

March 17, 2020

PVR Limited- Update on Material Event

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Non-convertible Debenture Programme	360.0	360.0	[ICRA]AA- (Positive)
Commercial Paper	200.0	200.0	[ICRA]A1+
Fund based-Term Loan	219.0	219.0	[ICRA]AA- (Positive)
Total	779.0	779.0	

Material Event

As a result of the COVID-19 pandemic, most state governments have issued a directive for the closure of cinema halls till March 31, 2020. This has resulted in most of PVR Limited's (PVR's) screens being shut down for the stated period. Additionally, several Bollywood and Hollywood movies are deferring release dates, which could also have some bearing on the revenues of the company.

Impact of the Material Event

The ratings remain unchanged at the earlier ratings of [ICRA]AA-(Positive)/A1+. While ICRA takes cognizance of the impact that the closure of the screens is expected to have on the revenues and cash accruals of the company over the near term, the ratings remain supported by PVR's adequate liquidity, with available cash balances and unutilized working capital lines. Further, the low debt repayment obligations over the next few months, coupled with healthy financial flexibility, provide additional comfort. ICRA also notes that a significant part of the operating cost of the company is variable in nature which will enable it to reduce costs to some extent during this period of screen closure; however, on overall basis, the company is expected to report operating losses during the period of shutdown. ICRA will continue to monitor the developments in this regard and the corresponding impact on PVR's liquidity and overall financial position.

The ratings continue to factor in PVR's position as the market leader in the domestic film exhibition industry. PVR is the largest multiplex operator in the industry with 176 properties and a total of 845 screens across India as on March, 16 2020. The acquisition of SPI Cinemas having 76 screens (68 Operational Screens and 8 screens under construction) in August, 2018 further strengthened PVR's leadership position. The company commands strong brand value and has established strong relationships with various real-estate developers, which enables it to launch properties at premium locations.

The previous detailed rating rationale is available on the following link: [Click here](#)

Analyst Contacts

Shubham Jain
+124-4545 306
shubhamj@icraindia.com

Rashmi Agarwal
+124-4545 871
rashmi.agarwal@icraindia.com

Mahi Agarwal
+33-7150 1106
mahi.agarwal@icraindia.com

Relationship Contact

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2020 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents