



October 25, 2021

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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 19th October, 2021 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 Q2 & H1 FY2022 Earnings Conference Call” on October 22, 2021.

Enclosed is the transcript in this regard.

This is for your information and records.

Thanking You.

Yours faithfully,
For **PVR Limited**

Mukesh Kumar
SVP - Company Secretary
& Compliance Officer

PVR LIMITED

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“PVR Limited
Q2 & H1 FY2022 Earnings Conference Call”

October 22, 2021



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

MR. NITIN SOOD – CHIEF FINANCIAL OFFICER – PVR LIMITED

MR. RAHUL GAUTAM – SVP AND HEAD OF CORPORATE FINANCE – PVR LIMITED

Moderator: Good evening, ladies and gentlemen. I am Bharathi, moderator for the conference call. Welcome to PVR Cinemas Q2 FY2022 earnings conference call hosted by Axis Capital Limited. As a reminder, all participants will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, please signal an operator by pressing * and then 0 on your touchstone telephones. Please note that this conference is recorded. I would now like to handover the floor to Mr. Ankur Periwal of Axis Capital Limited. Thank you and over to you sir.

Ankur Periwal: Thank you Bharathi and good evening friends. Welcome to PVR Limited Q2 and H1 FY2022 posts results earnings call. As usual the call will be initiated with the brief management discussion on the earnings performance, followed by an interactive Q&A session. Management team will be represented by Mr. Ajay Bijli, Chairman and Managing Director, Mr. Sanjeev Kumar, Joint Managing Director, Mr. Gautam Dutta, CEO, PVR Limited, Mr. Kamal Gianchandani, Chief of Business Planning and Strategy and CEO, PVR Pictures and Mr. Nitin Sood, CFO, PVR Limited. I will hand it over to you Mr. Bijli now for the initial remarks, post which we will open up for the Q&A session. Over to you Mr. Bijli.

Ajay Bijli: Thank you. Hi all of you. I would like to welcome you all to the earnings call to discuss the unaudited results for Q2 and H1 FY2022. I hope you had the opportunity to view our presentation results. It has been uploaded on our website and the stock exchange website. I am happy to state that we are now permitted to operate all our screens across all States and UTs in India and Sri Lanka, including Kerala, where the operations will start October 25th onwards. While, there are still restrictions around capacity, timing of operations and vaccination requirement, we are hopeful that the same would be lifted gradually, as the upcoming festive season passes without any significant increase in any COVID cases. Certain States such as Telangana, Rajasthan, Karnataka, Andhra Pradesh have allowed 100% capacity and Punjab with 66% of capacity restriction, Gujarat up to 60% have already relaxed the capacity restrictions.

The rapid pace of vaccination, (you all know, we reached the 100 crores mark yesterday.) in the country makes us extremely bullish on the prospect of our business going forward. I would like to also extend my gratitude to the doctors, nurses, hospital staff, frontline workers and the Government of India, who have been working tirelessly for the last eighteen months in managing the crisis. We have always maintained that theatrical exhibition, the exhibition business, is an integral part of the film industry for audiences as well as the content creators. The keenness of the audiences to come back to the theaters can be ascertained from the phenomenal performance of the regional movies, which had recently been released, mainly Punjabi, Telugu and Tamil. They have all done exceedingly well in the past couple of months. With Maharashtra opening from today



with a strong pipeline of content, that has already been announced. We are looking forward to a rapid pace of recovery in the business over the next few months.

During the year we also launched thirteen new screens. This includes the six screen iconic cinema in Jio World Drive, Mumbai, four Director's Cut screens in Ambience Mall, Gurgaon and three screens in Jamnagar, Gujarat. Additionally, recently we also renovated and revamped Priya as a PXL screen & PVR Saket, Delhi from where we started our journey, a four screen complex in Delhi and City Center, three screens in Gurgaon. On the result, please note that the numbers we will be sharing with you are after moving the impact of IND AS 116, relating to lease accounting and are different from the reported numbers we have submitted to the stock exchanges today.

Numbers for the quarter ended September 30th, 2021, our total revenues were about 142 crores, EBITDA loss was 94 crores and PAT loss was 160 crores, as compared to the revenue of 44 crores, EBITDA loss of 81 crores and PAT loss of 116 crores for the quarter ended September 30th, 2020. For the half year ended September 30th, 2021, the total revenues were 213 crores. The EBITDA loss was 203 crores and PAT loss was 301 crores, as compared to revenue of 56 crores, EBITDA loss of 197 crores and PAT loss of 257 crores for the half year ended September 30th, 2020.

During this challenging period, the company continued with its strategy of aggressively controlling costs and maintaining sufficient liquidity. As on date the company has successfully concluded discussions with landlords partners for rental waivers and discounts, in respect of 80% of our properties and have achieved rental savings of 75%. The team has continued to work hard to keep the operating costs low, which has resulted in us keeping our operating losses under control, while working under extremely tough conditions. We have continued to keep high levels of liquidity on the balance sheet, with the total liquidity of 700 crores, as on September 30th, 2021.

To conclude, I would like to thank all the stakeholders, including employees, developers, content makers, film fraternity, bankers and investors and our customers for their continues belief in the business. On the back of a strong consumer demand being witnessed and a healthy content pipeline we have in place, we are very confident that the business will bounce back strongly. With these opening remarks, I open the platform for any Q&A. Thanks once again.

Question and Answer Session

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again.

Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. The first question comes from the line of Mr. Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy: Thanks for the opportunity. And congrats on finally all States either allowing or seem to allow in terms of opening up. My question is on advertising spends. So, what we are seeing currently is many sectors are seeing life high inflation of either one decade or four decades. So, are you worried that when your screens are going to open, unfortunately advertisers are seeing their life high, low margins in some sectors and for many years low margins and advertising is the first line item to get cut? So, what is your sense on this, because some of your screens are already open. Of course, content is limited, but your advertising sales team would be in touch with advertisers, so what is your sense on ad spend?

Gautam Dutta: So, first of all, let me just demystify this advertising revenue. It will take some time to ramp up. And we are waiting for some blockbusters to really get this ball rolling. Number two, to your point of the market being operative with a lot of brands which are operating on low margins, the market is so huge, we deal with close to about 1000-1500 brands. And cinema as a media works with both retail, on ground, small retailers and big brands. So, if one brand so decides to kind of not use cinema as an advertising medium, the others do. Because, lot of brands today are also looking for impact and be able to have a direct correlation with the consumer, which only a cinema can deliver. Cinema is a unique media medium, which actually can touch all your five senses. There is no other media today in the country or in the world perhaps, which actually has the ability to do so. So, we are seeing a lot of traction from F&B. We are seeing a lot of traction from brands that need touch and feel and display, like electronic brands. So, we are just not worried on that at all. In fact, the kind of response we are getting on advertising is fabulous. It is just that we are waiting for a couple of big blockbusters to sort of come in and we have an established footfall data for our advertisers. I think we are on the path to recovery.

Abneesh Roy: Sir, my second question is on your initiative in T20 World Cup, which is currently happening. Do you see this more of a marketing exercise to get back footfalls which has been missing for the last eighteen months? Because, in the past, you have been quite cautious on cricket, because it is too expensive, plus it is not a sticky business, in the

sense you get sporadic cricket rights, so it is not a habit for the customer. Second of course is, is it profitable? Do you expect it to be profitable?

Gautam Dutta:

So, to answer your question, you are absolutely right. Earlier, we had issues on giving a certain sign-on amount and then getting the content. This year there are no such strings attached. Every match is like a film. We only sort of run that on a film hire basis, exactly the way we would release a film. So it is, to answer your question, it is profitable. It is actually hugely profitable, because we are now giving out shows to corporates and they are underwriting the entire auditorium for their customers, dealers or employees and having this done. So, while the coverage may not be massive, because there is only one show in a select cinema, but the fact of the matter is, it is fairly profitable. And it is a good way to get people back into the cinema and get them to see what is happening on ground to get them a lot of confidence to come back again for a big movie.

Abneesh Roy:

And there is no MG right? Just to reconfirm?

Gautam Dutta:

When you say NDA, meaning? No MG at all.

Abneesh Roy:

Just a follow up. Similarly on your gaming experiment or whatever, seems very interesting, because it is a great way to tie up the youth, which should be a (not sure) for any consumption brand. So, two questions there. One, States where 100% occupancy has been allowed or even 60%, how the footfalls for family, these are very early trends, I know, because content itself is limited. But, are families coming, given the kids do not have vaccine still which is allowed, still final stages? And second, on the gaming initiative which you are planning in the coming quarter, what is your long-term expectation from this? Is it very bullish expectation or more of an experimental?

Kamal Gianchandani:

So, your first question, whether families are coming back and with children below eighteen not being vaccinated and that could become a source of concern for the parents. None, whatsoever. If you go to malls and if you go to cinemas in States, all major States have been operational for the last two to two and a half months. And the response that we have seen for films, the new films, be it Punjabi, Telugu, Tamil, Hollywood films, Marvel films, which have released day-and-date with the US release, the response that we have seen is extremely, extremely positive. Looking at the first reopening, after the first lockdown, there was some apprehension that we could take a little longer to recover. But, the reality has been quite different. And in fact, the direction and the uptick, the trend has been very, very quick and the direction is upwards. And it is quite clear that people are more than happy to come back to theaters and they want their lives to come back to the usual. So, no concerns with respect to families, children coming back to theaters. In fact, looking at the slate of release that we have in November, December, January, February, March, it is safe to say that the kind of business that we would see over the next four to five months, is something that we have not seen for a very, very

long time. So, that is the first part. The second part is gaming and as Gautam touched upon ICC World Cup being an alternate source of giving an opportunity to customers, different segment of customers or the same customers who also come to watch movies, giving them another opportunity to come back to cinemas, so you should see gaming from the same lens. Gaming as you know is growing dramatically in this country. And gaming, whether it is real money gaming or casual gaming or e-sports gaming, all of these three aspects of gaming are fairly well established. E-sport is at a nascent stage. Real money gaming has taken off in a big way. We have tied up with Nazara, which is the only listed gaming company, with them and along with NODWIN, which is a subsidiary of Nazara, we have decided to run experiments, pilots to figure out the product. We are very confident that PVR Cinema would definitely play a role in the gaming ecosystem. But, because this is something which has not been done before, we want to get the products right. And keeping that in mind we would be running a series of experiments and pilots over the next two, three months and post that we want to bring esports into cinemas in a big way. We want to take esports to the grass roots level and the direction that we have taken is to use cinemas...embed cinema as an infra structure with the (not sure) giving eco systems. We believe there is a huge potential and there is a big impressive marriage which is out there between gaming and cinemas which is absolutely right. The time is absolutely right. We think that we have got an interesting proposition, let's see how it unfolds and what sort of opportunity are we able to capitalize as we move forward.

Abneesh Roy:

Last question, how is the global recovery in the multiplexes given that restrictions are either coming back in UK and Russia or they have already come back. Are you worried on UK, Russia's new developments and in other countries what is the development in the last two months? You had said earlier data but now what's happening there?

Kamal Gianchandani:

US and all other developed markets...Europe including UK and Russia are doing exceedingly well. Bond has become a cultural phenomenon in the UK and not just in UK but in other major markets within Europe. US has opened recently it is tracking very well. Box office numbers are extremely impressive. I think all major markets which are maybe vaccination rate is high, the governments have taken a conscious decision that virus and businesses and life will have to coexist; everything will have to move forward. Lockdown we believe looking at the trends in various markets and other geographies, lockdown is a thing of the past. Governments are not putting any stringent restrictions on business because the vaccination rate is fairly high, they have decided to go on with business and it seems people are quite comfortable with the idea of coming to theaters going to bars. So all the out of home activities which have been either shut or restricted for the last 18 months have come back and bounced back in a big way. We are very satisfied with what we are seeing in the overseas market. But to be honest what we are seeing in India is a lot better than overseas market. US market with all the big releases is

still at 60%, 65% of pre-covid levels but India the way regional cinemas are performing it appears that we will soon be at 85% - 90% levels pre-covid by the time we get into November, December. In fact India is tracking much, much better than the international markets.

Sanjeev Kumar: And Kamal it is interesting to point out that some states like Punjab because of the Punjabi films have actually over 100% of the pre-pandemic numbers now.

Abneesh Roy: Okay that's very helpful. That's all from my side.

Moderator: Thank you sir. Ladies and gentlemen if you have a question please press * and 1 on your telephone keypad. Participants are kindly requested to restrict with two questions in the initial round and may join the queue for further questions. Next question comes from Urmil Shah from Haitong Securities India Private Ltd. Please go ahead.

Urmil Shah: Thank you for the opportunity. My first question was given that there would be a bunching of movies, what would you as the largest industry player would be requesting the state governments to first increase the number of...or the timelines to gain more shows or you would first want the occupancy levels to be allowed to be increased?

Gautam Dutta: Bunching of films is a reality that we will have to live with over the next six to nine months. A lot of films have been lying ready for the last 18 months and they want to be in the theaters and start with their life cycle of exploitation as early as possible. Also, we are getting into the peak season time for film business so it is only natural that there would be clashes and bunching of releases. But parallely we are in touch with all the state governments and we are fairly confident that the state government paces the responses that we got would be relaxing these restrictions in quick time goes without saying that there would be external factors like Covid cases and the kind of hospitalization which is happening as a result of Covid cases. But fingers crossed, hopefully with the rate of vaccination going up, we feel fairly confident that Covid cases and hospitalization would be taken care of by the government and the authorities and we feel fairly confident that relaxation will happen in quick time.

Urmil Shah: Sure. My next question was on the negotiation with developer partners. You mentioned that negotiations are done with almost 80% of our partners. So what have been the areas of waiver? I mean higher proportion moving to revenue share that's been the kind of waiver we have got for the rest of the year? Further details on that would be helpful.

Nitin Sood: Our discussions and negotiations have been similar to what we had last time. Primarily I think the focus has been to get rental discounts or waiver of rent for the period the cinemas were shut during the second wave. I think that's one of the big achievements that we have largely achieved for most of our circuits. 20% of the circuit is left because

Maharashtra and opening was announced beginning of this month so some of those discussions will get concluded in next couple of weeks. So, most of the rental savings are in terms of waiver of rentals for the period we were shut. We have got some discounts and some relief for the next three to four months post opening in terms of rentals that we will be required to pay. Part of those reliefs are in the form of discounts on MGs and part of them are in the form of revenue share; but most of these reliefs will only be there for next three to four months and they will gradually fade away as the business returns to normalcy.

Urmil Shah: Sure and related to the cost...may be in FY23 where there is a good chance where we can see normalization, would we still maintain that we can see savings of 10% to 12% on the cost instead of rental for the company?

Nitin Sood: No, on the rental side there is no negotiations for the next financial year. The rental cost like I said as the business bounces back will come back to what they are contracted basis. So, rentals will come back to what our contracted rentals were. We may end up saving because of the initiatives that the company has taken, at least 10% plus saving on a long-term sustainable basis on our people cost and other overhead costs; that is definitely possible and it would fall into place.

Urmil Shah: Sure. I was actually looking at the ex-rental cost; that clarifies. Thank you and all the best.

Moderator: Thank you sir. The next question comes from Mr. Harit Kapoor from Investec India. Please go ahead.

Harit Kapoor: Yeah good evening sir, Harit here. My first question was really on terms of trade with the producers. I understand that probably for the first few months or two while films release, you will be a bit more favorable towards the producers as compared to pre-pandemic historical level. But if you could give us a flavor of what your initial negotiations are suggesting regarding either share as well as theatrical windows? Do you expect a new normal to be created in either of them or you get back to old levels going forward? So just a question on near term as well as on a medium term on this.

Kamal Gianchandani: So cinema terms, the revenue share terms with the distributors...it's a moving piece and it's a sensitive principal to principal discussion but I would only stop it saying that there would not be a meaningful change in the film hire terms as we move forward, there could be small changes in the initial months but that's about it. That's one. On the windows front, we've moved to a window of four weeks for local films, Hollywood films have been maintaining a longer window in any case. But for local films we've come down to four weeks. This is a temporary phase. This is a move which has been....this decision has been taken to ensure that our content partners who suffered financial losses because

of delay have an opportunity to recover their losses. So, keeping the overall interest of film business, we've taken a temporary decision to reduce the window from eight weeks to four weeks. That said we are confident that this window will retreat to eight weeks. We would not like to make any forward-looking statement, but all I would like to say is that the maximum these four-week window will continue is till the end of this financial year and not beyond that. Also please appreciate that the four-week window that we have in India is unique because in all other developed markets studios have taken a view during the pandemic, to release films parallelly on streaming platform as well as theaters. So, there was zero window in the US market and many other developed entertainment markets. But in India we managed to keep the window at four weeks which is as I said earlier is a temporary move and it will revert back to eight weeks but we would not like to put a firm time-frame on this.

Harit Kapoor:

Just a follow up on this....given that with our individual negotiations over the next three to six months would it also not be possible say some of the producers of a big film or something slightly more mass scale would want a larger window and could that also be possible if you could see a mix of theatrical window move over the next three to six months or do you think it could be a blanket four?

Gautam Dutta:

Four is the minimum window, you are absolutely right, a lot of mass targeted films....films which have a broad potential as far as audiences are concerned, they would go for a longer window. So the minimum window is four weeks but in all likelihood the big films will maintain six in some cases, in some cases they will go upto eight weeks but the minimum that any producer would do is four weeks.

Harit Kapoor:

Got it. The second question was on the capex and new screens opening; now that you have a visibility of business coming back, just wanted to get your sense on how do you see maybe second half in terms of screen openings as well as (not clear), if there is a number that you have in mind now in terms of expansion?

Nitin Sood:

So as of now we are only focused on completing the screens which were partly built up or where we had started work during or pre-pandemic. There are a few screens left out of that. We haven't still actively started capex or taking hand over of any new screens which I think we will take a view in the next couple of months and if the business recovery over the next couple of months is fast, we will hopefully start taking handovers and fitting out newer screens that has been waiting for handover and hopefully based on the business recovery, we will also take incremental capex decisions and get back to our pre-pandemic growth rate by next financial year.

Harit Kapoor:

Got it. That's it from me, thanks a lot and all the best.

Moderator: Thank you sir. Ladies and gentlemen if you have a question, please press * and 1 on your telephone keypad. Next question comes from Chetan Prakash from Spark Capital. Please go ahead.

Arun Prasad: Sorry this is Arun Prasad from Spark Capital. My question is on similar lines that we spoke about on the recovery. My request is can you share any insight on the demographic mix that you are seeing now? Is it that mix is any different from the pre-Covid levels? I know it is too early, but qualitatively can you comment on that?

Gautam Dutta: Honestly we may not have data to prove what I am about to tell you but largely what we have been checking is that of course more youngsters are coming in. Our band still remains between 15 to 45 is dominant. We are not seeing too many of the elderly people still walk into the cinema but largely other than that we are seeing the core audience of the cinema walking in quite comfortably and people who have walked in once seem to be now getting the confidence of coming again and again and clearly that's the kind of feedback that we have been getting from the consumer.

Arun Prasad: That's very helpful. Does it mean that the population which is more influenced by the...who are more used to watching OTT in the last 18 months, what is that segment in your opinion which is more likely to discontinue or more used to seeing the content through OTT? Is it not the young population or is it more like...?

Gautam Dutta: There is no co-relation between OTT. In fact data proves that people who consume more content on OTT end up watching more movies at the cinema. So technically there is direct co-relation between people who watch more OTT come out and watch more cinema. Currently what we feel is that the elderly; people beyond the age of 60 maybe slightly hesitant but it is a matter of time. Clearly there is a movement being seen in that age group as well and we believe that with a few more films and this whole movement of families coming out and having a good time starts, this trend shall also be reversed and honestly there is no such inhibition or fear that either people because they watch content at home will not want to come out and watch movies at the cinema.

Nitin Sood: The best corollary to that is, if you look at markets in Punjab, which is currently operating with 66% sitting capacity and is largely dependent upon local regional content plus Hindi content which is a big area for them. In that market alone we are seeing admissions now crossing average of what we were doing weekly admissions in the pre-pandemic level, inspite of no Hindi films being there which is a clear sign to say that people are generally confident to step out of their homes and go out. I think what Gautam is referring to a certain segment or age of population which needs more time to get confident to step out...with fears around, moving around due to Covid-related restrictions, absolutely we are seeing no correlation of people watching movies at home not wanting to come out, absolutely none.

Arun Prasad: Alright that's very helpful. My second question is on the screen additions....specially on the long-term additions. Currently we have around 850 screens. Is it fair to assume that you will be adding 100 screens on an average per annum in the next three, four years once the dust settles...once we are back to the steady state?

Nitin Sood: Yeah, I think I wouldn't want to say in which financial year how much we will add because it is too premature to say but once the business recovery is back, there is no reason why the screen growth addition will not go back to pre-pandemic level and pre-pandemic I think we added about 87 screens in FY19-20. So 80 to 100 screen addition, we should be back to as soon as the business recovery is there and we re-start our capex cycle.

Arun Prasad: Right. As a follow up to that, 80 to 90 translates close to 350 to 400 in the next four years from whichever four-year period. The question is how much percentage of this future screens...we have already frozen with some kind of MoU with the property developer or is it still in a very early stage and you still don't have an MoU? Some indication would be very helpful.

Nitin Sood: We have a fairly large pipeline which is in quite an excess of the numbers that we are discussing right now. We have a fairly large pipeline of screens already signed up for development.

Arun Prasad: Fair enough. Thank you very much.

Moderator: Thank you sir. Ladies and gentlemen if you have a question, please press * and 1 on your telephone keypad. Next question comes from Ashish Kanodia from Ambit Capital. Please go ahead.

Ashish Kanodia: So sir, just on the rental part, when we speak to some of the retailers, what we understand is that as the recoveries moves on from 70% to 80% to let's say 120% of pre-Covid levels, they are saying some higher rentals to compensate for the rental waivers. Now when we look at multiplex players they have received the highest amount of waivers from the mall owners. As you talked about recovery moving to 80%-90% by November or December, is there a probability or a discussion that once you cross pre-Covid level revenue that rentals will actually go up or maybe for a very brief period of time?

Nitin Sood: No, there are no such discussions. Most of our rental negotiations are not in the nature of claw back, they are in the form of permanent rebates that we have got. Some of these rebates as I said are only for the lockdown period. In some cases rebates are for a few months extra. But once the business comes back to normal, the rentals will go back to

what are the contracted rental over the next few months. We don't have any provisions which have a claw back of rentals as such for the future.

Ashish Kanodia: Sure. Just a book keeping question. When I look at the CAM, quarter on quarter there was a decline in KAM charges. So is there any one off in that?

Nitin Sood: No that's purely accounting because as we said, the provisioning has been made on an estimated basis and as some of the settlements have got reached and final invoices have got settled with the landlords, we have accounted for the CAM on those basis. When we entered the first quarter and everything was shut, most of these discussions were in progress and we had provided for it on an estimated basis and that provision has just got trued up. So no significant difference as such other than that.

Ashish Kanodia: Sure. Last year on the new screen expansion, as and when it picks up do you see the company entering into more number of newer cities or do you believe that a large part of the new screens will actually come in the existing markets?

Nitin Sood: Sorry can you repeat the question? I didn't get your question.

Ashish Kanodia: I was asking that once the screens opening or the capex picks up, the new screens will those be mostly in the new cities or a large part of it will be in the existing markets?

Nitin Sood: There will be a mix of both. We will continue to expand our presence in the existing markets as well as add screens in newer cities and newer markets. So it will be a bunch of both. If you look at it in the three properties that we opened just now, we moved to a new city of Jamnagar where we did not have a presence but we have added premium properties in two cities of Mumbai and Gurgaon where we had existing screen portfolio, so it will be a mix of both.

Ashish Kanodia: Sure, that's all from my side, thank you.

Moderator: Thank you sir. Ladies and gentlemen if you have a question please press * and 1 from your telephone keypad. Next question comes from Jinesh Joshi from Prabhudas Lilladher Pvt. Ltd. Please go ahead.

Jinesh Joshi: Thanks for the opportunity. Sir I have a question on this Nazara tie up. What kind of arrangement do we have with them? Is it a fixed screen contract or will it operate on a film hire basis as we do for our movies and secondly what was the response to the pilot that we ran sometime back specially in cities like Indore and Gurgaon? What was the occupancy levels....if you can share some insight onto that?

Kamal Gianchandani: The commercial arrangement with NODWIN which is part of Nazara is sensitive commercial information so unfortunately we will not be in a position to share it. So far as the first event or the first show took place in Gurgaon. Indore is slated for 29th of October and Mumbai and Bangalore will follow. We would like to share our learnings, some information, other insights once we have completed the pilot so kindly bear with us but we would certainly come back to you with more information.

Jinesh Joshi: Sure sir. Another question is on the SPH. In fact our SPH in this quarter is about 128 and pre-Covid this figure was anywhere between 95 to 100. So is there anything worthwhile which you would want to highlight?

Gautam Dutta: The SPH went up significantly. One of course there has been a lot of effort at the ground level to increase the strike rate; lesser number of people walking in, staff has been able to sort of service the consumer well. We also launched our microwave popcorn. That also helped in the SPH because a lot of consumers ended up buying these pouches of microwave popcorn. Moreover the circuit had opened since August was far more premium circuit for PVR the North and the South and that kind of resulted in highest SPH. I think once we get the pan India operations up, we will possibly level out a little but the SPH story remains and it is very, very positive.

Jinesh Joshi: Is there any element of price hike into this?

Gautam Dutta: No. No price hike at all. It's at the same pricing as pre-Covid. No price change on F&B in comparison to how we were operating earlier.

Jinesh Joshi: Thank you so much sir.

Moderator: Thank you sir. Ladies and gentlemen if you have a question please press * and 1 on your telephone keypad. Next question comes from Vipul Garg from Kotak Mahindra Bank. Please go ahead.

Vipul Garg: Sir, thank you for the question. First question is, whatever the rent negotiation which has happened, has the same been paid for the half year or some amount is still pending to be paid?

Nitin Sood: I would not know the specific details but yes, some amount would be pending to be paid depending upon how the settlements are playing out. But yeah it is possible that some amount maybe pending to be paid.

- Vipul Garg:** Approximately what quantum because the trade receivables are very high in your results; it should not be...
- Nitin Sood:** So rent amount will not be reflected in the trade receivables....
- Rahul Gautam:** You are talking about trade payables I am assuming right?
- Vipul Garg:** Sorry trade payables.
- Rahul Gautam:** Out of that rent won't be a large portion as Nitin mentioned. We don't have the specific number at the moment but given the first half rental was in total 75 crores, I don't expect that number to be significant as of 30th September.
- Vipul Garg:** Okay and the capex guidance for H2?
- Nitin Sood:** Very difficult to give a number because we have not restarted capex in a big way but our expectation is H2 capex will be slightly higher than H1. But it is very difficult to give an exact number because we will take capex decisions as we go along depending upon how we see the business recovery we will take decisions on handover of new sites and commencing of capex.
- Vipul Garg:** Okay fine, thanks.
- Moderator:** Thank you sir. Ladies and gentlemen, that would be the last question of the day. Now, I handover the floor to the management for closing comments. Over to you sir.
- Nitin Sood:** I would like to thank everyone for taking out time to attend the earnings call. In case we have been unable to answer all your questions, please feel free to reach out to Rahul or me and we will be happy to take those questions separately. Thanks once again.
- Ankur Periwal:** Thank you Nitin.
- Moderator:** Thank you sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may all disconnect your lines now. Thank you and have a pleasant evening.