25th January, 2022

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Company Code: PVR / 532689

Sub: Compliance under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

In continuation to our letter dated 18th January, 2022 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the officials of the Company have participated in the "PVR Limited Q3 & 9M FY2022 Earnings Conference Call" on 21st January, 2022.

Enclosed is the transcript in this regard.

This is for your information and records.

Thanking You.

Yours faithfully,
For **PVR Limited**

MUKESH KUMAR
Digitally signed by MUKESH KUMAR
Date: 2022.01.25 14:29:25 +05'30'

Mukesh Kumar
SVP - Company Secretary
& Compliance Officer

"PVR Limited Q3 & 9M FY2022 Earnings Conference Call"

January 21, 2022

ANALYST:	**MR. ANKUR PERIWAL – AXIS CAPITAL LIMITED**
MANAGEMENT:	**MR. AJAY BIJLI – PROMOTER & CHAIRMAN – PVR LIMITED** **MR. SANJEEV KUMAR, JOINT MANAGING DIRECTOR – PVR LIMITED** **MR. GAUTAM DUTTA – CHIEF EXECUTIVE OFFICER – PVR LIMITED** **MR. KAMAL GIANCHANDANI – CHIEF OF BUSINESS PLANNING & STRATEGY & CHIEF EXECUTIVE OFFICER – PVR PICTURES** **MR. PRAMOD ARORA - CHIEF GROWTH AND STRATEGY OFFICER - PVR PICTURES** **MR. NITIN SOOD – CHIEF FINANCIAL OFFICER – PVR LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the PVR Limited Q3 FY2022 earnings conference call hosted by Axis Capital Limited. As a reminder, all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing '*' and then '0' on your touchstone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ankur Periwal from Axis Capital. Thank you and over to you, Sir.

Ankur Periwal: Thank you Inba. Good evening friends and welcome to PVR Limited's Q3 and Nine Month FY2022 Post Results Earnings Call. The call will be initiated with a brief management discussion on the earnings performance followed by an interactive Q&A session. Management team will be represented by Mr. Sanjeev Kumar - Joint Managing Director; Mr. Gautam Dutta - CEO - PVR Limited; Mr. Kamal Gianchandani, Chief Business Planning and Strategy and CEO - PVR Pictures; Mr. Pramod Arora - Chief Growth and Strategy Officer - PVR Limited; Mr. Nitin Sood - Chief Financial Officer - PVR Limited. I will hand it over to Mr. Kumar for his initial remarks post which we will open the Q&A. Over to you Mr. Kumar.

Sanjeev Kumar: Thank you all. Dear all, I would like to welcome you all to the earnings call to discuss unaudited results for Q3 and Nine Months of FY2022. I hope you had the opportunity to review our presentation and results, which have been uploaded on our website as well as on the stock exchange.

The quarter gone by has been the best quarter for us since March 2020. We saw continuous improvement in financial metrics on a month-on-month basis and stopped burning cash after six continuous quarters. From an EBITDA loss in October 2021 to 23.7% positive EBITDA margin in December 2021 the business grew from strength-to-strength with content from all three genres of Regional, Bollywood and Hollywood doing well.

In October, Regional movies like Doctor, Honsla Rakh and No Time to Die and Venom from Hollywood did well. In November during the Diwali week Annaatthe, Eternals and Sooryavanshi performed extremely well at the box office. Since then we have had a continuous flow of content in the form of Antim, Satyameva Jayate 2, Tadap, Chandigarh Kare Aashiqui and 83 from Bollywood. Super hit content in the form of Spiderman: No Way Home and Pushpa both in Hindi and Telugu also aided the superlative performance in December 2021.

In fact the revenue for the month of December 2021 was lower by only 8% as compared to the month of December 2019 reflecting ability of the business to bounce back quickly and strongly once the restrictions in operations are removed. Since the end of December 2021 major metropolitan cities in India are under the grip of the third COVID wave fueled by the highly transmissible, but less severe Omicron variant. This has resulted in blockbuster content such as Jersey, RRR, Prithviraj, etc., deferring releases. Various states have reimposed restrictions on cinema operations with more states opting to reduce capacity mandating vaccinations and night curfew. Only Delhi and Haryana have ordered shutdown of cinema operation. We feel that recovery from the current wave should be much faster and unlike the previous two waves, the content producers will also be more forthcoming in releasing their movies on the big screen as soon as the COVID wave recedes and the restrictions and operations are relaxed.

Till date this year we have launched 18 new screens, this includes the four screens in Narsipatnam, Andhra Pradesh, seven screens in the Iconic Jio Drive Mall, Mumbai, four director's cut screens in Ambience Mall Gurgaon and three screens in Jamnagar Gujarat.

On the results, please note that the numbers I am sharing are after adjusting for the impact of Ind AS 116 relating to lease accounting and are different from the reported numbers we have submitted to the stock exchange today. For the quarter ended December 31, 2021 total revenue was 642 Crores, EBITDA profit was 66 Crores and PAT loss was 22 Crores as compared to revenue of 63 Crores, EBITDA loss of 109 Crores and PAT loss of 137 Crores for the quarter ended December 31, 2020. For the nine month period ended December 31, 2021 total revenue was 855 Crores, EBITDA loss was 137 Crores and PAT loss was 323 Crores as compared to revenue of 120 Crores, EBITDA loss of 306 Crores and PAT loss of 394 Crores for the nine month period ended December 31, 2020.

During the quarter the company successfully managed to tread the delicate line between increase in operations and managing fixed cost. As on date, company has successfully concluded discussions around rental waivers/discounts for wave 2 with landlord partners with respect to more than 97% of its properties and has achieved rental savings of 57% in the nine month period ending December 2021. Fresh discussions are underway for the current ongoing wave of COVID.

We continue to keep high levels of liquidity on the balance sheet with the total liquidity of over 740 Crores as on December 31, 2021. To conclude I would like to thank all the stakeholders including employees, developers, content makers, bankers and investors for the unwavering commitment to the business. With a strong pipeline of content that is available for release over the next 12 months, we are confident that the business will bounce back very strongly. With these opening remarks, I open the platform for any questions and answers. Thank you.

Moderator: Thank you very much, Sir. Ladies and gentlemen we will now begin the question and answer session. Our first question is from the line of Aliasgar Shakir from Motilal Oswal. Please go ahead.

Aliasgar Shakir: Thanks for the opportunity and I must congratulate in the strong cost control that we have ensured despite the cinemas now opening up. I was just looking at your cost compared to your pre-COVID numbers from it on 3Q FY2020 and when I see your fixed cost something like an employee rent SG&A. I think it is somewhere about high to a mid teens kind of a comparable decline from 3Q FY2020 numbers. So the point I want to just understand is that now that in 3Q most of your screens were opened and more or less fully up and running, should this be assumed as your stable state cost even if assumed 4Q would have been fully up and running I mean I am just trying to understand what kind of cost savings on a stable state basis we are seeing from our pre-COVID numbers.

Nitin Sood: I will take this question, Sir. On the cost front we have done a lot of work. Your specific question on personnel cost, see the cost has got ramped up during the quarter as October we were still not open in Maharashtra and November onwards we started ramping up. We have been quite flexible on how we manage our head count as the content to come in.

Aliasgar Shakir: Sorry, but I am not just looking at head count, but entire fixed Opex something which includes Rent and employee as well as your SG&A. I mean, if I take the combined fixed Opex that is still about close to 13% to 15% down. So, should that be assumed as your stable state basis?

Nitin Sood: So they will not be stable state, I will have to address each cost line by line because people cost will ramp up once we have full quarter of full operation. So these people costs are not reflective of what they will be when we will be operational for full three months that number will definitely go up, but we do expect it to remain below pre-COVID level on the both cost front as well as the headcount front. On all our overheads also because a lot of overhead fixed costs that you have mentioned there are also directly linked to the properties being open and performing. So a lot of these fixed costs will also go back once the properties have a full run. It is difficult to put an exact number on what these costs will look like other fixed expenses, but our sense is they will continue to remain below pre-COVID levels because of all the work that we have done over the last two years.

Aliasgar Shakir: Got it. Just quick follow-up here is I thought that 3Q would have already been mostly, I mean, all your cinemas would be up and running. So, I mean, I am just curious to understand why would you think it would go up from this level.

Nitin Sood: Cinemas were not up and running for the entire quarter, cinemas part of the circuit was open in October some states were still shut. Some places we were still in the middle of rental negotiation.

Gautam Dutta: When we did open it was not as if in the first week or the second week we started to get content. So we were slow in ramping up on our HR cost so what Nitin is trying to sort of allude on is that when we get a 90 day all restrictions eased out, the cost will go up marginally.

Sanjeev Kumar: The bigger states opened up later in Q3 where we have a sizeable number of cinemas.

Aliasgar Shakir: Second question is just on, I mean, you did mention on the impact of Omicron and the capacities have now constrained, but, I mean, of course it is difficult to anticipate but do you think that once capacities will be again cleared, this time the releases will be very quick so you would not wait for long once the cinemas are fully up and running the way we saw there was some gestation period even once the cinemas were 100% allowed. We still saw some gestation period for movie releases to happen. This time hopefully that should not happen, I mean, it should be much quicker recovery.

Sanjeev Kumar: Yes, I mean, I think after wave one of course producers were still apprehensive but after wave two reopening, the producers realized that there was no point in waiting and they should release the film as soon as cinemas had opened and restrictions on capacity had been lifted and therefore you saw Bell Bottom come out as soon as August. I think they have the same sentiment now that they do not need to wait and for the businesses to kind of settle down or cinemas to get ready as such and they are all willing to release the films as soon as the restrictions are lifted in fact one of again Akshay Kumar film has already been announced for March, early March or mid-March this year.

Aliasgar Shakir: Got it and this one thing I want to understand from the digital side you have explained this point quite a few times but despite, all the OTT releases, I mean, cinemas are relatively much stronger in terms of patron occupancy, but just to understand I mean when these large OTT guys are now paying big dollars in acquiring rights the way we are actually have been very clear that we need a two-month exclusive period. Have these guys also I mean given that now they are paying big dollars to acquire a movie right, are they also probably kind of trying to push and negotiate for a shorter exclusive period for cinemas I am just trying to understand that from their point of view is there any kind of a push for negotiation.

Kamal Gianchandani: We cannot speak for the streaming platforms, but from what is prevailing on the ground is that there is a minimum four week window which is in motion as we speak this is a temporary measure and a broad understanding has been reached with producers that soon it will go back to the erstwhile six and eight week window, eight week window being the subscription VOD window and six week being the pay-per-view window. India because it is a fragmented market and also producers do not have a conflict of interest in terms of having their own streaming platform unlike the Hollywood studios we do believe that India as a market will buck this trend and we would manage to go back to the erstwhile windows.

Aliasgar Shakir: Okay thank you very much this is very helpful.

Moderator: Thank you. We will take our next question from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy: My question is like Pushpa did really well in the Hindi belt in Bihar. So do you see this as a new development or this is just luck or is it just because quality content of core Hindi was not available because if it was actually a new development this could make your content that much more diversified so less risky right from a content pipeline going ahead.

Kamal Gianchandani: Abneesh we have missed the first part of your question are you speaking about regional films dubbed in Hindi doing well is that what the question is.

Abneesh Roy: Yes, Pushpa specifically Pushpa.

Kamal Gianchandani: I absolutely agree with your observation we do think this is a trend in making. It is slightly early to speak about it as a trend but the way Pushpa performed with minimal publicity support just goes to show that there is appetite for actors who have got recognition on television and streaming platform Allu Arjun being the case he is a big Telugu star, but he has had no success in Hindi, but clearly there was a lot of recognition by way of his films which had released on television platforms and streaming platforms and as a result when a good film came out dubbed in Hindi people lapped it up and supported the film in big numbers. So we do think there is a trend in making, we will have to wait and see, but we are quite hopeful that this could result in three or four films of that level every year going forward.

Abneesh Roy: Sir Maharashtra is the biggest state for movie and there suddenly some part of your own space will become competition in FY2023 so does it lead to pricing coming down because that will be under a new brand they will try to create a niche for themselves plus they do not have only this much screens in pipeline they have said they want to scale it up eventually to a much bigger number. So does it become more competitive I understand just 2%, 3% impact on EBITDA but what happens on the pricing and competition.

Gautam Dutta: Actually the way we have analyzed this they take away about 23 odd screens and while on the EBITDA level there is only 3%, the ATP is not under pressure at all because people value a PVR experience. We believe that he is our consumer and there is a value to a brand because if we were to say that there is no value to a brand there will be no power that PVR would have to have an increased ATP and SPH so we believe that he belongs to us and he is our consumer and he would possibly travel a little extra, a little beyond to reach us and the kind of circuit we have in Mumbai most of the locations will be able to offer an alternate location to the consumer and we believe there is nothing, no pricing hit at all on ATP or SPH in that circuit leave alone national, but even in the west region we do not see any negative impact on ATP or SPH.

Abneesh Roy: In terms of SPH spectacular recovery pre-COVID and now anything you would like to call out in terms of consumption habits has anything changed dramatically.

Gautam Dutta: Yes, a huge change actually we are seeing both in terms of consumption of what should I say a premium format as well as the way people are coming out and consuming food clearly indicates that this is an experience that is hugely valued, people have been missing this experience and the stuff on which we had actually build a brand over the last two decades of saying that PVR is not just a place where people come to watch movies, but it is a holistic experience really comes into play because people are coming out and sort of consuming the premium formats much better so our occupancy ATP has all gone up significantly better in the premium format and on the overall food consumption not only PVR could sort of take the prices up of certain food articles, but also saw a 50% jump on the volume of sales so people are eating more and technically we are also being allowed to take the prices of food up without really hampering on the SPH at all.

Abneesh Roy: Sir last question so now cases are coming down dramatically in the bigger city COVID cases and vaccination also now, kids are also getting vaccinated so taking all this it seems FY2023 is likely to be a very, very normal year. So taking all this into a consideration assuming no big wave 4 what would be your screen guidance for FY2023 and 2024.

Nitin Sood: Abneesh we do not want to forecast too much in advance, but if business comes back our rollout pipeline is quite massive there is a huge number of screens which are awaiting fit outs where we have deferred Capex. So our Capex we have already restarted Capex in some screens, but I think in next couple of months we will take a call on the rollout of many more screens which are awaiting handover and if that is a normal year then I think there is no reason why in next financial year a screen rollout will not be what it was in a pre-pandemic year, which was between 80 to 100 screen so we will quickly get back to that kind of a screen roll out as soon as I think the business normalizes.

Abneesh Roy: Okay that is very helpful that is all from my side. Thank you.

Moderator: Thank you. Our next question is from the line of Prateek Poddar from Nippon India Mutual Fund. Please go ahead.

Prateek Poddar: I have two questions one is on slide #13 where you talk about week 12 and week 13 footfalls. Just wanted to check on where because there was a restriction over there is it like to like or is it that had there been a 100% capacity utilization possibility the best number would have been substantially higher. So all I am trying to ask is in for Mumbai despite 50% did you witness same footfalls as pre-pandemic.

Kamal Gianchandani: So this comparison the first part of your question is with cities and states with restrictions being compared to pre-COVID average which was without restriction. So Mumbai city and other cities and towns in Maharashtra were at 50% and what you have seen in week 12 where we did 112% of pre-COVID so there we are comparing with the average of 2019-2020 entire year the average, weekly average, but without restriction. So if the restrictions were not there this number could have been higher that is right.

Prateek Poddar: Perfect and just if you can talk about I think you did hint about SPH sustainability on your ATP sustainability also if you can talk about how should we think about this very strong number of 20% growth is on ATP as well as SPH 22% this sustainability and do you believe that going into FY2023 these numbers are sustainable.

Nitin Sood: I will answer that. Given the fact that cinema industry has not seen any pricing growth if you look at all around in the economy there has been inflation over the last two years, cinemas have been shut and even prior to that year cinemas did not take a price hike simply because of the GST rate cut, we passed on the benefit to the consumers. So we believe that cinema pricing has a massive headroom for growth because pricing has been quite constant and given the massive pipeline of content that we have especially the amount of big tent pole films you will see in the next financial year next 12 months there is a great head room for pricing growth. If you actually look at the month of December where we had all the big films releasing because ticket pricing is also a function of the content in the month of December when we had big films our average ticket pricing growth was close to 20% over what we did in the similar period last year. So we think the pricing growth will sustain and could potentially be better than this in the year ahead.

Kamal Gianchandani: I would just add to what Nitin said and probably double down on the point which he is making so two points I like to add first is that the robust increase in prices in the Q3 especially when big films came out in November and December goes to indicate that the strength of business is intact. This whole debate about whether customer habit will change in the wake of lot of films traveling to streaming platforms that debate has come to an end, clearly the customer habit continues to favor the moviegoers or cinegoers who used to come out to cinemas continue to favor cinema as a platform as their first preference and you also have to appreciate that these ticket prices have happened in a backdrop of Netflix, couple of other streaming platforms actually dropping their prices while streaming platforms are becoming much more accessible in terms of prices cinemas have managed to not just increase ticket prices but also end up with a very healthy growth on the SPH front. The second point I would like to take is that even with these increase in ticket prices we are barely at $3 as average ticket price for the most successful chain in the country. PVR is the most successful, largest chain with the number one premium offerings and we have an ATP average ticket price of less than $3 or close to $3 if you compare to what is happening in US in some of the more developed markets where the average ticket price is about $8 for chains like AMC, Regal they have managed to grow their ticket prices in 2022 by almost 17%, 18%. So that goes to show the kind of head room which is available to grow even in the markets which are more developed which have a much higher average ticket price almost three times of what we have in India and they are also managing to grow by 17%, 18%. So yes just to double down on what Nitin was saying tremendous opportunity, tremendous head room to grow as far as the ticket prices go.

Prateek Poddar: This is really helpful. Thanks.

Moderator: Thank you. We will take our next question from the line of Jaykumar Doshi from Kotak. Please go ahead.

Jaykumar Doshi: Hi team, thank you. One quick question could you please elaborate a little bit on the benefits in Telangana now that you can increase ticket prices and do you see similar opportunities in Andhra Pradesh or Tamil Nadu in the foreseeable future and what kind of price increase do you envisage in Telangana and what it means for your ATP.

Kamal Gianchandani: Nitin you want to take this.

Nitin Sood: Okay I will take that. So what has happened in these market is Telangana ticket pricing has got revised for mainstream seats to 250 plus GST which was earlier Rs.150 which is all inclusive so if you effectively look the pricing cap has been doubled from Rs.150 to about Rs.290 plus the there is a huge head room to achieve the pricing growth across that belt and we no longer have to go in we were trying to do some of it in between by going and taking specific approval. So all of that has gone and the head room is quite large and for recliner the pricing is now Rs.300 plus GST which is effectively an increase of 40% over what we were allowed to charge earlier. Telangana is a very big and important market for us and almost 10% of our total admits in FY2020 came from that market so we believe it will have a big positive rub off in next financial year as the business bounces back and the film releases happen. So this headroom for a pricing growth in this market will play out very well for chain like PVR.

Jaykumar Doshi: Any other states is there any opportunity in your view at AP or Tamil Nadu or not in near future.

Gautam Dutta: In the near future yes we sort of keep lobbying with the government, but currently as Nitin said there is enough and more headroom and over the next 10 to 12 months I do not think there is any need but as and when we believe that needs to be lobbied from MAI we do lobby with the government and seek these approvals.

Nitin Sood: Also to add on to what Gautam said if you look at Tamil Nadu as a market the pricing cap was relaxed there 3 years ago and the ticket pricing headroom was increased to about Rs.210 including GST etc. If you look at still our average ticket pricing for most of the cinemas pre-pandemic was about 160 so there is already a huge head room to take pricing growth up within the existing approvals in that market so my sense is Tamil Nadu will as we have a huge amount of headroom we are lobbying and working to see if we can achieve a similar thing in Andhra. Our screen presence in the Andhra is very small we just have two properties in Andhra right now so it is not big and relevant in the overall perspective but both markets Telangana and Tamil Nadu which are big markets for us and those markets there is a huge headroom for a pricing growth within the existing capacity caps as they now exist.

Jaykumar Doshi: Right and I heard your comments on significant opportunity on pricing. So does it have to do with are you intending to take higher price increases in southern markets where the prices currently are significantly lower than India average and there is head room to do that or do you intend to take similar price increase Delhi, Mumbai as well.

Nitin Sood: Kamal you like to answer that.

Kamal Gianchandani: In response to your question, pricing is an iterative decision it is also a localized decision so we do not decide on the basis of city we decide on the basis of cinema to cinema and within cinema we decide on the basis of films that are releasing, the kind of curiosity they have created. Answer to your question is we are always trying to look at various ways in which we can create price action various ways in which we can optimize ticket prices without impacting our occupancies this is an ongoing process. Your earlier question on whether we have scope to further up the permissions approvals in certain states I think we have sufficient headroom in almost all states now barring Telangana, Andhra, Tamil Nadu there is no restriction in other states we have complete flexibility to increase or decrease price depending on what we think is the most optimized offering for our customers and in these three states also we have fairly good amount of head room to increase ticket prices wherever films were in that sort of an increase in ticket price. So it is a localized decision to summarize we do not look at it from city to city basis.

Jaykumar Doshi: Understood. My second question is on Sooryavanshi now there were last minute discussions around distributor share or film higher costs and I believe you may have agreed to pay slightly higher than what you usually do so is that a one-off case or are you facing similar situations and is there a upside risk to your film higher cost presumption from a medium-term perspective.

Kamal Gianchandani: So I would not like to get into specifics of Sooryavanshi discussion, I mean, these are ongoing discussions with our content partners and they have happened before, they will also happen in future this is part and parcel of our business, but to your specific question on pressure on film hire if you look at the film hire pay out in Q3 you would notice is about 1.5% higher than the quarter in Q3 in 2019-2020 which is not a meaningful increase. 1.5% matters but given the fact that we have this uncertainty about whether films can release whether cinemas will have restrictions in fact a lot of states have had restrictions in Q3. In order to deal with these restrictions in order to give comfort to our content partners there have been certain films where we have extended slightly higher sharing to our content partners, but I must emphasize that this is a short-term measure, this is more of a tactical approach to ensure that we have a steady supply of films. As soon as we get into the next financial year and fingers crossed hoping that the COVID situation will soon come under control, we are very confident that we will go back to pre-COVID film hire rate without any problem.

Jaykumar Doshi: Final short quick one can you give us some color on how advertising revenue recovery was in the month of December because I understand that ATP and SPH has recovered very well, but when I look at full quarters number for advertising it is still much below your December 2019 quarter. So can you give a comparison of the month of December 2022 versus December 2019 month.

Gautam Dutta: We are technically closer to about 50% of the overall quarter’s revenue actually in December but slightly lower in terms of the quarter because October was fairly low for us and these numbers really account for in the big way November and December numbers so from that perspective these numbers are slated to go up much higher once things normalize.

Nitin Sood: Roughly about in December they were advertising revenue was 50% of what was it in the pre-pandemic period of December.

Jaykumar Doshi: Understood. Thank you Nitin, thanks everyone.

Moderator: Thank you. Our next question is from the line of Anurag Jain from Green Lantern Capital. Please go ahead.

Anurag jain: Thanks so much. So again just wanted some clarification on the cost, the expenses bit. So compared to the quarter ending December 2019 versus this quarter, how does our expenses look like how much down would they be if you can help us understand that.

Nitin Sood: If you look at our investor update we have shared a full analysis of how the expenses…

Anurag jain: We have nine month numbers there but the nine months this year contains two quarters of the screens not being open. So that is why I was trying to understand quarter-to-quarter where most of the screens are open in December 2019 and this quarter as well. So if you can help us.

Rahul Gautam: Yes, so Q3 average fixed cost run rate it is about 113 Crores per month that number was about 147 odd Crores per month for the quarter ending December 2019. So we are looking at around 30 Crores, 35 Crores lower cost per month basis in Q3 of this year compared to pre-pandemic.

Anurag jain: Perfect and there will be some slight increase you said for this quarter expenses as the full quarter of opening of things happens there will be some slight increase to this number right.

Rahul Gautam: Yes because even in this quarter our rental was still lower than our regular rental level. So there is some saving, which will go away once things normalize that cost will increase and there are obviously quarter, this quarter was obviously partially operational because Maharashtra was shut for the month of October. As we have guided in the past other than the occupancy cost on all other overheads we expect a 10% savings even once you go back to normalized levels of operations.

Anurag jain: Perfect so there will be let us say our 10% cost differential and 20% increase in ticket size broadly ticket sizes what we are seeing as we go.

Rahul Gautam: That is correct.

Anurag jain: Yes, fair enough. That is all from my side. Thank you so much Sir that is very clear.

Moderator: Thank you. Our next question is from the line of Nitin Shakdher from Green Capital Single Family Office. Please go ahead.

Nitin Shakdher: Hi good afternoon to the management this is Nitin Shakdher from the Green Capital Single Family Office. I just have two questions rather first is on do you think that the consumer sentiment has changed towards watching only large blockbusters in theaters like Spider-Man, 83, Batman coming up or Shamshera, Lal Singh Chaddha and avoiding regular content and probably watching that later on OTT what is the research from the management say on that.

Kamal Gianchandani: So we believe consumer habits have not changed at all as compared to pre-pandemic. Yes you are right since we have opened after the second wave the smaller Hindi films or the mid segment Hindi films have not performed at the box office the way they were expected to perform and as a result there is this concern that maybe the mid segments films or the smaller films will continue to underperform post-COVID. But if you look at the data closely we have had in October a film called Doctor which released in Tamil, a Tamil language film which released in Tamil Nadu and other parts of South India and it exceeded all expectations, in fact it performed at much better than pre-COVID level it did something like 100 Crores out of a box office which for a Tamil film is a big benchmark. Now this film was a mid-segment film called somewhere between small to mid segments. Just to note that this was not a case of fluke. There was another film called Maanaadu which came out again in Tamil with Simbu who is again a mid-segment hero that again did terrific business at the box office. Before that in September, October a slew of Punjabi films over performed at the box office and all of this has not just happened in regional languages, if you look at Pushpa which was dubbed in Hindi now Pushpa in Telugu was a big film but in

Hindi it had absolutely no brand equity, Allu Arjun was a big star in Telugu cinema also well known in south of India has absolutely no equity in the Hindi market, he has had no past releases which have released in the Hindi belt when I say Hindi belt that including West, North and East of India including of course the central part of the country. Allu Arjun has had absolutely no presence so a Telugu film dubbed in Hindi released with zero marketing because the confidence level of distributors and producers were so low that they invested practically nothing on marketing. Pushpa in Hindi has turned out to be a bigger hit than Pushpa in Telugu, it is approaching is almost crossed 90 Crores is approaching 100 Crores it is already in sixth or seventh week of its run, it is also available on Amazon prime where it became available after four week window but it continues to do well at the box office so the point I am trying to make is that not just in Tamil, Punjabi belt but also in Hindi belt smaller films with heroes who are not established with marketing which was non-existent films are doing 85 Crores, 90 Crores of business which are leading us to believe that this could be the start of a new trend. If we have four or five such films from Tamil or Telugu or Malayalam the whole trajectory of the Hindi belt ofMaharashtra North and East and Central India could change significantly. So answer to your question in summary I would say no there is no change as far as customers are concerned they view a film as a good film or a bad film. A bad film no matter whether it is a big production a big star film will continue to underperform a good film with a hero who does not have a brand equity smaller production values will continue to perform well at the box office.

Nitin Shakdher: No, so inversely let us say a film like 83 which abruptly was stopped at least in the north belt because of the restrictions now if 83 were to be dubbed in a Tamil or Telugu would it show the same traction.

Kamal Gianchandani: 83 in fact was dubbed in Tamil, Telugu, Kannada and Bengali and unfortunately did not perform well in the regional languages, Tamil was still better than the other languages, but overall the performance in the dub languages was not so strong. 83 the bulk of business the 102 Crores sort of a business is done at the box office till now and is still playing in theaters has come from the Hindi language.

Nitin Shakdher: And second question is in relation to the high margin F&B consumption what has changed from before do you see that the F&B spends have gone down over the last one, two years in terms of consumer preference being changed purely from a point of view of safety of not taking down masks and maybe avoiding snacks during the films or any research on that, that you have seen.

Gautam Dutta: F&B spends have never gone down year-on-year we have posted close to 9% and 12% growth this year has been phenomenal, after we opened we have seen a phenomenal rise in SPH and that clearly indicates that consumers are coming out for a holistic experience they are wanting to try out it has been and in a manner it sort of reiterates what Kamal and Nitin have been making a point that cinema will stay and has a very unique position in the minds and hearts of consumers, it is not just about going and watching a film, it is about a holistic experience and this is a testimony to that.

Nitin Sood: In our quarterly numbers if you compared to pre-pandemic level our F&B space like we said is up 28% over what we were doing pre pandemic.

Nitin Shakdher: Sure that could also be because of the new launches right 18 new screens added also.

Nitin Sood: No that has got nothing to do with this. It is on a per consumer basis.

Nitin Shakdher: And how are the 18 new screens done in terms of the expectation on what they were supposed to do.

Nitin Sood: We just had like I said one and a half months of operation but all the screens are open to fantastic review and I think once we get a full quarter of operations we will be in a better position to tell but all the screens that have opened have had great opening.

Nitin Shakdher: Okay fair enough. Thank you.

Moderator: Thank you. We will take a next question from the line of Arun Prasad from Spark Capital. Please go ahead.

Arun Prasad: Thank you for the opportunity. Most of the questions are answered just one on the ATP growth usually the high occupancy in south also largely can be attributed to the one craziness on the movie and also the low prevailing ATP on the release week, but with an increase in the ATP Telangana or even when eventually in Tamil Nadu how do you see the elasticity in demand can South's occupancy converge towards the national average or how do you see that.

Gautam Dutta: There has been absolutely no negative impact on occupancy on the contrary large numbers of people have come out and have been wanting to watch the film on multiplexes. Second as I had said earlier our recliners IMAX, 4DX all the premium formats within the cinema are also doing exceedingly well, they are the ones which are clearly seeing a higher growth in terms of occupancies, which clearly indicate that the not only consumers are coming out and pricing is not a big concern and these are also markets where pricing was artificially capped for a very, very long time you need to understand for the kind of experience PVR delivers to the point again that Kamal had made our national ATP still is just about $3 so there is a huge head room for growth there and with consumers wanting this great five hour experience out of home, this still remains the most affordable and the most I would say premium formats in the country.

Arun Prasad: Sir just one bookkeeping question we see that there is no cash burn during the quarter in fact there is some cash generation as per the commentary but the net debt remains same on a sequential basis can you give broadly a reconciliation that the major line item is.

Nitin Sood: So if you look at our net debt, net debt is actually lower than what we close September quarter with. So we can discuss it offline but during this quarter like we said we have not.

Rahul Gautam: But I think the cash back number that you speaking about it from an operating level perspective right once you include debt repayment and everything obviously the cash balance number has gone down but on an operating cash basis on operating expense basis it is the cash going to stop that is the point you want me to make.

Arun Prasad: No the net debt reduction is largely and then with the gross debt reduction but the incremental cash that generated probably any working capital change, any Capex, anything on that line.

Rahul Gautam: Yes, so there is Capex which is obviously happened I think Q3 Capex is about 27 odd Crores of Capex that we have done in Q3 and then on top of that working capital in general has been positive impact on cash flows because as operations have come back we have got cash flows before then we have paid the vendors so working capital has had a positive impact on the cash flows.

Nitin Sood: Yes and business as business comes back working capital will have a positive impact because the size and scale of business will move up so that will have a positive impact on cash flow.

Arun Prasad: All right thank you, I will take it offline. Thanks.

Moderator: Thank you. Our next question is from the line of Jinesh Joshi from Prabhudas Lilladher. Please go ahead.

Jinesh Joshi: Thanks for the opportunity. Sir if I am not mistaken recently the AP government passed one bill whereby it made mandatory for cinema halls to sell their movie tickets through a government run online platform so what I want to understand is that can other states in south follow this suit given the fact that this was done to minimize the tax evasion and secondly what kind of impact will this have on our tie-up with BMS because now our business with the BMS will get impacted and we have received some money from them as well so do we need to kind of repay to them or how will this arrangement actually work out.

Kamal Gianchandani: AP government has come out with a bill and MAI which is the advocacy body for multiplexes in India has filed a petition in the court against the decision taken by the government, matter is sub judice so we would not like to get into details. All I would say is that firstly in Andhra PVR has a very small presence so in any case the impact of those two theaters on the overall relationship with BMS or Paytm or any other service provider would not be there the other part of your question was whether this will impact other states no we do not think so there is the reason why Andhra government has come out with this bill and they have also taken another decision that they put a cap on the ticket prices not for multiplexes but for the single screens without getting into rumors which are floating around in the marketplace, but we believe there is some sensitivity which is more political in nature which is at play here and we do a thing after discussing this matter with the government at length that the government is not in a position at this point to implement this sort of service so while the government order does say that a ticket should be sold through the government portal, but the fact is that there is no Government portal, there is no team, there is no strategy which has been deployed by the government department to have technology in place to have team in place together a portal which can connect with all cinemas. So I think in any case implementation of this sort of a decision will take many years if not more, but to summarize we filed a case against the government and the matter is subjudice so we would not like to get into further details.

Jinesh Joshi: Fair enough, and sir one last question from my side. If I look at our presentation we have given movie pipeline for the month of February and March as well I just have one question with respect to this pipeline do we kind of really believe that Gangubai Kathiawadi is expected to release in the month of February because if we look at January it has been a washout because of rising Omicron cases and we have also seen quite a few movies having deferred their release date so are we confident about the pipeline as far as the month of February is concerned.

Kamal Gianchandani: It is a very good question we have kept the dates intact because the producers have not come back and informed us of any changes in the date, but you are right a lot of these films are expected to be pushed back but at the same time a lot of people have already announced their date so for example Akshay Kumar's next with Sajid Nadiadwala has been announced for Holi, in fact today Lal Singh Chaddha came out with an announcement confirming that they are coming out in April on the date which they had blocked along with KGF 2. I think the good news is that none of these films after having looked at the box office which the films did in October, November, December none of these films which are slated for release in the subsequent months have decided to go to any streaming platform directly even for films like Jersey, RRR where the marketing was already ruling and they had to push the film, cancel their release date at the last minute even such films after having invested a lot of money in marketing have decided to hold their films for a theatrical release so I think that is a big, big positive, the negative is that of course depending on the COVID situation there could be changes in the dates.

Jinesh Joshi: So sir in nutshell the February month pipeline is tentative in nature that is the correct reading right.

Kamal Gianchandani: It is a fair assessment but I would also say that a lot of Tamil, Telugu, Malayalam, Kannada film are targeting February release because they are not so much impacted like Delhi, Haryana being shut so they are quite comfortable to go ahead with their releases even with part of North India market not being operational so you would have releases but these would be by and large regional films in Telugu, Tamil, Malayalam, Kannada.

Jinesh Joshi: Sure sir. Thank you so much.

Moderator: Thank you. Our next question is from the line of Piyush Sharma from Minerva India Under-Served. Please go ahead.

Piyush Sharma: Yes, hi I just had a couple. The IMAX obviously had a screaming fourth quarter and interestingly it was better than even 2019 Q4 for them when they had both Frozen and I think Star Wars release. So just curious what kind of traction Spider-Man had on the viewership within premium formats in December for you guys so maybe it will be helpful to know IMAX, 4DX other premium formats combined of what percentage of December revenues for you versus say the full last calendar quarter of 2019.

Gautam Dutta: I have one data point which I could share that IMAX occupancy if you were to compare between December 2021 and 2019 pre-COVID went up significantly up by about 30%. So earlier it was about 30%, 31% we were operating at about 40% in December alone and that is the fair month to look at so clearly IMAX occupancy as well as ATP both took a very, very good jump we were up on ATP by about 40% and occupancy by about 30%.

Piyush Sharma: So just to get this right you said 4Q 2019 or let us say the pre-pandemic is you used to see occupancy of close to 30% in December alone was 40.

Gautam Dutta: Only December I was saying only December. I have made a disclaimer that I have numbers for the month of December.

Piyush Sharma: And then secondly just curious roughly what was Maharashtra's SPH versus your overall SPH in the pre-pandemic world.

Nitin Sood: We do not share specific numbers for each territory and each market we would not like to share specific data all we can say is that we saw a similar growth as what with the rest of the market.

Piyush Sharma: Because I am just curious what were the drivers and what were the offsets that took your SPH up nearly 30% versus Q3 2020 given what I would at least hypothesize that the biggest market or one of the biggest market on the SPH side was practically shut because F&B was not allowed inside so I am assuming that is when most F&B gets consumed and yet SPH goes up 30% I am just curious what are the drivers exactly.

Nitin Sood: So first of all when Maharashtra was reopened F&B was allowed to be consumed inside the cinemas secondly Maharashtra is not our biggest market if you look at our stream rollout circuit now the south is our biggest market followed by western region and north is equally big market and across all markets we saw growth at the respective SPH levels which most of these markets did some of these markets did slightly better than other, but Maharashtra did well in the pricing growth as compared to the south and north markets.

Piyush Sharma: Nitin I was strictly talking about SPH did you say that your southern markets are higher.

Nitin Sood: Yes, I am talking about SPH as well.

Piyush Sharma: Okay so you are saying that Karnataka had a higher SPH than Maharashtra is that a fair.

Nitin Sood: In fact Maharashtra is the best in fact if you look at the comparable numbers when we say about a 28% SPH in fact Maharashtra did exceedingly well I can only say the SPH growth in those markets was equal or better than rest of them.

Piyush Sharma: All right that is it from my side. Thank you.

Moderator: Thank you. Our next question is from the line of Yogesh Kirve from B&K Securities. Please go ahead.

Yogesh Kirve: Thanks a lot. Sir this quarter was quite skewed towards the high profile movies in Hollywood as well as the Hindi so when in FY2023 we will have full set of movies made by a small budget kind of a movie. So will we be able to replicate same sort of an F&B and ATP in that year.

Gautam Dutta: Yes, largely yes because overall if you see in a month we do get a one blockbuster or a two blockbusters along with some as we call it the popular band so we believe that this is definitely possible we could have a big regional film and given the fact that we are equally sort of solid in all the four regions the regional content also helps us hugely to boost up our ATP and SPH so this is very much on the cards and consumers have already accepted this pricing so there is absolutely no doubt that we will continue on the same journey.

Yogesh Kirve: Sure fair enough. Second question I have is more of clarification when you talked about the cost savings on the fixed cost trend that 10% indicative number. So this is fixed cost excluding lease & CAM right.

Nitin Sood: That is right, yes.

Yogesh Kirve: Okay thanks that is all from me wish you all the best.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the floor back to Mr. Ankur Periwal for closing comments. Over to you, Sir.

Ankur Periwal: Thank you everyone for your time and thank you PVR management for answering all the questions. In case you still have any questions you may get back to us or to the management and we will try to address that. Nitin will you like to add any closing comments.

Nitin Sood: No I would just like to say to thank everyone for taking time to attend the call and if you have any follow-up questions please feel free to reach out to us we will be happy to answer them on a one-on-one basis. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Axis Capital Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.