237,299

3. Capital Reserve (on Consolidation)

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

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

4. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are prepared 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 (as amended). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the PVR Group and are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed Assets are stated at Cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT and service tax credit) and any directly attributable cost of bringing the asset in its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at the various locations.

(d) Goodwill

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

(e) Depreciation

Leasehold Improvements are amortized over the estimated useful life 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 lock in period of the agreement (whichever is lower) on a straight line basis.

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

Assets costing Rs. 5,000 and below are fully depreciated over a period of one year in case of one of the subsidiary companies (0.02% of the Total fixed assets). In case of others, assets costing Rs. 5,000 and below are fully depreciated in the year of acquisition.

(f) Intangibles

Goodwill

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

Software and Website Development cost

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

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

Film Rights' Cost

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

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

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

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

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

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

- 30% 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.
- 20% of the cost is amortised on the sale of Home Video rights.
  a. In cases where the sale is on Minimum Guarantee Basis, such 20% is amortised at the time of sale.
  b. In cases where the sale is on Consignment basis, an estimate of future revenue potential is expected up to 3 years from the date of release on Home Video. In such cases 15% of the total cost (75% of 20% cost) is amortised in the First year of sale and balance 5% (12.5% of 20%) is amortised equally for Second and Third year.
- balance 10% cost is amortised on the second sale of satellite rights.

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

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

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

In respect of unreleased films, payments towards film rights are classified under capital advances.

(g) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weight average cost of capital.

(h) Leases

Where the PVR Group is the Lessee

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

Where the PVR Group is the Lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

(i) Expenditure on New Projects and Substantial Expansion

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

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

(j) Investments

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

(k) Inventories

Inventories are valued as follows:

Food and beverages and goods purchased for sale	Lower of cost and net realizable value. Cost is determined on First In First Out Basis.
Stores and spares	Lower of cost and net realizable value. Cost is determined on First In First Out Basis.

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

(l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the PVR Group and the revenue can be reliably measured. Amount of entertainment tax, sales tax and service tax collected on generating operating revenue has been deducted from the respective operating revenue.

Sale of Tickets of Films

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

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.

Sale of Food and Beverages and Goods purchased for Sale

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

Revenue from Bowling

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

Income from Shoe Rental

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

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.

Income from Film Distribution

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

Income from Production of Films

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

Income from sale of all other rights other than film distribution

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

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.

Advertisement Revenue

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

Management Fee Revenue and Royalty Income (to the extent of Pouring Fee, from customers)

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

Convenience Fee

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

Interest Income

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

Dividend Income

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

(m) Foreign Currency Translations

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

(n) Retirement and other Employee Benefits

i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts

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 profit and loss account and are not deferred.

(o) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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 realised. In case where the Concerned Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognized 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 realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a 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 realised. 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.

Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(p) Segment Reporting Polices

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 Transfers

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

The Unallocated items

The unallocated items include general corporate income and expense items which are not allocated to any business segment.

(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) **Earning 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 cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

(t) **Employee Stock Compensation Cost**

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

(u) **Miscellaneous Expenditure (to the extent not written off)**

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

(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.

5. **Segment Information**

Business Segments

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

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

The following table presents the revenue and profit information of the business segments for the year ended March 31, 2011 and March 31, 2010 and certain asset and liability information regarding business segments as at March 31, 2011 and March 31, 2010.

Notes to the Consolidated Accounts

Revenue

Rs.

	Movie exhibition		Movie Production & Distribution		Bowling Alleys		Elimination		Total	
Business Segment	**For the year Ended March 31, 2011**	For the year Ended March 31, 2010	**For the year Ended March 31, 2011**	For the year Ended March 31, 2010	**For the year Ended March 31, 2011**	For the year Ended March 31, 2009	**For the year Ended March 31, 2011**	For the year Ended March 31, 2010	**For the year Ended March 31, 2011**	For the year Ended March 31, 2010
Income from Operations	**3,763,972,900**	2,994,481,814	**668,338,535**	251,488,631	**140,571,939**	137,302,644			**4,572,883,374**	3,383,273,089
Inter segment sales	**7,571,064**	1,122,903	**77,303,669**	40,878,491	**81,314**	8,763	**(84,956,047)**	(42,010,157)	**-**	-
Other Income*	**34,437,109**	40,196,781	**3,300,336**	2,321,488	**1,276,997**	1,714,523	**-**	-	**39,014,442**	44,232,792
Total Revenue	**3,805,981,073**	3,035,801,498	**748,942,540**	294,688,610	**141,930,250**	139,025,930	**(84,956,047)**	(42,010,157)	**4,611,897,816**	3,427,505,881
Results										
Segment Results	**394,364,813**	173,168,911	**(206,030,874)**	(90,389,366)	**29,679,850**	29,290,027		-	**218,013,789**	112,069,582
Amortisation of Goodwill									**508,621**	647,460
Interest Expense									**137,683,799**	158,615,448
Dividend Income									**32,201,465**	33,437,120
Profit/(Loss) on sale of current investments									**28,240,766**	5,615,921
Interest Income									**16,522,890**	14,501,072
Provision for Income Tax (including Wealth Tax, Fringe Benefit Tax, and Deferred Tax)									**(154,057,512)**	1,025,782
Net Profit before Minority Interest									**3,237,599**	8,034,029
* Total Other Income as per Profit and Loss Account is Rs. 115,979,563 (Previous year Rs. 97,786,905) which includes Rs. 76,965,121 (Previous year Rs. 53,554,113) pertaining to Corporate Office.										
Other Informatiion										
Segment Assets	**4,837,836,550**	3,749,655,573	**1,228,206,941**	926,675,248	**231,752,510**	143,852,123	**(13,298,911)**	(8,115,891)	**6,284,497,090**	4,812,067,053
Unallocated Assets									**271,043,364**	1,486,707,089
Total Assets									**6,555,540,454**	6,298,774,142
Segment Liabilities	**519,686,126**	506,415,532	**101,301,945**	57,176,251	**34,335,428**	14,729,858	**(13,298,911)**	(8,115,891)	**642,024,588**	570,205,750
Unallocated Liabilities									**1,956,091,496**	2,035,803,031
Total Liabilities									**2,598,116,084**	2,606,008,781
Capital employed	**4,318,150,424**	3,243,240,041	**1,126,904,996**	869,498,997	**197,417,082**	129,122,265	**-**	-	**5,642,472,502**	4,241,861,303
									(1,685,048,132)	(549,095,943)
Capital Expenditure	**513,335,957**	424,752,830	**304,875,603**	486,201,125	**57,232,339**	707,204	**-**	-	**875,443,899**	911,661,159
Depreciation/Amortisation	**267,380,844**	242,309,702	**393,803,227**	18,322,628	**12,285,980**	13,165,279	**-**	-	**673,470,051**	273,797,609
Goodwill Depreciation	**647,460**	647,460	**-**	-	**-**		**-**	-	**647,460**	647,460
Total Depreciation	**268,028,304**	242,957,162	**393,803,227**	18,322,628	**12,285,980**	13,165,279			**674,117,511**	274,445,069
Provision for Doubtful Debts and advances	**11,350,453**	11,216,613	**2,085,609**	3,714,749	**46,974**	-	**-**	-	**13,483,036**	14,931,362

Note:
Secondary Segment- Geographical Segment. The PVR Group manily caters to the needs of the of the domestic market. There is no export turnover. Hence , there are no reportable geographical segment.

6. Related Party Disclosure

Key Management Personnel	Ajay Bijli, Sanjeev Kumar
Enterprises having significant influence over the Parent Company	Bijli Investments Private Limited Priya Exhibitors Private Limited

Notes:

a) *The Company has availed loans from banks, a body corporate and SIDBI aggregating to Rs. 460,494,676 (Previous year Rs. 757,105,528) which are further secured by personal guarantee of two directors of the Company. Loan from SIDBI was further secured by second charge on personal properties of a director at Vasant Vihar and Jhandewalan, New Delhi.

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

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

Related Party Disclosure

Rs.

	Enterprises having Significant influence over the Company		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Total	
Transactions during the year	**March 31, 2011**	March 31, 2010	**March 31, 2011**	March 31, 2010	**March 31, 2011**	March 31, 2010	**March 31, 2011**	March 31, 2010
Remuneration paid (excluding provident fund)								
Ajay Bijli	-	-	19,968,000	19,968,000	-	-	19,968,000	19,968,000
Sanjeev Kumar	-	-	9,984,000	9,984,000	-	-	9,984,000	9,984,000
Rent Expense								
Priya Exhibitors Private Limited	13,080,412	13,256,845	-	-	-	-	13,080,412	13,256,845
Leisure World Private Limited	-	-	-	-	-	33,780,000	-	33,780,000
Fixed Assets purchased								
Leisure World Private Limited	-	-	-	-	-	9,200,000	-	9,200,000
Dividend Paid								
Bijli Investments Private Limited	5,133,169	5,058,615	-	-	-	-	5,133,169	5,058,615
Priya Exhibitors Private Limited	4,330,000	4,330,000	-	-	-	-	4,330,000	4,330,000
Ajay Bijli	-	-	1,554,674	102,922	-	-	1,554,674	102,922
Balance outstanding at the end of the year								
Trade Payable								
Priya Exhibitors Private Limited	298,091	516,001	-	-	-	-	298,091	516,001
Security Deposits								
Priya Exhibitors Private Limited	2,500,000	2,500,000	-	-	-	-	2,500,000	2,500,000
Leisure World Private Limited	-	-	-	-	-	2,400,000	-	2,400,000
Guarantees Taken (Personal Guarantees)								
Ajay Bijli	-	-	*	*	-	-	*	*
Sanjeev Kumar	-	-	*	*	-	-	*	*
Assets Mortgaged								
Ajay Bijli	-	-	*	*	-	-	*	*
Sanjeev Kumar	-	-	*	*	-	-	*	*

*Netted off Advertisement Income.

7. Security Deposits (paid) include Rs. 2,832,089 (Previous year Rs. 2,832,089) recoverable from one party, with whom the Parent Company had entered into Memorandum of Understanding for taking office space on rent and Rs. 5,890,311 paid as Security Deposit to various developers for taking multiplex space on lease. The Parent Company has filed legal suit for recovery of the aforesaid dues and is hopeful of recovering the same. Hence, no provision against the same has been considered necessary.

8. (a) The Finance Act 2010, amended the definition of the 'Renting of the Immovable Property Service' to explicitly provide that the activity of the 'renting' itself is a taxable service with retrospective effect from 01st June, 2007. The Parent Company has challenged the impugned provisions of law by way of a writ petition filed with the Hon'ble High Court of Delhi and a stay order is obtained. Also, based on the legal advice obtained, the management is confident that the service tax on renting of the immovable property is not applicable and hence is not payable. In view of this judgment, the service tax on renting of immovable properties to the extent of Rs. 144,801,716 (including Rs. 88,830,999 pertaining to earlier years) (net of service tax credit claimable) not paid to the landlords has not been provided during the year.

(b) Service tax amounting to Rs. 15,011,689 (including Rs. 5,409,585 pertaining to earlier years) on rental income has been charged from the lessees in the current year.

9. The subsidiary company, PVR Pictures Limited, is engaged in the production & distribution of movie. For the year ended March 31, 2011, the subsidiary company has incurred post tax loss of Rs. 221,804,962 (Previous year Rs. 37,823,273) in view of poor performance of movies produced/ co-produced during the year. Based on recent indicators of improvement in business sentiments and overall industry outlook inform of an increase in value realization against existing Film rights (IPRs). The management believes that losses incurred in past would be made good and the subsidiary company would start earning cash profit in foreseeable future. The financial statements have been prepared on a going concern basis on the strength of management's plan which is based on projected revenues from production business and distribution business.

10. In the previous year, one of the subsidiaries PVR Pictures Limited entered into an out of court arrangement with a Movie Production Company to recover advance of Rs. 35,100,000 which was settled for Rs. 11,100,000 with the balance Rs. 24,000,000 written off. The amount is considered recoverable by the management in two equal installments on July 31, 2011 and October 30, 2012.

11. Amalgamation of the erstwhile Leisure World Private Limited with the Parent Company:

(i) Pursuant to the scheme of Amalgamation of the erstwhile Leisure World Private Limited with the Parent Company under Section 391 to 394 of the Companies Act, 1956, (the scheme of Amalgamation) as sanctioned by the Hon'ble High Court of New Delhi vide its Order dated August, 19, 2010, the assets and liabilities of the erstwhile Leisure World Private Limited were transferred to and vested in the Parent Company with effect from the appointed date, i.e April 1, 2010. The Parent Company has made necessary filings with the Registrar of Companies, NCT of Delhi and Haryana. The Scheme of Amalgamation has accordingly been given effect to in these accounts.

(ii) In terms of the Accounting Standard 14 – Accounting for amalgamation, issued by the Institute of Chartered Accountants of India, the Scheme of Amalgamation is accounted under "Purchase method", wherein all the assets and liabilities of the erstwhile Leisure World Private Limited, have been accounted for in the books on the basis of the fair values as on April 1, 2010.

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

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

(v) As per the Scheme, the excess if any, of the aggregate fair value of the assets reduced by the aggregate value of the liabilities as recorded by the Parent Company and upon their transfer shall be credited to the Amalgamation Reserve which forms the part of the net worth of the Parent Company. Accordingly, an amount of Rs.19,336,308 has been credited to Amalgamation Reserve forming the part of the Reserve and Surplus of the Parent Company. The summary of such Assets, Liabilities and Reserves is as below:

Assets and Liabilities	**Amount in Rs.**
Fixed Assets	322,672,862
Current Assets, Loans and advances	4,272,460
Current liabilities and Provision	(2,547,117)
Secured Loan	(55,377,229)
Deferred tax liability	(5,516)
Total (A)	**269,015,460**
Capital issued as purchase consideration (refer note 11(iii))	
Share Capital	14,601,120
Security Premium	235,078,032
Total (B)	**249,679,152**
Amalgamation Reserve (A-B)	**19,336,308**

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

In view of this amalgamation being effective from April 1, 2010, the figures for the year ended March 31, 2011 are not comparable with the previous year's figures.

12. Amalgamation of the subsidiary erstwhile Sunrise Infotainment Private Limited with the Parent Company in the previous year

(i) Pursuant to the scheme of Amalgamation of the subsidiary company, erstwhile Sunrise Infotainment Private Limited, with the Company under Section 391 to 394 of the Companies Act, 1956, (the scheme of Amalgamation) as sanctioned by the Hon'ble High Court of New Delhi vide its Order dated September 25, 2009, the assets and liabilities of the subsidiary company, erstwhile Sunrise Infotainment Private Limited (a Company engaged in the business of film exhibition), were transferred to and vested in the Parent Company with effect from April 1, 2008.

(ii) Pursuant to Scheme of Amalgamation approved by the Hon'ble High Court, the authorized share capital of the Parent Company stands reclassified as 35,000,000 Equity Shares of Rs. 10 each; 20,000,000 Preference shares of Rs. 10 each and 5,000,000 5% cumulative Preference shares of Rs. 10 each from 30,000,000 Equity shares of Rs. 10 each and 20,000,000 Preference shares of Rs. 10 each respectively in the previous year.

(iii) Pursuant to the Scheme of Amalgamation, the bank accounts and agreements in the name the subsidiary company, erstwhile Sunrise Infotainment Private Limited, are in the process of being transferred in the name of the Parent Company.

13. 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. In the assessment orders for the Assessment years 2006-07 and 2007-08, the Assessing Officer has accepted the Parent Company's contention that the amount of entertainment tax is a capital receipt by reducing the notional amount of entertainment tax from the block of fixed assets while calculating depreciation on fixed assets. However the Parent Company's contention of Entertainment tax a capital receipt and the Parent Company's appeal for not setting off such capital receipt from the value of fixed assets has been rejected by Commissioner of Income Tax (Appeals) and the Parent Company has filed appeals against the order of CIT (Appeals) before the Hon'ble Income Tax Appellate Tribunal, Delhi in respect of these years. Till the time the appeal is pending, provision for current income tax and deferred tax liabilities for the current year and earlier years has been made based on the Parent Company's position of treating the entertainment tax as a capital receipt and reducing the notional amount of entertainment tax from the block of fixed assets while calculating depreciation on fixed assets. Had the Parent Company made the income tax provision based on the CIT (Appeals) order, the advance payment of income tax and deferred tax liability would have been lower by Rs. 192,389,520 each. There is no material impact in the Profit before tax of the current year.

14. The asset of Rs. 77,324,313 (Previous year Rs. 22,899,890) recognised by the PVR Group as 'MAT Credit Entitlement Account' under 'Loans and Advances' 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 PVR Group to utilize MAT credit assets.

15. Derivative Instruments and Unhedged Foreign Currency Exposure:

Particulars of Unhedged Foreign Currency Exposure as at the Consolidated Balance Sheet date:

Particulars	Currency	Amount in Respective Currency March 31, 2011	March 31, 2010
Sundry Creditors	Thai Bhat	**420,230**	420,230
	USD	**14,128**	14,256
Cash in Hand	USD	**9,958**	3,750
	Thai Bhat	**6,301**	6,301
	Hongkong Dollar	**560**	130
	Sterling Pound	**85**	50
	Singapore Dollar	**100**	100

Conversion rates used:
1 Thai Bhat = Rs 1.5 (Previous year Rs 1.39); 1 Hongkong Dollar = Rs 5.83 (Previous year Rs 5.79); 1 Sterling Pound = Rs 72.99 (Previous year Rs 67.82); 1 Singapore Dollar = Rs 35.97 (Previous year Rs 32.16); 1 US Dollar = Rs 45.45 (Previous year Rs 45).

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

Particulars	**March 31, 2011 (Rs.)**	March 31, 2010 (Rs.)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	-	-
- Interest amount	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

17. 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 at 15 days salary (last drawn salary) for each completed year of service.The scheme for the Parent Company is funded with an insurance company in the form of a qualifying insurance policy.

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

Profit and Loss Account

Net employee benefit expense (recognized in Employee Cost)

Rs,

	Gratuity	Gratuity	Gratuity	Gratuity
	Funded		**Non Funded**	
	2010-11	2009-10	**2010-11**	2009-10
Current service cost	**4,786,591**	4,377,816	**312,860**	299,423
Interest cost on benefit obligation	**1,734,063**	1,223,773	**46,071**	121,955
Expected return on plan assets	**(1,293,935)**	(844,489)	**-**	-
Effect of the Employee Transferred within Group Co.	**-**	(377,279)	**-**	377,279
Less:Transferred to pre-operative expenses	**-**	-		-
Net actuarial (gain)/loss recognised in the year	**(3,584,970)**	(681,478)	**11,799**	(706,244)
Net benefit expense	**1,641,749**	3,698,343	**370,730**	92,413
Excess of Actual return over estimated return	**168,180**	(674,749)	**-**	-

Balance sheet

Details of provision for gratuity are as follows:

Rs.

	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
	Funded				
	2010-11	2009-10	2008-09	2007-08	2006-07
Defined benefit obligation	**22,844,525**	21,675,791	16,531,926	12,907,090	8,917,260
Fair value of plan assets	**(16,779,455)**	(17,252,470)	(11,259,851)	(8,134,508)	(5,069,993)
Plan asset/(liability)	**(6,065,070)**	(4,423,321)	(5,272,075)	(4,772,582)	(3,847,267)
Experience adjustment on plan liabilities (loss)/gain	**(3,753,150)**	(6,729)	-	-	-
Experience adjustment on plan assets (loss) / gain	**(168,180)**	674,749	-	-	-
	Unfunded				
Defined benefit obligation	**946,626**	**704,966**	2,029,839	954,301	-
Fair value of plan assets	**-**	**-**	-	-	-
Plan asset/(liability)	**(946,626)**	**(704,966)**	(2,029,839)	(954,301)	-
Experience adjustment on Plan liabilities (loss)/gain	**(26,681)**	**706,244**	(373,042)	-	-

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

	Gratuity	Gratuity	Gratuity	Gratuity
	Funded		Non Funded	
	2010-11	2009-10	**2010-11**	2009-10
Opening defined benefit obligation	**21,675,791**	16,531,926	**575,896**	2,029,839
Adjustment on account of amalgamation of subsidiary company with the parent company during the year	**-**	347,699	**-**	(347,699)
Interest cost	**1,734,063**	1,223,773	**46,071**	121,955
Current service cost	**4,786,591**	4,377,816	**312,860**	299,423
Benefits paid	**(1,598,770)**	(798,694)	**-**	(692,308)
Actuarial losses/(gains) on obligation	**(3,753,150)**	(6,729)	**11,799**	(706,244)
Closing defined benefit obligation	**22,844,525**	21,675,791	**946,626**	704,966

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

	Gratuity	Gratuity
	2010-11	2009-10
Opening fair value of plan assets	**17,252,470**	11,259,851
Expected return	**1,293,935**	844,489
Contributions by employer	**-**	5,272,075
Benefits paid	**(1,598,770)**	(798,694)
Actuarial gain/(losses)	**(168,180)**	674,749
Closing fair value of plan assets	**16,779,455**	17,252,470

The parent company expects to contribute Rs. 9,937,420 to gratuity fund in the year 2011-2012.

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

	2010-11 %	2009-10 %
Investment with Insurer	98.08	98.14
Bank Balances with the Insurer	1.92	1.86

The overall expected Rate of Return on Asset is determined based on the market prices prevailing on that Date, applicable to the period pver which the obligation is to be settled.

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

	Gratuity	**Gratuity**
	2010-11 %	2009-10 %
Discount rate	**8.00**	7.25
Expected rate of return on plan assets	**7.50**	7.50
Increase in compensation cost	**5.50**	5.00
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.

(Rs.)

Contribution to Provident Fund	2010-11	2009-10
Charged to Profit and Loss Account	**26,025,941**	22,326,575
Charged to Pre-operative expenses	**1,790,855**	1,731,874

18. Employee Stock Option Plans:

The Parent Company has provided stock option scheme to its employees. During the year ended March 31, 2011, 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 Parent Company. Further, Compensation Committee may also specify certain performance parameters subject to which options would vest.

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

	2010-11		2009-10	
	Number of options	Weighted Average Exercise Price (Rs.)	Number of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**446,540**	88.00	500,000	88.00
Granted during the year	**-**	-	-	-
Forfeited during the year	**-**	-	-	-
Exercised during the year	**64,930**	88.00	53,460	88.00
Expired during the year	**-**	-	-	-
Outstanding at the end of the year	**381,610**	88.00	446,540	88.00
Exercisable at the end of the year	**211,610**	88.00	111,540	88.00
Weighted average remaining contractual life of options (in years)	**2.84**	88.00	3.84	88.00

The weighted average share price at the date of exercise for stock options was Rs. 167.73.

Stock Options granted:

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

The options in earlier year were granted on then prevailing market price of Rs. 88. As a result, there is no expense to be recorded in the financial statements.

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

(Rs.)

Particulars	2010-11	2009-10
Profit after tax and minority interest and before appropriation, as reported	**81,770,628**	13,524,555
Add - Employee stock compensation under Intrinsic Value method	**-**	-
Less - Employee stock compensation under Fair Value	**4,660,407**	10,686,240
Proforma Profit /(Loss)	**77,110,221**	2,838,315
Basic		
- As reported	**3.02**	0.57
- Proforma	**2.84**	0.12
Diluted		
- As reported	**3.01**	0.57
- Proforma	**2.84**	0.12

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

(Rs.)

	2010-11	2009-10
Total Employee Compensation Cost pertaining to share-based payment plans	**4,660,407**	10,686,240
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	**4,660,407**	10,686,240
Total Liability for employee stock options outstanding as at year end	**Nil**	Nil
Intrinsic Value of liability as at year end for which right to cash/other assets have vested	**Nil**	Nil

Notes to the Consolidated Accounts

19. Leases

i) Rental expenses in respect of operating leases are recognized as an expense in the Profit and Loss Account and Pre-Operative Expenditure (pending allocation), as the case may be.

Operating Lease (for assets taken on lease)

a) The PVR Group has taken various cinemas, multiplexes, offices, bowling alleys and godown premises under operating lease agreements.These are generally renewable at the option of the PVR Group.The management of the PVR Group based on inputs from valuation experts, has allocated rent into two parts i.e rent paid for use of land and building separately.The impact of straight 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.

b) Disclosure for properties under non cancellable leases, where the PVR Group is carrying commercial operations is as under:

	2010-2011 (Rs.)	2009-2010 (Rs.)
Lease payments for the year recognized in Profit and Loss Account	**565,997,916**	515,940,966
Lease payments for the year recognized in Preoperative Expenditure	**4,808,084**	2,315,642
Minimum Lease Payments :		
Not Later than one year	**434,203,931**	373,259,441
Later than one year but not later than five years	**1,233,499,576**	1,170,056,716
Later than five years	**650,477,473**	721,536,303

ii) Rental income/Sub-Lease income in respect of operating leases are recognized as an income in the Profit and Loss Account and netted off from rent expense, as the case may be.

Operating Lease (for assets given on lease)

(a) 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.

	2010-2011 (Rs.)	2009-2010 (Rs.)
Lease rent receipts for the year recognized in Profit and Loss Account	**80,358,697**	**72,629,491**
Lease rent receipts for the year recognized in Preoperative Expenditure	-	-

b) 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.

20. During the year, the Parent Company has written off certain debtors amounting to Rs. 12,671,744 on account of non recovery of the same.These amounts have been charged off to profit and loss account in earlier years.

21. Other current assets include an amount of Rs. 22,778,611 (Previous year Rs. 1,247,175) which represents amount of entertainment tax recoverable from the Government of Uttar Pradesh in respect of Parent Company's multiplex at Allahabad, which commenced operations effective from 5th March, 2010 and at Lucknow which commenced operations effective from 10th September, 2010.The Parent Company has received the amounts in respect of Rs 8,995,297 subsequent to year end and is hopeful of recovering the balance in accordance with the Uttar Pradesh State Government Order no. 101/2009-10.

22. The Board of the Parent Company in its meeting held on 5th May, 2011 at New Delhi approved the sale of its investments in the shares of its subsidiary company CR Retail Mall (India) Ltd.The Board also approved the operating lease agreement with CR Retail Malls (India) Ltd. in respect of its property at Phoenix Mills, Mumbai.

		March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
23.	**Capital Commitments** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances).	**484,176,575**	293,312,079
24.	**Contingent Liabilities (not provided for) in respect of:**		
a)	Labour cases pending*	**Amount not ascertainable**	Amount not ascertainable
b)	Claims against the Parent Company not acknowledged as debts (the Parent Company has paid under protest an amount of Rs. 1,998,809 (Previous year Rs. 3,578,441) which is appearing in the Schedule of Loans and Advances)**	**2,827,468**	4,206,073
c)	Show cause notices raised by Service tax Commissionerate, New Delhi for non-levy of Service tax on invoices. (the Parent Company has already paid an amount of Rs.1,900,334 prior to the issuance of show cause notice which is apprearint in the Schedule of Loans and Advances)**	**18,432,861**	18,432,861
d)	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, 2008, 2007, 2006 respectively. (the Parent Company has paid an amount of Rs. 73,255,899 which is appearing in the Schedule of Loans and Advances)**	**114,260,843**	5,502,471
e)	Appeal filed by the Parent Company against the order of Municipal Corporation of Greater Mumbai against the demand of property tax for a multiplex at Mumbai.	**14,773,264**	10,731,694
f)	Appeal filed by CR Retail Malls (India) Ltd., a subsidiary company against the order of Chief Controlling Revenue Authority, Pune against the demand of deficit stamp duty.	**9,068,925**	-

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

25. Managerial Remuneration

	(Rs.)	(Rs.)
Chairman cum Managing Director's Remuneration*	**2010-11**	2009-10
Salary	**12,480,000**	12,480,000
Perquisites	**7,488,000**	7,488,000
Total	**19,968,000**	19,968,000
Joint Managing Director's Remuneration*		
Salary	**6,240,000**	6,240,000
Perquisites	**3,744,000**	3,744,000
Total**	**9,984,000**	9,984,000

* As the future liability of gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the director is not included above.*excluding provident fund contribution of Rs. 2,246,400 (Previous year Rs. 2,246,400).

** including Rs. 4,992,000 (Previous year Rs. 4,992,000) charged to pre-operative expenses. The said amount does not include provident fund contribution of Rs. 374,400 (Previous year Rs. 374,400).

The Ministry of Corporate Affairs (MCA), Central Government vide letter dated April 5th, 2010 had approved remuneration of Rs. 14,500,000 to Mr.Ajay Bijli, Chairman cum Managing Director (CMD) of the Parent Company for the period 01/04/

2008 to 31/03/2009 as against Rs. 19,719,949 paid during the said period. A representation has been made to MCA, Central Government for approval of the excess remuneration of Rs. 5,219,949 (as approved by the Remuneration Committee and shareholders of the Company) and the approval of the Central Government is awaited.

The MCA, Central Government vide another letter dated April 5th, 2010, had approved annual remuneration to CMD for the period 01/04/2009 to 31/03/2012 shall be as per last year's remuneration i.e Rs. 19,719,949 (including contribution to provident fund). The Parent Company has filed a representation to the Central Government for seeking approval for waiver of excess amount of remuneration of Rs. 1,628,903 per annum (excluding contribution to provident fund) paid to CMD during the period 01/04/2009 to 31/03/2010 and 01/04/2010 to 31/03/2011.

26. i) The Board of Director of the Parent Company had recommended a dividend of Rs. 1/- per share at its meeting held on May 28, 2010 subject to the approval of the shareholders at the annual general meeting and accordingly made an appropriation of Rs. 25,624,330 and Rs. 4,354,855 towards proposed dividend and dividend distribution tax respectively. The Parent Company has increased the appropriation by Rs. 1,499,312 for dividend and Rs. 150,043 for dividend distribution tax pertaining to dividend on shares allotted subsequent to March 31, 2010 but before the record date. The same has been disclosed under the current year appropriation.

ii) Final Dividend of Re. 1/- per share (i.e. 10% on equity share of par value of Re. 10/- each) tfor the year ended March 31, 2010 was approved by the shareholders in Annual General Meeting held on September 27, 2010 and same was paid in the current year except for Rs. 61,021 lying in unpaid dividend account.

iii) Proposed Dividend of Re 1/- per share (i.e. 10% on equity share of par value of Re. 10/- each) for the year ended March 31, 2011 has been approved by the Board of Directors of the Parent Company in its meeting held on May 27,2011 subject to the approval of shareholders in Annual General Meeting. The Parent Company has also transferred 2.5% of the current year profits to general reserves.

27. The Board of Directors of the Parent Company in their meeting held on May 27, 2011 approved buy back of shares from the open market for a sum upto 10% of its paid up equity share capital and free reserves.

28. a) The Parent Company has during the year started commercial operations at LDA Lucknow, Ahmedabad and Chennai. Hence the current year's figures are not strictly comparable with those of previous year

b) Previous years' figures have been regrouped where necessary to conform to current year's classification

Signatures to Schedule 1 to 26

As per our report of even date

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

For and on behalf of the Board of Directors

per **Yogender Seth**
Partner
Membership No. 94524

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

Place: Gurgaon
Date: May 27th, 2011

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Summarised Financial Statements of Subsidiaries
for the financial year ended 31.03.2011

Rs.

Sl. No.		PVR Pictures Limited		PVR bluO Entertainment Ltd.		CR Retail Malls (India) Ltd.	
		2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011
1	Capital	358,333,340	358,333,340	115,000,000	155,816,330	200,000,000	200,000,000
2	Reserves and surplus	1,002,150,221	780,345,260	16,043,818	36,837,604	11,070,342	51,650,363
3	Total Assets (Fixed Assets + Current Assets)	946,036,732	1,147,218,076	132,919,273	198,920,407	875,420,633	875,342,667
4	Total Liabilities	1,384,148	8,539,476	5,378,362	6,266,473	671,350,291	623,692,304
5	Investments (except in case of investment in subsidiary company)	415,830,977	-	3,502,907	-	7,000,000	-
6	Turnover	285,185,316	791,040,119	139,125,036	142,652,416	252,008,029	286,517,290
7	Profit before tax	(60,282,827)	(164,055,288)	29,373,606	30,402,016	35,355,464	61,632,227
8	Provision for tax	22,459,554	(57,749,673)	(9,702,625)	(9,608,230)	(11,828,840)	(21,052,206)
9	Profit after tax	(37,823,273)	(221,804,961)	19,670,981	20,793,786	23,526,624	40,580,021
10	Proposed Dividend	-	-	-	-	-	-

Please refer to consolidated financial statements and notes appearing therein.

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PVR LIMITED,

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

Corporate Office: BLOCK A, 4th FLOOR, BUILDING NO.9,

DLF CYBER CITY, PHASE III, GURGAON-122002, HARYANA