

08th June, 2020

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Fax: 022-26598237/38

BSE Limited

Corporate Relationship Department
1st Floor, New Trading Ring,
PJ Towers, Dalal Street,
Fort, Mumbai - 400 001
Fax: 022-22722061/41/39/37

Company Code: PVR / 532689

Sub: Disclosure of events or information under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and SEBI Circular dated May 20, 2020 on 'Advisory on disclosure of material impact of CoVID-19 pandemic on listed entities under LODR', please find enclosed a note on impact of Covid-19 pandemic on the business and financial position of the Company.

This is for your information and record.

Thanking You.

For **PVR Limited**

Pankaj Dhawan
Company Secretary cum Compliance Officer

PVR LIMITED

Block A, 4th Floor, Building No. 9A, DLF Cyber City, Phase III, Gurugram 122002 (Haryana) India.
T: +91 124 4708100 | F: +91 124 4708101 | W: www.pvrcinemas.com
Regd Office: 61, Basant Lok, Vasant Vihar, New Delhi 110057. CIN: L74899DL1995PLC067827

The outbreak of COVID-19 is subjecting India and the world to extreme stress and uncertainty. Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our employees, customers and communities at large while continuing our business operations with responsibility and care.

I. Impact of COVID - 19 Pandemic on the Business

- Beginning March 11, 2020, Company started closing its screens in accordance with the order passed by various regulatory authorities and within a few days most of our cinemas across the country were shut down.
- Since Cinema Exhibition is the only business segment, Company is currently not generating any revenue from admissions, food and beverage sales or other revenue and cash flow from operations.
- Having said that we continue to incur committed cash outflows, including Employee salary pay-outs, other overheads as well as payments for older working capital. This has and will have significant negative impact on profitability and liquidity during lockdown and even thereafter till business comes to normalcy.
- Further once the Cinemas are re-opened, we may not be able to run our cinemas at normal capacity utilisation levels on account of social distancing measures that cinemas may be required to follow as well as health concerns that the patrons may have. On account of this, our revenue and cash flow generation may be impeded even once we are allowed to restart operations.

II. Financial Impact of One-off Expense:

Company has taken one-time write off of perishable Inventory of Rs. 183 lakhs in Mar'20, on account of spoilage due to closure of cinemas pursuant to COVID-19.

III. Operational Steps to ensure continuity

Some of the key developments/measures taken in view of COVID-19 related situation include:

- Employees are connected through secured remote access to ensure continued operations and Work From Home (WFH) has been facilitated wherever possible. Strong IT controls have been put in place to ensure data privacy, cyber threats and confidentiality.
- The Company has undertaken review of financial impact of COVID-19 and related developments on the business. Basis the review, Company doesn't see any risk of impairment of its assets including given the measures being pursued to safeguard/mitigate related risks.
- Company is taking decisive actions to mitigate the adverse impact of COVID-19 on business by
 - A. Implementing cost reduction strategies;
 - B. Enhancing liquidity; and
 - C. Cash-flows management.

A. Implementation of Cost reduction strategies

Expenses	Remarks
Personnel cost	The Company has taken significant measures to reduce its Personnel cost including: <ul style="list-style-type: none"> ➤ 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.

Expenses	Remarks
Rental and Common Area maintenance (CAM) cost	<ul style="list-style-type: none"> ➤ Written to developers for waiving rental and CAM charges for lockdown period ➤ In discussion with developers for reducing rentals post re-opening ➤ Invoked force majeure clause in our agreements.
Electricity Charges	<ul style="list-style-type: none"> ➤ Electricity & water charges drastically reduced due to closure of cinemas ➤ Certain state governments have even waived off minimum load charges
Other Overheads	<ul style="list-style-type: none"> ➤ Significant reduction in other overheads ➤ Contracts like Housekeeping / Security suspended till cinemas are closed ➤ All discretionary spends like advertising, non-essential expenses are kept on hold

- Expect to achieve a significant reduction of 70%-75% in our fixed costs expenses during the period cinemas are closed;
- All these initiatives are reviewed through a regular CFO review and approval process for all outgoing procurement and payment requests;

B. Liquidity Enhancement

- **Additional Borrowings:** Raised additional borrowings from existing bankers to shore up liquidity. As of March 31, 2020 Company had cash and bank balance of Rs. 316 crore. As on June 07, 2020 cash and bank balance is Rs. 227 crore (including undrawn bank lines);
- **Announcement of Rights Issue:** The board of directors of the Company has approved a Rights Issue for an amount of upto Rs. 300 crore as “confidence capital” to shore up capital base.

C. Cash Flow Management

- **Working Capital payments:** Working with suppliers and vendors to negotiate an alternative payment schedule for clearing opening outstanding;
- **Capital expenditure:** All capex spends have currently been put on hold;
- **Debt obligation:** Company has taken the relief offered by RBI with respect to Moratorium on interest and principal repayment between March 2020 - August 2020;

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

IV. Operational preparedness for re-opening

Multiplex association of India (MAI), under the aegis of Federation of Indian Chambers of Commerce and Industry (FICCI) has submitted enhanced safety and precautions plan for cinemas to Information & Broadcasting Ministry and various state governments. Some of the measures stated in the representation are as follows:

- Minimal human contact;
- Adhering to all social distancing norms and guidelines;
- Families, Groups or couples would be seated together, however one adjacent seat would be left empty;
- Disinfecting all possible areas of the cinema premise;
- Body temperature checks with infrared scanners;

- Masks mandatory and PPE kits made available for purchase;
- Hand sanitizers to be placed in at all strategic locations;
- All point of sales will have demarcated directives;

Detailed presentation submitted by MAI is available on our website www.pvrcinemas.com.

V. Re-opening schedule

Central Governments have introduced Guidelines for re-opening (Unlock 1) [As per Ministry of Home Affairs (MHA) Order No. 40-3/2020-DM-1(A) dated May 30, 2020], where Government have come out with Phase wise re-opening of activities in areas outside the containment zones. In these guidelines Cinema halls have been kept in 3rd Phase of re-opening, where dates of re-opening will be decided based on assessment of the situation. We are in continuous engagement with all regulatory authorities and hope to receive the necessary permissions for restarting opening in the near future.