




- **Monetization of Hotel Asset for INR 270 crores;**
  - **Cineline India becomes a Net Debt-Free Company; To fully repay the Company's debt**
  - **Complete focus on expanding Film exhibition business**
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**Mumbai, 28<sup>th</sup> March 2025**

**Cineline India Limited** is pleased to announce the successful monetization of its hotel asset, “Hyatt Centric” in Goa, owned by its wholly-owned subsidiary, R&H Spaces Private Limited, for an enterprise value of INR 270 Crores through sale of Company to Sparsh Vidhyut Private Limited on 28<sup>th</sup> March 2025. This has resulted into debt reduction of INR 120 Crores pertaining to the hotel asset at subsidiary level.

Additionally, the company plans to utilize the sale proceeds to fully repay its outstanding debt of INR 108 Crores related to the film exhibition business, achieving a debt-free status. The remaining surplus will be allocated towards expansion of film exhibition business (Core Business).

Since the launch of the film exhibition brand “MovieMAX” in April 2022, the company has expanded to 77 operational screens, with an additional 82 screens tied up. The Company has successfully monetized non-core real estate assets worth INR 351 Crores over the past two years (including the sale of a hotel for INR 270 Crores, Eternity Mall in Nagpur for INR 60 Crores, and two commercial spaces in Mumbai for ~INR 21 Crores). The proceeds have been strategically utilized to expand the film exhibition business and fully repay the Company's debt.

The company has outlined three key strategic priorities to drive the growth of its core film exhibition business. These strategic initiatives will position the company for sustained growth while maintaining financial prudence.

- **Generating Sustainable Free Cash Flow:** With debt reduction through the hotel sale, the company will now save ~INR 22 Crores annually in debt servicing, allowing for regular free cash flow generation. This will support planned expansion of new screens. Additionally, the company can further monetize its eight owned cinema properties to accelerate expansion in the future.
- **Adopting a ‘Capital-Light’ Growth Model:** The Company seeks to partner with developers for joint investments in new screen infrastructure, reducing annual capital expenditure while enhancing capital efficiency
- **Expanding Through a ‘Revenue Share’ Model:** Future screen additions will primarily follow a revenue-sharing approach, reducing fixed rental obligations and enhancing financial flexibility.

***Commenting on the company's performance, Mr. Ashish Kanakia, CEO of Cineline India Limited, stated: "We have successfully completed the sale of our hotel asset for an enterprise valuation of INR 270 Crores, allowing us to fully concentrate on expanding our core film exhibition business. This move will accelerate growth and help expand our market presence through addition of new screens.***

*With debt to be fully repaid, we would strengthen our financial position and generate consistent free cash flow, which will be reinvested to drive business growth. By leveraging innovative strategies such as expanding screens through a Low Revenue Share or profit-sharing model with developer-funded capex, we are well-positioned to capitalize on the anticipated box office revival, unlocking significant upside potential."*



## ABOUT CINELINE INDIA LIMITED

MovieMax Cinemas, a part of the Kanakia Group, is a rapidly expanding chain of cinemas operated by Celine India Limited which has made a comeback in 2022. The company has in their portfolio of 77 operational screens across 21 properties in 6 states and another 82 screens tied up. The company offers spacious auditoriums adorned with plush, comfortable seating at conveniently accessible locations for a superior cinematic experience along with a varied range of Food & Beverages. The company also offers a vast array of movies, ranging from all Indian languages to Hollywood and world cinema, to cater to the diverse tastes of our cherished patrons.

## Contact Details

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