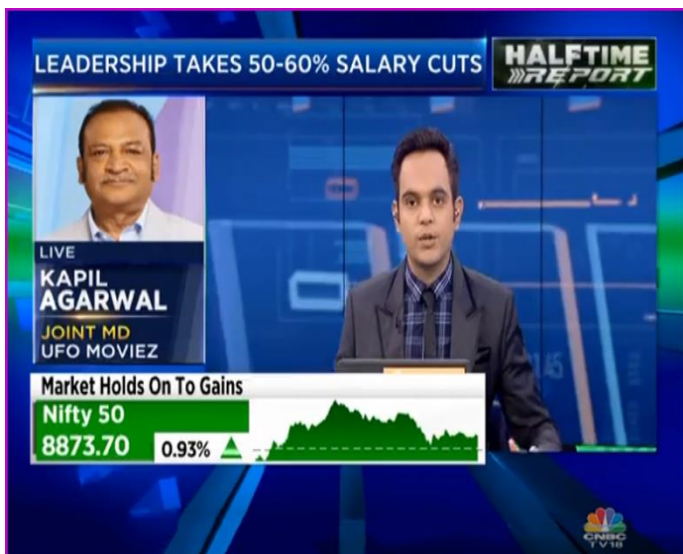




Cinema industry severely impacted by coronavirus lockdown; looking at survival, UFO Moviez's JMD, Kapil Agarwal.



UFO Moviez has decided to forego 100 percent salaries at the managing director and joint managing director level and 50 to 60 percent salary cut at the leadership level in a bid to cushion the blow from the ongoing 21-day coronavirus lockdown in the country.

Kapil Agarwal joint managing director at UFO Moviez said, "When this whole lockdown was announced we quickly got in action and we decided that we should review our overall expenses not only the salaries and we also realized that we can go as far as there is fuel in our tank.

"So accordingly we looked at all expenses, the fixed costs, the other costs as well as the salaries and we have brought down our overall expenses by 74 percent, the balance 26 percent salaries constitute two-third of that amount.

"We have not fired any employee or third party people, everybody should have bread and healthcare on the table. At the leadership level, founder and managing director Sanjay Gaikwad and myself we took a 100 percent salary cut. Our leadership took 50-60 percent, beyond a particular level everybody did some sacrifice."

On the company's cash position, he said: "Our balancesheet looks healthy, cash position is good. We are not worried at this level for next 8-9 months. We have net cash of around Rs 60 crore in our balancesheet. The overall cash available is obviously far higher if I gross it up for debt. So we would have approximately overall Rs 110 crore on our balancesheet in cash."

On the lockdown, Agarwal said, "First of all the industry is shut so our revenues as well as the revenues of the entire cinema chain is zero so there is no revenue.

"Secondly, we were expecting that the cinemas will not open at least for three months that is end of June. After that people will be scared to go to the cinemas so it will take at least another three months for people

to start warming up and movies starts releasing so total six months. That is why we took nine months view but the cinema industry is going to be severely impacted."

He added: "The cinemas were basically shut for two weeks of March so there has been a very minimal loss of revenue for March and rest as I said for next three months the revenue should be completely wiped out. Our revenue roughly is Rs 150 crore per quarter that becomes zero. We are not looking at P&L and balancesheet right now, we are looking for survival."