

15th July 2021

NSE Limited

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**Sh. Director RI 30 & b
Sh. Sh. Balbir Singh (Liaison Officer)
DIR/RI/2015.**

Deputy Manager

Re: RI 30 & Sh. Sh. Balbir Singh

Obligations and Disclosure Requirements) Regulation Circular dated May 20, 2020 on 'Advisory on disclosure of COVID-19 related identities under LODR', please find enclosed Circular - 19 attached.

Enclosed - 19 attached.

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This is final

Thank You

To PVR Limited

P. D. Srivastava
Cm. Secretary

PVR LIMITED

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With the outbreak of COVID-19 pandemic, India and the world faced extreme economic and social stress which spiralled in a short span of time. Countries with sizeable infections, witnessed more than one wave of infection. Amidst all this, there was also some comforting news on easing of restrictions across countries, reopening of economies, successful trial and early arrival of COVID-19 vaccine etc. Cinema exhibition industry is one of the worst impacted industry due to this pandemic. The company has also put out regular Investor updates along with its quarterly results to keep the shareholders updated on the evolving situation. Please find below the key updates:

- Pursuant to the Order No. 40-3/2020-DM-I(A) issued by the Ministry of Home Affairs (" ") Government of India, dated September 30, 2020 in relation to guidelines for re-opening (" ") cinemas were allowed to reopen from Oct 15th, 2020 onwards with 50% capacity. Further, the standard procedure of operation for exhibition of films on preventive measures to contain the spread of COVID-19 were provided by the Ministry of Information and Broadcasting, Government of India, which included some of the key measures that we have undertaken in our cinemas, such as: (i) mandating our customers and employees to wear masks and be subjected to thermal screening; (ii) implementing checkerboard seating, *i.e.* every alternate seat is left vacant to maintain adequate physical distancing; (iii) installation of touch free hand sanitizers at various locations in our cinemas; (iv) programming our shows in such a manner that there is sufficient time interval between successive screenings on a single screen as well as on various screens in a multiplex to allow row-wise staggered entry and exit of our customers; and (v) extensive sanitization drills and disinfection processes.
- Since then, various states have issued their respective notifications for cinema reopening over October, November and December 2020 permitting cinemas to commence operations in a staggered manner. As on date, except for the state of Rajasthan and Jharkhand, all other states, where PVR has presence, have allowed Cinemas to re-open.
- We have cautiously started resuming our operations, introducing the best in the industry hygiene and safety standards, across all our cinemas, to make our patrons feel safe and secure while enjoying the big screen experience.
- In view of a staggered reopening across states and restrictions on seating capacity, producers are being cautious with movie releases. As a result, hindi film producers have withheld release of big budget movies and are likely to announce the release dates over the next few weeks with the evolving situation. Although the big budget Bollywood movies are still hesitant, a few low-mid size Bollywood movies, stronger Hollywood and diverse regional content has debuted on our screens.

The Company's theatre operations in India remained suspended for almost seven months ended October 15, 2020 before these were finally allowed to reopen. Even post reopening, the combination of staggered state wide reopening, capacity restrictions and limited movie releases impacted the admit levels while costs continue to be incurred. To address the situation, PVR has further built up on the operational and fiscal steps which include, *inter alia*, the below:

- A. Streamlining and Re-engineering operations;
- B. Restarting Offices;
- C. Sustaining cost reduction strategies;
- D. Fortifying liquidity; and
- E. Cash-flows management.

- Post reopening, the film slate still continues to shift and settle. While stronger Bollywood titles are yet to announce dates, low-mid size Bollywood movies, stronger Hollywood and diverse regional content continues to debut. We are in continuous engagement with our producer and distributor

partners to streamline the content flow. In order to welcome back our patrons we are running several promotions and offers on our ticketing and F&B to make their movie watching experience memorable.

- We have also introduced the concept of private screenings, which is a premium and personalized offering wherein a small group of audience hires the entire auditorium to enjoy the content of their choice and no other guests apart from the group members are allowed during that show, thereby reducing the risk of contamination.
- To enable contactless booking, tickets are available on our website and mobile application along with partner websites and mobile applications. Customers can also purchase tickets by scanning 'quick response' codes at entrance gates. Further, we have discontinued paper tickets and instead started issuing booking confirmations only over SMS and e-mails. We have also introduced 'quick response' code based food ordering, limited the menu under our F&B offerings and included some healthy choices and options which include ingredients that help to optimize immunity. We have also enhanced cleaning and distancing protocols to ensure safety of guests and employees.

- The Work from Home (WFH) scenario has now been gradually shifted towards Work from Office (WFO) in which the corporate offices in Delhi NCR and Regional Office have now started working with 50% strength and rest of the strength continued to be connected through secured remote access to ensure continued operations.
- Strong IT controls have been put in place to ensure data privacy, cyber threats and confidentiality.

	<p>The Company had taken significant measures to reduce its Personnel cost including:</p> <ul style="list-style-type: none"> ➤ Temporary Salary cuts across various levels in the organisation during the period of lockdown. ➤ Reduction in headcount by way of layoffs / retrenchment ➤ Decision on increments deferred. <p>Post lockdown, salary cuts for frontline staffs reversed in line with reopening of states; temporary salary cuts for Corporate and other staff being rolled back in a staggered manner</p>
	<ul style="list-style-type: none"> ➤ Settlements reached with Landlords for 88% of cinemas for complete or partial waiver / discounts for the lockdown period; ➤ Negotiated discounts/ rebates in the form of revenue share/ reduction in minimum guarantee post re-opening generally until March 31, 2020 ➤ Discussions with balance Landlords in progress and expected to close in the near future. ➤ We are yet to re-open 56 screens in 13 cinemas, as of 15th January 2021, since certain rental negotiations are currently on-going with the mall developers, landlords, lessors and partners ➤ The above rent expense does not include an amount of INR 32 Cr for rental waivers sought by the company for the lockdown period in case of properties where rental negotiations with landlords are not concluded. ➤ CAM Expenses for Q3, FY 21 lower on account of credit notes received from developers on final settlement
	<ul style="list-style-type: none"> ➤ Electricity & water charges drastically reduced due to closure of cinemas during lockdown period and this is gradually increasing as Cinemas are restarting operations.

	<ul style="list-style-type: none"> ➤ Significant reduction in other overheads ➤ Contracts like Housekeeping / Security which were suspended till cinemas were closed are being renegotiated at as per business requirements. ➤ All discretionary spends and non-essential expenses, including marketing & promotional and travel and entertainment are continuously being monitored.
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- We had been able to achieve significant reduction in our fixed cost during the period of lockdown. Post lockdown, factors like state-wise reopening, movie releases, theatre attendance, negotiations with developers etc have impacted the cash burn.
- All these initiatives are periodically looked over through a regular CFO review and approval process for all outgoing procurement and payment requests.

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- Raised additional borrowings from existing bankers to shore up liquidity. As of December 31, 2020 Company had cash and bank balance of Rs. 373 crore including investments (current), cash and cash equivalents (current) and other bank balances.
 - We successfully completed a ₹ 300 Crores Rights Issue during August 2020, with a robust response from the shareholders.
 - The board of directors of the Company has, on December 18, 2020, approved a Fund raise via Equity for an amount of up to Rs. 800 crore to further strengthen the liquidity position of the Company.

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- We have negotiated with the suppliers and vendors for an alternative payment schedule for clearing opening outstanding.
 - The Company has significantly reduced its capex outlay during the lockdown with minimal capex spends on projects that have been in advanced stage of construction. The Company is continuously evaluating the evolving situation before it recommences its capex program.
 - Company has reasonable liquidity to meet all its debt and interest obligations for next few months and in continuous engagement to augment it further by raising resources to keep sufficient liquidity available

Company will continue to take all measures necessary to further reduce the impact at all cost levels, including fixed costs and outgoing cash flows.