

01st June, 2023

National Stock Exchange of India Limited

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BSE Limited

Corporate Relationship Department
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Fort, Mumbai - 400 001
Fax: 022-22723121/1278

Company Code: PVRINOX/532689

Sub.: Modification to the Notice of Postal Ballot dated 04th May, 2023

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam

In reference to our earlier communication dated 10th May, 2023, for convening the Postal Ballot Process for obtaining shareholders' approval on the resolutions stated in the Postal Ballot Notice dated 04th May, 2023. We would like to apprise you that, as part of the scheme of amalgamation between PVR Limited and INOX Leisure Limited which was approved by the shareholders, Mr. Ajay Bijli was appointed as the Managing Director (“**MD**”) of the Company and Mr. Sanjeev Kumar was appointed as the Executive Director (“**ED**”) of the Company for a term of 5 years effective from 6th February, 2023 (the effective date of merger). The Company has proposed the remuneration payable to the Managing Director and the Executive Director of the Company for a period of next 3 years from the effective date for the approval of shareholders of the Company by way of a special resolution through Postal Ballot.

As part of the proposed resolution, the Board had recommended a maximum variable compensation of 50% of the fixed compensation for the MD and the ED positions. Further, it had also been proposed that variable pay shall be payable at the end of the fiscal year based on performance parameters, criteria and milestones determined by the Board/Nomination and Remuneration Committee (“**NRC**”) from time to time. During the first 24 months following the merger of INOX Leisure Limited with the Company, since the focus would be to drive the successful integration of people, processes and cultures of both the companies and realisation of merger synergies apart from screen expansion, the achievement of these goals will be one of the key criteria for determining variable compensation for the MD and the ED.

Further, in the process of seeking the approval of shareholders, the Company has received feedback/guidance/inputs from various shareholders & proxy advisory firms. Basis the feedback received and upon recommendation of the NRC, the Board of Directors in their meeting held on 31st May 2023 has decided the following modifications/changes:

Sl No	Original Proposal	Amended Proposal	Remarks
1	<u>Resolution-1 Remuneration for Mr. Ajay Bijli, Managing Director (MD):</u> The original proposed total	The proposed amended fixed compensation shall be Rs. 10,39,50,000/- per annum	The fixed compensation has been

PVR INOX LIMITED (Formerly known as PVR Limited)

	<p>compensation was Rs. 20,79,00,000/- per annum, comprising of fixed compensation of Rs. 13,86,00,000/- per annum (representing 66.67% of total compensation) and maximum variable compensation of Rs. 6,93,00,000/- per annum (representing 33.33% of the total compensation)</p>	<p>(representing 50% of the total compensation) and the maximum variable compensation shall be 100% of the fixed compensation.</p>	<p>reduced and the proportion of variable to fixed compensation has been made equal i.e 1:1. The overall compensation remains same at Rs. 20.79</p>									
<p>2.</p>	<p><u>Resolution-2 Remuneration for Mr. Sanjeev Kumar, Executive Director (ED):</u> The original proposed total compensation was Rs. 11,20,00,000/- per annum, comprising of fixed compensation of Rs. 7,47,00,000/- per annum (representing 66.67% of total compensation) and maximum variable proposed compensation of Rs. 3,73,00,000/- per annum (representing 33.33% of total compensation).</p>	<p>The proposed amended fixed compensation shall be Rs. 5,60,25,000/- per annum (representing 50% of total compensation) and the maximum variable compensation shall be 100% of the fixed compensation.</p>	<p>Crore for MD and Rs. 11.20 Crore for ED.</p>									
<p>3.</p>	<p>Criteria & Milestones for Payment of Variable Compensation</p>	<p>The annual variable pay shall be payable at the end of financial year, during the Proposed Term, subject to the Company's achievement of certain KPIs as determined by the Board or its Committee from time to time. The details of indicative performance parameters are:</p> <table border="1" data-bbox="715 1272 1455 1946"> <thead> <tr> <th>Parameter</th> <th>Weight</th> <th>Indicative KPIs</th> </tr> </thead> <tbody> <tr> <td>Revenue and EBITDA</td> <td>Upto 33.33%</td> <td>Annual Revenue and EBITDA growth targets set by the Board</td> </tr> <tr> <td>Merger integration synergies and Cash flow management</td> <td>Upto 33.33%</td> <td>Realisation of revenue and cost synergies on merger , Effective cash flow management including Capex spends and Debt management</td> </tr> </tbody> </table>		Parameter	Weight	Indicative KPIs	Revenue and EBITDA	Upto 33.33%	Annual Revenue and EBITDA growth targets set by the Board	Merger integration synergies and Cash flow management	Upto 33.33%	Realisation of revenue and cost synergies on merger , Effective cash flow management including Capex spends and Debt management
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		Customer satisfaction, Organisation development and other qualitative measures	Upto 33.34%	Customer satisfaction and experience, Organisation development and other qualitative measures, that may be decided by the Board or its Committee from time to time
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It is also informed that Mr. Ajay Bijli and Mr. Siddharth Jain has decided to step down from the Permanent Invitee position of the Nomination and Remuneration Committee (NRC). The Chairperson of the NRC shall decide regarding invitation to the Promoter Directors as per the requirement from time to time in each meeting.

We understand that reducing the fixed pay to 50% of the total pay and linking the variable compensation with clearly defined KPIs would strengthen the Corporate Governance framework of the Company.

Accordingly, the Item No. 1 and 2 along with explanatory statement for the said items of Notice of Postal Ballot dated 04th May 2023 stands modified to this extent. Corrigendum to that effect shall be issued to the shareholders accordingly.

The Copy of Amended Resolution to the Postal Ballot after giving effect to the above changes are enclosed as Annexure 1 to this letter.

For **PVR INOX Limited**

Mukesh Kumar
SVP - Company Secretary
& Compliance Officer

Enclosure: Annexure-1

ANNEXURE 1

RESOLUTION/ITEM NO.1

TO APPROVE THE REMUNERATION AND OTHER TERMS OF APPOINTMENT OF MR. AJAY BIJLI, AS MANAGING DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 178, 196, 197, 198, 200 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Regulation 19 read with Paragraph A of Part D of Schedule II, Regulation 17(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (in each case including any amendment, modification or re-enactment thereof, and the rules, regulations, directions, and notifications issued/framed thereunder (as applicable)), the scheme of amalgamation of INOX Leisure Limited with the Company (the **“Scheme”**), and the order dated 12th January, 2023 passed by the National Company Law Tribunal, Mumbai Bench sanctioning the Scheme and the articles of association of the Company, on the recommendations of the Nomination and Remuneration Committee and Board of the Company, the consent of the Members of the Company, be and is hereby accorded, to the following remuneration and other terms and conditions of appointment, of Mr. Ajay Bijli as the Managing Director of the Company, for a period of three (3) years w.e.f 6th February, 2023:

A. Fixed Pay:

A fixed pay of Rs. 10,39,50,000/- (Rupees Ten Crore Thirty Nine Lacs Fifty Thousand only) per annum as compensation for his services (Fixed Pay). The Fixed Pay shall be paid monthly in accordance with company’s normal payroll process.

B. Variable Pay:

An annual variable pay upto an amount equivalent to 100% of the Fixed Pay at the end of the financial year and/ or within 30 days from the date of retirement/ resignation. The variable pay shall be payable subject to achievement of certain criteria and milestones including the following as determined by the Board or its Committee from time to time:

Parameter	Weight	Indicative KPIs
Revenue and EBITDA	Upto 33.33%	Annual Revenue and EBITDA growth targets set by the Board.
Merger integration synergies and Cash flow management	Upto 33.33%	Realisation of revenue and cost synergies on merger , Effective cash flow management including Capex spends and Debt management.
Customer satisfaction, Organisation development and other qualitative measures	Upto 33.34%	Customer satisfaction and experience, Organisation development and other qualitative measures, that may be decided by the Board or its Committee from time to time.

The Remuneration shall be eligible to an annual increment, effective from 1st April each year and will be decided by the Board based on the recommendation of Nomination and Remuneration Committee (“NRC”). The NRC and the Board shall determine the increase based on several factors including the annual inflation in India, overall individual & company performance and in line with the industry benchmarks. The annual increase shall not exceed 8% per annum.

C. Perquisites:

In addition to the above mentioned remuneration, Mr. Ajay Bijli shall be entitled to the following perquisites:

- a. Two (2) chauffeur driven cars to carry out the functions of his office;
- b. Contribution to provident fund as per the rules of the Company;
- c. Gratuity entitlement as per the rules of the Company;
- d. Any other memberships as may be taken by the Company from time to time for business purposes.

RESOLVED FURTHER THAT pursuant to Section 197 read with Schedule V and all other applicable provisions of the Act, where in any financial year during the aforesaid period of 3 years the Company has no profits or its profits are inadequate, the Company will pay the aforesaid Remuneration to Mr. Ajay Bijli as minimum remuneration.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to settle any question/ difficulty or doubt, that may arise in giving effect to this resolution and to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary including modifications within the overall limits as approved by the members, as may be considered necessary, and to finalise and execute all such agreements, documents and writings as may be necessary or expedient.”

RESOLUTION/ITEM NO.2

TO APPROVE THE REMUNERATION AND OTHER TERMS OF APPOINTMENT OF MR. SANJEEV KUMAR, AS EXECUTIVE DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 178, 196, 197, 198 and 200 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Regulation 19 read with Paragraph A of Part D of Schedule II, Regulation 17(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (in each case including any amendment, modification or re-enactment thereof, and the rules, regulations, directions, and notifications issued/framed thereunder (as applicable)), the scheme of amalgamation of INOX Leisure Limited with the Company (the “**Scheme**”), and the Order dated 12th January, 2023 passed by the National Company Law Tribunal, Mumbai Bench sanctioning the Scheme and the articles of association of the Company, on the recommendations of the Nomination and Remuneration Committee and Board of the Company, the consent of the Members of the Company, be and is hereby accorded to the following remuneration and other terms and conditions of appointment of Mr. Sanjeev Kumar as the Executive Director of the Company, for a period of three (3) years w.e.f 6th February, 2023:

A. Fixed Pay:

A fixed pay of Rs. 5,60,25,000/- (Rupees Five Crore Sixty Lacs Twenty Five Thousand Only) per annum as compensation for his services (Fixed Pay). The Fixed Pay shall be paid monthly in accordance with company’s normal payroll process.

B. Variable Pay:

An annual variable pay upto an amount equivalent to 100% of the Fixed Pay at the end of the financial year and/ or within 30 days from the date of retirement/ resignation. The variable pay shall be payable subject to achievement of certain criteria and milestones including the following as determined by the Board or its Committee from time to time:

Parameter	Weight	Indicative KPIs
Revenue and EBITDA	Upto 33.33%	Annual Revenue and EBITDA growth targets set by the Board.
Merger integration synergies and Cash flow management	Upto 33.33%	Realisation of revenue and cost synergies on merger, Effective cash flow management including Capex spends and Debt management.
Customer satisfaction, Organisation development and other qualitative measures	Upto 33.34%	Customer satisfaction and experience, Organisation development and other qualitative measures, that may be decided by the Board or its Committee from time to time.

The Remuneration shall be eligible to an annual increment, effective from 1st April each year and will be decided by the Board based on the recommendation of Nomination and Remuneration Committee (“NRC”). The NRC and the Board shall determine the increase based on several factors including the annual inflation in India, overall individual & company performance, and in line with the industry benchmarks. The annual increase shall not exceed 8% per annum.

C. Perquisites: In addition to the above mentioned remuneration, Mr. Sanjeev Kumar shall be entitled to the following perquisites:

- a. One (1) chauffer driven car to carry out the functions of his office;
- b. Contribution to provident fund as per the rules of the Company;
- c. Gratuity entitlement as per the rules of the Company;
- d. Any other memberships as may be taken by the Company from time to time for business purposes.

RESOLVED FURTHER THAT pursuant to Section 197 read with Schedule V and all other applicable provisions of the Act, where in any financial year during the aforesaid period of 3 years the Company has no profits or its profits are inadequate, the Company will pay the aforesaid total Remuneration to Mr. Sanjeev Kumar as minimum remuneration.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary including modifications as may be considered necessary, and to finalise and execute all such agreements, documents and writings as may be necessary or expedient.”