Annual Report 2007-08

the new spirit of the new PVR

The next level. Its the most natural thing to aim for. It isn't something that comes out of nowhere. Like everything, any next level comes out of the current level which in turn grew upon the previous level which went all the way back to when things began. That's the way it is with everything.

This year, with so many next levels sprouting on all fronts, we at PVR reckoned we would celebrate our journey. The first level, as always, is about coming into existence – at least as one sees one's own existence at that point. PVR pioneered the Indian multiplex phenomenon by setting up India's first multiplex in Delhi and catalysed the entire cinema exhibition industry. After that the next level was all about growth where PVR set up a large pan-India screen count. We grew the multiplex canvas till it was attractive enough for others to join the domain.

Our next level was about becoming an industry pivot point - a 360 degree catalyst. Our processes and systems grew so strong that they began to serve as models. PVR grew from a single cinema brand to a bouquet of brands that caters to every segment of the market.

We grew to become India's finest cinema exhibition brand and corporatised the business. PVR's next level was then lateral, when we integrated backward into distribution and production and food courts. It was really the best way to offer our cinegoers the best end-to-end cinema experience. Our experience in each of our new verticals met with success and deepened.

Service standards were raised all the time and every step forward took us many steps into the viewers' hearts. PVR today has almost 18 million viewers annually. Keeping consumer delight firmly in focus, we are now in the process of foraying into allied entertainment areas like bowling, karaoke and ice-skating. Seemingly unrelated, but when you think of it, completely in sync with our audience aspirations.

The next level. Its about many next levels. Its out there and its right here. Its on the borders of your imagination and its there in every business practice you implement day in and day out. In every employee you inspire. In every consumer you delight. In every vendor who enters your office happily. Its in the mundane stuff, its in the stuff you're still dreaming about doing.

The next level. Its about future delight and current self-doubt and organizational stretch. Its about the fruit. Its about the roots. The best thing about the next level is that it isn't really in the next level. Its really right here and right now! As wiser men say :
"It depends... ON YOU."

the NEXT level is right now

the NEXT level

Contents

PVR LIMITED

Board Of Directors

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

Company Secretary
Mr. N.C. Gupta

Auditors
S. R. Batliboi & Co
Chartered Accountants

Bankers
Standard Chartered Bank
HDFC Bank Limited
Kotak Mahinda Bank Limited

Subsidiaries
PVR Pictures Limited
C R Retail Malls (India) Private Limited
Sunrise Infotainment Private Limited
PVR bluO Entertainment Pvt. Ltd

Registrar & Share Transfer Agents (R&TA)
Karvy Computershare Private Limited (KCPL),
Karvy House, 46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034
Tel +91-40-2342 0815-824 Fax +91-40-2342 0814,
www.kcpl.karvy.com

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

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

very bullish on cinema in all its aspects

Dear Shareholders,

We present your 13th Annual Report to you with great pleasure and pride. The year has been a landmark year which has seen your company making excellent progress in all its business domains and taking tremendous leaps into new areas which bear great promise for all our futures.

For the Indian economy, the year has ushered in numerous hues. However, despite the path of the stock market, the spectre of inflation and the situation in driver markets such as US, we remain realistically bullish about Indian earning levels, real incomes and spending propensities in most areas of consumption including entertainment.

Your cinema screen count continued to expand and every PVR cinema continued to deliver superior performance in spite of intense competition. A footfall of close to 18 million viewers in FY 07-08 assures us that the PVR cinema experience continues to be unparallelled, even with many PVR innovations being emulated by the rest of the industry. Your company continued to innovate to provide a finer viewer experience and keep ahead of the competition.

In the distribution domain, your company continued to be the distributor of choice for many prestigious studios and independent directors – both Indian and international. PVR continues to grow as a distributor and adds quality and diversity to the Indian screen by profitably bringing in a plethora of talent that would otherwise remain unexhibited in India.

Your company smashed all benchmarks with its maiden co-production "Taare Zameen Par", proving that good cinema with excellent human values and good production standards can indeed win box office success as well as critical acclaim.

expanding cinema to broader, deeper entertainment formats

Your company has several more productions in the pipeline, each of which is based on a strong story line, a well-crafted script and superb production values. Great effort has been made to cover every possible base to ensure both good returns and betterment of quality Indian cinema.

During the year under review, your company opened two foodcourts at Sahara Mall, Gurgaon and Ambience Mall, Gurgaon. Your company has further signed an MOU with M/s Gyan Enterprises Private Limited, a company promoted by Mr. Amit Burman of Dabur group in order to partner him in the F&B service retailing business.

Looking beyond cinema, your company has taken a bold, new view of the Indian entertainment industry and is in the process of creating new entertainment formats to take the savvy Indian audience several notches higher. A new tie-up has been forged with Thailand's largest provider of premium entertainment, Major Cineplex Group, to form a new joint venture which will offer bowling, karaoke and ice-skating in an exciting new format that also includes cinema. Your company hopes to engross a wider section of the Indian audience and engage them at a deeper level – where they become participants rather than mere spectators. This is the beginning of a very exciting chapter.

We continue to innovate and move every aspect of your company to another level of leadership in every dimension. We are joined in this endeavour by you, our stakeholders, our employees and associates, whose cooperation we are grateful for.

We request your continued combined support in the future, for the future that we envision is wonderful!

Good wishes

Ajay Bijli　　　　　Sanjeev Kumar

PVR An overview

FINANCIAL HIGHLIGHTS : FY 2004 - FY 2008

Figures in Rs Lacs unless stated otherwise

INCOME STATEMENT FY 2004 - FY 2008

For Year Ending	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04
Operating income	23608	16472	10302	6864	4817
other Income	862	715	300	203	157
EBITDA	5378	3316	1930	1317	838
PBDT	4697	2767	1608	1079	647
PBT	3187	1525	900	527	263
Tax	(1081)	(469)	(353)	(162)	(107)
Profit after tax (PAT)	2106	1056	547	365	156
No. of Equity Shares (In Lacs)	230	230	229	171	133
EPS – Basic (Rs)	8.78	4.12	2.62	2.64	1.24
EPS – Diluted (Rs)	8.53	4.12	2.62	2.64	1.24

BRIEF ON SOURCES AND APPLICATION OF FUND FY 2004 - FY 2008

For Year Ending	31 Mar, 08	31 Mar, 07	31, Mar, 06	31 Mar, 05	31, Mar, 04
Assets					
Gross Block	20873	16978	10095	8290	4806
Net Block	15958	13491	7822	6695	3689
Capital WIP	1936	1443	4393	1376	846
Pre-operative expenses	346	380	1418	377	322
Intangible Assets (including capital WIP and advances)	87	61	36	29	28
Investments	7853	6290	3093	121	50
Inventory	209	176	92	68	31
Receivables	1328	567	311	246	259
Cash and Bank Balances	1112	701	6285	949	262
Other Current Assets	155	36	104	13	7
Miscellaneous Expenditure			0	54	107
Loans and advances	6553	6166	5283	2031	1770
Balance Sheet Total	35536	29310	28837	11959	7372
Liabilities					
Equity Share Capital	3301	4301	4288	1710	1331
Employees Stock Options Outstanding			29	0	0
Advance against share capital	258	0	0	0	0
Reserves & Surplus	17487	15736	14967	3608	1771
Total Debt	9549	6007	6137	4651	3024
Deferred Tax Liability	696	646	467	429	349
Current Liabilities and Provisions	4245	2620	2950	1561	897
Balance Sheet Total	35536	29310	28837	11959	7372

the NEXT level

PVR is a leading, premium multiplex cinema exhibition company with a growing presence across various verticals of the lifestyle entertainment domain.

PVR pioneered the multiplex revolution in India by establishing the country's first multiplex cinema in 1997 and the largest (then and even now) 11-screen multiplex cinema in 2004. As of June 2008, PVR's geographically diverse cinema circuit in India consists of 101 screens across 25 cinemas. With close to 18 million patrons annually, PVR is one of India's most recognized film exhibition brands.

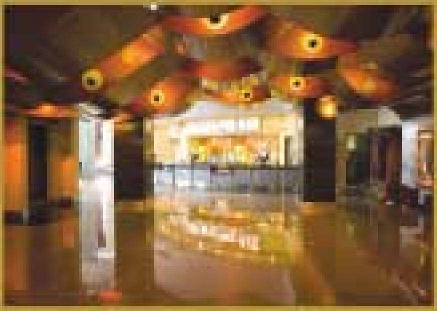
The organization's systematic, proven site selection model for project evaluation and approval, consistently pinpoints prime locations packed with revenue generation potential which successfully translate into robust revenues.

PVR has strong, deep relationships with the real estate industry and has long been regarded as a key anchor tenant by leading real estate developers across the country because the organization's footfalls and environments significantly drive the revenues of surrounding retail development.

PVR's huge emphasis on marketing and promotion, implementation of uniform operational systems, processes and customer-oriented service procedures have built excellent brand equity with viewers.

The organization has another major competitive strength in its deep relationships with the film industry at all levels.

PVR's exhibition formats cover all audience segments on an end-to-end basis. At the lower end of the spectrum, the organization's low-cost multi-screen cinemas under the 'PVR Talkies' brand, offer superior ambience and high hygiene standards for viewers in Tier 2 cities. The demanding value-conscious audiences of the metros are catered to through PVR's mainstream cinemas. At the upper end, PVR operates premium multiplexes called PVR Premiere which cater to evolved premium urban viewers. The Gold Class sub-segment caters to patrons who demand nothing less than a super-exclusive, ultra-luxurious viewing experience. The PVR Heritage brand which offers a heritage viewing ambience, completes the organization's well-rounded value chain.



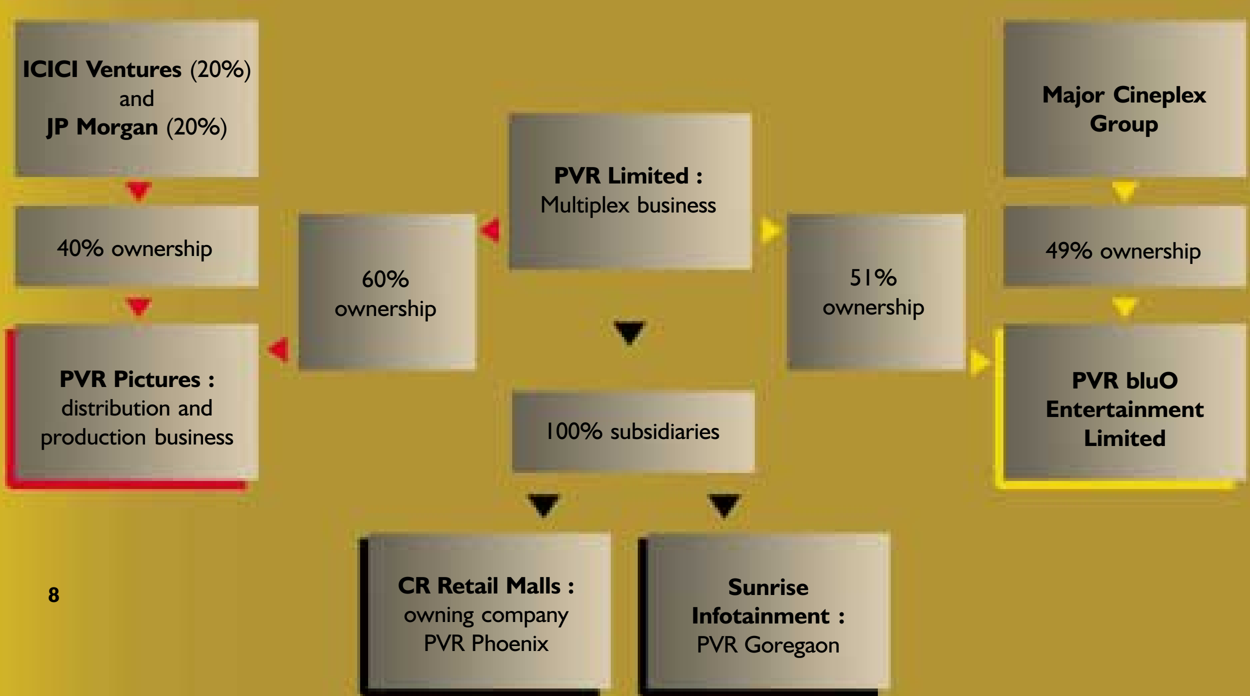
PVR's spirit of continual innovation both internally and with its partners, led to the launch of India's and the world's first mobile ticketing application in cooperation with Airtel, India's leading telecom player. Also, PVR's newly established ATM ticket kiosks uniquely enable patrons to book tickets on the spot at cinema halls. A simple credit card swipe, selection of the desired movie and the relevant showtime, is all it takes to regenerate a printed ticket in real time.

PVR : much more than India's leading cinema exhibition company

PVR also operates a film distribution and production business through its subsidiary, PVR Pictures, which acquires and distributes Indian and international films. "Taare Zameen Par", the first co-production of PVR Pictures was released during December 2007. The film (distributed by PVR Pictures), received critical acclaim and performed strongly at the box office. In addition to "Taare Zameen Par", PVR Pictures distributed over 40 international and Indian films during 2007-08.

PVR Pictures has recently concluded a private equity placement of Rs. 120 crores with ICICI Ventures and JP Morgan Mauritius Holdings IV Limited. The funds will be used to add muscle and diversity to the company's production and distribution portfolios in the coming year.

Holding pattern of PVR Group companies



To ramp up its presence across the retail entertainment landscape, PVR entered into a joint venture, PVR bluO Entertainment Ltd, with the Major Cineplex Group, a leading film exhibition and retail entertainment company based out of Thailand, to set up bowling alleys, karaoke centers and ice skating rinks across India.

Broadening its current food court experience, PVR has signed an MOU to acquire a 30% stake in an F&B service retailing joint venture with M/s Gyan Enterprises Private Limited, a company promoted by Mr. Amit Burman of Dabur group. The joint venture will be involved in scaling up PVR's F&B service retailing initiative, by setting up food courts and restaurants across key Indian markets.

PVR's 100% owned subsidiaries are M/s CR Retail Malls (India) Pvt Ltd., (engaged in the implementation of the seven screen multiplex project at Phoenix Mall, Lower Parel, Mumbai) and M/s Sunrise Infotainment Pvt Ltd., which handles the operation of the six screen multiplex project at The Oberoi Mall at Goregaon, Mumbai. Both the sites are located at prime retail and entertainment destinations in Mumbai.

PVR's transition from a single multiplex pioneer to an integrated entertainment provider

1996-2000	2000-2003	2003-2006	2006-2008
Established India's first multiplex in collaboration with Village Roadshow, Australia	Strengthened presence in the Delhi / NCR circuit Ventured into the film distribution business	Rapid expansion of exhibition business across India Established India's largest cinema in Bangalore Signed up more than 150 screens for development Scaled up distribution business with a strong presence across key territories	Established a pan-India exhibition network with 101 screens across 15 cities Entered film production with a co-production deal with AKPPL. The first film, Taare Zameen Par, won box office success and 5 Filmfare Awards Signed an MOU with M/s Gyan Enterprises Private Limited, a company promoted by Amit Burman of Dabur group to rapidly expand the food court and food retailing business Signed a JV with Major Cineplex Group, Thailand, to set up bowling alleys, karaoke centres, ice skating rinks and gaming zones Secured PE funding from ICICI Ventures and JP Morgan for its film production & distribution business

PVR : growing to the next level in every direction

PVR cinema exhibition - new benchmarks all round

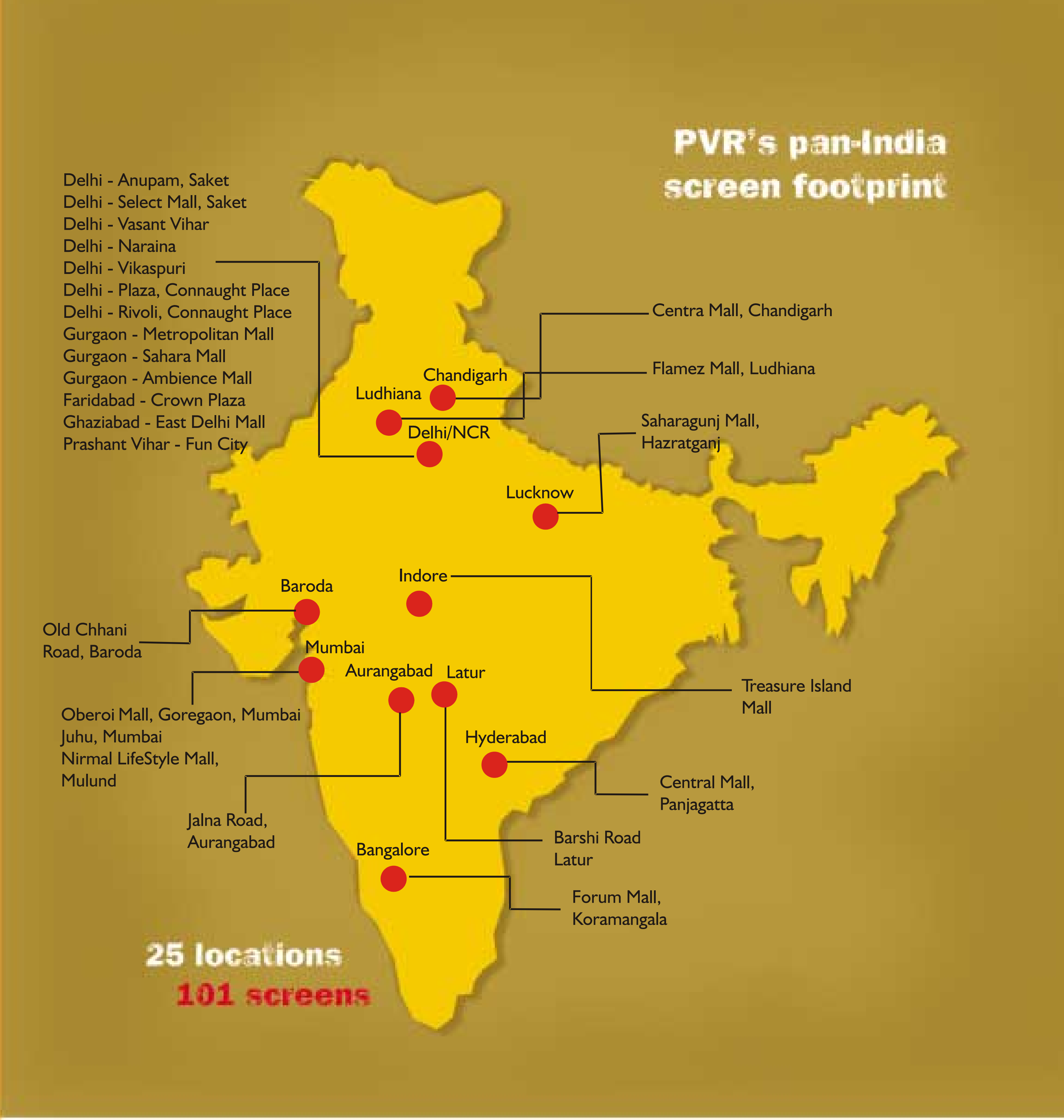
PVR is the Indian multiplex industry's pioneer and principal catalyst - from the establishment of India's first multiplex cinema in 1997 to the (then and currently) largest 11 screen multiplex cinema in the country in 2004. In the current year, PVR's exhibition business has seen next level performances in several areas.

	As on July-08	As on Mar-08	As on Mar-07
Properties under operation*	25	22	19
Screens under operation	101	84	68
* Excluding franchise properties			


Since April 2007, PVR has added 33 screens to realize a pan-Indian screen footprint of 25 cinemas with a total of 101 screens spread over Delhi, Faridabad, Gurgaon, Ludhiana, Ghaziabad, Mumbai, Bangalore, Hyderabad, Lucknow, Indore, Aurangabad , Baroda, Chandigarh and Latur.

Almost 18 million patrons visited PVR multiplexes in the current year and made PVR one of India's most dynamic and recognized film exhibition brands. In turnover terms, cinema exhibition, the main vertical of PVR's business grew by over 42% this year to Rs. 244.7 crores.

Several well thought-out measures contributed to these ebullient numbers. PVR's cinemas essentially perform tall on three robust legs : a scientific, robust site selection model that continue to guide theatre location choices that generate excellent revenues along projected lines, historic strong relationships with the developer community; and deep cross-links at all levels within the film production and distribution fraternity.



For the past many years, PVR cinemas have generated excellent footfalls due to its innovative practices that have steadily become industry benchmarks. The numbers hearteningly indicate that the millions of cinegoers who flock to PVR's cinemas, have appreciated PVR's emphasis on industry-leading marketing and promotion, countrywide uniform operation systems and processes and customer oriented service practices. As a result of the tremendous viewer satisfaction, PVR cinemas generate greater revenues per theatre.

Performance of top movies released during FY 2007- 08

Based on the all-India net box office estimates for the top 10 movies released during this year. (data obtained from Ibosnetwork.com), PVR has consistently contributed between 10-15% of the net box office collection of most of the key Bollywood movies.

Figures in million Rs

Movies	Net Box Office		
	PVR*	All India**	% Contribution
Welcome	53	780	7%
Om Shanti Om	70	748	9%
Taare Zameen Par	113	638	18%
Race	44	580	8%
Chak De India	92	574	16%
Jodhaa Akbar	66	548	12%
Partner	48	536	9%
Heyy Babyy	49	457	11%
Bhool Bhulaiyya	45	439	10%
Jab We Met	52	270	19%

* Net box office earned by PVR till 27th April 2008
**Total Net box office revenue earned by Industry till 27th April 2008. Source: Ibosnetwork.com

In all performance areas, PVR has endeavoured to raise service delivery levels by several notches and this has resulted in excellent brand equity and customer loyalty.

Differentiated cinema offerings for clearly segmented audiences

Over the years, PVR has strongly believed that "one size" does not fit all and has resultantly created differentiated theatre ambiences and pricing to cater to diverse audience segments. These product differentiations have been carefully designed and built up into an end-to-end range of PVR cinema brands.

PVR's Gold Class sub-brand caters to the upper end of the market which desires nothing less than a super-premium, international quality cinema experience and is willing to pay for it. The ambience at these cinemas feature ultra luxurious fitouts, premium food and beverage facilities overseen by a maitre d'hote, a mocktail bar and lounge with books, original art by noted artists, separate entrances and other features in line with the expectations of this audience.

The PVR mainstream cinemas act as the main driver brand and provide excellent viewing value to the mainstream, contempory-minded middle market. The PVR Heritage brand caters to audiences that desire a golden age cinema ambience.

PVR Talkies, on the other hand, is aimed at the value conscious market in Tier 2 towns that wants a quality cinema experience with superior ambience and good hygiene standards; and yet has a spending propensity that veers towards value pricing in line with cinema pricing found in smaller towns.

PVR completed its segmented brand spectrum in this current year and took the industry to a whole new level by adding the PVR Premiere brand at Select Citywalk Mall,Delhi and Ambience Mall, Gurgaon. The PVR Premiere range of cinemas will cater to the mid-upper market and are unique in their use of space, facilities and aesthetics. This new brand will be deployed at premium locations in metros and will always be launched as an in-site offering at a PVR Gold Class cinema.

the NEXT level

Enhancing human resources capabilities to deliver a next level cinema viewing experience

The Human Resource function which manages an employee roster of around 2000, developed a comprehensive services manual for all service functions and implemented all projected practices successfully, country-wide. Training modules specific to the needs of different employee groups were provided at premier institutions such as IIM and MDI and through in-house training sessions.

Training moved well beyond Induction Training sessions and "Providing Excellent Customer Service" workshops to next-level modules such as Team Building, Bonding and Grooming and Etiquette. To ensure high service standards, constant training audits of employees (Entertainment Service Providers) were conducted and workshops were held on experiential patterns, following the RATER framework.

Next level measures were put into place such as the presence of a dedicated travelling HR helpdesk which looks at addressing the grievances of employees across all cinemas; and the implementation of new award scheme to incentivise employees.

Security is an extremely important service delivery component at PVR and this function saw several measures being put into place - such as the upgraded use of state-of the art closed circuit camera systems to monitor all sites, the installation of high-end doorframe metal detectors at all PVR premises; and the intensive training of manpower from leading security agencies to provide security with a courteous touch.

PVR Pictures

on a high growth trajectory

PVR Pictures, a subsidiary of PVR Ltd is involved in the film production / co-production and distribution of Bollywood and Hollywood content across the Indian theatres. Recently the subsidiary secured Private Equity Investment worth Rs 120 crores from ICICI Venture (Rs. 60 crores) and JP Morgan Mauritius Holdings IV Limited (Rs. 60 crores) for a 20% stake to each of the investors. The deal values the production and distribution business at Rs 300 crores.

Cinema distribution : record growth while upgrading the quality of cinema nationwide

The distribution arm of PVR Pictures has emerged as a very savvy film distribution unit which has delivered an excellent mix of films to different regions of the country. While keeping a permanent eye on profitability, the distribution wing at PVR has endeavoured to raise the quality of films offered to the Indian public by giving distribution opportunities to independent films, meritorious directors, foreign films and good regional cinema – in addition to distributing Indian and International box office chartbusters. This approach has enabled the exhibition business to offer an unparalleled mix of quality film content to cinegoers in PVR multiplexes.

Some of the recent films in the company's distribution portfolio were Sarkar Raj, Mere Baap Pehle Aap, Ghatothkach, Bal Ganesh, Loins of Punjab, Breach, Hannibal Rising, Honeymoon Travels and Bheja Fry - not to forget, PVR's smash hit home productions, Taare Zameen Par and Jaane Tu Ya Jaane Na.

Production at PVR Pictures
excellent beginnings

PVR Pictures made its production debut this year with Taare Zameen Par, a co-production with Aamir Khan Productions Private Limited. Not only was the film a smash hit at the box office, it won immense critical acclaim for its strong story, tight script and emphasis on strong moral and family values. All these factors were carefully planned from inception and the strong marketing of the film by PVR's marketing team paid rich dividends in ensuring that the film was seen in the proper perspective by cine-goers. The acknowledgedly brilliant execution of the sensitive storyline saw the film bag 5 Star Screen and 5 Filmfare awards including the awards for "Best Story", "Best Director" and "Best Film".

PVR Pictures is in the process of signing several films with diverse directors and star casts. Each of these films has been selected on the basis of good stories, strong scripts with good lock-ins with the audiences. Excellent production values have been built into the films and fiscal prudence has been excercised to ensure that all the films are completed on time and within budget.

PVR Cinemedia

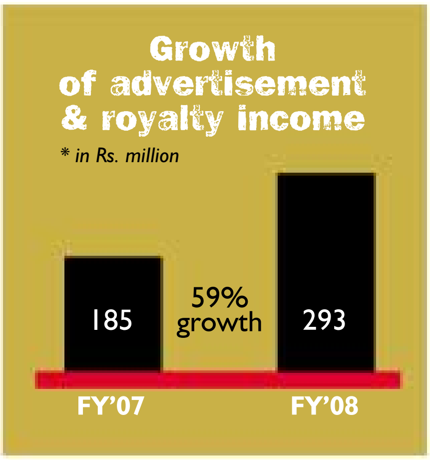
unlocking the potential of cinema media marketing

For many years, the marketing arm of PVR Cinemas had worked tirelessly to ensure excellent marketing communication standards, generation of revenues through cinema space selling, upgradation of the PVR cinema experience through the marketing of appropriate tie-ups and activities with different brands and cinema promotion for films distributed by PVR Pictures.

Under the new dispensation, PVR Cinemedia operates on the twin competitive strengths of excellent quality audiences that throng PVR's cinema theatres; and the strong lock-ins the organization enjoys with the biggest brands in the corporate world. PVR Cinemedia is positioned as a strategic business unit for PVR Limited.

PVR Cinemedia will now concentrate on its mandate of aggressively marketing cinema spaces on and off-screen, display and promotional space in any retail space such as cinemas, malls and chain stores; and concept to execution of events such as star visits, press conferences, product launches etc. PVR Cinemedia will essentially provide one-stop-shop solutions to brand owners seeking niche media opportunities beyond mass media. PVR Cinemedia's essential USP is that it is uniquely positioned to deliver a potent combination of relevant media footprint and star power to any brand activity. To accomplish this, PVR Cinemedia is aggressively signing on retail spaces across the country - both in the retail and cinema arenas - to forge new, mutually benficial media relationships and generate optimal utilization of currently under-performing assets for their owners.

This would result in a win-win situation for corporates who would get greater access to larger media canvasses under one roof and for media owners who would get better than current returns.



Food Union

PVR has broadened its presence in the F & B retailing business by signing an MOU with M/s. Gyan Enterprises Private Limited, a company promoted by Amit Burman of Dabur group, to acquire a strategic stake of 30% in a joint venture. The JV will be engaged in the business of food retailing and services under its own brand or under international brands through franchise arrangements.

The strategic objective of the enterprise is to give PVR patrons a good pre and post movie experience and maximise the revenue potential of footfalls generated by PVR cinemas. PVR will act as manager of design, facilities and services at the food courts and work to bring in the best of Indian and international cuisines by tying up with various operators.

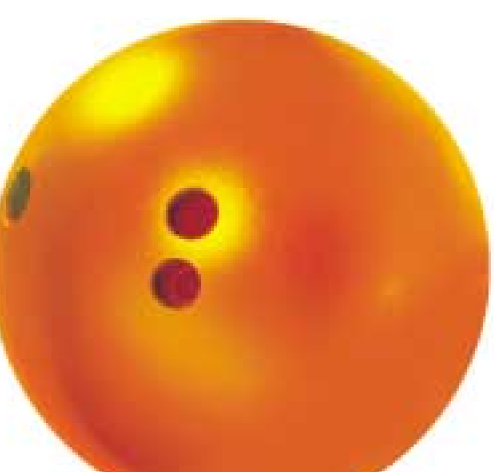
New ventures

Pioneering new concepts in the retail-tainment industry

Given the immense potential that the new, emerging India carries, PVR is working towards changing the retail entertainment landscape to go beyond cinema and food related services. Studies indicate that a large enough slice of India has moved up the Maslowian pyramid into self-actualization based consumption.

To service the needs of this very bullishmarket, PVR moved towards diversifying into lifestyle retail entertainment by entering into a joint venture with Major Cineplex Group, a leading film exhibition and retail entertainment company based in Thailand. The joint venture will set-up bowling alleys, karaoke centers, ice skating rinks and gaming zones in and around PVR's multiplexes to offer a complete entertainment experience to Indian consumers.

PVR bluO Entertainment Limited, the joint venture company is setting up its first project, a 24-lane bowling alley at Ambience Mall in Gurgaon. The company has announced plans to set up 150-200 bowling lanes in the next 3-4 years in key cities across India.



the NEXT level

PVR - the next level is always just there on the horizon...

PVR's long-term vision is to be India's premium and most preferred retail entertainment organization. To achieve this, the organization will continue to provide the highest exhibition standards at its multiplexes, besides bringing allied retail entertainment concepts to India, to complement and complete the entertainment experience for our consumers.

PVR's current business footprint

Exhibition	F & B Retailing	Retail-tainment	Film production & distribution
PVR Cinemas	Food Union	Major Cineplex, blu-O, sub-zero	PVR Pictures
Pioneered the multiplex revolution in India. Currently operates a pan-India cinema network of 101 screens across 25 cinemas	In the business of operating foodcourts, restaurants and fast food counters under its own brand or under franchised brand arrangements	JV with Major Cineplex Group to set up bowling alleys, karaoke centres, ice skating rinks and gaming zones	Film production and distribution business operated by PVR Pictures, a subsidiary of the company

the NEXT level

The PVR Team

it is incumbent on every generation
to search for the newest new.
and having found it, to move on
without making heavy weather of it.
for the next level is always such a
relative thing and just a stepping
stone to the next...
the simplest schoolboy is now
familiar with facts for which
archimedes would have sacrificed
his life.

"Consumers will continue to remain the core focus of all our operations at the cinema level. The challenge will remain to evolve and keep evolving continuously and quickly, to over exceed and satisfy the expectations of the consumer."
Amitabh Vardhan,
Chief Executive Officer,
PVR Cinemas

A future is only as good as the vision that drives it

"To develop the finance team to become a true business partner to the rest of the enterprise and help it respond quickly and effectively to an ever expanding array of challenges."
Nitin Sood,
Chief Financial Officer

"To provide wholesome and well rounded entertainment to the consumers at large and to introduce to the consumers, larger and more diverse forms of entertainment through successful and effective distribution of movies across India through the medium of PVR Pictures."
Ashish Saksena,
Chief Executive Officer,
PVR Pictures

"To redefine entertainment and present to the consumer holistic and complete entertainment. The vision would be to irrigate and nourish brand PVR and become a part of the acuity and sensitivity of the consumer, rather than just be remembered for the key takeaways of the brand."
Gautam Dutta,
Chief Executive, Cinemedia

"To facilitate the evolution of highly credible HR processes within the organisation specifically in the areas of performance management, compensation and benefits, learning and development initiatives. This can be achieved only by competence development which will motivate employees and motivated employees contribute wholeheartedly to their company's success."
Vinay Sharma,
Chief Advisor, HR

"To be recognized as the guidance gateway on the legal aspects to ensure timely actions on every issue to achieve the best outcome to meet the accountabilities of service. A continuous effort for adoption of better corporate governance practices and to ensure the corporate & regulatory compliance is the team's endeavor for the effective management of relationships with stakeholders and regulatory community."
N. C. Gupta,
Chief Legal & Company Secretary

Our futures are written as we act, speak and think right now.
Much as our present has been shaped by the way we acted,
thought and spoke last year.

"To develop and administer a comprehensive program presenting corporate information and the corporate message to a multifaceted audience, including the national and local communities, the investors, employees, and customers through steady communication within and outside the organization."
Siddhartha Dasgupta,
Chief, Corporate Affairs

"PVR Nest has evolved from a thought to an event, from a programme to an institutional entity. Thus, PVR Nest will have a bigger canvas, today and tomorrow, within and outside PVR. The future will be the time for newer challenges – diversity of programmes, sustainability of resources and different forms of internalization within the company."
Deepa Menon,
Head, CSR

"Belief in this simple thought is only strengthened each year as our customers time & again continue to choose & appreciate our design-sensitive approach. With every new project we continue to break mindsets - from restoring the past glory of old cinemas to creating cutting edge new-generation design for the newly opened first ever all-digital multiplex in India. Bringing alive the magic in entertainment spaces, we are now partnering in this business of delighting our discerning customer with the most luxurious and exquisite environs in retail space."

Vikas Sabharwal,
Vice President, Architecture and Interior Design

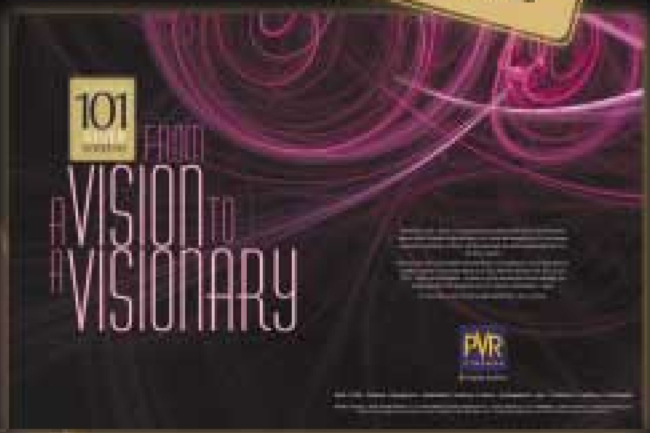
"To ensure that bagging the best projects in accessible and prime locations remains our focus each time we look at expanding our footprint in the country."

Ashawni Handa,
Senior VP,
Projects and Business Development

"To ensure that cinema advertising is maximized at each level. Advertising within and outside cinema has always been critical at PVR and we will work to ensure that we continue to remain as the most preferred space for advertising, for leading brands across the country."

Shalu Sabharwal,
VP, Sales and Marketing

the NEXT level



the year that was!

While good work is it's own reward, its nice to have a few showered upon you!

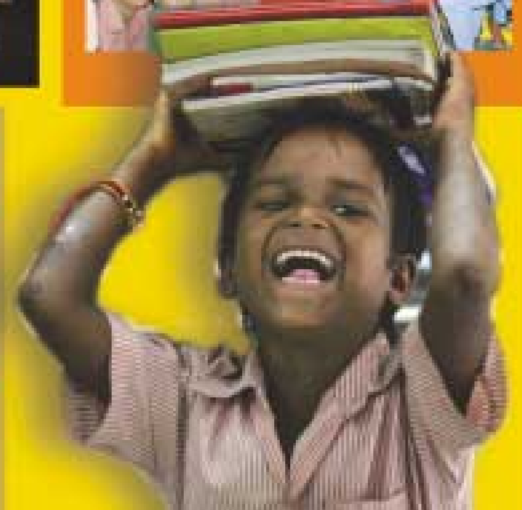
corporate social responsibility

cinema gets really, really real

Spreading happiness is the core value of PVR and happiness is not always a function of the balance sheet. At PVR corporate social responsibility is taken as seriously as business itself, through the PVR Network for Enablement and Social Transformation (PVR Nest). To improve the lives of the communities in the vicinity of PVR's operations, PVR Nest works in tandem with government agencies and communities. PVR Nest has undertaken several initiatives:

Childscapes

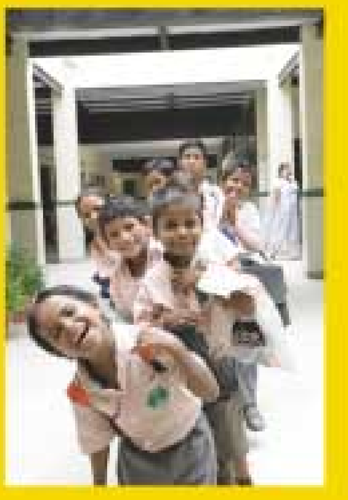
Childscapes is an initiative that targets street children and is running at Basant Lok Community Centre and Saket Community Centre. The program is dedicated to restoring the lives and dignity of the beggar, street and destitute children in these community centres, through educational, social and cultural activities. The Learning Programme consists of weekly educational support workshops to enable the children join the formal school system. This includes teaching languages, science and computers and vocational training sessions and career counselling. Implementing partners are Katha, Literacy India, the Chief Minister's Cell, the Deputy Commisioner of Delhi and Market Traders' Associations. The methodology involves inducement theatre, story-telling, puppetry, film and craft workshops and taking the children for exposure visits to different parts of the city on a regular basis. The initiative currently benefits 50 children each at the Basant and Saket Community Centres.



the NEXT level

Street to School

The Street to School programme is an off-shoot of PVR Childscapes. Children between the age group of 5-12 years are mainstreamed to primary and secondary schools. Many children from Childscapes have been adopted by government and public schools such as Literacy India, NDMC School, Little Ones Public School and Green Paramount School. Working on the implementation mandate that the right to education and health are basic human rights, this programme actively re-mainstreams those who have been left out of the system and creates an environment for improving the capacity of state and refocuses its obligations to deliver services. Currently 25 children each benefit from this initiative at the Basant Lok and Saket community centres.



PVR Ki Paathshala

This is a sustainable program for children from economically weaker sections of the community. PVR Ki Paathshala treats education as a non-negotiable and the program aims to provide support for disadvantaged children to obtain a basic literacy program by mainstreaming them to primary and secondary school. They are enabled to get their school certificates so as to equip them with an academic foundation for their future careers and to make a positive impact in their lives. The main implementing partner is Literacy India. Currently 50 children at Ishapur Village, District Gurgaon are benefitting from the programme.

Green Films

Green Films is an initiative launched in the last financial year by PVR Nest, to provide children of all backgrounds a forum for learning key environmental issues, in a simple yet entertaining way through films, as a class-less community. Partner organizations are the PVR Cinemas operation team, Agilent Technologies, National Geographic Channel and others. Green Films uses the Environmental-Educative-Entertaining (EEE) approach to initiate successful interactions between lesser privileged children from the streets and privileged children from private schools so that they begin to contribute together towards a healthier and safer community environment. The project has currently engaged and benefited 5000 children at the pan-India level.

Green PVR

This programme optimizes the use of existing urban infrastructure and public service facilities, thereby delivering a better city experience to all citizens. It is an endeavour to demonstrate environmental conservation practices in and around all PVR cinemas. The initiative is partnered by the Lieutenant Governor's Office, MCD, DDA, the Chief Minister's Office and the respective Market Traders' Associations.

cineart

Directors' Report

Dear Shareholders,

Your directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of the Company and Financial Statements for the year ended March 31, 2008.

Financial Highlights

				(Rs. Lacs)
		2007-08		2006-07
Income		**24,470**		**17,186**
Expenditure		19,092		13,870
Earnings before depreciation interest and tax (EBIDTA)		**5,378**		**3,316**
Depreciation		1,510		1,241
Interest		681		550
Profit before Tax		**3,187**		**1,525**
Provision for Taxation including Deferred Tax		1,081		469
Profit after Tax		**2,106**		**1,056**
Balance brought forward from previous year		2,017		1,336
Transfer from Debenture Redemption Reserve		-		-
Profit available for appropriation		**4,123**		**2,392**
Appropriations				
Transfer to Capital Redemption Reserve		1,000		
Interim Dividend				
on Preference Shares	74		100	
on Equity Shares	230	304	229	329
Corporate Dividend tax		52		46
Surplus carried to Balance Sheet		**2,767**		**2,017**

Financial Review

During the year under review the company has scaled new heights, the total income has gone up to Rs. 24,470 lac from Rs.17,186 lacs in previous year reflecting a growth of 42%. **Earnings before Interest, Depreciation and Tax (EBIDTA)** was Rs. 5,378 lacs against Rs. 3,316 lacs in previous year, registering a growth of 62%.

Profit after Tax (PAT) increased by 99% from Rs. 1056 lacs in previous year to Rs. 2106 lacs for the year under review.

Dividend

During the year under review your Directors declared and paid interim dividend for the Financial Year 2007-08 as under:

5% on Redeemable Preference Shares of the Company on prorate basis.

10% on Equity Share Capital of the Company held by the Equity Shareholders as on 22nd April, 2008.

Your Directors have recommended that these be treated as the final dividends for the year.

Operations Review

During the year under review, your company took an initiative by introducing PVR Premiere brand with its first cinema at Select Citywalk Mall in Delhi. The PVR Premiere range of cinemas are unique in their use of space, facilities and aesthetics and provide unparalleled leg rooms, liberal seat width, swanky interiors, state of the art sound and projection system which shall offer to movie goers a complete luxurious movie watching experience.

The growth in the income was achieved through a healthy mix of growth in income of existing cinemas and by opening of new cinemas. The total number of patrons who watched movies at our cinemas during the year was 17.97 million, as compared to 14.73 million in the previous year. The average occupancy in our cinemas during the year was 39.9% as compared to 42.7% in the previous year. For the full year ended March 2008, despite a drop in occupancy, the footfalls from comparable properties grew by 4%. This has been achieved through effective film programming, leading to a significant growth in average number of shows per day per screen across comparable properties in comparison with last year.

New Initiatives

To ramp up its presence across the retail entertainment landscape, your company entered into a Joint Venture with Major Cineplex Group, a leading and one of the largest film exhibition and retail entertainment company based out of Thailand and formed a new company namely PVR bluO Entertainment Limited for carrying out the activities of setting-up and running Bowling Alleys, Karaoke Centers and Ice Skating Rinks across India.

During the year under review, your company has also signed a Memorandum of Understanding with M/s Gyan Enterprises Private Limited, a company promoted by Mr. Amit Burman of Dabur group and Mr. Rohit Aggarwal to enter in to a Joint Venture through a Special Purpose Vehicle namely M/s Lite Bite Foods Private Limited for the purpose of running, managing and operating Food Courts, Restaurants, Pubs, Coffee Shops etc.

New cinemas which commenced operations

During the year under review, your company has commenced operations at four new multiplex projects, thereby adding 16 new screens under operation.

During the current year also, your company has so far commenced operation from three new projects and thereby adding additional 17 screens to the total tally.

Details of these new cinema properties added by the Company are as under :

Name of Property	Screens	Seats	Commencement date
PVR Baroda	3	1,094	May-07
PVR Flamez Mall, Ludhiana	4	1,025	Aug-07
PVR Prashant Vihar	3	786	Aug-07
PVR Select City Walk Saket	6	1,238	Nov-07
PVR Goregaon	6	1,783	May-08
PVR Ambience Mall, Gurgaon	7	1,194	May-08
PVR Centra Mall, Chandigarh	4	1,150	July-08

The multiplex at Ludhiana is tax-exempted and the multiplex at Goregaon Mumbai is also eligible for E-tax exemption as per the state policies.

Your company now operates and manages 101 screens across 25 locations in 14 cities spread over Delhi, Haryana, Karnataka, Uttar Pradesh, Punjab, Andhra Pradesh, Maharashtra, Gujarat, Madhya Pradesh and Chandigarh.

Subsidiaries

As on March 31, 2008 the Company has four subsidiary companies namely M/s PVR Pictures Limited (PVR Pictures), M/s C R Retail Malls (India) Private Limited (CRR), M/s Sunrise Infotainment Private Limited (SIPL) and M/s PVR bluO Entertainment Limited (PBEL) out of which CRR and SIPL are wholly owned subsidiaries of the Company.

PVR Pictures Limited (PVR Pictures)

Your company operates film distribution and production business through its subsidiary, PVR Pictures, which is involved in production of Hindi films and distribution of Indian and international films. "Taare Zameen Par" and "Jaane Tu ya Jaane na" the first two coproduction movies of PVR Pictures (co-produced with Aamir Khan Productions Private Limited), released during the period received critical acclaim and performed strongly at the box office. PVR Pictures is also growing stronger in the business of film distribution and has successfully distributed various Hollywood and Hindi movies.

PVR Pictures has also recently concluded a Private Equity placement of Rs. 120 Crores with The Western India Trustee and Executor Company Limited represented by its investment manager ICICI Ventures Funds Management Company Limited and JP Morgan Mauritius Holdings IV Limited for its 40% stake in the paid up share capital of the company. ICICI Venture and JP Morgan each holds 20% paid equity up share capital of PVR Pictures.

CR Retail Malls (India) Private Limited (CRR)

M/s CR Retail Malls (India) Private Limited is implementing the seven screens Multiplex Project at the Phoenix Mills compound, Lower Parel, Mumbai, a prime retail and entertainment destination in Mumbai. The project is completed. CRR is in the process of making application for the operating licenses for the multiplex and the multiplex is expected to start commercial operation soon.

Sunrise Infotainment Private Limited (SIPL)

M/s Sunrise Infotainment Private Limited is operating the six screens Multiplex Project at Oberoi Mall, Goregaon Mumbai. The Multiplex is a part of a mall development at the prime location of suburb Mumbai. The multiplex was opened for the public on May 8, 2008 and was well appreciated by public.

PVR bluO Entertainment Limited (PBEL)

PBEL has recently been incorporated as on March 28, 2008 as subsidiary of your Company pursuant to the Joint Venture entered into with Major Cineplex Group (Major), a leading and one of the largest film exhibition and retail entertainment company based out of Thailand, for carrying out the activities of setting-up and running Bowling Alleys, Karaoke Centers and Ice Skating Rinks across India.

Pursuant to the Joint Venture Agreement PVR and Major shall hold paid up share capital of the PBEL in the ratio of 51:49.

PBEL is in process of setting up its first Bowling Alley at Ambience Mall, Guragon..

The Company has obtained an exemption from the Ministry of Corporate Affairs Government of India vide its letter no. **47/335/2008-CL-III dated 28th May 2008** in terms of Section 212(8) of the Companies Act, 1956 from attaching the audited accounts of its subsidiaries for the financial year 2007-08. In pursuance thereof, the Company undertakes that annual accounts of the subsidiary companies and the related detailed information for the year ended March 31, 2008 will be made available to its investors and subsidiary companies' investors seeking such information at any point of time. The annual accounts of the subsidiary companies are also kept for inspection by any investor at the Registered Office of the Company and concerned subsidiary companies. The statement required pursuant to the above referred approval letters is disclosed after the Consolidated Accounts of the Company forming part of this Annual Report.

Corporate Governance

It has always been your Company's endeavor to excel through good Corporate Governance practices. Corporate Governance is the mechanism by which the values, principles, policies and procedures of companies are manifested. Effective Corporate Governance is indispensable to resilient and vibrant capital markets and investor protection rests on this foundation. The core value of corporate governance lies in the principles of integrity, fairness, quality, transparency and accountability. Your Company complies with all the provisions of Clause 49 of the Listing Agreement.

A report on Corporate Governance, along with a Certificate from Practicing Company Secretary and a Certificate from Chairman cum Managing Director and CFO, have been included in the Annual Report, detailing the compliances of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement.

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 part of the Annual Report.

Investor Grievance mail address

Your Company has created the following e-mail ID for redressing the Investor complaints : cosec@pvrcinemas.com

Directors

During the period, the Board of Directors of your Company has been further strengthened by induction of Mr. Sanjay Khanna and Mr. Ravi K Sinha as non executive 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 retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Amit Burman, Director of the Company, has due to his other professional commitments, resigned from the Board of Directors of the Company with effect from 24th January 2008. The Board places on record its sincere appreciation for the contribution made by Mr. Amit Burman.

Mr. Sumit Chandwani, who was nominated as director on the Board to represent ICICI Venture Capital and Funds Management Company Limited (Investors) pursuant to the Shareholder Agreement dated March 12, 2003 executed with the Investors, has ceased to be nominee of the Investors with effect from October 29, 2007 on Investors diluting its holding below 5% in the Company. However, Mr. Chandwani is continuing on the Board as an independent director.

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 Deposits) Rules 1975.

Auditors and Auditors' Report

The Statutory Auditors of the Company, M/s. S.R. Batliboi & Co., Chartered Accountants, New Delhi, 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 S.R. Batliboi & Co., Chartered Accountants as Auditors of the Company.

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 on a going concern basis.

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

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

Particulars of Employees

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

Acknowledgement

Your Directors thank the Company's customers/ patrons, vendors, investors, bankers and financial institutions for their continued support during the year.

Your Directors also places on records their deep appreciation of the contribution made by the employees at all levels. Your Company 's consistant growth was made possible by their hard work, integrity, cooperation and support.

On behalf of the Board

Ajay Bijli
Chairman cum Managing Director

Place : Gurgaon, Haryana
Date : July 31, 2008

Annexure 1 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 hereinbelow:

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 utilisation has further helped in saving electricity consumption.
- All the new fittings are with CFL or energy savers 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.
- Based on Energy Auditors suggestions, the company is in process of implementing design aspects of electrical and HVAC system for energy conservation and equipment efficiency.
- Installed Variance 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.

Foreign Exchange Earnings & Outgo

	March 31, 2008	March 31, 2007
Earnings in foreign currency (on accrual basis)		
Income from Sale of Film Rights	**452,981**	Nil
Expenditure in foreign currency (on accrual basis)		
Traveling	**1,018,553**	892,881
Technical and Professional fees (including expenses, net of income tax)	**1,878,042**	5,690,411
Others	**Nil**	183,665
Total	**3,349,576**	6,766,957
CIF Value of Imports		
Capital Goods	**2,680,226**	14,660,135
Software	**285,645**	2,832,926
Total	**2,965,871**	17,493,061

the NEXT level is right now

Management Discussion & 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, 2008. The reference to FY 08 and FY 07 in this section refers to the year ended 31st March, 2008 and year ended 31st March, 2007 respectively. 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 refer to PVR Limited and should be construed accordingly.

Industry outlook

Year 2007 was an excellent year for the Indian box office. The Indian film Industry registered a growth of over 14%, taking the estimated size of the Indian domestic box office market to Rs. 96 billion. This high increase was attributed to higher average ticket prices, propelled by the growth of multiplexes.

The domestic box office market is expected to grow at a CAGR of 13% and is expected to nearly double its size from Rs. 96 billion in 2007 to an estimated Rs. 176 billion by 2012. While theatrical 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 *(Source: PWC –The Indian Entertainment and Media Industry Report 2008)*

Key Drivers

1. Largest Industry - The Indian film industry is one of the largest globally recognised industry 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 with domestic box office collections. With favourable demographics and lack of affordable alternatives, the sector will sustain high growth in the coming years.

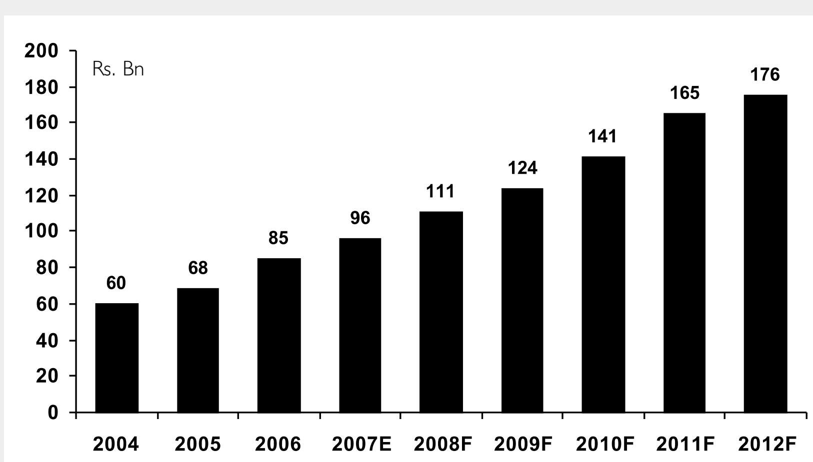
2. Demographic scenario supports long-term fundamentals: The sector's growth is directly related to the changing demographic profile of the country. Robust macro forecasts and rising disposable income are expected to boost the spend on film exhibition sector.

3. 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.

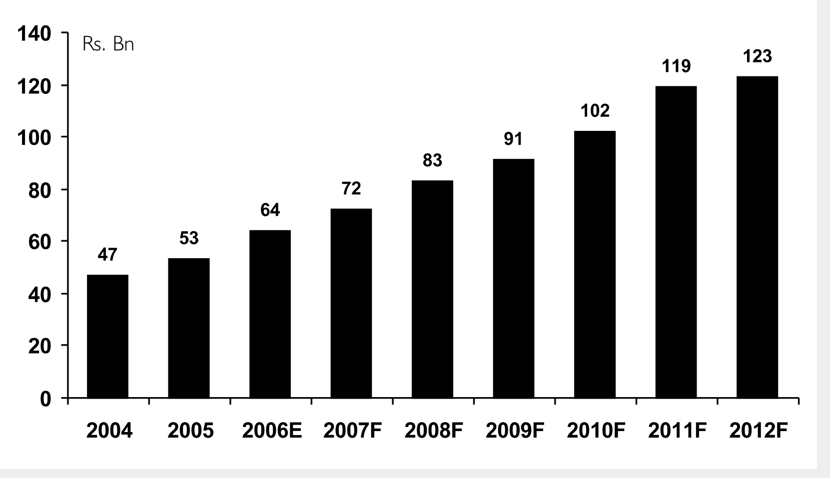
4. Improvement in the quality and variety of content: Growing corporatisation in the film industry has opened up possibilities for creative producers who have good scripts but no source of financing. Multiplexes are offering greater opportunities for creating content catering to the multiplex audience.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

5. 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.

Projected growth of the Indian film Industry



Projected growth of the domestic box office



(Source: PWC –The Indian Entertainment and Media Industry Report 2008)

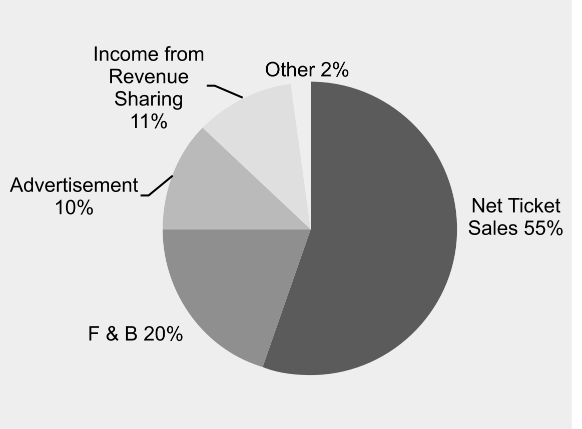
Profit & Loss Review

Revenues

Total Revenues for FY 08 were Rs.24470 lacs, higher by 42% over the corresponding year ended March 2007. Revenues are reflected net of Entertainment Tax, Sales Tax and Service Tax.

Revenue composition & growth

The Net revenue composition (excluding E-Tax) for FY08 under various heads was as under:



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

Revenue growth under various heads

			Rs. In Lakhs
	Year Ended		
	31-03-2008	31-03-2007	Growth
Ticket Sales	13,066	9,333	40%
Convenience fee	149	72	106%
Income from Revenue Sharing	2,687	1,821	48%
Sale of Food and Beverages	4,649	3,318	40%
Advertisement & Royalty Income	2,934	1,850	59%
Management fees	118	77	53%
Sale of Film Rights & Film Distribution	5	–	–
Net Operating Income	**23,608**	**16,472**	**43%**
Other Income	862	715	21%
Total Income	**24,470**	**17,187**	**42%**

Revenue from sale of tickets

Revenue from Sale of tickets is the total amount paid by patrons for admission to our cinemas and includes state entertainment taxes.

Our Revenue from Sale of tickets depends on the number of patrons that visit our cinemas and the average ticket price that we charge our patrons. Both these factors are critical for optimising the profitability of our cinemas and form an integral part of our management information system. Our Revenue from sale of tickets for the year under review increased to Rs. 13,066 lacs as compared to Rs. 9,333 lacs in previous year, registering a growth of 40%.

During the period under review, the average entertainment tax for the company witnessed a favorable decline as shown below:

	FY 2008	FY 2007
E-tax as a % of Gross Operating Income	12.1%	15.0%
E-tax as a % of Ticket Sales and Revenue Share	17.2%	20.7%

The reduction in the average entertainment tax liability of the company has primarily been on account of addition of new screens in markets which are eligible for tax exemption / holiday. Out of the total screens operated by the company, 40% of screens are enjoying entertainment tax exemption/ eligible for entertainment tax exemption.

Income from revenue sharing

Income from revenue share represents revenue earned by Company from multiplex properties being operated by the Company under a revenue share arrangement with the developers. The Company presently operates 5 multiplex properties at Ghaziabad, Mulund-Mumbai, Lucknow, Ludhiana and Indore under the present arrangement. The revenue from ticket sales at these cinemas is accounted for on the basis of a revenue share with the developer.

The Total Net income from Revenue share for the year under review increased to Rs. 2,687 lacs as compared to Rs. 1821 lacs in previous year, registering a growth of 48%.

Overall revenue from Net ticket sales and income from revenue sharing for FY 08 were higher by 41% over FY 07.

Food and Beverages revenue

Revenue from sale of food and beverages is the total amount paid by patrons at our in-cinema concession stands for food and beverages and is net of sales tax / value added tax.

Our food and beverages revenue (exclusive of sales tax / value added tax), for the year under review increased to Rs.4,649 lacs as compared to Rs. 3,318 lacs in previous year, registering a growth of 40%.

We generally try to maximize the revenues from the sale of food and beverages by increasing the number of transactions within the limited time our patrons have prior to the start of a film or during the interval of a film and by increasing the average transaction size. We attempt to increase the number of transactions by installing adequate number of points of sale counters, meal combos (combining 2 or more items as a 'Combo') and service on seats. We attempt to increase our average transaction size by selling a combination of two or more products at a discounted price thereby appealing to our patrons' desire to obtain better value for money.

Advertisement & royalty income

Advertisement revenue includes our revenue from on-screen advertisements, off-screen advertisements and cinema association and Royalty income (pouring rights) is income received from certain of our beverage suppliers for us agreeing not to sell directly competing products.

Revenues from Advertising & Royalty Income for the year ended March 2008 continued to witness a phenomenal growth on account of growth in corporate alliances and increase in sponsorship revenues from existing as well as new cinema properties. The revenues for the year increased to Rs. 2,934 lacs as compared to Rs. 1850 lacs in previous year, registering a growth of 59%.

Management fee

Management fee includes

- Basic revenue share fee/ management fee for services provided by us generally to the property developer in relation to the multiplex, which is usually a percentage of turnover.
- Incentive fee calculated as a percentage of gross operating profit (before interest, depreciation and management fee).

During FY 08, the Company operated two multiplex properties at SRS PVR, Faridabad and Spice PVR, Noida under a franchisee arrangement where it earned a management fee revenue. Our Management fee Revenue, increased to Rs 118 Lacs from Rs 77 Lacs, registering a growth of 53%. During the year under review, the Company discontinued the franchise agreement for providing its services to PVR Spice and PVR SRS.

Convenience fee

Revenues from Convenience fee, which is charged to customers for booking tickets through allied means such as internet, mobile etc, for the year ended March 2008 increased to Rs.149 lacs from Rs 72 lacs, registering a growth of 106% on account of increase in tickets sales from website and allied channels like IVR, Mobile Ticketing etc.

Other income

Other income include rent income from surplus space within our cinemas that has been leased to third parties, interest received on surplus operating cash flow and interest income on investment of IPO proceeds in short term investments, and other miscellaneous income. Our other Income for the year under review increased to Rs. 862 lacs as compared to Rs.715 lacs in previous year, registering a growth of 21%. The break-up of Other Income for FY 08 and comparison with previous year is as under:

			(Rs. Lacs)
	Year Ended		
	31-03-2008	31-03-2007	growth
Interest / Dividend income	594	592	0%
Rent Received	73	37	98%
Royalty Income	8	47	-83%
Miscellaneous income	187	39	379%
Total Income	**862**	**715**	**21%**

Operating performance review

The operating performance has been analysed by comparing property on property growth over FY 08 and FY 07. For the above, the cinema properties have been classified under Comparable properties, Non Comparable properties and New properties. Comparable properties represent cinemas which were operational during FY 08 & FY 07. Non Comparable properties represent cinemas which were operational for full year in FY 08 but only for a part period during FY 07. New Properties represent cinemas which commenced operations in FY 08.

Footfalls

We entertained around 17.97 million patrons at our cinemas during FY 2008 as compared to 14.73 million patrons during the FY 07, registering a growth of 22%.

The growth in footfalls was driven by a combination of increase in footfalls in older cinemas and start of operations of new cinemas.

We strive to increase the footfalls at our cinemas by maximizing the number of screenings of popular movies to increase our capacity (session seats), through bulk sales of tickets, by providing remote access (our website, telephones) to patrons for buying tickets, movie focused marketing and promotional activities, flexible pricing keeping in view demand patterns based on time of the day (morning, afternoon, evening) and day of the week (weekend – weekday). We also focus on our product design and placement and the service levels to provide a unique entertaining and hospitable environment to our patrons.

Footfalls (Mn)	Year Ended 31-03-2008	31-03-2007	Growth
Comparable properties	10.96	10.55	4%
Non Comparable properties	3.46	2.06	_
New Properties	1.38	_	_
Own Cinemas	**15.79**	**12.60**	**25%**
Franchise cinemas	2.18	2.13	2%
Overall Footfalls	**17.97**	**14.73**	**22%**

Occupancy

The average occupancy across our cinema circuit during FY 08 was as under:

Occupancy %	Year Ended 31-03-2008	31-03-2007	Growth
Comparable properties	47.7	48.4	-1%
Non Comparable properties	28.5	26.5	_
New Properties	27.7	_	_
Own Cinemas	39.4	42.7	-8%
Franchise cinemas	43.2	43.1	0%
Overall Average Occupancy	39.8	42.7	-7%

The decline in occupancy is due to new properties, which have not yet stabilized. For the full year ended March 2008, despite a drop in occupancy by 1%, the footfalls from comparable properties grew by 4%. This has been achieved through effective film programming, leading to a significant growth in average no. of shows per day per screen across comparable properties in comparison with last year.

Average ticket price

The average ticket prices across our cinema circuit during FY 08 was as under:

ATP (Rs)	Year Ended 31-03-2008	31-03-2007	Growth
Comparable properties	132	122	8%
Non Comparable properties	115	100	_
New Properties	127	_	_
Own Cinemas	128	119	8%
Franchise cinemas	117	109	7%
Overall ATP	127	117	8%

During the year under review, the Comparable properties achieved an average ticket price increase of 8%, led by higher ATPs across new properties, including Select City Walk, Saket – a PVR Premiere property operating at an ATP of more than Rs 225.

Spend per head

The average spend per head across our cinema circuit during FY 08 was as under:

			(Rs.)
	Year Ended		
	31-03-2008	31-03-2007	Growth
Comparable properties	33.7	30.9	9%
Non Comparable properties	26.8	24.0	–
New Properties	39.6	0.0	–
Own Cinemas	**32.7**	**29.8**	**10%**
Franchise cinemas	27.6	28.3	-3%
Overall SPH	**32.1**	**29.6**	**8%**

The Comparable properties achieved an average increase of 9% and overall SPH grew by 8% over previous year, driven by robust growth in comparable properties and a high average Spend per Head from new properties, including PVR Premiere

Expenditure

Our Company's expenditure mainly comprises of direct cost including Film Distributors' share and consumption of food and beverages. Other costs include Personnel costs, Rent, Operating and other costs. Because the majority of our costs are linked to the number of patrons and the number of cinemas we operate, increase in the number of patrons and the number of cinemas under our operation have resulted in an increase in our total costs.

Film distributors' share

Film distributor share comprises payments made to distributors for supplying movies to be played at our cinemas.

Film hire cost as a % of Net Operating Income was 25.8% during FY08 as compared to 26.9% during FY 07. As a % of Gross ticket sales and Income from revenue share, film hire cost was 32.1% during FY08 as compared to 31.5% during FY 07.

Consumption of food and beverages

Food and Beverage cost comprise the cost of food and beverage items sold at the cinemas and disposables. The total cost of food and beverages consumed for the year under review was Rs. 1,579 lacs as compared to Rs. 1,146 in previous year. F&B cost as a % of net F&B sales was 34.0% during FY08 as compared to 34.5% during FY 07. A reduction in Cost of Goods Sold % has been achieved through cost-effective F & B product-mix and higher realisation on account of F & B revenues.

Personnel cost

Personnel cost is the expenditure incurred on employees and comprises salaries, wages and allowances, contributions to provident and other funds, gratuity payments, staff welfare costs, and recruitment and training costs. For our cinema staff, we have a group incentive system for each of our cinemas, wherein we give monthly incentives to our cinema staffs on their exceeding the monthly targets of the cinemas managed by them.

Total personnel costs for the year under review were Rs. 2,471 lacs as compared to Rs. 1,956 lacs in previous year. Personnel cost as a % of Net Operating Income was 10.5% during FY08 as compared to 11.9% during FY 07. While there has been an increase in Personnel costs in absolute terms, the average personnel cost as % of Net operating income has come down on account of a robust revenue growth achieved during the period under review.

Rent

The Rent expense for the year under review was Rs. 2,929 lacs as compared to Rs. 1,771 lacs in previous year. Rent cost as a % of Net Operating Income was 12.4% during FY08 as compared to 10.8% during FY 07. The increase in rent cost as a % of Net Operating Income is essentially on account of levy of service tax on lease rentals w.e.f. June 2007.

Operating and other expenses

Operating and other expenses include repair and maintenance costs relating to our cinemas, our corporate office and the equipment installed thereon; security charges for third-parties to provide security at our cinemas; electricity charges and water charges; and insurance charges; expenditure on advertisement and publicity and sales and business promotion; expenditure incurred on various administrative and other overheads, such as travelling, printing & stationery, professional fees, communication expenses, bank charges and charges for prepayment of term loans.

The total operating and other expenses grew from Rs. 4,570 Lacs in FY 07 to Rs. 6,017 Lacs in FY 08, due to increase in number of cinema properties. As a percentage of Net Operating Income, Operating and other expenses were at 25.5% in FY 08 as compared to 27.7% in FY 07.

Financial expenses

Financial expenses for the year under review was Rs. 682 lacs as compared to Rs. 550 lacs in previous year. As a percentage of Net Operating Income, Financial expenses were reduced to 2.9% in FY 08 from 3.3 % in FY 07.

Depreciation and amortization

Depreciation and amortization for the year under review was Rs. 1,510 lacs as compared to Rs. 1,242 lacs in previous year. This increase was due to charging of depreciation on fixed assets relating to our new cinemas opened in fiscal FY 08. As a percentage of net operating income, Depreciation and amortization expenses were reduced 6.4% in FY 08 from 7.5% in FY 07.

Taxation

The Company provided Rs.1081 lacs as provision for tax for the year under review compared to Rs. 469 lacs in the previous year. Of this Rs. 1,023 lacs were towards current taxation and Rs.58 lacs were towards Fringe Benefit tax. Our effective rate of tax was 33.9% in FY 08 as compared to 30.7% in FY 07. While the company received a one-time tax credit during FY 07, no such tax credits were availed during the year under review. Further, the tax-free income during FY 08 was lower in comparison with last year.

Profits

The Profit before Interest Depreciation and Taxes of the Company for the year under review increased to Rs. 5,379 lacs as compared to Rs. 3,317 lacs in previous year, registering a growth of 62%.

The Profit after Tax of the Company for the year under review increased to Rs. 2,106 lacs as compared to Rs. 1,056 lacs in previous year, growing by almost 100%.

EPS

Basic Earnings per share (EPS) of the Company was Rs. 8.78 as compared to Rs.4.12 in FY 07.

Diluted Earnings per share (EPS) of the Company was Rs. 8.53 as compared to Rs.4.12 in FY 07.

Balance Sheet Review

Shareholders Fund

The maintenance of an appropriate level of capital to fund the huge expansion plans of the Company remains one of the major priorities of the management and the same is subject to review on an ongoing basis. The Entertainment Industry, especially the filmed entertainment sector is poised for a major growth in the coming years and your Company intends to play a major role in this space.

- Share Capital

The equity share capital of the Company comprises of 23,013,870 equity shares having face value of Rs.10 each and 10,000,000 preference shares having face value of Rs.10 each. During the year under review, the company redeemed 10,000,000 preference shares and total preference share capital now stands at Rs. 1,000 lacs as on March 31st 2008.

During the year under review, the Company issued 1,200,000 share warrants convertible into 1,200,000 equity shares of Rs. 10 each to the promoters on preferential basis, at a premium of Rs. 205.17 per share warrant. For the same, the company has received Rs. 258 Lacs as advance against convertible share warrants issued to the promoters.

- Reserves and Surplus

Reserves and Surplus comprised of Share Premium account, Capital Redemption reserve and Free Reserves of the Company.

The free reserves of the Company as on 31st March, 2008 were Rs. 2,767 lacs after providing for an interim dividend of 10% on equity shares and a preference dividend of 5% on preference shares.

Secured loans

The Company availed loans from various banks and institutions during the year, to fund its capital expenditure requirements pending its initial public offering of equity shares.

Changes in secured Loans during the year were as under:

	(Rs. Lacs)
Total Secured loans as on 1st April, 2007	6,007
Fresh loans availed during the year	6,712
Loans repaid during the year	3,170
Total Loans as on 31st March 2008	9,549

Unsecured loans

The unsecured loans as on 31st March 2008 were NIL.

Fixed assets

The Company's gross block stood at Rs. 20,873 lacs as on 31st March, 2008, compared with Rs. 16,978 lacs as at 31st March, 2007. The increase was primarily due to fresh capital investments in new multiplex projects and some recurring capital expenditure at existing cinemas.

In addition, the Capital Work in Progress on various projects under execution increased from Rs.1,443 lacs in FY 07 to Rs.1,936 lacs in FY 08 and Pre-operative expenses pending capitalisation declined from Rs.380 lacs in FY 07 to Rs.346 lacs in FY 08.

Investments

The Company's investments as on 31st March, 2008 were Rs. 7,853 lacs and comprised of

- Investments in equity share capital of subsidiary companies – M/s CR Retail Malls (India) Private Limited Rs. 2,000 lacs, PVR Pictures Limited Rs. 2,150 lacs and Sunrise Infotainment Private Limited Rs 1,000 Lacs
- Investments in Mutual fund schemes Rs.2,646 lacs
- Investments in National Savings Certificate schemes Rs.56 lacs

Loans and advances

The total loans and advances of the Company as on 31st March,2008 were Rs. 6,553 lacs, which include payment of deposits to various developers for new multiplex projects being signed by the company, advances given for various projects under construction and, loans & advances given to subsidiaries of the company.

Working capital

The Company has a negative working capital cycle. Most of the Company's revenue from ticket sales and food and beverage sales at the cinemas is collected in cash. The total working capital of the Company (excluding cash and bank balances and Loans and Advances) as on 31st March, 2008 was negative Rs. 2,552 lacs as compared to negative Rs. 1,841 lacs as on 31st March, 2007.

The amount of current liabilities and provisions predominantly represented the amount payable to Company's creditors for expenses incurred by the Company pertaining to day to day operations, income received in advance from sale of advertisement spaces at Company's multiplexes and project creditors who have rendered services pertaining to Company's multiplexes.

Key Risks and Concerns

The company faces following risk factors that can affect the performance of the business:

Concentration risk: The Indian multiplex industry is currently dominated by a few key players, a majority of which have announced significant expansion plans across various markets of India. This may lead to overcrowding in certain regions.

Execution delays: The pace of retail development can affect the execution capabilities in our business. There is a possibility of execution delays due to delay or failure in handover of properties from real estate developers, slowdown in organized retail and sluggish real estate activity.

Piracy: The difference between the average time lag between release of films in major Tier-I centres 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.

Content risk: Success in the film exhibition business is heavily dependent on the quality of the content being released and its box-office success. However, the success of a release can be highly unstable and seasonal, therefore impacting the performance of the business.

Internal control systems and their adequacy

The Company has proper and adequate systems of internal controls in commensurate with the size of its operations for various aspects of its business, which forms the backbone of our operational and internal controls. Control over daily cash collections is done through an effective cash management system, stocks are verified regularly on a weekly basis. Bulk of our fixed assets are typical to a cinema and do not involve frequent cross location movements. We have a policy of physically verifying fixed assets every alternate year.

The Company has effective systems in place for ensuring, optimum and effective utilisation of resources, monitoring thereof and compliance with applicable laws.

The company has engaged M/s KPMG (Regd.) as its internal auditors to carry out independent audits of our operations, systems and processes and their reports are placed before the Audit Committee for review.

In addition, the company tries to measure the effectiveness of internal controls through internal audit checks conducted by its own staff covering areas like Safety, Security, stores, cash control, food and beverage sales etc. In addition to the above, the Company has also hired an external agency to review and audit the quality of service and efficiency in operations at its cinemas. We also have a formal mystery customer feedback system on various aspects of our business, which is used as an effective tool for improvements.

Outlook

The prospects of the company remains positive, given the increasing recognition from customers across the country to movie going as a preferred destination, recognition to preferred multiplex operator by leading mall developers and the film industry. In view of this, the company is making substantial capital investments to grow horizontally and vertically by strengthening its presence in film exhibition, distribution and production business besides entering into innovative retail entertainment concepts.

With several opportunities yet to be tapped in the filmed entertainment space, the Company expects to derive a greater operating leverage out of its investments with the objective of maximising shareholders' wealth.

Cautionary statement

Statements in the Management Discussion and Analysis Report with regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the management envisages in terms of performance and outlook. Market data and product information contained in this report have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured. The management of the Company reserves the right to re-visit any of the predictive statements to decide the best course of action for the maximisation of shareholders' value apart from meeting social and human obligations.

Report on Corporate Governance

Company's philosophy on code of corporate governance

PVR believes in adopting and adhering the best practices in the area of Corporate Governance and recognizes that good Corporate Governance is essential to build and retain the confidence of its stakeholders *vis a vis* enhancing corporate performance and accountability.

Corporate Governance has become 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 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 and that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

The Company's philosophy of the Corporate Governance is based on the following principles:

- Lay solid foundations for the management
- Structure the Board to add value
- Safeguard integrity in Company's financial reporting
- Make timely and balanced disclosure
- Recognize and manage business risks
- Respect the right of shareholders
- Legal and statutory compliance in its true spirit
- Highest importance to Investor Relations
- Adherence to Corporate ethics and Code of Conduct

Board of Directors

Composition of the board

The current Board of directors is constituted of seven directors comprising two executive directors, five non executive directors out of which four directors are the independent directors.

The Company has an executive Chairman and the number of the independent directors is not less than half of total number of directors. The composition of the Board is in conformity with clause 49 of the listing agreement.

None of the directors on the Board is a member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49), across all the companies in which he is a director.

The necessary disclosures regarding other directorships and committee positions have been made by the Directors.

The Independent Directors bring in a wide range of skills and experience to the Board. The resume of each of our directors is available on the website of the Company at www.pvrcinemas.com

The company's definition of independent directors

The independence of a director is determined by the criteria stipulated under the clause 49 of the Listing Agreement.

An Independent director shall mean a non-executive director of the Company who:

a) apart from receiving director's remuneration, does not have any material pecuniary relations or transaction with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates that may affect independence of the director;

b) is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;

c) has not been an executive of the Company in the immediately preceding three financial years;

d) is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following:

i) the statutory audit firm or the internal audit firm that is associated with the Company, and

ii) the legal firm(s) and consulting firm(s) that have a material association with the Company.

e) is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the Director;

f) is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares; and

g) is not less than 21 years of age.

Details of the Board of Directors 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 Director	Category	Shareholding in the Company (No. of Shares)[1]	Number of other Directorships[2]	Number of Committee[3] Memberships and Chairmanship in all Companies including PVR Limited		No. of Board Meetings attended during the year	Attendance at the last AGM held on Aug. 18, 2007
				Member-ships	Chairman-ship		
Ajay Bijli	Promoter, Executive director	18,172	2	1	-	5	Yes
Sanjeev Kumar	Executive director	-	2	-	-	6	Yes
Sumit Chandwani***	Non Executive, Independent	-	4	4	-	2	No
Vikram Bakshi	Non Executive, Independent	-	4	1	-	5	Yes
Amit Burman*	Non Executive, Independent	N.A.	N.A.	N.A.	N.A.	5	Yes
Renaud Jean Palliere	Non Executive, Independent	-	-	1	-	1	No
Sanjay Khanna**	Non Executive, Independent	-	-	2	-	N.A.	N.A.
Ravi K. Sinha**	Non Executive	-	1	1	1	N.A.	N.A.

1. The shareholding of the directors are as on March 31st, 2008
2. The directorships held by the directors, as mentioned above, do not include the Alternate Directorships, Directorships held in Foreign Companies, Private Limited Companies and Section 25 Companies.
3. The committees considered for the purpose are those prescribed under Clause 49(1)(C)(ii) of the Listing Agreement(s) viz. Audit Committee and Investor Grievance Committee of Indian Public Limited Companies.

* Mr. Amit Burman resigned from the directorship of the company with effect from January 24, 2008.

** Mr. Sanjay Khanna and Mr. Ravi K Sinha have been inducted on the Board of the Company as additional directors with effect from April 15, 2008 and June 2, 2008 respectively.

*** Mr. Sumit Chandwani is considered as an Independent Director of the Company w.e.f. October 29, 2007 consequent to ceasing Shareholder's Agreement between the Company and The Western India Trustee and Executor Company Limited.

Number of board meetings

During the year under review Board met 6 (six) times on:

- June 6, 2007,
- July 20, 2007,
- September 18, 2007,
- October 29, 2007,
- January 23, 2008 and
- February 07, 2008

The maximum gap between any two meetings did not exceed four months as stipulated under clause 49 of the listing agreements.

Information available to the board

The Board has complete access to all the relevant information within the Company. The information regularly supplied to the Board includes the following:

- Annual operating plans, budgets and any updates therein;
- Capital budgets and any updates therein;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other committees of the Board;
- Information on recruitment/remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Material show cause, demand, prosecution notices and penalty notices which are materially important, if any.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;

• Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which , may have passed strictures on the conduct of the company or taken any adverse view regarding any enterprise that can have negative implications on the company, if any;

• Details of any joint venture or collaboration agreement;

• Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;

• Significant labour problems and their proposed solutions. Any significant development in Human Resource / Industrial Relations front like signing of wage agreement, implementation of voluntary Retirement Scheme etc.;

• Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business;

• Material non-compliance of any regulatory, statutory listing requirement and shareholders services such as non-payment of dividend, delay in share transfer etc.;

• Details of investment of surplus funds available with the Company;

• Minutes of the Board Meetings of the subsidiary companies.

The above information is generally provided as part of the agenda papers of the Board meeting and /or is placed at the table during the course of the meeting. The senior management staff is also invited to the Board meetings to present reports on the Company's operations and internal control systems.

The Board meetings are usually held at PVR's Corporate Office. The meetings are scheduled well in advance and the notice of each board meeting is given in writing to each director. The Company in consultation with the Chairman, prepares the agenda. All Board members are at liberty to suggest agenda items for inclusion. The detailed agenda is sent to the members at least a week before the Board meeting date. The Board meets at least once in a quarter to review quarterly performance and the financial results of the company.

Remuneration of directors

Executive Directors

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

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

	Mr. Ajay Bijli	Mr. Sanjeev Kumar
	Rs.	Rs.
Basic Salary	84,60,000	42,75,000
Perquisites	60,19,200	30,78,000
Total	1,44,79,200	73,53,000

Perquisites include Company leased accommodation, Company maintained car(s) and Employer's Provident Fund contribution.

Salient features of the agreements executed by the Company with Mr. Ajay Bijli, Chairman cum Managing Director and Mr. Sanjeev Kumar, Joint Managing Director are as follows:

Period of Appointment	July 24, 2003 to July 23, 2008
Stock Options	Nil
Incentives additionally approved	The CMD and Joint Managing Director shall be additionally entitled to performance based incentive as approved by the Board based on previous year's performance
Severance Pay	Except where the agreement is terminated without notice, subject to the provisions of the Companies Act, 1956, the company is required to pay an all inclusive severance pay equal to Salary and perks as defined above for the entire remaining period of employment or 12 months whichever is higher.

The Board of Directors has, subject to the approval of shareholders, re-appointed Mr. Ajay Bijli as Chairman cum Managing Director and Mr. Sanjeev Kumar as Joint Managing Director for a further term of five years from July 24, 2008 to July 23, 2013.

Non-executive directors

During the year under review, the Non- Executive Directors of the company were paid sitting fees for attending meetings of the Board/Committee of the Directors as follows:

Name of the Directors	Sitting Fee (Rs.)
Mr. Amit Burman	2,60,000/-
Mr. Sumit Chandwani*	80,000/-
Mr. Vikram Bakshi	1,80,000/-

*Sitting fees to Mr. Sumit Chandwani was paid to ICICI Venture Funds Management Co. Ltd. by virtue of his being a nominee Director.

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 also available on the website of the Company www.pvrcinemas.com . All Board members and senior management, that includes company executives who report directly to the Chairman and executive directors, have affirmed their compliance with the said Code. A declaration signed by the Chairman to this effect is provided elsewhere in the Annual Report.

Committees of the Board

The Board has constituted various committees for smooth and efficient conduct of business. The minutes of the meetings of committees of directors are placed in the succeeding Board meeting for the Board to take note of the same.

The role and the functions of the committees of the Board are described hereunder:

Audit committee

The Audit Committee of the company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the stock exchanges read with Section 292-A of the Companies Act 1956. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the financial policies of the company.

As on March 31st, 2008, the Audit Committee comprises of three members all being Non Executive and Independent directors. The Chief Financial Officer and the Statutory Auditors are the permanent invitees in the Committee meetings.

Mr. N. C. Gupta the Company Secretary, acts as the secretary of the Audit Committee.

The Terms of reference of the Audit Committee are as follows:

1. The powers of the Audit Committee shall include the following:

a. To investigate any activity within its terms of reference.

b. To seek information from any employee.

c. To obtain outside legal or other professional advice.

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

2. The role of the audit committee includes the following:

a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d. Reviewing, with the management, the annual financial statements before submission to the board for approval.

e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

g. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

h. Discussion with internal auditors regarding any significant findings and follow up there on.

i. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

j. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

l. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

m. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition and Attendance

Name of the Member	No. of meetings attended
Mr. Sumit Chandwani	1
Mr. Amit Burman*	4
Mr. Vikram Bakshi	3
Mr. Renaud Jean Palliere	1
Mr. Sanjay Khanna**	N.A.

* Mr. Amit Burman ceased to be member of the Audit Committee w.e.f. from January 24, 2008 due to his resignation from the Board of the Company.

**Mr. Sanjay Khanna has been inducted in the Audit Committee with effect from April 15, 2008.

During the year under review the Audit Committee met four times on June 06, 2007; July 20, 2007; October 29, 2007 and January 23, 2008 and the maximum gap between any such two meetings did not exceed four months as stipulated under clause 49.

Remuneration committee

As on March 31st, 2008 the remuneration committee of the Board comprises two members, both being independent directors.

Terms of Reference

The Remuneration committee has been constituted for the determination of remuneration packages of the Directors.

Composition and Attendance

Name of the Member	No. of Meeting attended
Mr. Amit Burman*	1
Mr. Vikram Bakshi	1
Mr. Renaud Jean Palliere	-
Mr. Sanjay Khanna**	N.A.

* Mr. Amit Burman ceased to be member of the Remuneration Committee w.e.f. from January 24, 2008 due to his resignation from the Board of the Company.

**Mr. Sanjay Khanna has been inducted in the Remuneration Committee with effect from April 15, 2008.

During the year ended March 31, 2008, the Remuneration Committee met only once on September 18, 2007.

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 as and when required.

Shareholders / investors' grievance committee

Terms of Reference

The Investors Grievance Committee focuses on shareholders' grievances and strengthening of investor relations. It looks into various investor complaints like transfer of shares, non-receipt of annual reports and other such issues.

Composition and Attendance

As on March 31, 2008 the Investor Grievance Committee comprises of two members out of whom one was Non-Executive Director.

Name of the Member	No. of meetings attended
Mr. Ajay Bijli	3
Mr. Amit Burman*	3
Mr. Sumit Chandwani	1
Mr. Sanjay Khanna**	N.A.

* Mr. Amit Burman ceased to be member of the Investor Grievance Committee w.e.f. from January 24, 2008 due to his resignation from the Board of the Company.

**Mr. Sanjay Khanna has been inducted in the Investor Grievance Committee with effect from April 15, 2008.

During the year under review the Investors Grievance Committee met three times on June 06, 2007; October 29, 2007; and January 23, 2008.

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.

Details of complaints/ queries received and resolved during the financial year 2007-08 are as follows:

Nature of Complaints	Number of complaints/ Queries received during the year	Complaints/Queries resolved during the year	Complaints/Queries pending Excess/ during the year
Non-receipt of Annual Report	2	2	0
Non-receipt of Dividend Warrants	11	11	0
Non-receipt of Electronic Credits	19	19	0
Receipt of Refund orders for revalidations	1	1	0
Dematerialisation/Rematerialisation of shares	165	165	0
Receipt of DDs against Dividend warrants	23	23	0
Receipt of DD against Refund order from Company/Bank	2	2	0
Miscellaneous correspondence/complaints	274	274	0
Total	**497**	**497**	**0**

Compensation Committee

Terms of Reference

The Compensation Committee constituted for the purposes of administering and supervising the ESPS and ESOS and for determination of all such matters specified in the ESPS and ESOS.

Composition and Attendance

Name of the Member	No. of meetings attended
Mr. Vikram Bakshi	-
Mr. Sumit Chandwani	-
Mr. Amit Burman*	-

* Mr. Amit Burman ceased to be member of the Compensation Committee w.e.f. from January 24, 2008 due to his resignation from the Board of the Company.

During the year ended March 31, 2008, no Committee Meeting was held as no fresh options were granted under PVR ESOS.

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
2004-05	Friday, September 30, 2005	12:00 Noon	61, Basant Lok, Vasant Vihar, New Delhi – 110057	-
2005-06	Wednesday, September 6, 2006	9:30 A.M.	61, Basant Lok, Vasant Vihar, New Delhi - 110057	(i) Increasing the FII Shareholding limit under Foreign Exchange Management Act, 1999; (ii) Utilization of IPO funds in a manner other than that mentioned in the prospectus.
2006-07	Saturday, August 18, 2008	10:30 A.M.	61, Basant Lok, Vasant Vihar, New Delhi – 110057	(i) Issue of Foreign Currency Convertible Bonds pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 (ii) Issue of Warrants convertible into Equity Shares pursuant to the provisions of Section 81(1A) of the Companies Act, 1956; and (iii) Increase in the FII Shareholding limit under Foreign Exchange Management Act, 1999.

Ordinary Resolution passed during the year through postal ballot:

During the year under review, the Company has conducted a postal ballot in pursuance to the provisions of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for seeking approval of the shareholders by way of ordinary resolutions for the increase in remuneration of Mr. Ajay Bijli, Chairman cum Managing Director and Mr. Sanjeev Kumar, Joint Managing Director.

The notice of the postal ballot were published in **Financial Express** (English daily) and **Jansatta** (Vernacular newspaper).

M/s Brajesh Arora & Associates, Company Secretaries, New Delhi were appointed as scrutinizer by the Board. Mr. Brajesh Arora had submitted his report on November 06, 2007 and the results were declared by the company on November 07, 2007.

The summary of the results are as follows:

Resolution I: Increase in remuneration of Mr. Ajay Bijli, Chairman cum Managing Director

Particulars	No. Postal Ballot Forms	No. of Shares	%
Total postal ballot forms received	549	15,267,343	66.34% (of total no. of Equity Shares)
Less: Invalid postal ballot forms (as per register)	20	1,242	0.01% (of Total No. of shares under Postal ballots received)
Net valid postal ballot forms (as per register)	529	15,266,101	99.99% (of no. of shares under postal ballots received)
Postal ballot forms with assent for the Resolution	407	15,258,082	99.95% (of valid postal ballots received)
Postal ballot forms with dissent for the Resolution	122	8,019	0.05% (of valid postal ballots received)

Resolution II: Increase in remuneration of Mr. Sanjeev Kumar, Joint Managing Director

Particulars	No. Postal Ballot Forms	No. of Shares	%
Total postal ballot forms received	549	15,267,343	66.34% (of total no. of Equity Shares)
Less: Invalid postal ballot forms (as per register)	20	1,242	0.01% (of total no. of shares under Postal ballots received)
Net valid postal ballot forms (as per register)	529	15,266,101	99.99% (of total no. of shares under postal ballots received)
Postal ballot forms with assent for the Resolution	407	15,258,072	99.95% (of valid postal ballots received)
Postal ballot forms with dissent for the Resolution	122	8,029	0.05% (of valid postal ballots received)

The Chairman after pursuing the scrutinizer's report announced that the resolutions as per the postal ballot notice were duly passed with requisite majority and directed that the resolutions be recorded in the minutes book.

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.

During the year under review we do not have any Material Non Listed Indian Subsidiary.

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 of any matter related to Capital Market.

There were no penalties imposed or strictures passed on the Company by Stock Exchanges, SEBI or any other Statutory Authority.

c) Compliance with this clause

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements entered into with the stock exchanges.

Management

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

CMD/CFO Certification

The Certificate from Mr. Ajay Bijli, CMD 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) Disclosures Regarding appointment / re-appointment of Directors

The information as required under clause 49 (G) of the Listing agreement with respect to the appointment / re-appointment of the directors forms part of the explanatory statement annexed with the Notice of the ensuing Annual General Meeting and the same is attached with this report.

b) 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. These 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 facsimile to the Stock Exchanges where the shares of the Company are listed.

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

News Papers	Language	Region
Financial Express	English	Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Ahmedabad, Kolkata, Chandigarh, Kochi
Jansatta	Hindi	Bihar, Jharkhand, Delhi, Lucknow, Varanasi & Meerut

General Shareholders' Information

1.	**Annual General Meeting**	:	30th day of September 2008 10:00 A.M. at The Claremont Hotel & Convention Centre, Mehrauli Gurtaon Road, New Delhi- 110030
2.	**Financial calendar**	:	Tentative Schedule:
	Accounting Year		April to March
	Adoption of Quarterly Results for the Quarter ended June 30, 2008,		3rd /4th Week of July, 2008
	September 30, 2008		October, 2008
	December 31, 2008		January, 2009
	March 31, 2009		June, 2009
3.	**Book Closure Date**	:	24.09.2008 to 30.09.2008 (both days inclusive)
4.	**Dividend Payment Date**	:	No further Dividend has been recommended.
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 : INE191H01014

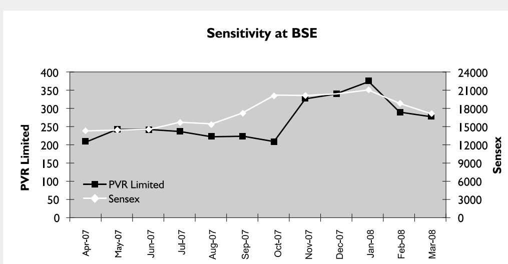
7. **Market Price Data**

Monthly High Low for the year under review

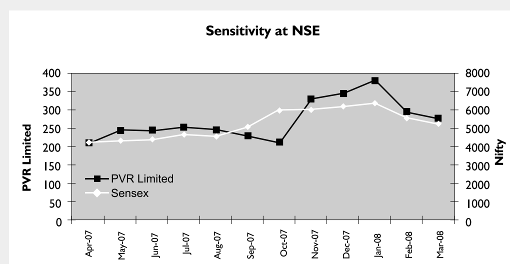
	NSE		BSE	
Month	High	Low	High	Low
April 07	209.00	162.00	209.90	165.00
May 07	243.80	200.00	245.00	200.05
June 07	242.80	200.00	243.50	201.20
July 07	252.50	190.00	238.50	204.00
August 07	245.00	170.00	224.00	170.00
September 07	227.40	195.00	225.00	194.00
October 07	210.10	172.35	211.00	172.00
November 07	327.60	179.10	329.20	180.00
December 07	343.75	252.60	341.95	270.00
January 08	379.00	247.00	376.95	247.40
February 08	294.00	223.15	291.00	224.00
March 08	275.00	161.95	280.00	160.00

8. **Performance of PVR Share price in comparison to :**

BSE SENSEX



NIFTY INDEX



9. **Registrar and Transfer Agents :**
Karvy Computershare Private Limited (KCPL)
Karvy House, 46, Avenue 4, Street,
No.1, Banjara Hills, Hyderabad – 500 034
Tel : +91-40-23420815-824
Fax : +91-40-23420814
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, 2008

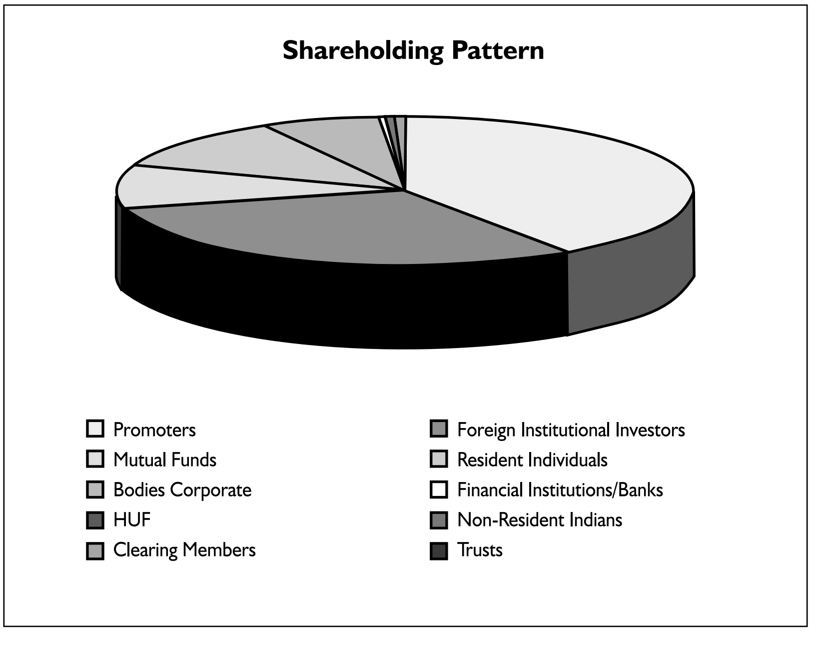
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	18327	96.850395%	1042075	10420750	4.528030%
5001-10000	250	1.321144%	207893	2078930	0.903338%
10001-20000	139	0.734556%	211148	2111480	0.917482%
20001-30000	40	0.211383%	102409	1024090	0.444988%
30001-40000	23	0.121545%	82618	826180	0.358992%

40001-50000	32	0.169106%	153387	1533870	0.666498%
50001-100000	50	0.264229%	379548	3795480	1.649214%
100001 & Above	62	0.327644%	20834792	208347920	90.531458%
Total	**18923**	**100%**	**23013870**	**230138700**	**100%**

(b) **Shareholding pattern**

Consolidated Shareholding Pattern as on March 31, 2008

Sl. No.	Category	No. of Cases	Total Shares	% to Equity
1	Promoters	3	9323769	40.51%
2	Foreign Institutional Investors	14	7126503	30.97%
3	Mutual Funds	14	2090490	9.08%
4	Resident Individuals	17833	2617133	11.37%
5	Bodies Corporates	459	1518720	6.60%
6	Financial Institutions / Banks	1	59295	0.26%
7	HUF	371	48980	0.21%
8	Non-Resident Indians	154	84223	0.37%
9	Clearing Members	70	144520	0.63%
10	Trusts	4	237	0.00%
	Total	**18923**	**23013870**	**100%**



12. Dematerialisation 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	820	1 5,728	0.07
2	NSDL	14,726	21,688,597	94.24
3	CDSL	3,377	1,309,545	5.69
Total		18,923	23,013,870	100.00

13. The Company has during the year issued 12,00,000 convertible Warrants to one of the promoters M/s Priya Exhibitors Private Limited at a price of Rs. 215.17 each which was determined in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000. The warrants are convertible at the option of the warrant holder within a period of 18 months from the date of allotment. The said warrants have been issued on September 18, 2007.

14. **Site Locations**

Sl. No.	Name of Site	Address
1	PVR - Saket	Saket, New Delhi
2	PVR - Priya	Vasant Vihar, New Delhi
3	PVR - Naraina	Naraina, New Delhi
4	PVR - Vikaspuri	Vikas Puri, New Delhi
5	PVR - Plaza	Connaught Place, New Delhi
6	PVR - Rivoli	Connaught Place, New Delhi
7	PVR Prashant Vihar	Prashant Vihar, New Delhi
8	PVR Select City Walk	Saket New Delhi
9	PVR - Metropolitan	Gurgaon, Haryana
10	PVR – Crown Plaza	Faridabad, Haryana
11	PVR - Sahara	Gurgaon, Haryana
12	PVR – Ambience Mall	Gurgaon, Haryana
13	PVR Centra	Centra Mall, Chandigarh
14	PVR Flamez	Ludhiana
15	PVR - EDM	Kaushambi, Ghaziabad, U.P.
16	PVR - Sahara Mall	Lucknow, U.P.
17	PVR - Indore	Indore, M.P.
18	PVR - Bangalore	Bangalore, Karnataka
19	PVR - Punjagutta	Hyderabad, Andhra Pradesh
20	PVR - Juhu	Juhu, Mumbai
21	PVR – Nirmal Lifestyle	Mulund, Mumbai
22	PVR Goregaon	Goregaon, Mumbai
23	PVR Talkies	Latur, Maharashtra
24	PVR Talkies	Aurangabad, Maharashtra
25	PVR Talkies	Vadodara, Gujarat

15. **Address for correspondence :**

Mr. N.C. Gupta
Company Secretary
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

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, 2008.

Place : Gurgaon, Haryana
Date : July 31, 2008

Ajay Bijli
Chairman cum Managing Director

CMD and CFO's Certification

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

1. We have reviewed the financial statements and cash flow statements for the year and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;

3. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, wherever applicable:
   a) Deficiencies in the design or operation of internal controls, if any, which come to our notice and steps have been taken / proposed to be taken to rectify these deficiencies;
   b) Significant changes in internal control over financial reporting during the year;
   c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
   d) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

Place : Gurgaon, Haryana
Date : July 31, 2008

Ajay Bijli
Chairman cum Managing Director

Nitin Sood
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 implementation of Corporate Governance procedures by **PVR Limited** during the period ended March 31st, 2008 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, we certify that the Company has in all respect complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the stock exchanges and that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievance Committee.

For Brajesh Kumar & Associates
Company Secretaries

Brajesh Kumar
(Proprietor)
M. No.: 19059, C.P. No.: 7497

Place : New Delhi
Date : July 31, 2008

Stand-alone Financial Statements

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, 2008 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) ("the Order") 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. 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, 2008;

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.**
Chartered Accountants

per **Anil Gupta**
Partner
Membership No.: 87921

Place: New Delhi
Dated: June 2, 2008

Annexure referred to in paragraph 3
of our report of even date

Re: PVR LIMITED

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

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no 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 three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 450,484,970 and the year end balance of loans granted to such parties was Rs. 248,400,000.

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

(c) The loans granted are re-payable on demand. The Company has received the repayment of loans as and when demanded by it, thus, there has been no default on the part of the companies to whom the money has been lent. The receipt of interest has been regular.

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

(e) As informed, 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. Therefore, the provisions of clause 4(iii) (f) and (g) of the Order are not applicable to the Company.

(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, no major weakness has been noticed in the internal control system 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 lacs 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) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.

(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 undisputed 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 information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(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 or banks. We have been informed that the Company has not issued any debenture during the year.

(xii) According to the information and explanations iven 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 Order are not applicable to the Company.

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

(xv) According to the information and explanations given to us, the Company has 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 information and explanations given to us by the management, out of proceeds of term loans from a bank and body corporate aggregating to Rs. 754,166,663, unutilized amounts aggregating to Rs. 90,597,046, were lying in bank accounts. Read with above, 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 did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year. However, we have verified the end use of money raised by public issues in an earlier year, as disclosed in the notes to the financial statements (Refer Note No. 9.2 of Schedule 23).

(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.**
Chartered Accountants

per **Anil Gupta**
Partner
Membership No.: 87921

Place : New Delhi
Date : June 2, 2008

Balance Sheet as at 31 March, 2008

	Schedules	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	330,138,700	430,138,700
Advance received against convertible share warrants (Refer Note No. 8 of Schedule 23)		25,820,400	-
Employees Stock Options Outstanding	2	-	-
Reserves and surplus	3	1,748,665,561	1,573,579,736
		2,104,624,661	2,003,718,436
Loan funds			
Secured loans	4	954,889,548	600,664,739
Deferred Tax Liabilities (Net)	5	69,604,467	64,624,243
		3,129,118,676	2,669,007,418
APPLICATION OF FUNDS			
Fixed Assets	6		
Gross block		2,087,311,726	1,697,790,594
Less : Accumulated Depreciation		491,534,862	348,667,654
Net block		1,595,776,864	1,349,122,940
Capital Work-in-Progress including Capital Advances		193,571,260	144,275,380
Pre-operative expenses (pending allocation)	7	34,606,853	37,987,538
		1,823,954,977	1,531,385,858
Intangible Assets (net of amortisation and including capital advances)	8	8,652,658	6,059,864
Investments	9	785,273,893	629,016,644
Current Assets, Loans and Advances			
Interest accrued on long term investments		1,978,708	1,406,603
Inventories	10	20,910,288	17,615,286
Sundry debtors	11	130,863,892	55,259,967
Cash and bank balances	12	111,160,457	70,109,377
Other current assets	13	15,473,303	3,554,139
Loans and advances	14	655,319,783	616,579,354
		935,706,431	764,524,726
Less: Current Liabilities and Provisions			
Current liabilities	15	377,998,916	251,964,248
Provisions	16	46,470,367	10,015,426
		424,469,283	261,979,674
Net Current Assets		511,237,148	502,545,052
		3,129,118,676	2,669,007,418
Notes to Accounts	23		

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.**
Chartered Accountants

per **Anil Gupta**
Partner
Membership No 87921

Place : New Delhi
Date : June 2, 2008

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, 2008

	Schedules	For the year ended March 31, 2008 (Rs.)	For the year ended March 31, 2007 (Rs.)
INCOME			
Operating income	17	2,360,767,116	1,647,181,885
Other income	18	86,227,336	71,467,972
		2,446,994,452	1,718,649,857
EXPENDITURE			
Film distributors' share		609,527,780	442,734,136
Consumption of food and beverages		157,870,840	114,552,600
Personnel expenses	19	247,124,571	192,734,730
Employee compensation expenses under employee share purchase scheme and employee stock option scheme		-	2,909,928
Operating and other expenses	20	894,627,814	634,089,953
		1,909,151,005	1,387,021,347
Profit before depreciation/amortisation, interest and tax (EBITDA)		537,843,447	331,628,510
Depreciation/amortisation		150,989,701	124,153,009
Interest paid	21	68,140,266	54,962,272
Profit Before Tax		318,713,480	152,513,229
Provision for taxes (including wealth tax Rs. 60,000, Previous year Rs. 50,000)		(97,300,000)	(26,500,000)
Deferred tax charge		(4,980,224)	(18,016,497)
Fringe benefit tax		(5,800,000)	(5,000,000)
Income tax credit for earlier years (net)		24,407	2,626,365
Total Tax Expense		(108,055,817)	(46,890,132)
Net Profit after tax		210,657,663	105,623,097
Balance brought forward from previous year		201,679,577	133,858,450
Less: Adjustment for Employee Benefits Provision (Net of Tax Rs. 137,106)		-	(270,219)
Profit available for appropriation		412,337,240	239,211,328
Appropriations			
- Transfer to Capital Redemption Reserve		100,000,000	-
- Interim dividend on equity shares		23,013,870	22,915,370
- Interim dividend on preference shares		7,390,710	10,000,000
- Tax on dividend		5,167,258	4,616,381
Surplus carried to Balance Sheet		276,765,402	201,679,577
Earnings per share	22		
Basic [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		8.78	4.12
Diluted [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		8.53	4.12
Notes to Accounts	23		

The Schedules referred to above and Notes to Accounts form an integral part of the Profit & Loss Account.

As per our report of even date

For **S. R. Batliboi & Co.**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

per **Anil Gupta**
Partner
Membership No 87921

N. C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Place : New Delhi
Date : June 2, 2008

Cash Flow Statement for the year ended March 31, 2008

	For the year ended March 31, 2008 (Rs.)	For the year ended March 31, 2007 (Rs.)
A. Cash flow from operating activities:		
Profit before taxation	318,713,480	152,513,229
Adjustments for :		
Depreciation/amortisation	150,989,701	124,153,009
Loss on disposal of fixed assets (net)	2,278,058	1,246,098
Pre-operative expenses charged off	71,425	-
Interest income	(37,348,992)	(33,105,998)
Profit on sale of current investments	-	(242,763)
Loss on sale of current investments	20,489	-
Dividend income	(22,061,198)	(26,060,706)
Interest expense	68,140,266	54,962,272
Employee compensation expenses under employee share purchase scheme and employee stock option scheme	-	2,909,928
Provision for doubtful debts and advances	1,273,309	2,278,143
Operating profit before working capital changes	482,076,538	278,653,212
Movements in working capital :		
(Increase) in sundry debtors	(76,920,570)	(28,583,314)
(Increase) in inventories	(3,295,002)	(8,368,712)
(Increase) in loans and advances and other current assets	(19,384,064)	(122,917,535)
Increase in current liabilities and provisions	120,241,613	34,705,141
Cash generated from operations	502,718,515	153,488,792
Direct taxes paid (net of refunds)	(105,119,595)	(37,896,873)
Net cash from operating activities	397,598,920	115,591,919
B. Cash flows from investing activities		
Purchase of fixed assets	(438,884,141)	(289,057,590)
Purchase of intangible assets	(4,278,668)	(3,616,357)
Proceeds from sale of fixed assets	4,361,402	67,579
Consideration paid for acquiring interest in a subsidiary	(125,000)	-
Purchase of investments	(1,957,521,206)	(3,020,683,458)
Sale of investments	1,811,368,468	2,701,179,268
Loans given to subsidiaries	(307,000,000)	(288,500,226)
Loans refunded by subsidiaries	276,600,000	298,571,296
Dividend received	22,061,198	26,060,706
Interest received	27,613,596	39,993,691
Fixed Deposits with banks placed	(12,722,514)	(10,947,727)
Fixed Deposits with banks encashed	11,933,300	613,371,938
Net cash (used in)/from investing activities	(566,593,565)	66,439,120
C. Cash flow from financing activities		
Proceeds from issuance of share capital	-	3,885,000
Repayment of preference share capital	(100,000,000)	-
Proceeds from long-term borrowings	671,232,753	105,800,000
Repayment of long-term borrowings	(317,007,944)	(118,790,542)
Advance received against convertible share warrants	25,820,400	-
Dividend and tax thereon paid	(394,179)	(69,573,151)
Interest paid	(77,480,025)	(57,410,961)
Net cash from/(used in) financing activities	202,171,005	(136,089,654)
Net increase in cash and cash equivalents (A + B + C)	33,176,360	45,941,385
Cash and cash equivalents at the beginning of the year	57,679,799	11,738,414
Cash and cash equivalents at the end of the year	90,856,159	57,679,799

Components of cash and cash equivalents as at	March 31, 2008	March 31, 2007
Cash and cheques on hand	7,874,346	8,576,083
With banks - on current accounts	89,990,502	48,632,720
- on book overdraft account*	(7,085,506)	-
- on deposit accounts**	-	-
- on unpaid and unclaimed dividend accounts	76,817	470,996
	90,856,159	57,679,799

* amount shown under Schedule 15.

**difference of Rs. 13,218,792 (Previous year Rs. 12,429,578) from Schedule 12 represents short-term investments with an original maturity of three months or more.

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.**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

per **Anil Gupta**
Partner
Membership No 87921

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Place : New Delhi
Date : June 2, 2008

Schedule 1 : Share capital

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Authorised share capital		
30,000,000 (Previous year 30,000,000) equity shares of Rs. 10 each	**300,000,000**	300,000,000
20,000,000 (Previous year 20,000,000) preference shares of Rs. 10 each	**200,000,000**	200,000,000
	500,000,000	500,000,000
Issued, subscribed and paid-up		
23,013,870 (Previous year 23,013,870) equity shares of Rs. 10 each fully paid	**230,138,700**	230,138,700
10,000,000 (Previous year 20,000,000) 5% redeemable preference shares of Rs. 10 each fully paid	**100,000,000**	200,000,000
	330,138,700	430,138,700

NOTES:

1. Of the above 5,321,000 (Previous year 10,642,000) 5% redeemable preference shares are held by Mr. Ajay Bijli, Chairman cum Managing Director.
2. Preference shares are redeemable at par after three years with a put and call option at the end of two years from the date of allotment i.e. September 23, 2005.

Schedule 2 : Employees Stock Options Outstanding

Employees stock options outstanding		
As per last account	-	**2,915,966**
Add: Accounted for during the year (net)	-	3,541,534
	-	6,457,500
Less: Amount transferred to Securities Premium Account upon issue of equity shares	-	**6,457,500**
	-	-

Schedule 3 : Reserves and Surplus

Capital Redemption Reserve Account		
Transferred from Profit and Loss Account during the year	**100,000,000**	-
Securities premium account - as per last account	**1,371,900,159**	1,362,793,975
Add:		
Received on issue of shares under employees share purchase/employees stock option scheme	-	2,520,000
Amount transferred from Employees Stock Options Outstanding Account	-	6,457,500
Excess provision for share issue expenses now written back and adjusted from securities premium account	-	128,684
	1,371,900,159	1,371,900,159
Profit and Loss Account Balance	**276,765,402**	201,679,577
	1,748,665,561	1,573,579,736

Schedule 4 : Secured Loans

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Loans from banks		
Term loans from banks (Due within one year Rs. 139,846,405, (Previous year Rs. 139,008,752))	477,170,810	520,639,524
Car finance loans from banks (Due within one year Rs. 6,786,609, (Previous year Rs. 1,125,553))	19,355,065	5,675,215
Other loans		
Term loans from a body corporate (Due within one year Rs. 94,658,114, (Previous year Rs. Nil))	400,213,673	-
Term loan from small industries development bank of india (SIDBI) (Due within one year Rs. 20,050,000, (Previous year Rs. 16,200,000))	58,150,000	74,350,000
	954,889,548	600,664,739

NOTES:

1. a) Term loans from United Bank of India and Union bank of India to the extent of Rs. 151,473,673, are secured by first pari passu charge by way of hypothecation of the whole of the movable properties including movable plant and machinery, machinery spares, tools and accessories and other movable assets (except vehicles hypothecated to banks) of all current and future operating theatres of the Company ranking pari passu with other lenders. These are further secured by the personal guarantee of two directors of the Company.

   b) Term Loan from Punjab National Bank to the extent of Rs. 325,697,137, is secured by first parri passu charge with other lenders on all assets and movable property (excluding vehicles hypothecated to banks), including current assets namely current and movable fixed assets of any kind belonging to the Company both present and future except those at PVR Juhu, Mumbai. This loan is further secured by second charge on all the movable and immovable assets namely current and movable fixed assets as well as the movable and immovable assets at PVR Juhu, Mumbai of the Company and PVR Phoenix, Mumbai of the subsidiary.

2. Car finance loans to the extent of Rs. 19,355,065 are to be secured by hypothecation of vehicles purchased out of the proceeds of the loans.

3. Term Loans from a body corporate to the extent of Rs. 400,213,673, are secured by first parri passu charge with other lenders on all fixed assets of the Company (excluding vehicles hypothecated to banks) both present and future except those at PVR Juhu, Mumbai. These loans are further secured by first pari passu charge on all receivables both present and future. These are further secured by the personal guarantee of two directors of the Company.

4. Loan from SIDBI to the extent of Rs. 58,150,000 is 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 is further secured by a second charge on personal properties of a director at Vasant Vihar and Jhandewalan, New Delhi and is also secured by the personal guarantee of two directors of the Company.

Schedule 5 : Deferred Tax Liabilities (Net)

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets and intangibles as per tax books and financial books	82,756,004	68,741,898
Gross Deferred Tax Liabilities	82,756,004	68,741,898
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	11,314,503	2,713,419
Provision for doubtful debts and advances	1,837,034	1,404,236
Gross Deferred Tax Assets	13,151,537	4,117,655
Net Deferred Tax Liabilities	69,604,467	64,624,243

Schedule 6 : Fixed Assets

Rs.

	Land Freehold	Building	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block								
At 01.04.2007	190,350	1,273,590	552,202,499	875,595,687	255,530,620	12,997,848	1,697,790,594	1,009,502,836
Additions	-	-	137,279,668	187,723,715	56,356,807	21,237,021	402,597,211	691,271,286
Deductions	-	-	1,260,320	3,979,790	2,535,037	5,300,932	13,076,079	2,983,528
At 31.03.2008	**190,350**	**1,273,590**	**688,221,847**	**1,059,339,612**	**309,352,390**	**28,933,937**	**2,087,311,726**	1,697,790,594
Depreciation								
At 01.04.2007	-	190,299	106,109,527	176,939,548	62,971,198	2,457,082	348,667,654	227,292,224
For the year	-	20,760	46,451,182	71,376,056	29,198,117	2,257,712	149,303,827	123,045,281
Deductions	-	-	1,260,320	2,468,376	352,452	2,355,471	6,436,619	1,669,851
At 31.03.2008	**-**	**211,059**	**151,300,389**	**245,847,228**	**91,816,863**	**2,359,323**	**491,534,862**	348,667,654
For previous year	-	20,760	40,452,280	55,981,314	25,568,483	1,022,444	123,045,281	
Net Block								
At 31.03.2008	**190,350**	**1,062,531**	**536,921,458**	**813,492,384**	**217,535,527**	**26,574,614**	**1,595,776,864**	1,349,122,940
At 31.03.2007	190,350	1,083,291	446,092,972	698,656,139	192,559,422	10,540,766	1,349,122,940	
Capital work in progress							137,566,765	118,118,493
Capital Advances (Unsecured, considered good)							56,004,495	26,156,887
							193,571,260	144,275,380
Total	**190,350**	**1,062,531**	**536,921,458**	**813,492,384**	**217,535,527**	**26,574,614**	**1,789,348,124**	1,493,398,320

Notes:

1. Fixed assets of the cost of Rs. 4,485,661, Previous year Rs. 2,843,668, (WDV Rs.1,275,577, Previous year Rs. 1,209,941) 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. 17,464,317 (Previous year Rs. 17,464,317) lodged by some developers on the Company and claims of Rs. 7,681,033 (Previous year Rs. 7,681,033) lodged by the Company on the developers are subject to confirmation/reconciliation. However, the 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. Depreciation provided for the year is net of reversal of excess depreciation of Rs. 1,637,116, Previous year Rs. 6,564,399.

Schedule 7 : Pre-Operative Expenses (pending allocation)

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Balance brought forward	37,987,538	141,809,270
Salary and other allowances	13,806,512	11,772,450
Contribution to provident and other funds	908,502	878,449
Staff welfare expenses	1,235,736	479,023
Employee compensation expenses under employee share purchase scheme and employee stock option scheme	-	631,607
Rent	5,847,892	1,103,250
Rates and taxes	3,033,272	1,961,832
Communication costs	23,538	239,894
Architect and other fees	9,937,730	10,966,796
Professional charges	9,070,275	6,385,342
Travelling and conveyance	1,542,270	2,575,998
Printing and stationery	154,334	111,589
Insurance	233,359	322,230
Repairs and maintenance:		
- Buildings	1,413,856	3,179,095
Electricity and water charges (net of recovery)	1,039,435	1,210,181
Security service charges	679,869	819,099
Interest on fixed loans	9,414,737	2,520,124
Foreign exchange fluctuation	-	46,567
Bank and other charges	689,734	-
Fringe benefit tax	284,953	192,646
Miscellaneous expenses	1,136,684	644,711
	98,440,226	187,850,153
Less : Amount recovered from developers towards re-negotiation of rent	-	5,593,662
Less : Allocated to fixed assets	54,355,489	144,268,953
Less: Expenses written off	71,425	-
Less : Expenses pertaining to Goregaon, Mumbai Project transferred to a wholly owned subsidiary	9,406,459	-
Balance Carried Forward	34,606,853	37,987,538
Note:		
Rent includes amount paid to a director	1,282,500	918,000
Rates and taxes include stamp duty on registration of lease deed	2,248,000	1,772,300

Schedule 8 : Intangible Assets

Rs.

	Software Development Cost	Film Rights' Cost	Total	Previous Year
Gross Block				
At 01.04.2007	7,905,226	1,834,658	9,739,884	6,142,027
Additions	4,586,828	-	4,586,828	3,597,857
At 31.03.2008	**12,492,054**	**1,834,658**	**14,326,712**	**9,739,884**
Amortisation				
At 01.04.2007	2,282,862	1,834,658	4,117,520	3,009,792
For the year	1,685,874	-	1,685,874	1,107,728
At 31.03.2008	**3,968,736**	**1,834,658**	**5,803,394**	**4,117,520**
For previous year	1,107,728	-	1,107,728	-
Net Block				
At 31.03.2008	**8,523,318**	**-**	**8,523,318**	5,622,364
Capital Advances (Unsecured, considered good)			129,340	437,500
At 31.03.2008	**8,523,318**	**-**	**8,652,658**	**6,059,864**
At 31.03.2007	5,622,364	-	5,622,364	

Schedule 9 : Investments

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Long Term Investments		
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) Private Limited	200,000,000	200,000,000
21,500,000 (Previous year 1,500,000) in PVR Pictures Limited	215,000,000	15,000,000
5,000,000 (Previous year Nil) in Sunrise Infotainment Private Limited	50,025,000	-
Fully paid up 5% cumulative preference shares of Rs. 10 each		
5,000,000 (Previous year Nil) in Sunrise Infotainment Private Limited	50,000,000	-
B. In Government Securities (Unquoted)		
6 years National Savings Certificates * (Deposited with Entertainment Tax Authorities)	5,548,000	5,548,000
6 years National Savings Certificates ** (Deposited with Municipal Corporation of Hyderabad)	45,000	45,000
Current Investments		
Other than trade investments (Quoted)***		
Units in mutual funds of Rs. 10 each		
5,065,237.974 (Previous year Nil) units of B332DD Birla Sun Life Liquid Plus - Institutional.- Daily Dividend- Reinvestment	50,686,823	-
5,021,464.997 (Previous year Nil) units of Kotak Flexi Debt Scheme -50,370,818 Daily Dividend	50,370,818	
4,048,674.995 (Previous year Nil) units of TFLD TATA Floater Fund -40,630,883 Daily Dividend	40,630,883	
2,883,067.574 (Previous year Nil) units of 28Q ICICI Prudential - Flexible Income Plan Dividend - Daily Dividend Reinvestment	30,484,115	-
Nil (Previous year 8,318,556.811) units of P32ISD Prudential ICICI Liquid Plan - Super Institutional Daily Dividend	-	83,185,568
Nil (Previous year 15,170,726.024) units of OLPIPD HSBC Liquid Plus-Inst. Plus-Daily Dividend	-	151,774,513
Nil (Previous year 13,022,840.564) units of Reliance Liquidity Fund - Daily Dividend Reinvestment option -Reinvestment	-	130,268,776
Units in mutual funds of Rs. 1,000 each		
92,378.275 (Previous year Nil) units of Reliance Liquid Plus Fund - Institutional option - Daily Dividend Plan	92,483,254	-
Nil (Previous year 42,370.856) units of UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment	-	43,194,787
	785,273,893	629,016,644

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. ***Invested out of unutilised monies out of issue of share capital.

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

Purchased	Value (Rs.)
- In Dividend option:	
Units in mutual funds of Rs. 10 each	
33,589,873 P32ISD ICICI Prudential Institutional Liquid Plan-Super Institutional-Daily Dividend	335,899
8,426,169.678 PFRDD ICICI Prudential Floating Rate Plan D- Daily Dividend	84,261,697
8,077,995.459 S252 Sundaram BNP Paribas Liquid Plus Super Inst. Div Rein Daily	80,820,973
48,371.009 Reliance Liquidity Fund- Daily Dividend Reinvestment option	483,860
2,999,677.745 Reliance Liquidity Fund Daily Dividend Reinvestment option	30,006,076
11,073,600.349 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	110,759,258
10,064,534.903 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	100,666,485

Schedule 9 : Investments (continued)

5,050,306.366 Birla Sun Life liquid Plus - Inst. Daily Dividend Reinvestment	50,537,406
2,999,098.008 HSBC Cash Fund Institutional Plus Daily Dividend	30,007,775
3,512,933.974 HSBC Liquid Plus - Institutional Plus - Daily Dividend	35,173,603
5,032,762.221 HDFC cash Management Fund Saving Plus Plan	50,486,154
4,037,452.780 1314 ING Liquid Plus Fund Institutional Daily Dividend	40,387,851
5,011,156.928 1314 ING Liquid Plus Fund Institutional Daily Dividend	50,128,106
8,029,866.759 M17DD ABN Amro Money Plus Institutional Plan Daily Dividend	80,299,471
6,008,724.680 Principal Floating Rate Fund FMP - Institutional Option Dividend Reinvestment Daily	60,161,154
3,043,941.920 FRDD ICICI Prudential Floating Rate Plan D - Daily Dividend - Reinvest Dividend	30,445,811
5,035,350.104 Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Daily Dividend Reinvestment	50,406,384
5,691,257.184 28Q ICICI Prudential - Flexible Income Plan Dividend - Daily - Reinvest Dividend	60,176,508
5,978,715.772 TFLD TATA Floater Fund - Daily Dividend	60,000,000
4,996,602.310 B332DD Birla Sun life Liquid Plus - Inst.- Daily Dividend -Reinvestment	50,000,000
Units in mutual funds of Rs. 1,000 each	
70,686.920 UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment	70,702,047
50,141.845 Templeton India Short Income Plan Institutional - Weekly Dividend Reinvestment	50,777,984
50,691.703 Templeton India TMA IP Daily Dividend	50,704,376
50,088.643 DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend	50,107,677
91.609 UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment	93,390
124,860.401 Reliance Liquidity Plus Fund- Institutional Option -Daily Dividend Plan	125,035,368
Sold	
- In Dividend option:	
Units in mutual funds of Rs. 10 each	
8,352,146.684 P32ISD ICICI Prudential Institutional Liquid Plan-Super Institutional-Daily Dividend	83,521,467
8,426,169.678 PFRDD ICICI Prudential Floating Rate Plan D- Daily Dividend	84,261,697
8,077,995.459 S252 Sundaram BNP Paribas Liquid Plus Super Inst. Div Rein Daily	80,838,705
13,071,211.528 Reliance Liquidity Fund- Daily Dividend Reinvestment option	130,752,636
2,999,677.745 Reliance Liquidity Fund Daily Dividend Reinvestment option	30,006,076
11,073,600.349 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	110,759,258
10,064,534.903 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	100,666,485
5,050,306.366 Birla Sun Life liquid Plus - Inst. Daily Dividend Reinvestment	50,537,406
2,999,098.008 HSBC Cash Fund Institutional Plus Daily Dividend	30,007,775
18,683,659.998 HSBC Liquid Plus - Institutional Plus - Daily Dividend	187,072,014
5,032,762.221 HDFC cash Management Fund Saving Plus Plan	50,486,154
4,037,452.780 1314 ING Liquid Plus Fund Institutional Daily Dividend	40,387,851
5,011,156.928 1314 ING Liquid Plus Fund Institutional Daily Dividend	50,128,106
8,029,866.759 M17DD ABN Amro Money Plus Institutional Plan Daily Dividend	80,299,471
6,008,724.680 Principal Floating Rate Fund FMP - Institutional Option Dividend Reinvestment Daily	60,161,154
3,043,941.920 FRDD ICICI Prudential Floating Rate Plan D - Daily Dividend - Reinvest Dividend	30,445,811
5,035,350.104 Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Daily Dividend Reinvestment	50,407,885
5,691,257.184 28Q ICICI Prudential - Flexible Income Plan Dividend - Daily - Reinvest Dividend	60,176,508
5,978,715.772 TFLD TATA Floater Fund - Daily Dividend	60,000,000
4,996,602.310 B332DD Birla Sun life Liquid Plus - Inst.- Daily Dividend -Reinvestment	50,000,000
Units in mutual funds of Rs. 1,000 each	
70,686.920 UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment	70,702,047
50,141.845 Templeton India Short Income Plan Institutional - Weekly Dividend Reinvestment	50,649,732
50,691.703 Templeton India TMA IP Daily Dividend	50,704,376

Schedule 9 : Investment (continued)

50,088.643 DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend			**50,107,677**	
42,462.465 UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment			**43,288,177**	
124,860.401 Reliance Liquidity Plus Fund- Institutional Option -Daily Dividend Plan			**125,000,000**	

5. Aggregate value of investments	**March 31, 2008**		March 31, 2007	
	Market Value	Cost	Market Value	Cost
Quoted	264,655,893	264,655,893	408,547,542	408,423,644
Unquoted		520,618,000		220,593,000
		785,273,893		**629,016,644**

Schedule 10 : Inventories

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Food and beverages	5,801,711	4,802,084
Stores and spares	15,108,577	12,813,202
	20,910,288	17,615,286

Schedule 11 : Sundry debtors

Debts outstanding for a period exceeding six months		
Secured, considered good	1,843,522	1,467,682
Unsecured, considered good	6,949,095	1,534,285
Unsecured, considered doubtful	5,048,856	3,802,710
Other debts		
Secured, considered good	2,964,948	1,836,801
Unsecured, considered good	119,106,327	50,421,199
Unsecured, considered doubtful	148,314	77,815
	136,061,062	59,140,492
Less : Provision for doubtful debts	5,197,170	3,880,525
	130,863,892	55,259,967

Schedule 12 : Cash and bank balances

Cash on hand	7,874,346	7,586,018
Cheques on hand	-	990,065
Balances with scheduled banks:		
On current accounts	89,990,502	48,632,720
On deposit accounts*	13,218,792	12,429,578
On unpaid and unclaimed dividend accounts	76,817	470,996
	111,160,457	70,109,377

* Includes fixed deposit receipts pledged with banks amounting to Rs. 12,765,722 (Previous year Rs. 12,035,576.)

Schedule 13 : Other current assets

Interest accrued on deposits and others	11,197,952	2,034,661
Income accrued for which invoices have been raised subsequently	4,275,351	1,372,999
Insurance claims receivable	-	146,479
	15,473,303	3,554,139
Included in Other Current Assets are:		
i) Outstanding from two subsidiaries, companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 i.e.		
CR Retail Malls (India) Private Limited	8,329,167	857,031
Sunrise Infotainment Private Limited	1,035,370	-
ii) Maximum amount outstanding from such Company at any time during the year		
CR Retail Malls (India) Private Limited	8,329,167	11,201,788
Sunrise Infotainment Private Limited	1,035,370	-

Schedule 14 : Loans and advances

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	67,656,684	68,006,916
Inter-corporate loans and advances to subsidiaries	248,656,035	218,000,000
Advance recoverable from a proposed subsidiary	1,096,735	-
Advance against share capital given to a proposed subsidiary	-	10,000,000
Advance payment of Income Tax/Tax Deducted at Source/Tax Refundable (net of income tax provision)	4,767,073	3,098,171
Deposits - others	333,143,256	317,474,267
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	207,462	250,798
	655,527,245	616,830,152
Less : Provision for doubtful advances	207,462	250,798
	655,319,783	616,579,354
Included in Loans and advances are:		
i) Outstanding from two subsidiaries, companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 i.e.		
PVR Pictures Limited	50,000,000	118,000,000
CR Retail Malls (India) Private Limited	100,205,019	100,000,000
Sunrise Infotainment Private Limited	98,451,016	-
ii) Maximum amount outstanding from such companies at any time during the year		
PVR Pictures Limited	226,600,000	118,000,000
CR Retail Malls (India) Private Limited	100,484,970	376,571,296
Sunrise Infotainment Private Limited	123,400,000	-
iii) Outstanding from a private limited company in which some of the directors of the Company are interested as directors	2,500,000	2,500,000

Schedule 15 : Current Liabilities

Sundry Creditors	340,817,924	221,770,591
Unclaimed dividend (statutory liabilities as referred in Section 205C of the Companies Act, 1956)*	76,817	470,996
Book overdraft with a bank	7,085,506	-
Security deposits	17,220,223	9,391,804
Income received in advance	11,054,435	18,661,824
Interest accrued but not due on loans	1,744,011	1,669,033
	377,998,916	251,964,248
Dues to micro and small enterprises included in Sundry creditors	-	-
Dues to other than micro and small enterprises included in Sundry creditors	340,817,924	221,770,591
Included in Sundry Creditors are:		
Payable to a subsidiary	3,518,150	556,986
Payable to Directors	-	482,668
* Shall be transferred to Investor Education and Protection Fund (as and when due)		

Schedule 16 : Provisions

For Interim Dividend		
- on Equity Shares	23,013,870	-
- on Preference Shares	7,390,710	-
For Corporate Dividend Tax	5,167,258	-
For Fringe Benefit Tax (Net of Payment)	702,499	792,646
For Staff benefit schemes - Leave Encashment	5,423,448	5,375,513
- Gratuity	4,772,582	3,847,267
	46,470,367	10,015,426

Schedule 17 : Operating Income

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Income from sale of tickets of films (net of entertainment tax paid Rs. 326,170,479, Previous year Rs. 283,613,507)	1,306,621,836	933,343,878
Income from Revenue Sharing (net of entertainment tax paid Rs. 358,824, Previous year Rs. 7,968,680)	268,710,263	182,074,639
Income from sale of film rights and distribution of films	452,981	-
Sale of food and beverages	464,873,343	331,789,164
Advertisement (Gross,Tax Deducted at source Rs. 7,035,995, Previous year Rs. 4,963,656)	285,935,259	169,148,401
Royalty Income (to the extent of pouring fee) (Gross, Tax Deducted at source Rs. Nil, Previous year Rs. 670,956)	7,432,987	15,874,775
Management fees (Gross, Tax Deducted at source Rs. 848,474, Previous year Rs. 242,469)	11,813,969	7,722,530
Convinience Fees	14,926,478	7,228,498
	2,360,767,116	1,647,181,885

Schedule 18 : Other Income

Interest		
On bank deposits (Gross, Tax Deducted at Source Rs. 208,378, Previous year Rs. 2,230,429)	1,006,616	10,354,979
On long term investments - Non Trade (Gross, Tax Deducted at Source Rs. Nil, Previous year Rs. Nil)	572,105	492,247
From subsidiaries (Gross, Tax Deducted at Source Rs. 7,972,196, Previous year Rs. 4,836,675)	35,190,629	21,557,678
From others (Gross, Tax Deducted at Source Rs. Nil, Previous year Rs. Nil)	579,642	701,094
Dividend income (from current investments - other than trade)	22,061,198	26,060,706
Profit on sale of Current Investments - other than trade	-	242,763
Rent received	7,322,537	3,754,199
Royalty Income (to the extent of sign on fee, from a customer)	832,416	4,707,264
Unspent Liabilities written back	4,318,895	117,360
Miscellaneous income	14,343,298	3,479,682
	86,227,336	71,467,972

Schedule 19 : Personnel Expenses

Salary and other allowances	210,091,695	164,388,702
Contribution to gratuity fund	4,772,582	3,771,802
Contribution to provident and other funds	18,827,688	16,164,247
Staff welfare expenses	13,432,606	8,409,979
	247,124,571	192,734,730

Schedule 20 : Operating and other expenses

		As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Rent (net of receipt from sub-lessees of Rs. 29,229,751, Previous year Rs. 16,075,502)		292,917,516	177,144,336
Rates and taxes		13,584,636	7,988,447
Communication costs		18,284,427	16,417,732
Professional charges		21,604,296	18,086,333
Advertisement and publicity (excluding Rs. 18,978,305, Previous year Rs. 28,229,326 borne by other co-sponsors)		102,746,662	70,048,508
Business promotion and entertainment		2,550,093	2,226,836
Travelling and conveyance		37,999,123	35,573,156
Printing and stationery		10,963,761	9,483,906
Insurance		7,162,963	7,436,269
Repairs and maintenance :			
- Buildings		38,422,067	27,197,282
- Plant & Machinery		22,716,058	16,309,327
- Common area maintenance		110,139,459	90,443,457
- Others		11,550,199	8,821,833
Electricity and water charges		125,366,185	94,823,047
Auditor's remuneration			
- Audit fee	2,119,492		1,741,580
- Tax audit fee	280,900		280,900
- Quarterly limited review of accounts	1,011,240		1,010,160
- Certification etc.	96,217		123,464
- Out-of-pocket expenses	79,436	3,587,285	28,141
Security service charges		20,849,745	19,695,965
Donations		3,246,760	527,525
Pre-operative expenses charged off		71,425	-
Irrecoverable balances written off (net)		7,396,169	173,152
Provision for doubtful debts and advances		1,273,309	2,278,143
Loss on sale of Current Investments - other than trade		20,489	-
Loss on disposal of fixed assets (net)		2,278,058	1,246,098
Directors Sitting Fees		520,000	440,000
Bank and other charges		11,515,607	5,992,286
Miscellaneous expenses		27,861,522	18,552,070
		894,627,814	634,089,953
Rent includes amount paid to directors		6,286,500	4,374,000

Schedule 21 : Interest paid

Interest		
on fixed loans	66,820,005	54,544,491
to banks and others	1,320,261	417,781
	68,140,266	54,962,272

Schedule 22 : Earning per share (EPS)

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Net profit as per profit and loss account	210,657,663	105,623,097
Less: Dividend on Preference Shares and tax thereon	8,646,762	11,402,500
Net Profit for calculation of basic and diluted EPS	202,010,901	94,220,597
Weighted average number of equity shares in calculating basic EPS:		
Number of equity shares outstanding at the beginning of the year	23,013,870	22,877,370
Equity shares allotted on January 31, 2007 (outstanding for 59 days)	-	38,000
Equity shares allotted on March 31, 2007 (outstanding for 1 day)	-	98,500
Number of equity shares outstanding at the end of the year	23,013,870	23,013,870
Weighted number of equity shares of Rs. 10 each outstanding during the year	23,013,870	22,883,782
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)	23,013,870	22,883,782
Add: Effect of advance received against convertible share warrants	659,016	-
Weighted number of equity shares of Rs. 10 each outstanding during the year	23,672,886	22,883,782
Basic Earnings Per Share	8.78	4.12
Diluted Earnings Per Share	8.53	4.12

Schedule 23: 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 are prepared to comply in all material respects with the notified Accounting Standards issued by Companies Accounting Standard Rules, 2006 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 and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of qualifying Fixed Assets are also included to the extent they relate to the period till such assets are ready for their intended use.

The carrying amount 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 assets 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 weighted average cost of capital.

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. Depreciation on additions to fixed assets, due to foreign exchange fluctuation on contracts entered prior to December 7, 2006 is provided over the remaining useful life of the assets.

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

(e) Intangibles

Software

Cost relating to purchased software's is capitalised and is amortised 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 Right's Cost

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

(f) 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.

(g) Investments

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

(h) 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.

(i) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account.

Where the Company is the lessor
Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account. 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.

(j) 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 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.

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.

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.

Sharing Revenue
Income from revenue sharing is recognized in accordance with the terms of agreement with parties to operate and manage Multiscreen/ Single screen Cinemas, namely PVR EDM, PVR Lucknow, PVR Indore, PVR Mullund, PVR Aligarh and PVR Ludhiana in coordinated manner.

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

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

Royalty income (to the extent of Sign on Fee from customers)
Revenue of one time sign on fee from customers is recognized on an annual basis as per the agreements. The amount of sign on fee received for unexpired period of agreements is deferred, which is recognized in the relevant year to which it pertains.

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.

Rent Income
Revenue from rent is recognized based upon the contract, for the period the property has been let out.

(k) Foreign currency transactions

(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 except those relating to acquisition of fixed assets from outside India on or prior to December 7, 2006, which are adjusted to the carrying amount of fixed assets in line with old AS 11 (1994).

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

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

(m) Income taxes
Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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 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. Unrealised 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.

(n) 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. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting 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.

(o) 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 except those disclosed elsewhere in the financial statements, 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.

(P) 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.

(q) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with 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 is amortized over the vesting period of the option on a straight line basis.

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 mostly within India with insignificant income from overseas market and does 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

	Subsidiary Companies		Enterprises having control or significant influence over the Company		Key Management Personnel (Managing Director and Joint Managing Director)		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Total	
	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07
Transactions during the year												
Remuneration paid												
Ajay Bijli	-	-	-	-	14,479,200	9,907,200	-	-	-	-	14,479,200	9,907,200
Sanjeev Kumar	-	-	-	-	7,353,000	5,263,200	-	-	-	-	7,353,000	5,263,200
Rent Expense												
Priya Exhibitors Private Limited	-	-	17,070,520	14,009,295	-	-	-	-	-	-	17,070,520	14,009,295
Leisure World Limited	-	-	-	-	-	-	-	-	17,841,619	14,852,000	17,841,619	14,852,000
Film Distributors Share expense (net of recovery towards publicity)												
PVR Pictures Limited	60,811,201	31,189,041	-	-	-	-	-	-	-	-	60,811,201	31,189,041
Interim Dividend Paid for 2005-06												
Bijli Investments Private Limited	-	-	-	4,920,068	-	-	-	-	-	-	-	4,920,068
Priya Exhibitors Private Limited	-	-	-	4,330,000	-	-	-	-	-	-	-	4,330,000
Ajay Bijli	-	-	-	-	-	100	-	-	-	-	-	100
Sanjeev Kumar	-	-	-	-	-	100	-	-	-	-	-	100
Sandhurao Bijli	-	-	-	-	-	-	-	100	-	-	-	100
Selena Bijli	-	-	-	-	-	-	-	100	-	-	-	100
Interim Dividend Paid for 2006-07												
Bijli Investments Private Limited	-	-	-	4,920,768	-	-	-	-	-	-	-	4,920,768
Priya Exhibitors Private Limited	-	-	-	4,330,000	-	-	-	-	-	-	-	4,330,000
Ajay Bijli	-	-	-	-	-	18,172	-	-	-	-	-	18,172
Dividend Paid on Preference Shares												
Ajay Bijli	-	-	-	-	-	5,321,000	-	-	-	-	-	5,321,000
Advance Received against Shares Warrants												
Priya Exhibitors Private Limited	-	-	25,820,400	-	-	-	-	-	-	-	25,820,400	-
Refund of Shares Application Money												
Sunrise Infotainment Private Limited	10,000,000	-	-	-	-	-	-	-	-	-	10,000,000	-
Redemption of Preference Share Capital												
Ajay Bijli	-	-	-	-	53,210,000	-	-	-	-	-	53,210,000	-
Subscription to Equity share capital												
CR Retail Malls (India) Private Limited	-	192,900,000	-	-	-	-	-	-	-	-	-	192,900,000
PVR Pictures Limited	200,000,000	-	-	-	-	-	-	-	-	-	200,000,000	-
Sunrise Infotainment Private Limited	49,900,000	-	-	-	-	-	-	-	-	-	49,900,000	-
Subscription to Preference share capital												
Sunrise Infotainment Private Limited	50,000,000	-	-	-	-	-	-	-	-	-	50,000,000	-
Inter Corporate Loans Given												
PVR Pictures Limited	158,600,000	128,500,000	-	-	-	-	-	-	-	-	158,600,000	128,500,000
C R Retail Malls (India) Private Limited	-	160,000,226	-	-	-	-	-	-	-	-	-	160,000,226
Sunrise Infotainment Private Limited	138,400,000	-	-	-	-	-	-	-	-	-	138,400,000	-
Inter Corporate Loans Repaid												
PVR Pictures Limited	226,600,000	22,000,000	-	-	-	-	-	-	-	-	226,600,000	22,000,000
C R Retail Malls (India) Private Limited	-	276,571,296	-	-	-	-	-	-	-	-	-	276,571,296
Sunrise Infotainment Private Limited	40,000,000	-	-	-	-	-	-	-	-	-	40,000,000	-

4. Related Party Disclosure *Contd.*

	Subsidiary Companies		Enterprises having control or significant influence over the Company		Key Management Personnel (Managing Director and Joint Managing Director)		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Total	
	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07
Interest Received												
PVR Pictures Limited	16,093,957	5,085,566	-	-	-	-	-	-	-	-	16,093,957	5,085,566
C R Retail Malls (India) Private Limited	12,665,658	16,472,112	-	-	-	-	-	-	-	-	12,665,658	16,472,112
Sunrise Infotainment Private Limited	6,431,014	-	-	-	-	-	-	-	-	-	6,431,014	-
Guarantees Given (Corporate Guarantees)												
C R Retail Malls (India) Private Limited	148,111,647	250,000,000	-	-	-	-	-	-	-	-	148,111,647	250,000,000
Guarantees Taken (Personal Guarantees)												
Ajay Bijli	-	-	-	-	*	*	-	-	-	-	*	*
Sanjeev Kumar	-	-	-	-	*	*	-	-	-	-	*	*
Balance outstanding at the end of the year												
Trade Payable												
PVR Pictures Limited	3,518,150	556,986	-	-	-	-	-	-	-	-	3,518,150	556,986
Priya Exhibitors Private Limited	-	-	1,392,623	1,100,081	-	-	-	-	-	-	1,392,623	1,100,081
Ajay Bijli	-	-	-	-	-	239,900	-	-	-	-	-	239,900
Sanjeev Kumar	-	-	-	-	-	129,500	-	-	-	-	-	129,500
Security Deposits												
Priya Exhibitors Private Limited	-	-	2,500,000	2,500,000	-	-	-	-	-	-	2,500,000	2,500,000
Leisure World Limited	-	-	-	-	-	-	-	-	2,400,000	2,400,000	2,400,000	2,400,000
Inter Corporate Loans												
PVR Pictures Limited	50,000,000	118,000,000	-	-	-	-	-	-	-	-	50,000,000	118,000,000
CR Retail Malls (India) Private Limited	100,000,000	100,000,000	-	-	-	-	-	-	-	-	100,000,000	100,000,000
Sunrise Infotainment Private Limited	98,400,000	-	-	-	-	-	-	-	-	-	98,400,000	-
Interest Receivable												
CR Retail Malls (India) Private Limited	8,329,167	857,031	-	-	-	-	-	-	-	-	8,329,167	857,031
Sunrise Infotainment Private Limited	1,035,370	-	-	-	-	-	-	-	-	-	1,035,370	-
Advance Receivable in Cash or Kind												
CR Retail Malls (India) Private Limited	205,020	-	-	-	-	-	-	-	-	-	205,020	-
Sunrise Infotainment Private Limited	51,016	-	-	-	-	-	-	-	-	-	51,016	-
Advance Received against Shares Warrants												
Priya Exhibitors Private Limited	-	-	25,820,400	-	-	-	-	-	-	-	25,820,400	-
Investment in Equity Share Capital												
CR Retail Malls (India) Private Limited	200,000,000	200,000,000	-	-	-	-	-	-	-	-	200,000,000	200,000,000
PVR Pictures Limited	215,000,000	15,000,000	-	-	-	-	-	-	-	-	215,000,000	15,000,000
Sunrise Infotainment Private Limited	50,025,000	-	-	-	-	-	-	-	-	-	50,025,000	-
Investment in Preference Share Capital												
Sunrise Infotainment Private Limited	50,000,000	-	-	-	-	-	-	-	-	-	50,000,000	-
Guarantees Given (Corporate Guarantees)												
C R Retail Malls (India) Private Limited	398,111,647	250,000,000	-	-	-	-	-	-	-	-	398,111,647	250,000,000
Guarantees Taken (Personal Guarantees)												
Ajay Bijli	-	-	-	-	*	*	-	-	-	-	*	*
Sanjeev Kumar	-	-	-	-	*	*	-	-	-	-	*	*
Assets Mortgaged												
Ajay Bijli	-	-	-	-	*	*	-	-	-	-	*	*
Sanjeev Kumar	-	-	-	-	*	*	-	-	-	-	*	*

Subsidiaries	CR Retail Malls (India) Private Limited PVR Pictures Limited Sunrise Infotainment Private Limited (with effect from June 20, 2007)
Key Management Personnel	Ajay Bijli, Chairman cum Managing Director and Sanjeev Kumar, Joint Managing Director
Relatives of Key Management Personnel	Sandhuro Rani Bijli and Selena Bijli
Enterprises having control or significant influence over the Company	Bijli Investments Private Limited Priya Exhibitors Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	The Amritsar Transport Co. Private Limited ATC Carriers Private Limited Leisure World Private Limited PVR Factory Distribution Network (till May 31, 2006)

NOTES:

a) * The Company has availed loans from banks, a body corporate and Small Industries Development Bank of India (SIDBI) aggregating to Rs. 609,837,346 (Previous year Rs. 494,989,524) which are further secured by personal guarantee of two directors of the Company. Term Loan from Punjab National Bank is further secured by second charge on all the movable and immovable assets namely current and movable fixed assets of PVR Phoenix, Mumbai of a subsidiary company. Loan from SIDBI is further secured by first 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 Company had incurred/made expenses/payments on a multi-screen project at Goregaon, Mumbai such as Pre-Operative Expenditure (including architect fee, traveling expenses, interest on loan taken etc.), payment of Capital Advances to a supplier and Security Deposit to developers etc. of Rs. 9,406,459, Rs. 2,703,922 and Rs. 52,009,052 respectively on behalf of a subsidiary i.e. Sunrise Infotainment Private Limited. As these payments were made on behalf of the aforesaid subsidiary, the Company has decided to recover these expenses/payments from it, as per resolution passed in the meeting of Board of Directors held on July 20, 2007. Pending recovery from the subsidiary, the aforesaid amount is included under Inter Corporate Loans given to subsidiaries under the Schedule of Loans & Advances. The Company has also decided to recover interest from the subsidiary on the aforesaid loan amount till the time said subsidiary returns the said amount to the Company.

6. The followings are the details of loans and advances of 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, 2008 Rs.	March 31, 2007 Rs.	**March 31, 2008 Rs.**	March 31, 2007 Rs.
Loans and Advances to Subsidiaries (including accrued interest)				
- CR Retail Malls (India) Private Limited	**107,447,279**	100,857,031	**107,447,279**	387,773,084
- PVR Pictures Limited	**50,000,000**	118,000,000	**226,600,000**	118,000,000
- Sunrise Infotainment Private Limited	**98,464,701**	-	**123,400,000**	-

7. Security Deposits (paid) include Rs. 5,332,089 given to two parties, with whom the Company had entered into Memorandum of Understanding for taking multiplex/office space on rent. The Company is in discussions with the parties for the recovery of the aforesaid amounts/taking multiplex space on rent. Hence, no provision against the same has been considered necessary.

8. The Company has on July 20, 2007, issued 1,200,000 share warrants convertible into 1,200,000 equity shares of Rs. 10 each to Priya Exhibitors Private Limited (PEPL) on preferential basis, at a premium of Rs. 205.17 per share warrant. PEPL has paid 10% of the total share warrant value. The currency of the issued share warrant is maximum for a period of 18 months from the date of issue of the share warrants.

9.1 During the year ended March 31, 2006, the Company had successfully completed its public issue. This comprised of 5,700,000 equity shares of Rs. 10 each at a premium of Rs. 215 per share. Alongwith this public issue, there was also a sale of 2,000,000 equity shares by a shareholder of the Company i.e. Western India Trustee and Executor Company Limited (India Advantage Fund-I).

9.2 Utilization of IPO funds: Amount in Rs.

As per Prospectus Objects	Total Estimated Project Cost	Amount to be spent till March 31, 2008	Balance to be spent
Setting up of New Cinemas	1,380,000,000	793,105,155	586,894,845
Equity Investment/ Unsecured Loan in CR Retail, a wholly owned subsidiary for setting up a Multiplex	300,000,000	300,000,000	-
Equity Investment/ Unsecured Loan in PVR Pictures Ltd, a wholly owned subsidiary for Film Distribution Business	70,000,000	70,000,000	-
Unsecured Loan to PVR Pictures Ltd, a wholly owned subsidiary for Film Production Business	200,000,000	83,400,000	116,600,000
General Corporate Expenses*	62,000,000	71,833,661	-
Issue Expenses*	120,000,000	110,166,339	-
Prepayment of high cost loans**	Nil	108,086,341	(108,086,341)
Total	**2,132,000,000*** **	**1,536,591,496**	**595,408,504**

NOTES:

i) Unspent money out of IPO proceeds is temporarily invested in the units of Mutual Funds.

ii) * The Board of Directors of the Company have approved the inter-se re-allocation of unspent monies amounting to Rs. 9,833,661 from issue expenses to general corporate expenses.

iii) ** The Company had temporarily during an earlier year, used part of proceeds of share issue of Rs. 108,086,341 to prepay the high cost loans, which would be replaced by borrowing new additional loan(s) in future.

iv) *** includes Rs. 1,282,500,000 raised through public issue of equity shares.

v) Certain expenditure on setting up of new cinemas and loans to a subsidiary Company have been deferred to the year 2008-09, due to which current year's expenditure were lower.

10. Derivative Instruments and unhedged Foreign Currency Exposure :

Particulars of Unhedged foreign currency exposure as at the Balance Sheet date

Particulars	Currency	Amount in foreign currency March 31, 2008	March 31, 2007
Capital Advances	USD	**687,798**	29,875
	EURO	**11,730**	Nil
Cash in Hand	Bangkok Bhat	**10,650**	Nil
	Hongkong Dollar	**130**	Nil
	Sterling pound	**50**	Nil
	Singapore Dollar	**100**	Nil

11. Gratuity and leave benefit plans: (Notified AS 15)

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 Company also provides 18-24 earned leaves to employees every year to be accumulated upto a maximum level of 54-48 leaves respectively. These benefits are unfunded.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 respective plans.

Profit and Loss Account

(Ammount in Rs.)

Net employee benefit expense (recognized in Employee Cost)

	Leave Encashment 2007-08	Leave Encashment 2006-07	Gratuity 2007-08	Gratuity 2006-07
Current service cost	2,457,143	1,773,360	1,898,733	1,439,748
Interest cost on benefit obligation	371,966	223,633	691,088	420,146
Expected return on plan assets	-	-	(380,249)	(364,795)
Add: Actual amount payable to pending full and final settlements	8,667	-	1,869,231	-
Net actuarial (gain)/loss recognized in the year on account of return on plan assets	-	-	(448,528)	48,676
Less: Provident Fund contribution on Leave encashment reversed	(575,948)	-	-	-
Less: Transferred to pre-operative expenses	(209,033)	-	-	-
Add: Impact of past service of employees transferred to Group companies in the current year	382,503	-	-	-
Net actuarial (gain)/loss recognised in the year	(97,686)	755,805	1,142,307	2,228,027
Net benefit expense	2,337,612	2,752,798	4,772,582	3,771,802
Actual return on plan assets	-	-	(828,777)	(316,119)

Balance sheet

Details of Provision for leave encashment benefits and gratuity

	Leave Encashment 2007-08	Leave Encashment 2006-07	Gratuity 2007-08	Gratuity 2006-07
Defined benefit obligation	5,423,448	4,799,565	12,907,090	8,917,260
Total value of Provident fund contribution on closing liability	-	575,948	-	-
Fair value of plan assets	-	-	(8,134,508)	5,069,993
	5,423,448	5,375,513	4,772,582	3,847,267
Less: Unrecognised past service cost	-	-	-	-
Plan asset/(liability)	(5,423,448))	(5,375,513)	(4,772,582)	(3,847,267)

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

	Leave Encashment 2007-08	Leave Encashment 2006-07	Gratuity 2007-08	Gratuity 2006-07
Opening defined benefit obligation	5,375,513	3,249,265	8,917,260	6,184,201
Interest cost	371,966	223,633	691,088	420,146
Current Service cost	2,457,143	1,773,360	1,898,733	1,439,748
Actual return on plan asset	-	-	-	(316,119)
Less : Provident Fund contribution on Leave encashment reserved	(575,948)	-	-	-
Benefit paid	(2,107,540)	(1,202,498)	(1,611,529)	(1,038,743)
Actuarial losses on obligation	(97,686)	755,805	1,142,307	2,228,027
Add: Actual amount of gratuity payable to pending full and final settlements	-	-	1,869,231	-
Closing defined benefit obligation	5,423,448	4,799,565	12,907,090	8,917,260

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

	Gratuity	Gratuity
	2007-08	2006-07
Opening fair value of plan assets	**5,069,993**	4,891,561
Expected return	**380,249**	364,795
Contributions by employer	**3,847,267**	901,056
Benefits paid	**(1,611,529)**	(1,038,743)
Actuarial gain/(losses)	**448,528**	(48,676)
Closing fair value of plan assets	**8,134,508**	5,069,993

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

	Leave Encashment	Leave Encashment	**Gratuity**	Gratuity
	2007-08	2006-07	**2007-08**	2006-07
	%	%	**%**	%
Investments with insurer	**-**	-	**92.79**	80.14
Bank balances with the insurer	**N.A.**	N.A.	**7.21**	19.86

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. There has been significant change in expected rate of return on assets due to the improved debt market scenario.

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

	Leave Encashment	Leave Encashment	**Gratuity**	Gratuity
	2007-08	2006-07	**2007-08**	2006-07
	%	%	**%**	%
Discount rate	**7.75**	7.75	**7.75**	7.75
Expected rate of return on plan assets	**N.A.**	N.A.	**7.50**	7.50
Increase in compensation cost	**5.50**	5.50	**5.50**	5.50
Employee turnover				
up to 30 years	**25**	25	**25**	25
above 30 years but upto 44 years	**15**	15	**15**	15
above 44 years	**10**	10	**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.

NOTE: The information in respect of defined benefit obligation for previous four years is not available and hence not furnished.

The Company expects to contribute Rs. 7,500,000 to gratuity fund in the year 2008-09.

Defined Contribution Plan:

	2007-08 Rs.	2006-07 Rs.
Contribution to Provident Fund		
Charged to Profit and Loss Account	13,469,354	1,1924,420
Charged to Pre-operative expenses	790,280	771,623

12. 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 Company has taken various cinemas, multiplexes, offices and godown premises under operating lease agreements. These are generally cancellable at the option of the Company.
Disclosure for properties under non-cancellable leases, where the Company is carrying commercial operations is as under:

	For the year ended March 31, 2008 (Amount in Rs.)	For the year ended March 31, 2007 (Amount in Rs.)
Lease Payments for the year recognised in Profit and Loss Account	**322,147,267**	193,219,838
Lease Payments for the year recognised in Pre-operative Expenditure	**5,847,892**	(4,490,412)
Minimum Lease payments :		
Not later than one year	**214.290,645**	149,891,063
Later than one year but not later than five years	**643,584,668**	361,888,875
Later than five years	**218,254,847**	295,170,966

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 Company has given various spaces under operating lease agreements. These are generally cancellable at the option of the Company.

	For the year ended March 31, 2008 (Amount in Rs.)
Lease rent receipts for the year recognized in Profit and Loss Account	**36,552,288**
Minimum Lease Rent Receipts:	
Not later than one year	**12,392,093**
Later than one year but not later than five years	-
Later than five years	-

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

	March 31, 2008 (Rs.)	March 31, 2007 (Rs.)
13. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**76,657,291**	92,406,246
14. Contingent Liabilities (not provided for) in respect of:		
a) Labour cases pending*	**Amount not ascertainable**	Amount not ascertainable
b) Claims against the Company not acknowledged as debts (including Rs. 3,128,441, Previous Year Rs. 2,961,730 paid under protest which is appearing in the schedule of Loans and Advances)*	**3,128,441**	2,961,730
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.	**398,111,647**	250,000,000

* 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 thereagainst is considered necessary.

15. Supplementary Statutory Information

15.1 Chairman cum Managing Directors' Remuneration*		
Salary	**8,460,000**	**5,760,000**
Contribution to Provident fund	**1,015,200**	691,200
Perquisites	**5,004,000**	3,456,000
Total	**14,479,200**	9,907,200
15.2 Joint Managing Director's Remuneration*		
Salary	**4,275,000**	3,060,000
Contribution to Provident fund	**513,000**	367,200
Perquisites	**2,565,000**	1,836,000
Total	**7,353,000**	5,263,200

*excluding contribution/provision for gratuity and leave encashment being the figures which are actuarially determined for the Company as a whole and therefore are not separately available.

15.3	**Earnings in foreign currency (on accrual basis)**		
	Income from Sale of Film Rights	**452,981**	Nil
15.4	**Expenditure in foreign currency (on accrual basis)**		
	Travelling	**1,018,553**	892,881
	Technical and Professional fees (including expenses, net of income tax)	**1,878,042**	5,690,411
	Others	**Nil**	183,665
	Total	**3,349,576**	6,766,957
15.5	**CIF Value of Imports**		
	Capital Goods	**2,680,226**	14,660,135
	Software	**285,645**	28,32,926
	Total	**2,965,871**	17,493,061
15.6	**Net Dividend remitted in foreign currency***		
	Number of NRI Shareholders	-	-
	Number of Shares held by them	-	-
	Dividend Paid (in Rs.)	-	-
	Year to which dividend relates (Interim)	-	**2005-06 and 2006-07**

* excluding dividend credited to FCNR/NRE account of NRI's and also payments of dividend to Foreign Institutional Investors on repatriation basis.

16. **Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006":**
During the previous year, Government of India has promulgated an act namely the Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The Company has initiated the process of identification of such suppliers. In view of this, the liability of interest can not be reliably estimated nor can required disclosures be made. Accounting in this regard will be carried out after the aforesaid process is complete and reliable estimate can be made in this regard. However, management is of the opinion that liability in any case will be insignificant in view of supplier profile of the Company and overdue balances of the suppliers.

17. 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.

18. **Previous Year Comparatives**

(a) The Company has during the year, started commercial operations at Sahara Food Court, Gurgaon, Prashant Vihar, New Delhi, Deep Multiplex, Vadodara, Flamez, Ludhiana, Vadodara Food Court, Vadodara and Select City, New Delhi. Hence, current year's figures are not strictly comparable with those of previous year.

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

Signature to Schedule 1 to 23

As per our report of even date

For **S. R. Batliboi & Co.**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

per **Anil Gupta**
Partner
Membership No 87921

N.C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Place : New Delhi
Date : June 2, 2008

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Consolidated financial statements

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) Private Limited, PVR Pictures Limited and Sunrise Infotainment Private Limited)

We have audited the attached Consolidated Balance Sheet of PVR Limited and its Subsidiaries (hereinafter referred as the "PVR Group") as at March 31, 2008, 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. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

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.

We did not audit the financial statements of the subsidiaries of PVR Limited whose financial statements reflect total assets of Rs. 1,320,227,142 as at March 31, 2008 (Rs. 760,761,010 as at March 31, 2007), total revenues of Rs. 372, 242,726 for the year ended March 31, 2008 (Rs. 139,158,733 for the year ended March 31, 2007) and cash outflows amounting to Rs. (11,012,579) for the year ended March 31, 2008 (Rs. 43,621,218 for the year ended March 31, 2007). The financial statement and other financial information of the above subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of those auditors.

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 issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of PVR Limited and its subsidiaries included in the consolidated financial statements.

In our opinion, and on the basis of the information and explanations given to us and based on the consolidation of separate audit reports on individual financial statement of PVR Limited and its subsidiaries, the consolidated financial statements of PVR Limited and its subsidiaries 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, 2008;

(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.**
Chartered Accountants

per **Anil Gupta**
Partner
Membership No.:87921

Place : New Delhi
Date : June 2, 2008

Consolidated Balance Sheet as at March 31, 2008

	Schedules	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	330,138,700	430,138,700
Advance received against convertible share warrants (Refer Note No. 8 of Schedule 24)		25,820,400	-
Employees Stock Options Outstanding	2	-	-
Reserves and surplus	3	1,753,690,352	1,569,937,423
		2,109,649,452	2,000,076,123
Loan funds			
Secured loans	4	1,353,001,195	850,664,739
Unsecured loan	5	30,000	30,000
		1,353,031,195	850,694,739
Deferred Tax Liabilities (Net)	6	67,743,028	64,682,669
		3,530,423,675	2,915,453,531
APPLICATION OF FUNDS			
Fixed Assets	7		
Gross block		2,092,055,082	1,701,728,652
Less : Accumulated Depreciation		493,286,722	349,657,282
Net block		1,598,768,360	1,352,071,370
Capital Work-in-Progress including Capital Advances		951,633,612	659,920,725
Pre-operative expenses (pending allocation)	8	163,094,843	72,965,631
		2,713,496,815	2,084,957,726
Intangible Assets (net of amortisation and including capital advances)	9	158,298,801	29,628,684
Investments	10	297,728,040	421,016,644
Current Assets, Loans and Advances			
Interest accrued on long term investments		9,986,765	2,987,165
Inventories	11	20,910,288	17,615,286
Sundry debtors	12	207,289,668	68,869,662
Cash and bank balances	13	145,547,081	115,370,862
Other current assets	14	6,410,765	4,946,904
Loans and advances	15	519,457,735	508,122,654
		909,602,301	717,912,533
Less: Current Liabilities and Provisions			
Current liabilities	16	500,702,733	328,051,790
Provisions	17	47,999,549	10,010,266
		548,702,282	338,062,056
Net Current Assets		360,900,019	379,850,477
		3,530,423,675	2,915,453,531
Notes to Accounts	24		

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.**
Chartered Accountants

per **Anil Gupta**
Partner
Membership No 87921

Place : New Delhi
Date : June 2, 2008

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, 2008

	Schedules	**For the year ended March 31, 2008 (Rs.)**	For the year ended March 31, 2007 (Rs.)
INCOME			
Operating income	18	2,659,338,113	1,777,046,024
Other income	19	63,640,574	54,066,748
		2,722,978,688	1,831,112,772
EXPENDITURE			
Film distributors' share		548,716,579	437,604,901
Movie Distribution and Print Charges		264,914,482	88,038,212
Consumption of food and beverages		157,870,840	114,552,600
Personnel expenses	20	255,257,207	196,212,582
Employee compensation expenses under employee share purchase scheme and employee stock option scheme		-	2,909,928
Operating and other expenses	21	943,861,184	664,118,602
		2,170,620,292	1,503,436,825
Profit before depreciation/amortisation, interest and tax (EBITDA)		552,358,395	327,675,947
Depreciation/amortisation		170,532,711	133,379,013
Interest paid	22	51,438,936	43,861,440
Profit Before Tax		330,386,748	150,435,494
Provision for taxes (Including wealth tax Rs. 60,000, Previous year Rs. 50,000)		(105,063,000)	(27,048,000)
Deferred tax charge		(3,060,360)	(18,988,268)
Fringe benefit tax		(6,043,602)	(5,157,721)
Income tax credit for earlier years (net)		28,156	2,653,439
Total Tax Expense		(114,138,806)	(48,540,550)
Net Profit after tax		216,247,942	101,894,944
Balance brought forward from previous year		198,012,781	132,251,446
Pre-Acquisition losses adjusted against Goodwill		-	1,668,361
Less: Adjustment for Employee Benefits Provision (Net of Tax Rs. 137,106)		-	(270,219)
Profit available for appropriation		414,260,723	235,544,532
Appropriations			
- Transfer to Capital Redemption Reserve		100,000,000	-
- Interim dividend on equity shares		23,013,870	22,915,370
- Interim dividend on preference shares		7,390,710	10,000,000
- Tax on dividend		5,167,258	4,616,381
Surplus carried to Balance Sheet		278,688,885	198,012,781
Earnings per share	23		
Basic [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		9.02	3.95
Diluted [Nominal value of shares Rs. 10 (Previous Year : Rs. 10)]		8.77	3.95
Notes to Accounts	24		

The Schedules referred to above and Notes to Accounts form an integral part of the Consolidated Profit & Loss Account.

As per our report of even date

For **S. R. Batliboi & Co.**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

per **Anil Gupta**
Partner
Membership No 87921

N. C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Place : New Delhi
Date : June 2, 2008

Consolidated Cash Flow Statement for the year ended March 31, 2008

	For the year ended March 31, 2008 (Rs.)	For the year ended March 31, 2007 (Rs.)
A. Cash flow from operating activities:		
Profit before taxation	330,386,748	150,435,494
Adjustments for :		
Depreciation/amortisation	170,532,711	133,379,013
Loss on disposal of fixed assets (net)	2,278,058	1,303,110
Pre-operative expenses charged off	71,425	-
Interest income	(13,650,006)	(15,099,773)
Profit on sale of current investments	-	(242,763)
Loss on sale of current investments (net)	19,114	-
Dividend income	(23,173,422)	(26,214,457)
Interest expense	51,438,936	43,861,440
Employee compensation expenses under employee share purchase scheme and employee stock option scheme	-	2,909,928
Provision for doubtful debts and advances	1,273,309	2,278,143
Operating profit before working capital changes	519,176,873	292,610,135
Movements in working capital :		
(Increase) in sundry debtors	(139,736,651)	(28,638,377)
(Increase) in inventories	(3,295,002)	(8,368,712)
(Increase) in loans and advances and other current assets	(118,291,731)	(120,661,321)
Increase in current liabilities and provisions	168,357,010	96,077,503
Cash generated from operations	426,210,500	231,019,228
Direct taxes paid (net of refunds)	(118,261,831)	(39,797,666)
Net cash from operating activities	307,948,669	191,221,562
B. Cash flows from investing activities		
Purchase of fixed assets	(715,852,636)	(608,190,120)
Purchase of intangible assets	(149,136,769)	(23,919,888)
Proceeds from sale of fixed assets	4,361,402	10,567
Consideration paid for acquiring interest in a subsidiary	(125,000)	-
Purchase of investments	(1,893,739,014)	(2,852,783,458)
Sale of investments	2,027,008,504	2,726,179,268
Loan given to a body corporate	-	(101,000,000)
Loan refunded by a body corporate	101,000,000	-
Dividend received	23,173,422	26,214,457
Interest received	12,599,002	18,768,864
Fixed Deposits with banks placed	(12,722,514)	(10,947,727)
Fixed Deposits with banks encashed	11,958,300	613,371,938
Net cash (used in) investing activities	(591,475,303)	(212,296,099)
C. Cash flow from financing activities		
Proceeds from issuance of share capital	-	3,885,000
Repayment of preference share capital	(100,000,000)	-
Proceeds from long-term borrowings	821,232,753	355,800,000
Repayment of long-term borrowings	(318,896,297)	(118,790,542)
Repayment of short-term borrowings	(1,504,559)	(2,375,443)
Advance received against convertible share warrants	25,820,400	-
Dividend and tax thereon paid	(394,179)	(69,573,151)
Interest paid	(120,542,404)	(58,287,950)
Net cash from financing activities	305,715,715	110,657,914
Net increase in cash and cash equivalents (A + B + C)	22,189,081	89,583,377
Balance at the time of acquisition of subsidiary	137,418	-
Cash and cash equivalents at the beginning of the year	102,916,284	13,332,907
Cash and cash equivalents at the end of the year	125,242,783	102,916,284

Cash Flow Statement for the year ended March 31, 2008 (continued)

Components of cash and cash equivalents as at*	**March 31, 2008**	M arch 31, 2007
Cash and cheques on hand	7,902,037	8,628,024
With banks - on current accounts	124,349,435	93,817,264
- on book overdraft account*	(7,085,506)	-
- on deposit accounts**	-	-
- on unpaid and unclaimed dividend accounts	76,817	470,996
	125,242,783	102,916,284

* amount shown under Schedule 16.
*difference of Rs. 13,218,792 (Previous year Rs. 12,454,578) from Schedule 13 represents short-term investments with an original maturity of three months or more.
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.**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

per **Anil Gupta**
Partner
Membership No 87921

N. C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officer)

Place : New Delhi
Date : June 2, 2008

Schedules to the Consolidated accounts

Schedule 1 : Share Capital

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Authorised share capital		
30,000,000 (Previous year 30,000,000) equity shares of Rs. 10 each	300,000,000	300,000,000
20,000,000 (Previous year 20,000,000) preference shares of Rs. 10 each	200,000,000	200,000,000
	500,000,000	500,000,000
Issued, subscribed and paid-up		
23,013,870 (Previous year 23,013,870) equity shares of Rs. 10 each fully paid	230,138,700	230,138,700
10,000,000 (Previous year 20,000,000) 5% redeemable preference shares of Rs. 10 each fully paid	100,000,000	200,000,000
	330,138,700	430,138,700

NOTES:

1. Of the above 5,321,000 (Previous year 10,642,000) 5% redeemable preference shares are held by Mr. Ajay Bijli, Chairman cum Managing Director.
2. Preference shares are redeemable at par after three years with a put and call option at the end of two years from the date of allotment i.e. September 23, 2005.

Schedule 2 : Employees Stock Options Outstanding

Employees stock options outstanding		
As per last account	-	2,915,966
Add: Accounted for during the year (net)	-	3,541,534
	-	6,457,500
Less: Amount transferred to Securities Premium Account upon issue of equity shares	-	6,457,500
	-	-

Schedule 3 : Reserves and Surplus

Capital Reserve (on consolidation) difference between the cost of the investment	**3,101,308**	24,483
in a subsidiary and Parent Company's portion in equity of the subsidiary at the time of acquisition (Refer Note No. 3 of Schedule 24)		
Capital Redemption Reserve Account		
Tranferred from Profit and Loss Account during the year	**100,000,000**	-
Securities premium account - as per last account	**1,371,900,159**	**1,362,793,975**
Add:		
Received on issue of shares under employees share purchase/employees stock option scheme	-	2,520,000
Amount transferred from Employees Stock Options Outstanding Account	-	6,457,500
Excess provision for share issue expenses now written back and adjusted from securities premium account	-	128,684
	1,371,900,159	1,371,900,159
Profit and Loss Account Balance	278,688,885	198,012,781
	1,753,690,352	1,569,937,423

Schedule 4 : Secured loans

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Loans from banks		
Term loans from banks	**477,170,810**	520,639,524
(Due within one year Rs. 139,846,405, (Previous year Rs. 139,008,752))		
Car finance loans from banks	**19,355,065**	5,675,215
(Due within one year Rs. 6,786,609, (Previous year Rs. 1,125,553))		
Other loans		
Term loan from a financial institution	**398,111,647**	250,000,000
(Due within one year Rs. 22,666,667 (Previous year Rs. 1,151,316))		
Term loans from a body corporate	**400,213,673**	-
(Due within one year Rs. 94,658,114, (Previous year Rs. Nil))		
Term loan from small industries development bank of india (SIDBI)	**58,150,000**	74,350,000
(Due within one year Rs. 20,050,000, (Previous year Rs. 16,200,000))		
	1,353,001,195	850,664,739

NOTES :

1. a) Terms loans from United Bank of India and Union bank of India to the extent of Rs. 151,473,673, are secured by first pari passu charge by way of hypothecation of the whole of the movable properties including movable plant and machinery, machinery spares, tools and accessories and other movable assets (except vehicles hypothecated to banks) of all current and future operating theatres of the Parent Company ranking pari passu with other lenders. These are further secured by the personal guarantee of two directors of the Parent Company.

   (b) Term Loans from Punjab National Bank to the extent of Rs. 325,697,137, are secured by first parri passu charge with other lenders on all assets and movable property (excluding vehicles hypothecated to banks), including current assets namely current and movable fixed assets of any kind belonging to the Parent Company both present and future except those at PVR Juhu, Mumbai. This loan is further secured by second charge on all the movable and immovable assets namely current and movable fixed assets as well as the movable and immovable assets at PVR Juhu, Mumbai of the Parent Company and PVR Phoenix, Mumbai of the subsidiary.

2. Car finance loans to the extent of Rs. 19,355,065, are to be secured by hypothecation of vehicles purchased out of the proceeds of the loans.

3. Loan from a financial institution to the extent of Rs. 398,111,647 is secured by first equitable mortgage, by way of a registered mortgage deed, alongwith assignment of its leasehold rights, of the project land at Phoenix Mills, Lower Parel, Mumbai and construction thereon of a subsidiary company, present and future. This loan is further secured by hypothecation of all movable assets and assignment of all present and future receivables of the seven screen multiplex at Phoenix Mills, Lower Parel, Mumbai of a subsidiary company. It is further secured by corporate guarantee from Parent Company and undertaking from Parent Company to the effect that they will continue to hold a minimum of 76% of the shareholding of the subsidiary during the currency of the loan.

4. Term Loans from a body corporate to the extent of Rs. 400,213,673, are secured by first parri passu charge with other lenders on all fixed assets of the Parent Company (excluding vehicles hypothecated to banks) both present and future except those at PVR Juhu, Mumbai of the Parent Company. These loans are further secured by first pari passu charge on all receivables both present and future. These are further secured by the personal guarantee of two directors of the Parent Company.

5. Loan from SIDBI to the extent of Rs. 58,150,000 is 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 is further secured by a second charge on personal properties of a director at Vasant Vihar and Jhandewalan, New Delhi and is also secured by the personal guarantee of two directors of the Parent Company.

Schedule 5 : Unsecured Loans

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Short Term Loans from a body corporate	**30,000**	30,000
	30,000	30,000

Schedule 6 : Deferred Tax Liabilities (Net)

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	**82,887,152**	68,800,324
Gross Deferred Tax Liabilities	**82,887,152**	68,800,324
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	**13,307,090**	2,713,419
Provision for doubtful debts and advances	**1,837,034**	1,404,236
Gross Deferred Tax Assets	**15,144,124**	4,117,655
Net Deferred Tax Liabilities	**67,743,028**	64,682,669

Schedule 7 : Consolidated Fixed Assets

Rs.

	Goodwill (on Consolidation)	Land Freehold	Building	Leasehold Improvements	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block									
At 01.04.2007	3,237,299	190,350	1,273,590	552,202,499	876,123,513	255,703,553	12,997,848	1,701,728,652	1,011,597,845
Additions	-	-	-	137,279,668	188,454,365	56,431,455	21,237,021	403,402,509	693,159,816
Deductions	-	-	-	1,260,320	3,979,790	2,535,037	5,300,932	13,076,079	3,029,009
At 31.03.2008	**3,237,299**	**190,350**	**1,273,590**	**688,221,847**	**1,060,598,088**	**309,599,971**	**28,933,937**	**2,092,055,082**	1,701,728,652
Depreciation									
At 01.04.2007	786,298	-	190,299	106,109,527	177,097,902	63,016,174	2,457,082	349,657,282	227,948,447
For the year	647,460	-	20,760	46,451,182	71,481,905	29,207,040	2,257,712	150,066,059	123,424,167
Deductions	-	-	-	1,260,320	2,468,376	352,452	2,355,471	6,436,619	1,715,332
At 31.03.2008	**1,433,758**	**-**	**211,059**	**151,300,389**	**246,111,431**	**91,870,762**	**2,359,323**	**493,286,722**	349,657,282
For previous year	315,616	-	20,760	40,452,280	56,039,122	25,573,945	1,022,444	123,424,167	
Net Block									
At 31.03.2008	**1,803,541**	**190,350**	**1,062,531**	**536,921,458**	**814,486,657**	**217,729,209**	**26,574,614**	**1,598,768,360**	1,352,071,370
At 31.03.2007	2,451,001	190,350	1,083,291	446,092,972	699,025,611	192,687,379	10,540,766	1,352,071,370	
Capital work in progress								829,493,711	622,276,745
Capital Advances (Unsecured, considered good)								122,139,901	37,643,980
								951,633,612	659,920,725
Total	**1,803,541**	**190,350**	**1,062,531**	**536,921,458**	**814,486,657**	**217,729,209**	**26,574,614**	**2,550,401,972**	2,011,992,095

NOTES:

1. Fixed assets of the cost of Rs. 4,485,661, Previous year Rs. 2,843,668, (WDV Rs. 1,275,577, Previous year Rs. 1,209,941) have been discarded during the year.
2. Gross Block of Fixed Assets include Rs. 43,951,089 (Previous year Rs. 43,951,089) 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. 17,464,317 (Previous year Rs. 17,464,317) lodged by some developers on the Parent Company and claims of Rs. 7,681,033 (Previous year Rs. 7,681,033) lodged by the Parent Company on the developers are subject to confirmation/reconciliation. However, the 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. Depreciation provided for the year is net of reversal of excess depreciation of Rs. 1,637,116, Previous year Rs. 6,564,399.

Schedule 8 : Pre-Operative Expenses (pending allocation)

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Balance brought forward	72,965,631	158,592,525
Salary and other allowances	20,776,245	14,195,431
Contribution to provident and other funds	1,226,022	1,042,562
Staff welfare expenses	1,253,733	507,139
Employee compensation expenses under employee share purchase scheme and employee stock option scheme	-	631,607
Rent	5,889,892	1,218,000
Rates and taxes	6,784,326	2,992,832
Communication costs	196,396	252,654
Architect and other fees	18,972,177	11,388,774
Professional charges	10,636,013	6,966,080
Travelling and conveyance	2,332,236	2,712,036
Printing and stationery	167,442	111,589
Insurance	598,656	322,230
Repairs and maintenance:		
- Buildings	1,735,423	3,179,095
Electricity and water charges (net of recovery)	1,092,610	1,092,955
Security service charges	1,460,009	819,099
Interest on fixed loans	69,178,446	14,497,945
Foreign exchange fluctuation	-	46,567
Bank and other charges	701,870	1,403,000
Fringe benefit tax	284,953	192,646
Miscellaneous expenses	1,269,677	663,480
	217,521,757	222,828,246
Less : Amount recovered from developers towards re-negotiation of rent	-	5,593,662
Less : Allocated to fixed assets	54,355,489	144,268,953
Less: Expenses written off	71,425	-
Balance Carried Forward	163,094,843	72,965,631
Note:		
Rent includes amount paid to a director	1,282,500	918,000
Rates and taxes includes stamp duty on registration of lease deed	5,920,800	1,772,300

Schedule 9 : Consolidated Intangible Assets

Rs.

	Software Development Cost	Film rights' Cost	Total	Previous Year
Gross Block				
At 01.04.2007	7,905,224	46,478,906	54,384,130	30,482,742
Additions	4,586,828	22,082,667	26,669,495	23,901,388
At 31.03.2008	**12,492,052**	**68,561,573**	**81,053,625**	54,384,130
Amortisation				
At 01.04.2007	2,282,860	22,910,086	25,192,946	15,238,100
For the year	1,685,874	18,780,778	20,466,652	9,954,846
At 31.03.2008	**3,968,734**	**41,690,864**	**45,659,598**	25,192,946
For previous year	1,107,727	8,847,119	9,954,846	
Net Block				
At 31.03.2008	**8,523,318**	**26,870,709**	**35,394,027**	29,191,184
Capital Advances (Unsecured, considered good)			122,904,774	437,500
At 31.03.2008	**8,523,318**	**26,870,709**	**158,298,801**	29,628,684
At 31.03.2007	5,622,364	23,568,820	29,191,184	

Schedule 10 : Investment

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Long Term Investments		
Other than trade investments		
In Government Securities (Unquoted)		
6 years National Savings Certificates *	22,548,000	12,548,000
(Deposited with Entertainment Tax Authorities)		
6 years National Savings Certificates **	45,000	45,000
(Deposited with Municipal Corporation of Hyderabad)		
Current Investments		
Other than trade investments (Quoted)* **		
Units in mutual funds of Rs. 10 each		
5,065,237.974 (Previous year Nil) units of B332DD Birla Sun Life Liquid Plus - Instl.- Daily Dividend- Reinvestment	50,686,823	-
5,021,464.997 (Previous year Nil) units of Kotak Flexi Debt Scheme - Daily Dividend	50,370,818	-
4,048,674.995 (Previous year Nil) units of TFLD TATA Floater Fund - Daily Dividend	40,630,883	-
2,883,067.574 (Previous year Nil) units of 28Q ICICI Prudential - Flexible Income Plan Dividend - Daily Dividend Reinvestment	30,484,115	-
Nil (Previous year 8,318,556.811) units of P32ISD Prudential ICICI Liquid Plan - Super Institutional Daily Dividend	-	83,185,568
Nil (Previous year 15,170,726.024) units of OLPIPD HSBC Liquid Plus-Inst. Plus- Daily Dividend	-	151,774,513
Nil (Previous year 13,022,840.564) units of Reliance Liquidity Fund - Daily Dividend Reinvestment option -Reinvestment	-	130,268,776
Units in mutual funds of Rs. 1,000 each		
92,378.275 (Previous year Nil) units of Reliance Liquid Plus Fund - Institutional option - Daily Dividend Plan	92,483,254	-
10,469.086 (Previous year Nil) units of Reliance Liquid Plus Fund - Institutional option Daily Dividend Plan	10,479,147	-
Nil (Previous year 42,370.856) units of UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment	-	43,194,787
	297,728,040	421,016,644
Notes :		
1. *Held in the name of the Managing Director in the interest of the Parent Company.	5,548,000	5,548,000
2. * Held in the name of respective Directors of the subsidiary companies.	17,000,000	7,000,000
3. **Held in the name of the Employee in the interest of the Parent Company.	45,000	45,000
4. ***Invested out of unutilised monies out of issue of share capital.	264,655,893	408,423,644
5. The following units held in mutual funds were purchased and sold during the year:		
Purchased	Value (Rs.)	
- In Dividend option:		
Units in mutual funds of Rs. 10 each		
33,589.873 P32ISD ICICI Prudential Instutional Liquid Plan-Super Institutional- Daily Dividend	335,899	
8,426,169.678 PFRDD ICICI Prudential Floating Rate Plan D- Daily Dividend	84,261,697	
8,077,995.459 S252 Sundaram BNP Paribas Liquid Plus Super Inst. Div Rein Daily	80,820,973	
48,371.009 Reliance Liquidity Fund- Daily Dividend Reinvestment option	483,860	
2,999,677.745 Reliance Liquidity Fund Daily Dividend Reinvestment option	30,006,076	
11,073,600.349 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	110,759,258	
10,064,534.903 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	100,666,485	
5,050,306.366 Birla Sun Life liquid Plus - Inst. Daily Dividend Reinvestment	50,537,406	
2,999,098.008 HSBC Cash Fund Institutional Plus Daily Dividend	30,007,775	
3,512,933.974 HSBC Liquid Plus - Inst.Plus - Daily Dividend	35,173,603	
5,032,762.221 HDFC cash Management Fund Saving Plus Plan	50,486,154	
4,037,452.780 1314 ING Liquid Plus Fund Institutional Daily Dividend	40,387,851	

5,011,156.928 1314 ING Liquid Plus Fund Institutional Daily Dividend	50,128,106
8,029,866.759 M17DD ABN Amro Money Plus Institutional Plan Daily Dividend	80,299,471
6,008,724.680 Principal Floating Rate Fund FMP - Institutional option - Dividend Reinvestment Daily	60,161,154
3,043,941.920 FRDD ICICI Prudential Floating Rate Plan D - Daily Dividend - Reinvest Dividend	30,445,811
5,035,350.104 Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Daily Dividend Reinvestment	50,406,384
5,691,257.184 28Q ICICI Prudential - Flexible Income Plan Dividend - Daily - Reinvest Dividend	60,176,508
5,978,715.772 TFLD TATA Floater Fund - Daily Dividend	60,000,000
4,996,602.310 B332DD Birla Sun life Liquid Plus - Inst.- Daily Dividend -Reinvestment	50,000,000
2,953,683.727 321PD ICICI Prudential Liquid Plan Institutional Plus -35,005,583 Daily Dividend Option - Reinvest Dividend	
3,340,552.223 28Q ICICI Prudential - Flexible Income Plan Dividend - Daily Reinvest Dividend	35,321,329
11,490,406.530 TFTD Tata Floater Fund- Daily Income Option	115,313,124
Units in mutual funds of Rs. 1,000 each	
70,686.920 UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment	70,702,047
50,141.845 Templeton India Short Income Plan Institutional - Weekly Dividend Reinvestment	50,777,984
50,691.703 Templeton India TMA IP Daily Dividend	50,704,376
50,088.643 DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend	50,107,677
91.609 UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment	93,390
124,860.401 Reliance Liquidity Plus Fund- Institutional Option -Daily Dividend Plan	125,035,368
29,965.946 Reliance Liquid Plus Fund - Institutional option Daily Dividend Plan	29,998,625
Sold	
- In Dividend option:	
Units in mutual funds of Rs. 10 each	
8,352,146.684 P32ISD ICICI Prudential Instutional Liquid Plan-Super Institutional-Daily Dividend	83,521,467
8,426,169.678 PFRDD ICICI Prudential Floating Rate Plan D- Daily Dividend	84,261,697
8,077,995.459 S252 Sundaram BNP Paribas Liquid Plus Super Inst. Div Rein Daily	80,838,705
13,071,211.528 Reliance Liquidity Fund- Daily Dividend Reinvestment option	130,752,636
2,999,677.745 Reliance Liquidity Fund Daily Dividend Reinvestment option	30,006,076
11,073,600.349 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	110,759,258
10,064,534.903 ICICI Prudential Floating Rate Plan D daily Dividend Reinvest Dividend	100,666,485
5,050,306.366 Birla Sun Life liquid Plus - Inst. Daily Dividend Reinvestment	50,537,406
2,999,098.008 HSBC Cash Fund Institutional Plus Daily Dividend	30,007,775
18,683,659.998 HSBC Liquid Plus - Inst.Plus - Daily Dividend	187,072,014
5,032,762.221 HDFC cash Management Fund Saving Plus Plan	50,486,154
4,037,452.780 1314 ING Liquid Plus Fund Institutional Daily Dividend	40,387,851
5,011,156.928 1314 ING Liquid Plus Fund Institutional Daily Dividend	50,128,106
8,029,866.759 M17DD ABN Amro Money Plus Institutional Plan Daily Dividend	80,299,471
6,008,724.680 Principal Floating Rate Fund FMP - Institutional option - Dividend Reinvestment Daily	60,161,154
3,043,941.920 FRDD ICICI Prudential Floating Rate Plan D - Daily Dividend - Reinvest Dividend	30,445,811
5,035,350.104 Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Daily Dividend Reinvestment	50,407,885
5,691,257.184 28Q ICICI Prudential - Flexible Income Plan Dividend - Daily - Reinvest Dividend	60,176,508
5,978,715.772 TFLD TATA Floater Fund - Daily Dividend	60,000,000
4,996,602.310 B332DD Birla Sun life Liquid Plus - Inst.- Daily Dividend -Reinvestment	50,000,000
3,340,552.223 28Q ICICI Prudential - Flexible Income Plan Dividend -	35,321,329

Daily Reinvest Dividend				
2,953,683.727 321PD ICICI Prudential Liquid Plan Institutional Plus - Daily Dividend Option - Reinvest Dividend			**35,005,583**	
11,490,406.530 TFTD Tata Floater Fund- Daily Income Option			**115,313,124**	
Units in mutual funds of Rs. 1,000 each				
70,686.920UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment			**70,702,047**	
50,141.845 Templeton India Short Income Plan Institutional - Weekly Dividend Reinvestment			50,649,732	
50,691.703 Templeton India TMA IP Daily Dividend			**50,704,376**	
50,088.643DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend			**50,107,677**	
42,462.465UTI Liquid Cash Plan Institutional - Daily Income option -Reinvestment			**43,288,177**	
124,860.401Reliance Liquidity Plus Fund- Institutional Option -Daily Dividend Plan			**125,000,000**	
29,965.946 Reliance Liquid Plus Fund - Institutional option Daily Dividend Plan			**30,000,000**	
6. Aggregate value of investments	**March 31, 2008**		March 31, 2007	
	Market Value	Cost	Market Value	Cost
Quoted	**275,135,040**	**275,135,040**	408,547,542	408,423,644
Unquoted		**22,593,000**		12,593,000
		297,728,040		421,016,644

Schedule 11 : Inventories

Food and beverages	**5,801,711**	4,802,084
Stores and spares	**15,108,577**	12,813,202
	20,910,288	17,615,286

Schedule 12 : Sundry debtors

Debts outstanding for a period exceeding six months		
Secured, considered good	**1,843,522**	1,467,682
Unsecured, considered good	**10,204,111**	1,987,330
Unsecured, considered doubtful	**5,048,856**	3,802,710
Other debts		
Secured, considered good	**2,964,948**	1,836,801
Unsecured, considered good	**192,277,087**	63,577,849
Unsecured, considered doubtful	**148,314**	77,815
	212,486,838	72,750,187
Less : Provision for doubtful debts	**5,197,170**	3,880,525
	207,289,668	68,869,662

Schedule 13 : Cash and bank balances

Cash on hand	**7,902,037**	7,637,959
Cheques on hand	-	990,065
Balances with scheduled banks:		
On current accounts	**124,349,435**	93,817,264
On deposit accounts*	**13,218,792**	12,454,578
On unpaid and unclaimed dividend accounts	**76,817**	470,996
	145,547,081	115,370,862

*Includes fixed deposit receipts pledged with banks amounting to Rs. 12,765,722 (Previous year Rs. 12,035,576).

Schedule 14 : Other current assets

Interest accrued on deposits and others	**2,135,414**	3,427,426
Income accrued for which invoices have been raised subsequently	**4,275,351**	1,372,999
Insurance claims receivable	-	146,479
	6,410,765	4,946,904

Schedule 15 : Loans and advances

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Unsecured, considered good		
Loan to a body corporate	-	101,000,000
Advances recoverable in cash or in kind or for value to be received	121,386,959	74,979,541
Advance recoverable from a proposed subsidiary	1,096,735	-
Advance against share capital given to a proposed subsidiary	-	10,000,000
Advance payment of Income Tax/Tax Deducted at Source/Tax Refundable (net of income tax provision)*	11,424,733	4,668,846
Deposits - others	385,549,308	317,474,267
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	207,462	250,798
	519,665,197	508,373,452
Less : Provision for doubtful advances	207,462	250,798
	519,457,735	508,122,654
Included in Loans and advances are:		
Outstanding from two private limited companies in which some of the directors are interested as directors	54,509,052	2,500,000
* includes Rs. 70,000 (Previous year Rs. 70,000) acquired by a subsidiary company at the time of dissolution of its partnership firm		

Schedule 16 : Current Liabilities

Sundry Creditors	456,615,475	287,857,638
Unclaimed dividend (statutory liabilities as referred in Section 205C of the Companies Act, 1956)*	76,817	470,996
Book overdraft with a bank	7,085,506	-
Security deposits	17,220,223	9,391,804
Income received in advance	17,960,701	28,662,319
Interest accrued but not due on loans	1,744,011	1,669,033
	500,702,733	328,051,790
Dues to micro and small enterprises included in Sundry creditors	-	-
Dues to other than micro and small enterprises included in Sundry creditors	456,615,475	287,857,638
Payable to Directors of the Parent Company	-	482,668
* Shall be transferred to Investor Education and Protection Fund (as and when due)		

Schedule 17 : Provisions

For Interim Dividend		
- on Equity Shares	23,013,870	-
- on Preference Shares	7,390,710	-
For Corporate Dividend Tax	5,167,258	-
For Fringe Benefit Tax (Net of Payment)	726,941	787,486
For Staff benefit schemes - Leave Encashment	5,973,887	5,375,513
- Gratuity	5,726,883	3,847,267
	47,999,549	10,010,266

Schedules to the Consolidated Accounts

Schedule 18 : Operating Income

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Income from sale of tickets of films (net of entertainment tax paid Rs. 326,170,479, Previous year Rs. 283,613,507)	1,306,621,836	933,343,878
Income from Revenue Sharing (net of entertainment tax paid Rs. 358,824 Previous year Rs. 7,968,680)	268,710,263	182,074,639
Income from sale of film rights and distribution of films	299,023,978	129,864,139
Sale of food and beverages	464,873,343	331,789,164
Advertisement (Gross Tax Deducted at source Rs. 7,035,995, Previous year Rs. 4,963,656)	285,935,259	169,148,401
Royalty Income (to the extent of pouring fee) (Gross Tax Deducted at source Rs. Nil, Previous year Rs. 670,956)	7,432,987	15,874,775
Management fees (Gross Tax Deducted at source Rs. 848,474, Previous year Rs. 242,469)	11,813,969	7,722,530
Convinience Fees	14,926,478	7,228,498
	2,659,338,113	1,777,046,024

Schedule 19 : Other Income

Interest		
On bank deposits (Gross, Tax Deducted at Source Rs. 208,378, Previous year Rs. 2,230,429)	1,008,114	10,356,753
On long term investments - Non Trade (Gross, Tax Deducted at Source Rs. Nil, Previous year Rs. Nil)	2,343,016	1,139,597
From others (Gross, Tax Deducted at Source Rs. 2,189,152, Previous year Rs. 649,283)	10,298,876	3,603,423
Dividend income (from current investments - other than trade)	23,173,422	26,214,457
Profit on sale of Current Investments - other than trade	-	242,763
Rent received	7,322,537	3,754,199
Royalty Income (to the extent of sign on fee, from a customer)	832,416	4,707,264
Unspent Liabilities written back	4,318,895	-
Miscellaneous income	14,343,298	4,048,292
	63,640,574	54,066,748

Schedule 20 : Personnel Expenses

Salary and other allowances	217,691,745	167,605,937
Contribution to gratuity fund	4,772,312	3,771,802
Contribution to provident and other funds	19,254,300	16,380,492
Staff welfare expenses	13,538,850	8,454,351
	255,257,207	196,212,582

Schedules to the Consolidated Accounts

Schedule 21 : Operating and other expenses

	As at March 31, 2008 (Rs.)	As at March 31, 2007 (Rs.)
Rent (net of receipt from sub-lessees of Rs. 29,229,751, Previous year Rs. 16,075,502)	293,398,816	177,504,336
Rates and taxes	16,867,626	9,339,697
Communication costs	18,833,881	16,887,176
Professional charges	30,504,524	21,973,423
Advertisement and publicity (excluding Rs. 18,978,305, Previous year Rs. 28,229,326 borne by other co-sponsors)	132,596,504	90,835,187
Commission to Sub Distributors	2,850,779	-
Business promotion and entertainment	2,621,537	2,563,994
Travelling and conveyance	40,304,836	37,774,636
Printing and stationery	11,042,315	9,551,355
Insurance	7,162,963	7,436,269
Repairs and maintenance :		
- Buildings	38,422,067	27,197,282
- Plant & Machinery	22,716,058	16,309,327
- Common area maintenance	110,139,459	90,443,457
- Others	11,550,199	8,821,833
Electricity and water charges	125,471,628	94,902,697
Auditor's remuneration		
- Audit fee	2,316,684	1,800,357
- Tax audit fee	308,990	306,930
- Quarterly limited review of accounts	1,011,240	1,010,160
- Certification etc.	96,217	123,464
- Out-of-pocket expenses	79,436	28,141
Security service charges	20,849,745	19,695,965
Donations	3,246,760	527,525
Pre-operative expenses charged off	71,425	-
Irrecoverable balances written off (net)	7,396,130	173,534
Provision for doubtful debts and advances	1,273,309	2,278,143
Loss on sale of Current Investments (net) - other than trade	19,114	-
Loss on sale/discard of fixed assets (net)	2,278,058	1,303,110
Directors Sitting Fees	520,000	440,000
Bank and other charges	11,924,587	6,074,733
Miscellaneous expenses	27,986,297	18,815,871
	943,861,184	664,118,602
Rent includes amount paid to directors	6,286,500	4,374,000

Schedule 22 : Interest paid

Interest		
on fixed loans and debentures	50,118,675	43,439,556
to banks and others	1,320,261	421,884
	51,438,936	43,861,440

Schedule 23 : Earning Per share (eps)

Net profit as per profit and loss account	216,247,942	101,894,944
Less: Dividend on Preference Shares and tax thereon	8,646,762	11,402,500
Net Profit for calculation of basic and diluted EPS	207,601,181	90,492,444
Weighted average number of equity shares in calculating basic EPS:		
Number of equity shares outstanding at the beginning of the year	23,013,870	22,877,370
Equity shares allotted on January 31, 2007 (outstanding for 59 days)	-	38,000
Equity shares allotted on March 31, 2007 (outstanding for 1 day)	-	98,500
Number of equity shares outstanding at the end of the year	23,013,870	23,013,870
Weighted number of equity shares of Rs. 10 each outstanding during the year	23,013,870	22,883,782
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)	23,013,870	22,883,782
Add: Effect of advance received against convertible share warrants	659,016	-
Weighted number of equity shares of Rs. 10 each outstanding during the year	23,672,886	22,883,782
Basic Earnings Per Share	9.02	3.95
Diluted Earnings Per Share	8.77	3.95

Schedule 24: Notes to The Consolidated Accounts

NOTES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2008, 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, issued by The Institute of Chartered Accountants of India.

(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, 2008
CR Retail Malls (India) Private Limited	India	100
PVR Pictures Limited	India	100
Sunrise Infotainment Private Limited	India	100

(iii) The financial statements of the Subsidiary Companies used in the consolidation are drawn for the same period as that of the Parent Company i.e. year ended March 31, 2008.

(iv) Goodwill represents the difference between the Parent Company's share in the net worth of a Subsidiary Company (CR Retail Malls (India) Private 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.

(v) Capital Reserve represents the difference between the Parent Company's share in the net worth of a Subsidiary Company (PVR Pictures Limited and Sunrise Infotainment Private 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.

(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) Private Limited.

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

PVR Limited had made investment by way of 10,000 equity shares of Rs. 10 each of Sunrise Infotainment Private Limited on June 20, 2007. Capital Reserve amounting to Rs. 3,076,825 has been worked out based on the net assets value of the subsidiary as on June 20, 2007. Financial statements as at June 20, 2007 drawn by the management for this purpose have been audited by their statutory auditors.

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 and the relevant provisions of the Companies Act, 1956. 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 except for the change in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Change in Accounting Policy

In the current year, a subsidiary company has changed the basis of allocation/amortization of Movie Acquisition cost between theatrical release of the movie and satellite/DVD rights from 1:1 ratio to allocations based on management's estimate of expected revenue realization from various streams, to make the amortization policy in line with industry practice. Had the subsidiary company continued to use the earlier basis of providing amortization, the charge to the Profit and Loss Account before taxation for the current year would have been higher by Rs. 3,019,933 and the net block of intangible assets would correspondingly have been lower by Rs. 3,019,933.

(c) 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.

(d) Fixed Assets

Fixed Assets are stated at Cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset in its working condition for its intended use. Financing costs relating to acquisition of qualifying Fixed Assets are also included to the extent they relate to the period till such assets are ready for their intended use.

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 assets 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 weighted average cost of capital.

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

(e) 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.

(f) 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. Depreciation on additions/deletions to fixed assets due to foreign exchange fluctuation on contracts entered prior to December 7, 2006 is provided over the remaining useful life of the assets.

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

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.

(g) Intangibles

Software:

Cost relating to purchased software's is capitalised and is amortised 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:

Film right cost is capitalised and is amortised fully as and when the film is released.

(h) Leases

Where the PVR Group is the lessee:

Finance leases, which effectively transfer to the PVR Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the PVR Group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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

Where the PVR Group is the lessor:

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

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	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.

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.

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 Sale Of Home Video/Free TV/Pay TV/VCD & DVD Rights/Neighbouring Country Right.
Revenue from sale of home video is recognised from the date of transfer of rights under the agreements/ MOU signed with respective buyers of the rights.

Income from Production of Films
Revenue from the production of films is recognised as and when accrues on the basis of agreement signed with various parties.

Sharing Revenue
Income from revenue sharing is recognized in accordance with the terms of agreement with parties to operate and manage Multiscreen/ Single screen Cinemas, namely PVR EDM, PVR Lucknow, PVR Indore, PVR Mullund, PVR Ludhiana and PVR Aligarh in coordinated manner.

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

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

Royalty Income (to the extent of Sign on Fee from customers)
Revenue of one time sign on fee from customers is recognized on an annual basis as per the agreements. The amount of sign on fee received for unexpired period of agreements is deferred, which is recognized in the relevant year to which it pertains.

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.

Rent Income
Revenue from rent is recognized based upon the contract, for the period the property has been let out.

(m) Foreign currency transactions

(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 except those relating to acquisition of fixed assets from outside India on prior to December 7, 2006 which are adjusted to that carrying amount of fixed assets in line with old AS-11 (1994).

(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. 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, deferred and fringe benefit tax. Current income tax and fringe benefit 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 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. Unrealised 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.

(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.

Unallocated items
The Corporate and Other segment includes 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 except those disclosed elsewhere in the financial statements, 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. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting 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 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 is amortized over the vesting period of the option on a straight line basis.

5. Segment Information

Business Segments
The PVR Group has organized its operations into two primary segments, Exhibition of Films and Distribution of Films, these have been identified taking into account the nature of activities carried out. The PVR Group's operations predominantly relate to exhibition of films. Other business segment i.e. distribution of films is very small and reported under others category.

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, 2008 and March 31, 2007 and certain asset and liability information regarding business segments as at March 31, 2008 and March 31, 2007.

Revenue

Rs.

	Movie exhibition		Others		Elimination		Total	
Business Segment	**For the year ended March 31, 2008**	For the year ended March 31, 2007	**For the year ended March 31, 2008**	For the year ended March 31, 2007	**For the year ended March 31, 2008**	For the year ended March 31, 2007	**For the year ended March 31, 2008**	For the year ended March 31, 2007
Income from Operations	**2,360,767,116**	**1,647,181,885**	**359,382,198**	134,993,374	**(60,811,201)**	(5,129,235)	**2,659,338,113**	1,777,046,024
Other Income	**22,498,251**	**12,058,505**	-	451,250	-	-	**22,498,251**	12,509,755
Total Revenue	**2,383,265,367**	**1,659,240,390**	**359,382,198**	**135,444,624**	**(60,811,201)**	**(5,129,235)**	**2,681,836,364**	1,789,555,779
Results								
Segment Results	**326,566,241**	146,672,523	**19,083,475**	6,383,036	**-**	-	**345,649,716**	153,055,559
Amortisation of Goodwill							**647,460**	315,616
Interest Expense							**51,438,936**	43,861,440
Dividend Income/Profit/ Loss on sale of current investments							**23,173,422**	26,457,220
Interest Income							**13,650,006**	15,099,773
Provision for Income Tax (including Wealth Tax, Fringe Benefit Tax, and Deferred Tax)							**114,138,806**	48,540,550
Net Profit							**216,247,942**	101,894,946
Other Informatiion								
Segment Assets	**3,553,562,494**	2,650,257,470	**192,784,329**	45,809,446	**(3,518,150)**	(556,986)	**3,742,828,672**	2,695,509,930
Unallocated Assets							**336,297,285**	558,005,660
Total Assets							**4,079,125,957**	3,253,515,587
Segment Liabilities	**464,066,482**	352,500,125	**50,111,160**	16,584,860	**(3,518,150)**	(556,986)	**510,659,492**	335,605,537
Unallocated Liabilities							**1,458,817,013**	917,833,927
Total Liabilities							**1,969,476,505**	1,253,439,464
Capital Expenditure	**789,594,701**	626,163,176	**144,858,102**	20,637,424			**934,452,803**	646,800,600
Depreciation/Amortisation	**150,989,701**	124,153,007	**18,895,550**	8,910,390	**-**	-	**169,885,251**	133,063,397
Goodwill Depreciation	**647,460**	315,616	**-**	-	**-**	-	**647,460**	315,616
Total Depreciation	**151,637,161**	124,468,623	**18,895,550**	8,910,390			**170,532,711**	133,379,013
Provision for Doubtful Debts	**1,273,309**	2,278,143	**-**	-	**-**	-	**1,273,309**	2,278,143

Geographical segments

The following is the distribution of the PVR Group Consolidated revenue by geographical markets, regardless of where the expenses against the same has been incurred.

	March 31, 2008	March 31, 2007
Domestic Markets	**2,655,042,575**	1,772,489,074
Overseas Markets	**4,295,538**	4,556,950
Total	**2,659,338,113**	1,777,046,024
The following table shows the carrying amount of debtors by geograhical market		
Domestic Markets	**212,486,838**	71,960,846
Overseas Markets	**-**	789,341
Total	**212,486,838**	72,750,187

The Group has common fixed assets for providing services/selling goods to domestic as well as overseas markets. Hence, separate figures for fixed assets/additions to fixed assets have not been furnished.

6. Related Party Disclosure:

	Enterprises having control or significant influence over the Parent Company		Kay Management Personnel		Relatives of kay Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Grand Toral	
	31st Mar, 08	31st Mar, 07	**31st Mar, 08**	31st Mar, 07	**31st Mar, 08**	31st Mar, 07	**31st Mar, 08**	31st Mar, 07	**31st Mar, 08**	31st Mar, 07
Transactions during the year										
Compensation received towards commission on films										
K Sera Sera Production Limited	-	-	-	-	-	-	-	451,250	-	451,250
Rent expense										
Priya Exhibitors Private Limited	17,070,520	14,009,295	-	-	-	-	-	-	17,070,520	14,009,295
Leisure World Private Limited	-	-	-	-	-	-	17,841,619	14,852,000	17,841,619	14,852,000
Remuneration paid										
Ajay Bijli	-	-	14,479,200	9,907,200	-	-	-	-	14,479,200	9,907,200
Sanjeev Kumar	-	-	7,353,000	5,263,200	-	-	-	-	7,353,000	5,263,200
Interim Dividend Paid for 2005-06										
Bijli Investments Private Limited	-	4,920,068	-	-	-	-	-	-	-	4,920,068
Priya Exhibitors Private Limited	-	4,330,000	-	-	-	-	-	-	-	4,330,000
Ajay Bijli	-	-	-	100	-	-	-	-	-	100
Sanjeev Kumar	-	-	-	100	-	-	-	-	-	100
Sandhu Rani	-	-	-	-	-	100	-	-	-	100
Selena Bijli	-	-	-	-	-	100	-	-	-	100
Interim Dividend Paid for 2006-07										
Bijli Investments Private Limited	-	4,920,768	-	-	-	-	-	-	-	4,920,768
Priya Exhibitors Private Limited	-	4,330,000	-	-	-	-	-	-	-	4,330,000
Ajay Bijli	-	-	-	18,172	-	-	-	-	-	18,172
Dividend Paid on Preference Shares										
Ajay Bijli	-	-	5,321,000	-	-	-	-	-	5,321,000	-
Advance Received against Shares Warrants										
Priya Exhibitors Private Limited	25,820,400	-	-	-	-	-	-	-	25,820,400	-
Redemption of Preference Share Capital										
Ajay Bijli	-	-	53,210,000	-	-	-	-	-	53,210,000	-
Loan Repaid										
Ashok Kumar Ruia	-	-	-	1,365,000	-	-	-	-	-	1,365,000
Vikas Oberoi	-	-	1,504,559	-	-	-	-	-	1,504,559	-
The Phoenix Mills Limited	-	-	-	-	-	-	-	1,010,443	-	1,010,443
Loan Recovered										
PVR Factory Distribution Network	-	-	-	-	-	-	-	1,033,426	-	1,033,426
K Sera Sera Production Limited	-	-	-	-	-	-	-	1,000,000	-	1,000,000

6. Related Party Disclosure *Contd.*

	Enterprises having control or significant influence over the Parent Company		Kay Management Personnel		Relatives of kay Management Personnel		Enterprises owned or significantly influenced by key management personnel or their re latives		Grand Toral	
	31st Mar, 08	31st Mar, 07	**31st Mar, 08**	31st Mar, 07	**31st Mar, 08**	31st Mar, 07	**31st Mar, 08**	31st Mar, 07	**31st Mar, 08**	31st Mar, 07
Guarantees Taken (Personal Guarantees)										
Ajay Bijli	-	-	*	-	-	-	-	-	*	-
Sanjeev Kumar	-	-	*	-	-	-	-	-	*	-
Assets Mortgaged										
Ajay Bijli	-	-	*	-	-	-	-	-	*	-
Sanjeev Kumar	-	-	*	-	-	-	-	-	*	-
Balance outstanding at the end of the year										
Trade Payable										
Priya Exhibitors Private Limited	1,392,623	1,100,081	-	-	-	-	-	-	1,392,623	1,100,081
Ajay Bijli	-	-	-	239,900	-	-	-	-	-	239,900
Sanjeev Kumar	-	-	-	129,500	-	-	-	-	-	129,500
Unsecured Loan										
The Phoenix Mills Limited	-	-	-	-	-	-	30,000	30,000	30,000	30,000
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	2,400,000	2,400,000
Oberoi Mall Private Limited	-	-	-	-	-	-	52,009,052	-	52,009,052	-
Advance received against share warrants										
Priya Exhibitors Private Limited	25,820,400	-	-	-	-	-	-	-	25,820,400	-
Taken (Personal Guarantees)										
Ajay Bijli	-	-	*	-	-	-	-	-	*	*
Sanjeev Kumar	-	-	*	-	-	-	-	-	*	*
Assets Mortgaged										
Ajay Bijli	-	-	*	-	-	-	-	-	*	*
Sanjeev Kumar	-	-	*	-	-	-	-	-	*	*

Key Management Personnel	Ajay Bijli, Sanjeev Kumar, Ashok Kumar Ruia and Vikas Oberoi.
Relatives of Key Management Personnel	Sandhuro Rani Bijli and Selena Bijli
Enterprises having control or significant influence over the Parent Company	Bijli Investments Private Limited Priya Exhibitors Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	The Amritsar Transport Co. Private Limited ATC Carriers Private Limited Leisure World Private Limited PVR Factory Distribution Network (till May 31, 2006) The Phoenix Mills Limited K Sera Sera Production Limited (till May 31, 2006) Oberoi Mall Private Limited (from June 20, 2007)

NOTES:

a) * The Parent Company has availed loans from banks, a body corporate and Small Industries Development Bank of India (SIDBI) aggregating to Rs. 609,837,346 (Previous year Rs. 494,989,524) which are further secured by personal guarantee of two directors of the Company. Loan from SIDBI is further secured by first 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.

7. Security Deposits (paid) include Rs. 5,332,089 recoverable from two parties, with whom the Parent Company had entered into Memorandum of Understanding for taking multiplex/office space on rent. The Parent Company is in discussions with the parties for the recovery of the aforesaid amount/taking multiplex space on rent. Hence, no provision against the same has been considered necessary.

8. The Parent Company has on July 20, 2007, issued 1,200,000 share warrants convertible into 1,200,000 equity shares of Rs. 10 each to Priya Exhibition Private Limited (PEPL) on preferential basis, at a premium of Rs. 205.17 per share warrant. PEPL has paid 10% of the total share warrant value. The currency of the issued share warrants is maximum 18 months from the date of the share warrants.

9.1 During the year ended March 31, 2006, the Parent Company had successfully completed its public issue. This comprised of 5,700,000 equity shares of Rs. 10 each at a premium of Rs. 215 per share. Alongwith this public issue, there was also a sale of 2,000,000 equity shares by a shareholder of the Parent Company i.e. Western India Trustee and Executor Company Limited (India Advantage Fund-I).

9.2 Utilization of IPO funds:

Objects	As per Prospectus Total Estimated Project Cost	Amount to be spent till March 31, 2008	Balance to be spent
Setting up of New Cinemas	1,380,000,000	793,105,155	586,894,845
Equity Investment/ Unsecured Loan in CR Retail Malls (India) Pvt. Ltd., a wholly owned subsidiary for setting up a Multiplex	300,000,000	300,000,000	-
Equity Investment/ Unsecured Loan in PVR Pictures Ltd, a wholly owned subsidiary for Film Distribution Business	70,000,000	70,000,000	-
Unsecured Loan to PVR Pictures Ltd, a wholly owned subsidiary for Film Production Business	200,000,000	83,400,000	116,600,000
General Corporate Expenses*	62,000,000	71,833,661	-
Issue Expenses*	120,000,000	110,166,339	-
Prepayment of high cost loans**	Nil	108,086,341	(108,086,341)
Total	**2,132,000,000*** **	**1,536,591,496**	**595,408,504**

NOTES:

i) Unspent money out of IPO proceeds is temporarily invested in the units of Mutual Funds.

ii) *The Board of Directors of the Parent Company have approved the inter-se re-allocation of unspent monies amounting to Rs. 9,833,661 from issue expenses to general corporate expenses.

iii) **The Parent Company had temporarily during the last year, used part of proceeds of share issue of Rs. 108,086,341 to prepay the high cost loans, which would be replaced by borrowing new additional loan(s) in future.

iv) *** includes Rs. 1,282,500,000 raised through public issue of equity shares.

v) Certain expenditure on setting up of new cinemas and equity investment to a subsidiary company have been deferred to the year 2008-09, due to which current year's expenditure were lower.

10. **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, 2008	March 31, 2007
Sundry Creditors	USD	**2,250**	Nil
Income received in advanced	USD	**31,491**	66,650
Capital Advances	USD	**954,394**	40,608
	EURO	**11,730**	Nil
Debtors	USD	**Nil**	17,541
Cash in hand	Bangkok Bhat	**10,650**	Nil
	Hongkong Dollar	**130**	Nil
	sterling Pound	**50**	Nil
	Sinngapore Dollar	**100**	Nil

11. **Gratuity and leave benefit plans: (AS 15 Notified)**

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 PVR Group also provides 18-24 earned leaves to employees every year to be accumulated upto a maximum level of 54-48 leaves respectively. These benefits are unfunded.

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 respective plans.

Profit and Loss Account

Net employee benefit expense (recognized in Employee Cost)

	Leave Encashment	Leave Encashment	Gratuity	Gratuity	Gratuity	Gratuity
	Non Funded		Funded		Non Funded	
	2007-08	2006-07	**2007-08**	2006-07	**2007-08**	2006-07
Current service cost	**2,990,749**	1,773,360	**1,898,733**	1,439,748	**809,760**	-
Interest cost on benefit obligation	**398,501**	223,633	**691,088**	420,146	48,911	-
Expected return on plan assets	**-**	-	**(380,249)**	(364,795)	-	-
Add: Actual amount of gratuity payable to pending full and final settlements	**8,667**	-	**1,869,231**	-	-	-
Net actuarial (gain)/loss recognized in the year on account of return on plan assets	**-**	-	**(448,528)**	48,676	-	-
Less: PF contribution on leave encashment reversed	**(575,948)**	-	**-**	-	-	-
Less transferred to pre-operative expenses	**(366,902)**	-	**-**	-	(207,242)	-
Net actuarial (gain)/loss recognized in the year	**(31,387)**	755,805	**1,142,307**	2,228,027	95,630	-
Net benefit expense	**2,423,680**	2,752,798	**4,772,582**	3,771,802	747,059	-
Actual return on plan assets	**-**	-	**(828,777)**	(316,119)	-	-

Balance sheet

Details of Provision for leave encashment benefits and gratuity

	Leave Encashment	Leave Encashment	Gratuity	Gratuity	Gratuity	Gratuity
	Non Funded		Funded		Non Funded	
	2007-08	2006-07	**2007-08**	2006-07	**2007-08**	2006-07
Defined Benefit obligation	**5,973,887**	4,799,565	**12,907,090**	8,917,260	**954,301**	-
Total value of provident contribution on closing liability	**-**	575,948	**-**	-	-	-
Fair value of plan assets	**-**	-	**8,134,508**	5,069,993	-	-
	5,937,887	5,375,513	**4,772,582**	3,847,267	954,301	-
Less: Unrecognized past service cost	**-**	-	**-**	-	-	-
Plan assets liability	**5,937,887**	5,375,513	**4,772,582**	3,847,267	954,301	-

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

	Leave Encashment	Leave Encashment	Gratuity	Gratuity	Gratuity	Gratuity
	Non Funded		Funded		Non Funded	
	2007-08	2006-07	**2007-08**	2006-07	**2007-08**	2006-07
Opening defined banquet obligation	**5,375,513**	3,249,265	**8,917,260**	6,184,201	**-**	-
Interest cost	**398,501**	223,633	**691,088**	420,146	**48,911**	-
Current serivce cost	**2,990,748**	1,773,360	**1,891,733**	1,439,748	809,760	-
Actual return on plan assets	**-**	-	**-**	316,119	-	-
Provident fund contribution	**-**	575,948	**-**	-	-	-
Less: PF contribution on leave encashment reversed	**(575,948)**	-	**-**	-	-	-
Benefits paid	**(2,183,540)**	(1,202,498)	**(1,611,529)**	(1,038,743)	-	-
Acturial losses on obligation	**(31,387)**	755,805	**1,142,307**	2,228,027	95,630	-
Add: Actual amount of guarantee payable to pending full and final settlement	**-**	-	**1,869,231**	-	-	-
Closing defined benefit obligation	**5,973,887**	5,375,513	**12,907,090**	8,917,260	954,301	-

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

	Gratuity	Gratuity
	2007-08	2006-07
Opening fair value of plan assets	**5,069,993**	4,891,561
Expected return	**380,249**	364,795
Contributions by employer	**3,847,267**	901,056
Benefits paid	**(1,611,529)**	(1,038,743)
Actuarial gain/(losses)	**448,528**	(48,676)
Closing fair value of plan assets	**8,134,508**	5,069,993

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

	Leave Encashment	Leave Encashment	Gratuity	Gratuity
	2007-08	2006-07	**2007-08**	2006-07
	%	%	**%**	%
Investments with insurer	-	-	**92.79**	80.14
Bank balances with the insurer	**N.A.**	N.A.	**7.21**	19.86

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. There has been significant change in expected rate of return on assets due to the improved debt market scenario.

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

	Leave Encashment	Leave Encashment	Gratuity	Gratuity
	2007-08	2006-07	**2007-08**	2006-07
	%	%	**%**	%
Discount rate	**7.75**	7.75	**7.75**	7.75
Expected trate of return on plan asset	**-**	-	**7.50**	7.50
Increase in compensation cost	**5.50**	5.50	**5.50**	5.50
Employee turnover				
upto 30 years	**25**	25	**25**	25
above 30 years but upto 44 years	**15**	15	**15**	15
above 44 years	**10**	10	**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.

NOTE: The information in respect of defined benefit obligation for previous four years is not available and hence not furnished.

The Parent Company expects to contribute Rs. 7,500,000 to gratuity fund in the year 2008-09.

	2007-08	2006-07
Defined Contribution Plan :		
Contribution to Provident Fund		
Charged to Profit and Loss Account	**13,837,852**	12,231,350
Charged to Pre-operative expenses	**1,078,300**	803,990

12. 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 and godown premises under operating lease agreements. These are generally cancellable at the option of the PVR Group.

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

	For the year ended March 31, 2008 (Amount in Rs.)
Lease payments for the year recognized in Profit and Loss Account	**322,628,567**
Lease payments for the year recognized in Pre-operative Expenditure	**5,889,892**
Minimum Lease Payments:	
Not later than one year	**214,290,645**
Later than one year but not later than five years	**643,584,668**
Later than five years	**218,254,847**

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 at the option of the PVR Group.

	For the year ended March 31, 2008 (Amount in Rs.)
Lease rents receipts for the year recognized in Profit and Loss Account	**36,552,288**
Minimum Lease rent receits:	
Not later than one year	**12,392,093**
Later than one year but not later than five years	-
Later than five years	-

b) The Parent Company has given spaces of cinemas/food court under operating lease agreements. The Parent Company has common fixed assets for operating multiplex/giving on rent. Hence, separate figures for fixed assets given on rent are not ascertainable.

13. Capital Commitments

	March 31, 2008 (Rs.)	March 31, 2007 (Rs.)
Estimated amount of contracts remaining to be executed on capital account and not provided for.	**729,035,151**	150,947,882

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

a) Labour cases pending*	**Amount not ascertainable**	Amount not ascertainable
b) Claims against the PVR Group not acknowledged as debts (including Rs. 3,128,441, Previous Year Rs. 2,961,730 paid under protest which is appearing in the Schedule of Loans and Advances)*	**3,128,441**	2,961,730

*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.

15. Supplementary Statutory Information

15.1 Chairman cum Managing Directors' Remuneration (of Parent Company)*

Salary	**8,460,000**	5,760,000
Contribution to Provident fund	**1,015,200**	691,200
Perquisites	**5,004,000**	3,456,000
TOTAL	**14,479,200**	9,907,200

15.2 Joint Managing Director's Remuneration (of Parent Company)*

Salary	**4,275,000**	3,060,000
Contribution to Provident fund	**513,000**	367,200
Perquisites	**2,565,000**	1,836,000
TOTAL	**7,353,000**	5,263,200

*excluding contribution/provision for gratuity and leave encashment being the figures which are actuarially determined for the Parent Company as a whole and therefore are not separately available.

16. Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006":

During the previous year, Government of India has promulgated an act namely the Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the PVR Group is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The PVR Group has initiated the process of identification of such suppliers. In view of this, the liability of interest can not be reliably estimated nor can required disclosures be made. Accounting in this regard will be carried out after the aforesaid process is complete and reliable estimate can be made in this regard. However, management is of the opinion that liability in any case will be insignificant in view of supplier profile of the PVR Group and overdue balances of the suppliers.

17. **Previous Year Comparatives**

(a) The Parent Company has during the year, started commercial operations at Sahara Food Court, Gurgaon, Prashant Vihar, New Delhi, Deep Multiplex, Vadodara, Flamez, Ludhiana, Vadodara Food Court, Vadodara and Select City, New Delhi. Hence, current year's figures are not strictly comparable with those of previous year.

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

Signatures to Schedule 1 to 24

As per our report of even date

For **S. R. Batliboi & Co.**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ajay Bijli
(Chairman cum Managing Director)

Sanjeev Kumar
(Joint Managing Director)

per **Anil Gupta**
Partner
Membership No 87921

N. C. Gupta
(Company Secretary)

Nitin Sood
(Chief Financial Officerr)

Place : New Delhi
Date : June 2, 2008

Summarised financial statements of subsidiaries
for the financial year ended 31.03.08

							(Rs.)
		Names of the Subsidiaries					
Sl.		PVR Pictures Limited		CR Retail Malls (India) Pvt.Ltd.		Sunrise Infotainment Pvt.Ltd.	
No.		2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
1.	Capital	215,000,000	15,000,000	200,000,000	200,000,000	100,000,000	100,000
2.	Reserve & Surplus	8,611,046	1,015,073	(530,564)	(1,729,768)	2,936,870	2,936,839
3.	Total Assets (Fixed Assets+ Current Assets)	122,094,882	110,493,237	680,131,936	541,300,233	191,336,870	(5,458,602)
4.	Total Liabilities	50,000,000	118,058,426	498,141,647	350,030,000	98,400,000	1,504,559
5.	Investments (except in Case of Investment in Subsidiary Company)	-	-	17,479,147	7,000,000	10,000,000	10,000,000
6.	Turnover	369,416,054	138,511,383	1,502,293	647,350	1,324,379	1,212,901
7.	Profit Before Tax	13,023,374	4,354,567	1,474,203	(744,391)	470,619	1,197,216
8.	Provision for Tax	5,427,401	1,449,174	275,000	209,220	470,588	404,923
9.	Profit After Tax	7,595,973	2,905,392	1,199,203	953,611	31	792,293
10.	Proposed Dividend	-	-	-	-	-	-

Conceptualised and designed by Nicholas Hoffland Design

Printed by Thomson Press

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