



Annual Report 2007-08



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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 it isn't really in the next level. Its really right here and right now! As wiser men say :
"It depends... ON YOU."





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Board Of Directors

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

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. I,
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



Chairman's Message

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 unparalleled, 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



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

