



Date: - 30th November, 2020

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,

Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Fax: 022-26598237/38

BSE Limited

Corporate Relationship
Department

1st Floor, New Trading Ring,
PJ Towers, Dalal Street,
Fort, Mumbai - 400 001
Fax: 022-22722061/41/39/37

Company Code: CINELINE (NSE) / 532807(BSE)

Sub: Annual Report of the Company for the Financial Year 2019-2020

Dear Sir,

Pursuant to Regulation 34(1) and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report of the Company for the Financial Year 2019-2020 along with the Notice of 18th Annual General Meeting of the Members of the Company.

The aforesaid documents are also available on the Company's website www.cineline.co.in.

This is for your information and record.

Thanking You,
Yours faithfully,

For Cineline India Limited

**Rashmi Shah
Company Secretary**

Encl: As above

CINELINE

CINELINE INDIA LIMITED

Corporate Identity Number (CIN): L92142MH2002PLC135964

REGISTERED OFFICE: 215 Atrium, 10th Floor, Opp. Divine School, J.B. Nagar, Andheri Kurla Road,
Andheri- East, Mumbai: 400 059. Tel: 91-22-6726 6666 Fax: 91-22-6693 7777

Email Id: investor@cineline.co.in Website: www.cineline.co.in

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of the Company will be held on Tuesday, 22nd December, 2020, at 11:45 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

Item No. 1: Adoption of financial statements.

To receive, consider and adopt the Standalone and Consolidated Annual Audited Financial Statements of the Company for the financial year ended March 31, 2020 along with the notes forming part thereof and the Report of the Directors and the Auditors thereon.

Item No. 2: Appointment of Director.

To appoint a Director in place of Mrs. Hiral Kanakia (DIN: 00015924) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

Item No. 3: Re-appointment of Mr. Rasesh Kanakia (DIN: 00015857) as Executive Chairman of the Company.

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Articles of Association of the Company, (including any statutory modifications or re-enactment thereof for the time being in force), subject to necessary approvals, if any, the consent of Members of the Company be and is hereby accorded for the re-appointment of Mr. Rasesh Kanakia (DIN: 00015857) as Executive, Chairman of the Company for a period of 5 (five) years effective from expiry of his present term ending on April 30, 2021 such that his new term shall commence from May 1, 2021 and end on April 30, 2026, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting (including the remuneration to be paid in the event of loss or inadequacy of Profits in any financial year during the tenure of his appointment), with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to Mr. Rasesh Kanakia within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications, re-enactments thereof in force from time to time in this behalf.

RESOLVED FURTHER THAT the Board of the Company, be and is hereby authorized to do all such acts, deeds and action as it may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental for giving effect to this Resolution, enter into agreement or issue letter if necessary, and to settle questions, remove any difficulty or doubt that may arise from time to time and to take such action or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as it may think fit."

Item No. 4: Re-appointment of Mr. Himanshu Kanakia (DIN: 00015908) as Executive Managing Director of the Company.

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Articles of Association of the Company, (including any statutory modifications or re-enactment thereof for the

time being in force), subject to necessary approvals, if any, the consent of Members of the Company be and is hereby accorded for the re-appointment of Mr. Himanshu Kanakia (DIN: 00015908) as Executive, Managing Director of the Company for a period of 5 (five) years effective from expiry of his present term ending on April 30, 2021 such that his new term shall commence from May 1, 2021 and end on April 30, 2026, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting (including the remuneration to be paid in the event of loss or inadequacy of Profits in any financial year during the tenure of his appointment), with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to Mr. Himanshu Kanakia within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications, re-enactments thereof in force from time to time in this behalf.

RESOLVED FURTHER THAT the Board of the Company, be and is hereby authorized to do all such acts, deeds and action as it may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental for giving effect to this Resolution, enter into agreement or issue letter if necessary, and to settle questions, remove any difficulty or doubt that may arise from time to time and to take such action or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as it may think fit.”

Item No. 5: To approve acquisition by Company’s Wholly Owned Subsidiary i.e. “Transquare Realty Private Limited”.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 {including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force} and the provisions of the Memorandum and Articles of Association of the Company and subject to the approvals, consents and permissions as may be necessary from the concerned statutory authorities and subject to such terms and conditions as may be imposed by them, and which may be agreed to by the Board of Directors of the Company [the “Board”, which expression shall also include its Authorised Representative(s)], the consent of the Members of the Company be and is hereby accorded for acquisition of 100% equity shares of R&H Spaces Private Limited by Company’s Wholly Owned Subsidiary “Transquare Realty Private Limited” from Kanakia Hotels and Resorts Private Limited, for a consideration of an amount not exceeding Rs. 94 crores (Rupees Ninety Four Crores Only), including adjustments, if any, on such terms and conditions, as may be mutually agreed in the Share Purchase Agreement to be executed between Transquare Realty Private Limited, Kanakia Hotels and Resorts Private Limited and R&H Spaces Private Limited;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to do all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalise the terms and conditions and execute such agreements, documents and writings and to make such filings as may be necessary, expedient and desirable”, in order to give effect to this Resolution in the best interest of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Director or Authorised Representative(s) of the Company in order to give effect to this resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution be and are hereby approved and confirmed.”

Item No. 6: To approve material related party transaction undertaken by Wholly Owned Subsidiary Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) (as amended from time to time) and applicable provisions of the Companies Act, 2013 (“the Act”) and Rules made thereunder, and the enabling provisions of the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the material related party transaction for acquisition of 100% equity shares of R&H Spaces Private Limited by Company’s Wholly Owned Subsidiary “Transquare Realty Private Limited” (“Proposed Acquisition”) from Kanakia Hotels & Resorts Private Limited (CIN No. U55206MH2007PTC168670), a ‘Related Party’ of the Company as per the provisions of Regulation 2(1)(zb) of SEBI LODR, for a consideration of an amount not exceeding Rs. 94 crores (Rupees Ninety Four Crores Only), including adjustments, if any, on such terms and conditions, as may be mutually agreed in the Share Purchase Agreement to be executed between Transquare Realty Private Limited, Kanakia Hotels and Resorts Private Limited and R&H Spaces Private Limited;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to do all such acts, deeds and things , settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalise the terms and conditions and execute such agreements, documents and writings and to make such filings as may be necessary, expedient and desirable, in order to give effect to this Resolution in the best interest of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Director or Authorised Representative(s) of the Company in order to give effect to this resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution be and are hereby approved and confirmed.”

Item No. 7: To give loan, guarantees, provide securities and make investments in Wholly Owned Subsidiary.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013 (hereinafter referred to as “the Act”), if and to the extent applicable, and other applicable provisions of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in continuation of approval given by the members of the Company in their 17th Annual General Meeting held on 26th September 2019, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to enter into any and all transactions/contracts/arrangements with Transquare Realty Private Limited, a subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, relating to making of loan(s) to, and/or giving of guarantee(s) or providing security(ies) on behalf of Transquare Realty Private Limited and/or making of investments in the securities of Transquare Realty Private Limited and the purchase from and/or sale to it of any securities and/ or providing/availing of services by the Company, on such terms and conditions as the Board in its absolute discretion may deem fit, subject to the amount/value of all such transactions/contracts/ arrangements that may be entered into by the Company with Transquare Realty Private Limited and remaining outstanding at any point of time shall not exceed Rs. 100 Crores (Rupees Hundred Crores Only).”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

Item No. 8: To give loan, guarantees, provide securities and make investments in related party.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”), as amended, and Section 186 and 188 of the Companies Act, 2013 (hereinafter referred to as “the Act”), if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to enter into any and all transactions/contracts/arrangements with R&H Spaces Private Limited, a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, relating to making of loan(s) to, and/or giving of guarantee(s) or providing security(ies) on behalf of R&H Spaces Private Limited and/or making of investments in the securities of R&H Spaces Private Limited and the purchase from and/or sale to it of any securities and/or providing/availing of services by the Company, on such terms and conditions as the Board in its absolute discretion may deem fit, subject to the amount/value of all such transactions/contracts/ arrangements that may be entered into by the Company with R&H Spaces Private Limited and remaining outstanding at any point of time shall not exceed Rs. 140 Crores (Rupees One Hundred Forty Crores Only).”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

Item No. 9: Approval of loans, guarantee or security under section 185 of Companies act, 2013

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or any other person in whom any of the Directors of the Company is interested/deemed to be interested, up to 250 crores (Rupees Two Hundred and Fifty Crores only), subject to the limits approved by the shareholders of the Company u/s 186 of the Companies Act, 2013, from time to time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution the Board of Directors of the Company be and is hereby authorized, to approve, decide, vary or modify the terms and conditions applicable for the aforesaid loan, Investment , Corporate Guarantee and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary, desirable or expedient and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and further authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

By Order of the Board of Directors
For **CINELINE INDIA LIMITED**

Rasesh Kanakia
Chairman
DIN:00015857

Place : Mumbai
Date : 27th, November, 2020

Registered Office
215 Atrium, 10th Floor, Opp. Divine School,
J.B. Nagar, Andheri Kurla Road, Andheri- East, Mumbai- 400059
Website: www.cineline.co.in
CIN No: L92142MH2002PLC135964
Email: investor@cineline.co.in
Tel No: 022-6726 6666
Fax No: 022-6693 7777

NOTES:

- 1. Annual General Meeting through Video Conferencing facility or Other Audio-Visual Means:** In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular dated 12th May, 2020 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“the Meeting / AGM”) through Video Conferencing facility or Other Audio-Visual Means (“VC / OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circular, the Meeting of the Company is being convened and conducted through VC / OAVM. Members participating through the VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013 (“Act”).

The deemed venue for the AGM will be place from where the Chairman of the Board conducts the meeting. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

- 2. Proxies, Attendance Slip & route map of the AGM venue:** Pursuant to MCA Circulars and SEBI Circular, since the AGM will be held through VC/ OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice.
- 3. Authorised Representative:** Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

The said Resolution/Authorization shall be sent to investor@cineline.co.in not less than 48 (forty eight) hours before the commencement of the AGM i.e. by 11:45 A.M. on 20th December 2020.

- 4. Explanatory Statement:** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the Meeting forms part of the Notice.
- 5. Brief resume of the Directors including those proposed to be appointed / re-appointed, their functional expertise and qualification, names of the Companies in which they hold directorships etc. as stipulated under Companies Act, 2013, Secretarial Standard on General Meetings (SS-2) and Regulation 36(3) of SEBI (LODR) Regulations, 2015, are provided below as Annexure to notice and forming part of the Notice.**

6. The Board of Directors have considered and decided to include the resolution nos. 3 to 9 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
7. **Cut-off Date for Dispatch:** Members of the Company, holding shares either in dematerialised form or physical form, as on Friday, 20th November, 2020 (cut-off date for receiving Notice and Annual Report), shall be entitled for receiving of the Annual Report for the period 2019-20, through their registered mail id. Any person, who acquires shares of the Company and become Member of the Company after sending of the Notice and holding shares as on cut-off date i.e. Friday, 20th November, 2020, may obtain login ID and password by writing to Registrar & Share Transfer Agent of the Company, Link Intime India Private Limited at e-mail rnt.helpdesk@linkintime.co.in.
8. **Communication:** Notice of the AGM and the Annual Report for the Financial Year 2019-20 are being sent electronically to the Members whose E-mail IDs are registered with the Depository Participant(s) and / or Company's Registrar and Share Transfer Agents. Any member, who has not registered his Email id, may register his / her Email ID with Registrar and Share Transfer Agents and may also request for a copy of Annual Report electronically. Annual Report for 2019-20 along with Notice of the AGM is available at the website of the Company at www.cineline.co.in and website of the Stock Exchanges i.e. National Stock Exchange Limited of India at www.nseindia.com and BSE Limited at www.bseindia.com.
9. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Link Intime India Private Limited is our Registrar and Transfer Agent of the Company. All the investor related communication and grievances may be addressed to them at their following address:

Link Intime India Private Limited (Cineline Division)
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai – 400083.
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in
Tel No: 022-2596 0320 / Fax No: 022-2596 0329
11. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited (LIPL) to provide efficient and better services.
12. Members holding shares in physical form are requested to intimate such changes to LIPL. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIPL for assistance in this regard.
13. SEBI vide its notification dated 8th June, 2018 has amended Regulation 40 of the Listing Regulations, 2015 and it has been stated that (except in case of transmission or transposition of securities), the transfer of securities shall be processed only in dematerialized form with effect from 1st April, 2019. In compliance with the aforesaid notifications, the members are advised to dematerialize their shares immediately.
14. Non-Resident Indian Members are requested to inform the R&TA immediately about the change in residential status on their return to India, if any.
15. **Nomination Facility:** Members holding shares in the physical form and desirous of making / changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Link Intime India Private Limited, who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.
16. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 15th December, 2020.
17. Any person who is not a Member as on the cut-off date i.e. 15th December, 2020 should treat this Notice for information purposes only.
18. Members seeking any information with regard to the Accounts, operations, etc are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
19. **Go Green Initiative:** Members holding Shares in physical form are requested to register their email IDs with the Company's RTA i.e. Link Intime India Private Limited and Members holding Shares in electronic / demat mode are requested to register

their email IDs with their respective Depository Participants (DPs). Members whose email IDs have undergone any change or whose IDs require any correction, may kindly update the same with the RTA or the DPs, as stated above.

- 20. Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's RTA, Link Intime India Private Limited.
- 21. Unclaimed Dividend:** Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against the Company. Members are requested to contact M/s. Link Intime India Private Limited / Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
- 22.** All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents or have any other queries, may write to us at investor@cineline.co.in or +91-22-6726 7777.
- 23.** If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may write an email to instameet@linkintime.co.in or call on +91 (022) 4918 6175.
- 24.** All grievances connected with the facility for voting by electronic means may be addressed to instameet@linkintime.co.in or call on +91 (022) 4918 6175.

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 to 10 of the accompanying Notice:

Item No. 3: Re-appointment of Mr. Rasesh Kanakia (DIN: 00015857) as Executive Chairman of the Company.

Mr. Rasesh Kanakia, Executive Chairman of the Company will complete his present term on April 30, 2021. The Board of Directors in the meeting held on November 11, 2020, on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, the re-appointment of Mr. Rasesh Kanakia as Executive Chairman of the Company, as set out in the Resolution relating to his re-appointment. The principal terms and conditions of appointment of Mr. Rasesh Kanakia (herein after referred to as an "Executive Chairman") are as follows:

A. TENURE OF APPOINTMENT:

The appointment of the Executive Chairman is for a period of five years with effect from May 1, 2021.

B. NATURE OF DUTIES:

The Executive Chairman shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Executive Chairman from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

C. REMUNERATION:

I. Basic Salary:

Current Basic Salary of up to Rs. 2,00,000/- (Rupees Two Lakh Only) per month in the range of Rs. 1,25,000/- to Rs. 2,00,000/-. The annual increments which will be effective from 1st April each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") or by the NRC on authority of the Board and will be performance-based and take into account the Company's performance as well, provided that the total remuneration shall not exceed the limits specified under the Companies Act, 2013.

II. Benefits, Perquisites & Allowances:

- a. Housing Allowances: As per the rules of the Company.
- b. Medical Reimbursement incurred for himself and his family: As per the rules of the Company.
- c. Personal accident / Medical Insurance: As may be decided by the Board/Nomination and Remuneration Committee.
- d. Leave Travel Assistance: As per the rules of the Company.
- e. Provident Fund, Gratuity: Company's contribution to the Provident Fund and payment of gratuity shall be as per the rules of the Company.
- f. Club Memberships: Subscription or reimbursement of membership fees (including admission and life membership) for two clubs in India and/or abroad.
- g. Leave/Leave Encashment: As per the rules of the Company.
- h. Personal Accident Insurance: As may be decided by the Board/Nomination and Remuneration Committee.
- i. Benefits, if any, assigned under Keyman Insurance Policy.
- j. Other Allowances: As may be decided by the Board/ Nomination and Remuneration Committee from time to time, subject to the provisions of the Companies Act, 2013 and Schedule V thereto.

Explanation:

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

III. Commission/Performance Bonus:

An amount as may be decided by the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, from year to year.

IV. Amenities:

- a. Conveyance Facilities: The Company shall provide car with chauffeur.
- b. Communication facilities: The Company shall provide telephone, cellular phone, telefax, internet and other communication facilities at the Director's residence.
- c. Mr. Rasesh Kanakia shall be entitled to the expenses actually incurred on traveling and board and lodging for self and also for spouse and attendant, if required, accompanying him during domestic and overseas business trips.

Explanation:

The amenities shall not be included for the purposes of computation of the Chairman's remuneration as aforesaid.

D. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Executive Chairman, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission subject to further approvals as required under Schedule V of the Companies Act, 2013, or any modification(s) thereto.

E. OTHER TERMS OF APPOINTMENT:

- a. The Executive Chairman shall not become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.
- b. The terms and conditions of the appointment of the Executive Chairman may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Chairman, subject to such approvals as may be required.
- c. The Agreement may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- d. The employment of the Executive Chairman may be terminated by the Company without notice or payment in lieu of notice:
 - if the Executive Chairman is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
 - in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Chairman of any of the stipulations contained in the Agreement;
- e. Upon the termination by whatever means of the Executive Chairman's employment:
 - the Executive Chairman shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;
 - the Executive Chairman shall not without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- f. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Executive Chairman, unless specifically provided otherwise.
- g. The terms and conditions of appointment of the Executive Chairman also include clauses pertaining to adherence with the Company's Code of Conduct, non-solicitation and maintenance of confidentiality.
- h. If and when the Agreement expires or is terminated for any reason whatsoever, the Executive Chairman will cease to be the Executive Chairman, and also cease to be a Director. If at any time, the Executive Chairman ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Chairman, and the Agreement shall forthwith terminate. If at any time, the Executive Chairman ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Chairman of the Company.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Mr. Rasesh Kanakia has been received by the Company, and consent has been filed by Mr. Rasesh Kanakia pursuant to Section 152 of the Act. Also Mr. Rasesh Kanakia is not disqualified from being appointed as Director in terms of applicable provision of section 164 of the Act.

The Directors are of the view that the appointment of Mr. Rasesh Kanakia as Executive Chairman will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly commend the Resolutions at Item Nos. 3 of the accompanying Notice for approval by the Members of the Company by way of Special Resolution.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval. The brief profile of Mr. Rasesh Kanakia is given in the annexure and forms part of this Notice.

The Resolution and Explanatory Statement should be considered as disclosure and information under applicable statutory provisions including that of the written memorandum pursuant to section 190 of the Act.

Mr. Rasesh Kanakia, Mr. Himanshu Kanakia and Mrs. Hiral Kanakia, who are related to each other, are deemed interested in the said resolution No. 3.

None of the other Directors or Key Managerial Persons and their relatives, are deemed to be interested in the said resolution No. 3.

Item No. 4: Re-appointment of Mr. Himanshu Kanakia (DIN: 00015908) as Executive Managing Director of the Company.

Mr. Himanshu Kanakia, Executive Managing Director of the Company will complete his present term on April 30, 2021. The Board of Directors in the meeting held on November 11, 2020, on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the Members, the re-appointment of Mr. Himanshu Kanakia as Executive Managing Director of the Company, as set out in the Resolution relating to his re-appointment. The principal terms and conditions of appointment of Mr. Himanshu Kanakia (herein after referred to as an "Executive Managing Director") are as follows:

A. TENURE OF APPOINTMENT:

The appointment of the Executive Managing Director is for a period of five years with effect from May 1, 2021.

B. NATURE OF DUTIES:

The Executive Managing Director shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Executive Managing Director from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

C. REMUNERATION:

I. Basic Salary:

Current Basic Salary of up to Rs. 2,00,000/- (Rupees Two Lakh Only) per month in the range of Rs. 1,25,000/- to Rs. 2,00,000/-. The annual increments which will be effective from 1st April each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") or by the NRC on authority of the Board and will be performance-based and take into account the Company's performance as well, provided that the total remuneration shall not exceed the limits specified under the Companies Act, 2013.

II. Benefits, Perquisites & Allowances:

- a. Housing Allowances: As per the rules of the Company.
- b. Medical Reimbursement incurred for himself and his family: As per the rules of the Company.
- c. Personal accident / Medical Insurance: As may be decided by the Board/Nomination and Remuneration Committee.
- d. Leave Travel Assistance: As per the rules of the Company.
- e. Provident Fund, Gratuity: Company's contribution to the Provident Fund and payment of gratuity shall be as per the rules of the Company.
- f. Club Memberships: Subscription or reimbursement of membership fees (including admission and life membership) for two clubs in India and/or abroad.
- g. Leave/Leave Encashment: As per the rules of the Company.
- h. Personal Accident Insurance: As may be decided by the Board/Nomination and Remuneration Committee.
- i. Benefits, if any, assigned under Keyman Insurance Policy.
- j. Other Allowances: As may be decided by the Board/ Nomination and Remuneration Committee from time to time, subject to the provisions of the Companies Act, 2013 and Schedule V thereto.

Explanation:

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

V. Commission/Performance Bonus:

An amount as may be decided by the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, from year to year.

VI. Amenities:

- a. Conveyance Facilities: The Company shall provide car with chauffeur.
- b. Communication facilities: The Company shall provide telephone, cellular phone, telefax, internet and other communication facilities at the Director's residence.
- c. Mr. Himanshu Kanakia shall be entitled to the expenses actually incurred on traveling and board and lodging for self and also for spouse and attendant, if required, accompanying him during domestic and overseas business trips.

Explanation:

The amenities shall not be included for the purposes of computation of the Managing Director's remuneration as aforesaid.

D. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Executive Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission subject to further approvals as required under Schedule V of the Companies Act, 2013, or any modification(s) thereto.

E. OTHER TERMS OF APPOINTMENT:

- a. The Executive Managing Director shall not become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.
- b. The terms and conditions of the appointment of the Executive Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Managing Director, subject to such approvals as may be required.
- c. The Agreement may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- d. The employment of the Executive Managing Director may be terminated by the Company without notice or payment in lieu of notice:
 - if the Executive Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
 - in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Managing Director of any of the stipulations contained in the Agreement;
- e. Upon the termination by whatever means of the Executive Managing Director's employment:
 - the Executive Managing Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1) (h) of the Act and shall resign as trustee of any trusts connected with the Company;
 - the Executive Managing Director shall not without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- f. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Executive Managing Director, unless specifically provided otherwise.

- g. The terms and conditions of appointment of the Executive Managing Director also include clauses pertaining to adherence with the Company's Code of Conduct, non-solicitation and maintenance of confidentiality.
- h. If and when the Agreement expires or is terminated for any reason whatsoever, the Executive Managing Director will cease to be the Executive Managing Director, and also cease to be a Director. If at any time, the Executive Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Managing Director, and the Agreement shall forthwith terminate. If at any time, the Executive Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Managing Director of the Company.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Mr. Himanshu Kanakia has been received by the Company, and consent has been filed by Mr. Himanshu Kanakia pursuant to Section 152 of the Act. Also Mr. Himanshu Kanakia is not disqualified from being appointed as Director in terms of applicable provision of section 164 of the Act.

The Directors are of the view that the appointment of Mr. Himanshu Kanakia as Executive Managing Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly commend the Resolutions at Item Nos. 4 of the accompanying Notice for approval by the Members of the Company by way of Special Resolution.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval. The brief profile of Mr. Himanshu Kanakia is given in the annexure and forms part of this Notice.

The Resolution and Explanatory Statement should be considered as disclosure and information under applicable statutory provisions including that of the written memorandum pursuant to section 190 of the Act.

Mr. Rasesh Kanakia, Mr. Himanshu Kanakia and Mrs. Hiral Kanakia, who are related to each other, are deemed interested in the said resolution No. 4.

None of the other Directors or Key Managerial Persons and their relatives, are deemed to be interested in the said resolution No. 4.

Item No. 5 & 6: To approve material related party transaction.

R&H Spaces Private Limited ("RHSPL") is engaged in the business of owning and operating a hotel and owns one hotel property operated under the brand name Hyatt Centric at Candolim, Goa. The Board of Directors of the wholly-owned subsidiary, i.e. Transquare Realty Private Limited at their meeting held on 27th November, 2020 had evaluated the proposal to acquire 100% equity shares of RHSPL by its Wholly Owned Subsidiary "Transquare Realty Private Limited" from Kanakia Hotels & Resorts Private Limited ("KHRPL") and had appointed (i) HVS ANAROCK Hotel Advisory Services Pvt Ltd, a valuation firm specializing in valuation of hotels and (ii) R V Shah & Associates, Chartered Accountants for providing their opinion on valuation of the hotel property and RHSPL. Further, the Company at its meeting held on 27th November, 2020 also took note of the same of the proposed acquisition transaction. KHRPL is a 'Related Party' of your Company in terms of Section 2(76) of the Companies Act, 2013 ("Act") and Regulation 2(1)(zb) of the SEBI LODR, hence despite the transaction not being executed by the Company (but by the wholly-owned subsidiary of the Company), it was proposed to obtain all approvals as required as material related party transaction as per Regulation 23(1) of SEBI LODR.

Accordingly, subject to the approval of the Members of the Company, the Board of Directors of the Company has on 27th November, 2020 approved the acquisition of 100% equity shares of RHSPL by Company's Wholly Owned Subsidiary "Transquare Realty Private Limited" ("Proposed Transaction") from KHRPL, a 'Related Party' of the Company as per the provisions of Regulation 2(1)(zb) of SEBI LODR, for a equity value consideration of an amount not exceeding Rs. 96 crores (Rupees Ninety Six Crores Only), including adjustments, if any, on such terms and conditions, as may be mutually agreed in the Share Purchase Agreement to be executed between Transquare Realty Private Limited, KSRPL and RHSPL. The Proposed Acquisition of 100% equity shares of RHSPL would be funded by the Company by deploying its internal resources and shall not require any outside financial support/debt for completing this acquisition.. The Company has, inter alia, obtained and relied upon the valuation report of HVS ANAROCK Hotel Advisory Services Pvt. Ltd. alongwith R V Shah & Associates, Chartered Accountants.

Further, in accordance with the provisions of Section 188(1)(b) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019, prior approval of the Members by way of an Ordinary Resolution is sought to be obtained for entering into any transaction between the wholly-owned subsidiary and related parties for 'selling or otherwise disposing of, or buying, property of any kind' where the amount involved exceeds 10 percent or more of the net worth of the Company.

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 all material related party transactions requires approval of the Members of the Company. A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with

previous transactions during a financial year exceed ten percent (10%) of the annual consolidated turnover of the company as per the last audited financial statements of the company.

As the aggregate value of the consideration to be paid by the wholly Owned Subsidiary of the Company for acquisition of 100% equity shares of RHSPL exceeds 10% of the net worth of the Company, prior approval of the Members of the Company is being sought for the same by way of an Ordinary Resolution. The Members of the Company are requested to take note that the Proposed Acquisition of 100% equity shares of RHSPL is well within the limits specified under Section 186 of the Companies Act, 2013.

The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Particulars	Information
Name of the Related Party	Kanakia Hotel & Resorts Private Limited (KHRPL)
Name of Director(s) or Key Managerial	
Person who is related	Mr. Rasesh Kanakia, Chairman, Mr. Himanshu Kanakia, Managing Director and Mrs. Hiral Kanakia, Whole Time Director, of the Company.
Nature of relationship	Related Party under Section 2(76) of the Companies Act, 2013
Purpose	The acquisition of 100% equity shares of RHSPL by Company's Wholly Owned Subsidiary "Transquare Realty Private Limited" on arm's length basis.
Material terms of the transaction:	<p>The acquisition of 100% equity shares of RHSPL by Company's Wholly Owned Subsidiary "Transquare Realty Private Limited" from KHRPL, for a consideration of an amount not exceeding Rs. 94 crores (Rupees Ninety Four Crores Only), including adjustments, if any, on such terms and conditions as may be specified in the draft Share Purchase Agreement to be executed between Transquare Realty Private Limited, KHRPL and RHSPL.</p> <p>Subject to the approval of shareholders of the Company, the enterprise value of RHSPL as agreed between the wholly-owned subsidiary of the Company and the existing shareholders of RHSPL is Rs. 334 Crores (Rupees Three Hundred and Thirty Four Crores Only).</p> <p>The final equity value of shares to be acquired shall be based on the acquisition date net debt position. It is currently estimated that the equity value of 100% of RHSPL shall be Rs. 94 crores (Rupees Ninety Four Crores Only).</p> <p>Over and above the equity value being paid to the selling shareholders of RHSPL, post acquisition of RHSPL the Company plans to infuse a further sum of upto INR 140 crores (Rupees One Hundred and Forty Crores Only) into RHSPL towards repayment of certain secured and unsecured debt, as well as for working capital as and when required. The existing shareholders/beneficiaries of RHSPL (also being promoters and promoter group of the Company) have infused unsecured loan into RHSPL which is proposed to be repaid by the said infusion from the Company.</p>

A copy of the draft Share Purchase Agreement will be available for inspection by the members, free of cost, at the Registered Office of the Company during business hours on all working days during business hours up to the date of 18th AGM of the Company.

As per Regulation 23(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling within the definition of related parties shall abstain from voting on these resolutions and accordingly, the promoters and the promoter group entities shall not vote on these resolutions.

All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

The Board of Directors of your Company recommends the Resolution as set out in Item No. 5 & 6 of the accompanying notice for the approval of members of the Company.

Item No. 7: To give loan, guarantees, provide securities and make investments in Wholly Owned Subsidiary.

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act. The Company has already obtained approval from shareholders in their 17th AGM held on 26th September 2019 by way of special resolution for an amount not exceeding Rs. 500 Crores (Rupees Five Hundred Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account, In view of proposed transactions to be entered into with its wholly owned subsidiary Company and in line with the approval of the shareholders accorded under section 186 of the Act & as an abundant caution, the Board at its meeting held on 27th November, 2020 decided to seek approval of the shareholders pursuant to the provisions of Section 186 of the Act to advance any loan including any loan or give guarantee or provide any security in connection with any loans / debentures / bonds etc. raised by its wholly owned subsidiary Company up to an aggregate amount not exceeding Rs. 100 crores (Rupees Hundred Crores Only). This will also enable the Company to provide the requisite corporate guarantee or security in relation to raising of loans / debentures / bonds etc. by the said wholly owned subsidiary Company, as and when it is raised.

The Directors recommend the Item No. 7 of the Notice for consent and approval by the shareholders by way of a special resolution.

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in the Item No. 7 of the accompanying notice to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

Item No. 8: To give loan, guarantees, provide securities and make investments in related party.

Pursuant to the Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), all related party transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall also require approval of the members of a public listed company through a resolution and the concerned related parties shall abstain from voting on such resolution. Additionally, as per the provisions of Section 188 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), all related party transactions beyond the thresholds mentioned in sub-rule (3)(a) of the said Rule 15, shall require prior approval of the members at a general meeting.

"Material Related Party Transaction" under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a listed company as per its last audited financial statements. Accordingly, any transaction(s) by the Company with its related party exceeding 10% of the Company's annual consolidated turnover shall be considered as material transaction and hence, prior approval of the Members will be required for the same.

The Company propose to make investments and/or lends funds in/to R&H Spaces Private Limited up to an aggregate amount not exceeding Rs. 140 crores (Rupees One Hundred and Forty Crores Only) as and when they require funds for their business activities/working capital needs and in view of the same, it is proposed to obtain Members' approval. This infusion of funds shall occur post acquisition of 100% equity shares of RHSP by Transquare Realty Private Limited.

R&H Spaces Private Limited is Company registered under the applicable laws of India and is engaged in the business of owning and running hotels. R&H Spaces Private Limited owns a hotel property operated under the brand name Hyatt Centric at Candolim, Goa.

The above transactions, which are enabling in nature, have been approved by the Audit Committee of the Board of the Company at their meeting held on 27th November, 2020, in terms of the requirements of Regulation 23(3) of the Listing Regulations.

The Board recommends passing of the Ordinary Resolutions set out at item nos. 8 of the Notice.

All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

As per Regulation 23(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling within the definition of related parties shall abstain from voting on these resolutions and accordingly, the promoters and the promoter group entities shall not vote on these resolutions.

Item No. 9: Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013

Pursuant to the provisions of Section 186 of the Companies Act, 2013 ('Act'), the shareholders of the Company on 26th September, 2019, at 17th Annual General Meeting, accorded approval to give loans or to give guarantee(ies) or to provide security(ies) or to make investment(s) upto an aggregate amount not exceeding Rs. 500 crore (Rupees Five Hundred Crore Only).

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the provision of Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018. In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement.

The Company's subsidiary(ies) / associates / JV Companies explore various options to raise funds through loan / issuance of debentures / bonds etc. which may be backed by corporate guarantee of the Company. The proceeds raised by the subsidiary(ies) / associates / JV Companies of the Company would be utilized for their principal business activities. Further, the management is of the view that the Company may be required to invest surplus funds, if available in its wholly owned subsidiary Companies or to any other body corporate(s) in which the Directors of the Company are interested, as and when required. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. raised by its subsidiary company(ies) or other body corporate(s) in whom any of the Directors of the Company is interested up to an aggregate amount not exceeding Rs. 250 crores. (Rupees Two Hundred and Fifty Crores) subject to the limits as approved by the shareholder of the Company under Section 186 of the Company Act, 2013.

The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities its subsidiary company(ies) or other body corporate(s) in whom any of the Directors of the Company is interested.

Hence, in order to enable the company to advance loan to Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

The Board of Directors Recommend the Special Resolution set out at item no. 9 of the Notice for approval by the members.

All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

By Order of the Board of Directors
For **CINELINE INDIA LIMITED**

Rasesh Kanakia
Chairman
DIN:00015857

Place : Mumbai
Date : 27th, November, 2020

Registered Office
215 Atrium, 10th Floor, Opp. Divine School,
J.B. Nagar, Andheri Kurla Road, Andheri- East, Mumbai- 400059
Website: www.cineline.co.in
CIN No: L92142MH2002PLC135964
Email: investor@cineline.co.in
Tel No: 022-6726 6666
Fax No: 022-6693 7777

Annexure to Notice

Details of Directors seeking appointment/re-appointment at the Annual General Meeting, Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015):

Particulars of Directors	Mr. Rasesh Kanakia	Mr. Himanshu Kanakia	Mrs. Hiral Kanakia
Director Identification No.	00015857	00015908	00015924
Date of Birth	14.09.1961	01/01/1964	29/08/1970
Age	59	56	50
Date of First Appointment	22.05.2002	22/05/2002	05/02/2015
Qualification	Owner President Management Programme from Harvard University	Engineer	Bachelor in Arts
Experience in Functional Area	Mr. Rasesh Kanakia is the Chairman since incorporation and has as career spanning of around 36 years. He began his career as a real estate consultant in the year 1984 and subsequently ventured into real estate development in the year 1986. He has been pioneer in getting the Company into exhibition business. As the Chairman of our Company, he looks after critical functions of the management viz., Finance, Strategic management and Public Relations.	Mr. Himanshu B. Kanakia, Managing Director is the member of the Board since incorporation and has as career spanning of around 33 years. He forms an integral part of the Company and is the energy behind the day to day management. He has contributed largely to the success of the Company with his keen focus on the management, operations and the administration of the Company.	Mrs. Hiral Kanakia has a career spanning of around 25 years. She has been associated with the Company since 1998 and is closely involved in the operation and administration of the Company. She is head of "Employee Relations & Improvement Management" in Kanakia Group of Companies.
Directorship in other Companies (Public Limited Companies)	NIL	NIL	NIL
Membership/ Chairmanship of Board Committees of other Companies (Includes only Audit Committee and Stakeholders Relationship Committee)	Member of Audit Committee and Stakeholders Relationship Committee.	Member of Stakeholders Relationship Committee.	NIL
No. of shares held in the Company	9511524	9511424	328844
Terms & Conditions of Appointment/ Re-appointment	Re-appointed as Executive Chairman of the Company for a period of 5 (five) years i.e. 1st May, 2021 to 30th April, 2026 effective from expiry of his present term ending on 30th April, 2021, and liable to retire by rotation.	Re-appointed as Executive Managing Director of the Company for a period of 5 (five) years i.e. 1st May, 2021 to 30th April, 2026 effective from expiry of his present term ending on 30th April, 2021, and liable to retire by rotation.	Appointed as a Director liable to retire by rotation
Relationship with other Directors/ Manager/KMP	Brother of Mr. Himanshu Kanakia and brother in-law of Mrs. Hiral Kanakia	Brother of Mr. Rasesh Kanakia and Husband of Mrs. Hiral Kanakia.	Wife of Mr. Himanshu Kanakia and sister-in-law of Mr. Rasesh Kanakia
Remuneration	The remuneration details are given in the Corporate Governance Section of the Annual Report.	The remuneration details are given in the Corporate Governance Section of the Annual Report.	The remuneration details are given in the Corporate Governance Section of the Annual Report.
No. of Board Meetings attended during the F.Y. 2019-20	5 out of 5	4 out of 5	4 out of 5

INSTRUCTIONS FOR REMOTE E-VOTING

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>. **Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under: -**
 - Click on **'Sign Up'** under **'SHARE HOLDER'** tab and register with your following details: -
 - A. User ID:** Enter your User ID
 - Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID.**
 - Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.**
 - Members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.
 - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
 - C. DOB/DOI:** Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format).
 - D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Members holding shares in **CDSL demat account shall provide either 'C' or 'D', above.**
 - Members holding shares in **NSDL demat account shall provide 'D', above.**
 - Members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.
 - Set the password of your choice (The password should contain minimum 8 characters, at least one Special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Click 'confirm' (Your password is now generated).
2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon for **'Cineline India Limited/ Event number 200395'**.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
7. After selecting the desired option i.e. **'Favour/Against'**, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian/Mutual Fund/Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc., together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian/Mutual Fund/Corporate Body'** login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.
- In case member is having valid email address, Password will be sent to his/her registered e-mail address.
- Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. In case Members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or call on +91 (022) 4918 2505/4918 6000.

GENERAL INSTRUCTIONS

1. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, 15th December, 2020.
2. The e-voting period commences on Saturday, 19th December, 2020 (9.00 a.m. IST) and ends on Monday, 21st December, 2020 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 15th December, 2020 i.e. cut-off date, may cast their vote electronically.
3. The facility for e-voting shall also be available at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.
4. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cutoff date for voting i.e. Tuesday, 15th December, 2020, may obtain the login ID and password by sending a request to enotices@linkintime.co.in. However, if he/she is already registered with LIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
5. Mr. Dharmesh Zaveri, proprietor of M/s. D. M. Zaveri & Co., Company Secretaries (FCS No. 5418 CP. No. 4363) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner.
6. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against, if any, to the Chairperson or a person authorized in writing, who shall countersign the same and **declare the result of the voting forthwith**.
7. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.cineline.co.in and on the LIPL website <https://instavote.linkintime.co.in> and shall also be forwarded to BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

PROCESS AND MANNER FOR ATTENDING THE EIGHTEENTH AGM THROUGH INSTAMEET

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details: -
 - A. **Demat Account No. or Folio No.:** Enter your 16-digit Demat Account No. or Folio Number registered with the Company.
 - B. **PAN:** Enter your 10-digit Permanent Account Number.
 - C. **Mobile No.:**
 - D. **Email ID:**
2. Click "Go to Meeting"
3. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at agm2020speakers@cineline.co.in, atleast 48 hours prior to the date of AGM i.e. on or before 11:45 a.m. (IST) on 20th December, 2020.
2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at agm2020speakers@cineline.co.in, atleast 48 hours prior to the date of AGM i.e. on or before 11:45 a.m. (IST) on 20th December, 2020. The same will be replied by the Company suitably.
4. Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.
5. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
6. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for Shareholders to Vote during the AGM through InstaMeet: Once the electronic voting is activated by the Scrutinizer/Moderator during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under: -

1. On the shareholders VC page, click on the link for e-Voting 'Cast your vote'.
2. Enter Demat Account No./Folio No. and OTP (received on the registered mobile number/registered Email ID) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see 'Resolution Description' and against the same the option '**Favour/Against**' for voting.
4. Cast your vote by selecting appropriate option i.e. '**Favour/Against**' as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under '**Favour/Against**'.
5. After selecting the appropriate option i.e. '**Favour/Against**' as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.
6. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders present at the AGM through InstaMeet facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting from 4.00 p.m. (IST) till the expiry of 15 minutes after the AGM is over. Shareholders who have voted through remote e-voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders are encouraged to join the AGM through Tablets/Laptops connected through broadband for better experience.

Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM.

Please note that shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.

In case shareholders have any queries regarding e-voting, they can address them to instameet@linkintime.co.in or call on +91 (022) 4918 6175.

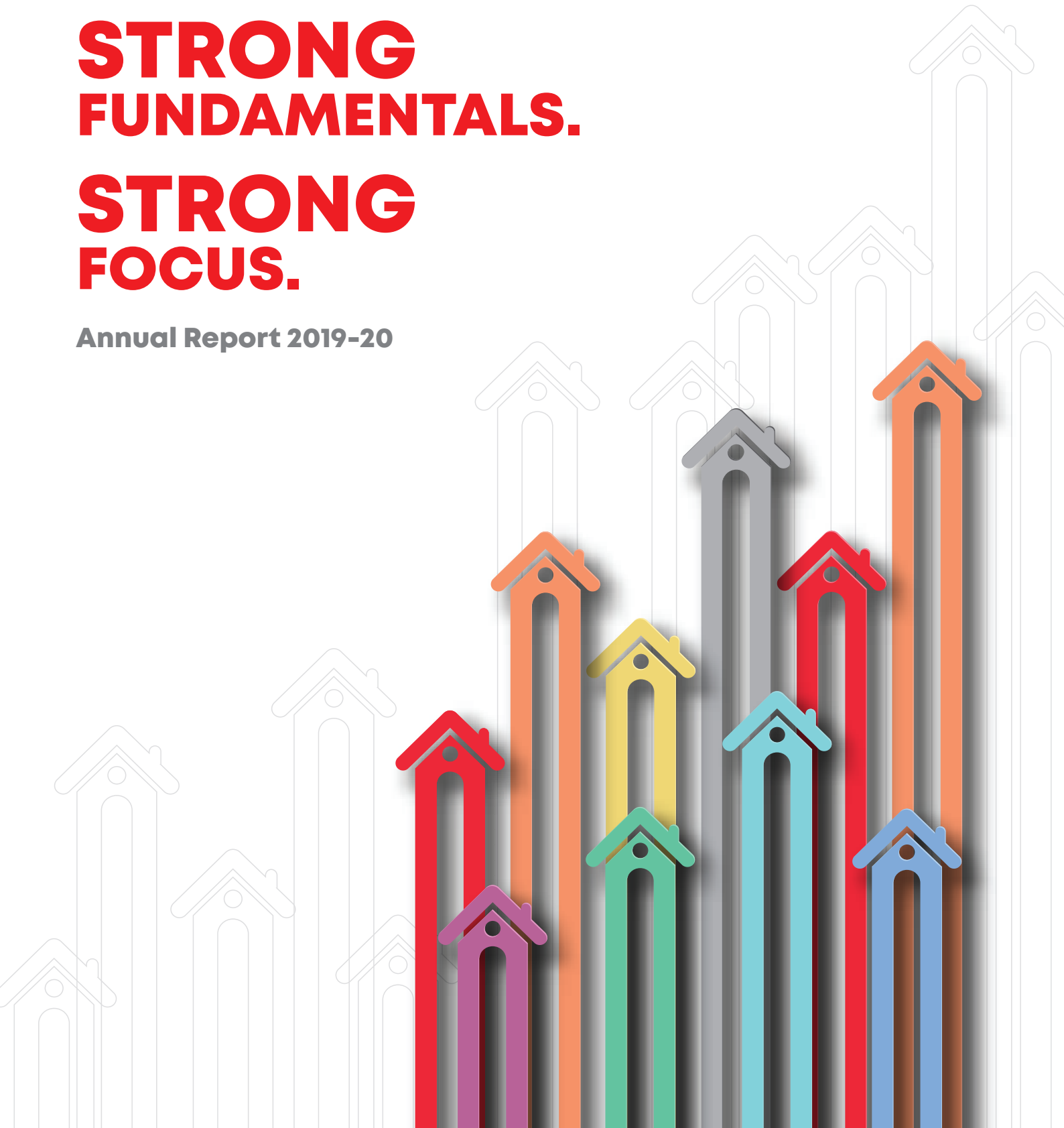
CINELINE

CINELINE INDIA LIMITED

**STRONG
FUNDAMENTALS.**

**STRONG
FOCUS.**

Annual Report 2019-20



INSIDE THE REPORT

01-08

CORPORATE OVERVIEW

- 01 Strong Fundamentals. Strong Focus.
- 02 Message from the Chairman
- 04 Events and Activities
- 06 Properties
- 07 Financial Highlights
- 08 Corporate Information

09-58

STATUTORY REPORTS

- 09 Directors' Report
- 34 Management Discussion and Analysis
- 40 Corporate Governance

60-144

FINANCIAL STATEMENTS

- 60 Auditors' Report on Standalone Financials
- 66 Standalone Financial Statements
- 103 Auditors' Report on Consolidated Financials
- 108 Consolidated Financial Statements

THE REAL ESTATE INDUSTRY, ALREADY WITHERED BY MULTIPLE REGULATORY CHANGES, IS FACED WITH YET ANOTHER BLOW PUSHED BY THE COVID-19 DISRUPTION. OPERATING IN SUCH UNPREDICTABLE LANDSCAPE CAN BE CHALLENGING AS WELL AS EXCITING. IT NECESSITATES DYNAMISM, FLEXIBILITY AND AGILITY TO CAPTURE OPPORTUNITY WHEN IT ARISES.



To get this report online and for any other information, log on to www.cineline.co.in

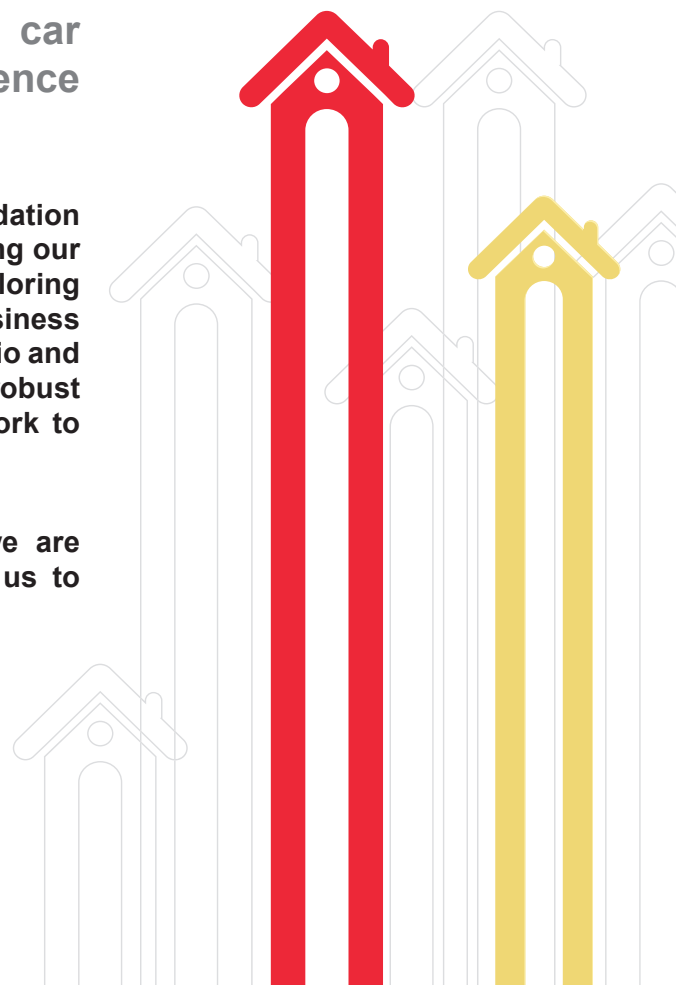
STRONG FUNDAMENTALS.

STRONG FOCUS.

At Cineline, we have been able to navigate these challenging times supported by our robust business model underpinned by diversification, operational efficiency and a disciplined approach to capital. On the one hand, we have a portfolio of high-quality, geographically diversified rental generating real estate assets that provides revenue visibility. On the other, our diversification in the renewable energy, advertising and car parking businesses is facilitating resilience and stability.

While our strong fundamentals provide us a solid foundation and a resilient value creation model, we are now enriching our prospects through a strong focus on future. We are exploring high-growth markets, high-quality assets and business opportunities to scale revenue. We are optimising portfolio and costs to scale bottomline. And we are strengthening our robust risk management architecture and governance framework to ensure sustained value creation.

Led by our solid values and strong fundamentals, we are confident that our strong focus on future will enable us to weather the crisis and emerge stronger.



MESSAGE FROM THE CHAIRMAN

“

Moving forward, we are strongly focussed on growing our annuity income and ensuring profitable growth. Our teams are continuously evaluating assets that can be acquired at attractive valuation and deliver high return.



20.52%

Total revenue increased

DEAR SHAREHOLDERS,

I am pleased to present our FY 2019-20 annual report. This has been another year where we continued to deliver steady performance and progressed to meet most of our goals despite the challenges. While I am delighted of how we responded, I am also grieved of the sudden disruption caused by the COVID-19 pandemic. I have my sympathies with those impacted. But the ray of hope is still ignited on seeing the rapid pace with which medical community is working and the way all countries has come together to fight it.

The pandemic and recessionary trend triggered by it is unprecedented. Globally, all major economies are witnessing contraction due to lockdowns and reduced economic activity. India too is facing challenges with consumption falling significantly and manufacturing activities stalling.

However, on the positive side, the fiscal support provided by the Government, the accommodative monetary policy stance by the RBI and recovery in external demand are contributing to faster than expected recovery. This is evident in

the uptick witnessed in all major high frequency data indicators in the second half of FY 2020-21. In October 2020, the India Manufacturing Purchasing Managers' Index rose to 58.9 in October 2020, highest since 2008, auto sales recovered, power generation grew 14.5% on annual basis, and e-way bills and GST collections surged. The Government's sustained focus on infrastructure development, digitisation, and uplifting farmers and rural economy is likely to continue fuelling the Indian economic growth engine.

THE YEAR AT CINELINE

Before taking through our performance, it would be important to understand the operating context under which we delivered it.

The past couple of years have been challenging for the real estate industry due to a series of structural reforms. Implementation of Goods and Services Tax (GST), establishment of Real Estate Regulatory Authority (RERA) while reinforcing the trust, transparency, and fiscal discipline in the sector has also curbed growth and liquidity of developers. There has been a marked slowdown in new project launches. As the industry was starting to see green shoots in FY 2019-20, the pandemic struck causing further woes.

However, we responded to the situation with agility. Our sound business ethics, expertise and knowledge, and risk management approach helped us to tide through the challenge. Our well-balanced, diversified portfolio comprising rental generating real estate assets and renewable energy assets ensure sustained revenue generation.

Our total revenue increased 20.52% from ₹ 3,493.94 Lacs in FY 2018-19 to

₹ 4,221.01 Lacs in FY 2019-20. Revenue from retail business i.e. rental income from real estate assets increased 6.27% to ₹ 2,391.62 Lacs. We own nine theatres, two commercial properties in Boomerang (Chandivali) and Kanakia Wall Street (Andheri East) respectively, and a mall (Eternity Mall) in Nagpur's prime area. While the theatres are leased to PVR Limited on a long-term, the commercial properties and mall remained almost 100% occupied across the year. Revenue from car parking and advertisement (ancillary revenue from commercial property) stood at ₹ 167.51 Lacs in FY 2019-20, an increase of 1.01%. Our approach to leasing out of properties not only ensures steady cash flows, but also capital appreciation in the long run.

Revenue from the energy business declined 3.92% to ₹ 174.53 Lacs as we sold 37,46,047 units of power generated from our windmills at Vishwada, Gujarat and Revangaon, Maharashtra. We continue to witness sustained demand for power driven by rising demand of clean and green energy.

EBITDA for the year was ₹ 2,678.32 Lacs in comparison to ₹ 2,677.61 Lacs for previous financial year. PAT, however, declined 28.97% to ₹ 764.13 Lacs led by an increase in expenses mainly due to increase in depreciation and CAM/Property tax of Wallstreet units for which possession was taken at the end of last financial year.

LOOKING FORWARD

The pandemic has undeniably impacted the real estate sector. Though this is more of temporary blip and the demand is expected to revive once the pandemic gets under control and economic activity normalises. Firms like Goldman Sachs

and Morgan Stanley are extremely bullish on the prospects of India projecting the economy to grow near 10% in FY 2020-21. This will definitely provide impetus to the real estate sector, especially the retail segment that we are into.

At Cineline, we are relatively well-placed in the present scenario. Our well-diversified portfolio and strong financial position provides cushion against unprecedented downturn. Presence of long-term lease agreements in portfolio also ensures us revenue visibility.

Moving forward, we are strongly focussed on growing our annuity income and ensuring profitable growth. Our teams are continuously evaluating assets that can be acquired at attractive valuation and deliver high return. In line with this strategy, we are exploring high-growth potential markets in existing as well as in new geographies. This will also provide us geographical diversification. We have our eyes sharply focussed on the bottomline towards which multiple cost optimisation initiatives have been initiated across the organisation.

I am grateful to all our stakeholders who have been with us in this journey. I thank them for continuing to believe us and helping us in all that we have achieved even in these difficult times. I am sure together we can overcome and achieve more in the coming years.

Warm regards,



Rasesh Kanakia
(DIN:00015857)

EVENTS AND ACTIVITIES



Diwali Celebration



Diwali Celebration



Ganesh Chaturthi Celebration



Janmashtami Celebration



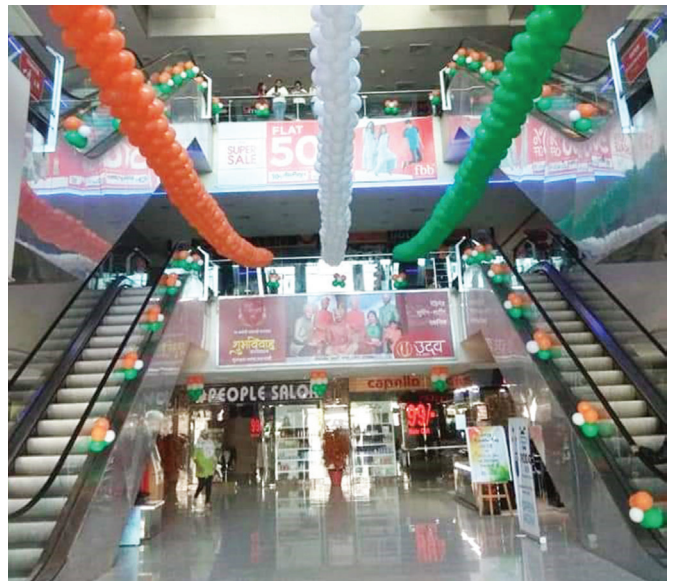
Navratri



Navratri



Republic Day



Republic Day

PROPERTIES



Goregaon (West)



Sona Shopping Centre Kandivali (West)



Wonder Mall, Thane



Cineline, Nashik



Eternity Mall, Nagpur



Cineline, Sion



Eternity Mall, Thane



Prime Mall, Mira Road



Eagle's Flight, Andheri (East)

FINANCIAL HIGHLIGHTS

In ₹ Lacs (except per share data)

For the year ended 31st March	2020	2019
Total Income	4221.01	3493.94
Expenditure	880.74	815.62
EBDITA	3340.27	2678.32
Depreciation	542.48	364.23
Interest & Financial Charges	1834.43	961.53
Exceptional Items	0	0
Profit Before Tax (PBT)	963.36	1352.56
Tax Expense	199.23	367.06
Profit After Tax (PAT)	764.13	985.50
Other comprehensive income / (loss) for the year (net of tax)	1.40	-0.32
Total comprehensive income for the year	765.53	985.18
Share Capital	1400.00	1400.00
Reserves and Surplus	10798.97	10034.78
Total Debt (including Current Maturity)	17138.00	15791.51
Gross Block	1011.75	1011.75
Net Block	695.15	766.94
Current Assets	1135.24	4328.19
Current Liabilities	2072.02	564.06
Cash & Cash Equivalents	48.68	2213.18
No. of Equity Shares	28000000	28000000
Earnings Per Share (In ₹) = Basic & Diluted	2.73	3.52

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rasesh B. Kanakia
Chairman

Mr. Himanshu B. Kanakia
Managing Director

Mrs. Hiral Kanakia
Director

Mr. Anand Bathiya
Independent Director

Mr. Naushad Panjwani
Independent Director

Mr. Shantilal Haria
Independent Director

SENIOR MANAGEMENT

Mr. Vipul Parekh
Chief Financial Officer

COMPANY SECRETARY & COMPLIANCE OFFICER

***Mrs. Rashmi Shah**

STATUTORY AUDITORS

Khimji Kunverji & Co.
Chartered Accountants
Sunshine Tower, Level 19,
Senapati Bapat Marg, Elphinstone (W),
Mumbai - 400 013

*(Note: Mr. Jatin Shah resigned from the post of Company Secretary & Compliance Officer w.e.f. 30th September, 2020 and Mrs. Rashmi Shah was appointed as Company Secretary & Compliance Officer w.e.f. 11th November, 2020)

INTERNAL AUDITORS

Deloitte Haskins & Sells
29th Floor, Indiabulls Finance Centre, Tower 3,
Elphinstone Mill Compound,
Senapati Bapat Marg, Elphinstone (W),
Mumbai - 400 013

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park
L.B.S. Marg, Vikhroli (W),
Mumbai - 400 083

REGISTERED OFFICE

215 Atrium, 10th Floor, Opp. Divine School,
J.B. Nagar, Andheri-Kurla Road, Andheri East,
Mumbai - 400 093
Tel No.: 022 - 6726 7777
Fax No.: 022 - 6693 7777
Website: www.cineline.co.in

FINANCIAL INSTITUTION

Aditya Birla Finance Limited.

DIRECTOR'S REPORT

To,
The Members of
Cineline India Limited

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Accounts and Auditors Report of the Company for the Year ended March 31, 2020.

1. FINANCIAL RESULTS:

Particulars	Standalone(Rs. In Lacs)		Consolidated(Rs. In Lacs)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Gross Income	4221.01	3493.94	4221.01	3493.94
Profit before Interest, Depreciation and tax	3340.27	2678.32	3339.43	2677.61
Interest & Financial Charges	1834.43	961.53	1834.43	961.53
Depreciation/ Amortisation	542.48	364.23	542.48	364.23
Profit/(loss) before tax	963.36	1352.56	962.52	1351.85
Provision for Tax (including Deferred)	199.23	366.97	199.23	367.06
Profit/(loss) after Tax	764.13	985.59	763.29	984.79
Add: Surplus brought forward from previous year	6398.76	5413.49	6398.05	5413.49
Less: Other Adjustment	-0.95	0	-0.95	0
Amount available for Appropriation	7161.94	6399.08	7160.39	6398.28
Appropriation:				
Other comprehensive income / (loss)*	1.01	-0.32	1.01	-0.23
Payment of Dividend (Including Tax)	0	0	0	0
Surplus Carried to Balance Sheet	7162.95	6398.76	7161.40	6398.05

Note: Figures are regrouped wherever necessary to make the information comparable.

OPERATIONAL REVIEW:

Gross revenues of the Company for the Financial Year 2019-20 stood at Rs. 4221.01 Lacs. Profit before interest, depreciation and taxation stood at Rs. 3340.27 Lacs. After providing for depreciation and taxation of Rs. 542.48 Lacs and Rs. 199.23 Lacs respectively, the net profit of the Company for the year under review were placed at Rs. 764.13 Lacs as against Rs. 985.59 Lacs in the previous year.

2. DIVIDEND:

With a view to conserve the resources for future operations, your Directors have thought it prudent not to recommend dividend on equity shares for the financial year 2019-20.

3. TRANSFER TO RESERVES:

During the year under review, no amount was transferred to General Reserve.

4. SHARE CAPITAL:

The paid up equity share capital as on March 31, 2020 was Rs. 1400 Lacs. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity.

5. FINANCE:

Cash and cash equivalents as at March 31, 2020 were Rs. 48.68 Lacs. The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

6. EXTRACT OF ANNUAL RETURN:

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2020 forms part of this report as **Annexure 1**.

The same has been placed on the website of the Company and can be accessed at www.cineline.co.in.

7. SUBSIDIARY COMPANIES:

Your Company has one wholly owned subsidiary being "Transquare Realty Private Limited". There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiary in Form AOC-1 forms part of this report as **Annexure 2**.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary, are available on the website of the Company at www.cineline.co.in.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Director's Report.

9. PUBLIC DEPOSIT:

Your Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

11.1 Directors:

Your Company has Six (6) Directors consisting of Whole Time Director, Managing Director, Executive Director and Three (3) Independent Directors as on 31.03.2020.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Hiral Kanakia, Whole Time Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

During the financial year 2019-20, there were following changes in the Board of Directors of the Company.

Sr. No.	Name of the Director	Appointment / Resignation	Date
1	Mr. Naushad Panjwani	Appointment	28.06.2019
2	Mr. Utpal Sheth	Resignation	14.08.2019
3	Mr. Shantilal Haria	Appointment	14.08.2019

11.2 Key Managerial Personnel:

The following are the Key Managerial Personnel of the Company for the year under review:

Sr. No.	Name of the Person	Designation
1	Mr. Himanshu Kanakia	Managing Director
2	Mr. Vipul Parekh	Chief Financial Officer
3	Mr. Jatin Shah	Company Secretary

12. DECLARATION GIVEN BY INDEPENDENT DIRECTOR:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on 13th February, 2020 inter alia, to

- review the performance of the Non-Independent Directors and the Board of Directors as a whole.
- review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

- c) assess the quality, content and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

13. MEETINGS:

During the year, the Board met 5 (Five) times. The details of which are given in the Corporate Governance Report which forms part of Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

14. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

15. DIRECTOR'S RESPONSIBILITY STATEMENT:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts for the year ended 31-03-2020, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

16. COMMITTEES OF THE BOARD:

The Board of Directors of your Company has constituted various Committees as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

The details with respect to the composition, powers, roles, terms of reference, number of meetings held, attendance at the meetings etc. of Statutory Committees are given in detail in the Corporate Governance Report.

17. AUDIT COMMITTEE:

The Audit Committee of the Board has been constituted in terms of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The constitution and other relevant details of the Audit Committee are given in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

18. PERFORMANCE EVALUATION OF THE BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 4(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process based on the recommendation of the Nomination & Remuneration Committee.

Further, The Securities and Exchange Board of India ('SEBI') vide circular no. SEBI/HO/CFD/ CMD/ CIR/P/2017/004 dated January 05, 2017 had come up with a "Guidance Note on Board Evaluation". The Board Evaluation framework of the Company is aligning with this Guidance Note.

19. FAMILIARIZATION PROGRAMME:

The Familiarization Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Companies Act, 2013 and other statutes.

The policy and details of familiarization programme imparted to the Independent Directors of the Company is available at (www.cineline.co.in).

20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company has an Internal Control system, commensurate with the size, scale and complexity of its operations. The Internal and operational audit is entrusted to M/s Deloitte Haskins & Sells, a reputed firm of Chartered Accountants. Internal controls were reviewed by designated firm and based on their evaluation, it was concluded that the Company's internal controls are adequate and were operating effectively as of March 31, 2020. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors, Statutory Auditors and the Senior Management are periodically apprised of the internal audit findings and corrective actions taken. Audit provides a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of

the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

21. STOCK OPTIONS:

Your Company does not have any stock options scheme.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans given by the Company as at 31st March, 2020 are given in the Notes forming part of the Financial Statements. During the Financial Year under review, the Company has not made any investments covered under the provisions of section 186 of the Companies Act, 2013.

23. RELATED PARTY TRANSACTIONS:

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at www.cineline.co.in. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the Policy on Related Party Transactions.

Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length basis. Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions for their review and approval.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. During the year, the Company had not entered into any new contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on a materiality of related party transactions. Thus, disclosure in form AOC-2 is not required.

24. POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down the criteria for selection and appointment of Board members.

The Remuneration Policy forms part of this report as **Annexure 3**.

25. WHISTLE BLOWER POLICY:

Your Company has formed a Whistle Blower Policy for establishing a vigil mechanism for directors and employee to report genuine concerns regarding unethical behaviour and mismanagement, if any. The said mechanism also provides for strict confidentiality, adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate cases. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Whistle Blower policy has been posted on the Company's website www.cineline.co.in.

26. RISK MANAGEMENT:

Pursuant to section 134(3)(n) of the Company Act, 2013, the Company has adequate risk management mechanism and is periodically reviewed by the Board. At present the Company has not identified any element of risk which may threaten the existence of the Company.

27. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee and has adopted Corporate Social Responsibility Policy and link for the same is www.cineline.co.in. The Report on information required to be provided under Section 134(3)(o) of the Companies Act, 2013 read with the Rule 9 of the Companies (Accounts) Rules, 2014 in relation to disclosure about Corporate Social Responsibility is annexed as **Annexure - 4** and forms an integral part of this Report.

28. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report covering a wide range of issues relating to Performance, outlook etc., is annexed as **Annexure-A** to this report.

29. CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of the Corporate Governance. The detailed report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms **Annexure-B** to this report. A Certificate from the Practising Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure-C** to this report.

30. AUDITORS:

30.1 Statutory Auditors

Based on the recommendations of the Audit Committee and the Board, members of the Company at the Sixteenth AGM held on September 27, 2018 have approved the appointment of M/s. Khimji Kunverji & Co., Chartered Accountants (Firm Registration No. 105146W) as the Statutory Auditors of the Company for a period of five consecutive years i.e. till the conclusion of Twenty-First AGM. The requirement of ratification of appointment of Statutory Auditors at every AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018. Thus, M/s. Khimji Kunverji & Co., will continue to hold office till the conclusion of Twenty-First AGM of the Company.

The Auditor's Report on Standalone and Consolidated Ind AS financial statements is a part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

During the year, the Statutory Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

30.2 Secretarial Audit

Pursuant to Section 204 of the Companies Act 2013, your Company had appointed Mr. Dharmesh Zaveri, a Company Secretary in Whole-time Practice having Certificate of Practice No. 4363 and Membership No. 5418 as its Secretarial Auditor to conduct the secretarial audit of the Company for the Financial Year 2019-20. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Secretarial Audit Report is included as **Annexure-5** and forms an integral part of this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the year, the Secretarial Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

31. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARKS MADE, IF ANY:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors on the Financial Statements of the Company, in their report for the financial year ended 31st March, 2020.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

The Company has not made any foreign exchange outgo towards traveling, marketing and import of Capital Goods.

33. SEXUAL HARASSMENT DISCLOSURE:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of sexual harassment were received by the Company and hence there are no Complaints pending as on 31st March 2020.

34. HUMAN CAPITAL AND PARTICULARS OF EMPLOYEES:

Your Company had 29 (including Directors) employees as of March 31, 2020. The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read along with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employees were in receipt of remuneration above the limits specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure 6** and forms part of this Report.

35. CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/ behaviours of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website www.cineline.co.in.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

36. PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on the Company's website www.cineline.co.in.

The Board has approved and adopted revised Code of Conduct for prohibition of Insider Trading and Code for fair Disclosure pursuant to the requirements of SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 with effect from 26th December, 2019.

37. APPLICABILITY OF COST RECORDS:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the activity of your Company falls under Non-regulated sectors and hence, maintenance of cost record is not applicable to the Company for the Financial Year 2019-20.

38. APPRECIATION

Your Company has been able to perform better with the continuous improvement in all functions and areas which coupled with an efficient utilization of the Company's resources led to sustainable and profitable growth of the Organization. Your Directors express their deep sense of appreciation and extend their sincere thanks to every employee and associates for their dedicated and sustained contribution and they look forward the continuance of the same in future.

39. ACKNOWLEDGEMENTS:

Your Board takes this opportunity to thank our, clients, business partners, shareholders and bankers for the faith reposed in the Company and also thank the Government of India, various regulatory authorities and agencies for their support and looks forward to their continued encouragement. Your Directors are deeply touched by the efforts, sincerity and loyalty displayed by the employees without whom the growth was unattainable. Your Directors wish to thank the investors and shareholders for placing immense faith in them and the plans designed for growth of your Company. Your Directors seek and look forward

to the same support in future and hope that they can continue to satisfy you in the years to come.

**For and on behalf
of the Board of Directors**

Rasesh Kanakia
Chairman
(DIN: 00015857)

Date: 15th September, 2020
Place: Mumbai

Annexure 1 to Board's Report

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L92142MH2002PLC135964
2	Registration Date	22.05.2002
3	Name of the Company	Cineline India Limited
4	Category/Sub-category of the Company	Company Limited by shares Non-Government Company
5	Address of the Registered office & contact details	215-Atrium, 10th Floor, Opp. Divine School, J. B. Nagar, Andheri Kurla Road, Andheri- East, Mumbai-400093 Phone: 022-6726 6666 Fax : 022-6693 7777
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited (Unit – Cineline India Limited) C-101, 247 Park LBS Marg, Vikhroli – West, Mumbai – 400 083 Ph : 022 – 4918 6000 Fax: 022 – 4918 6060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description NIC Code of the % to total turnover of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real estate activities with own or leased property	6810	93.20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Transquare Realty Private Limited Address: 215-Atrium, 10th Floor, Opp. Divine School, J. B. Nagar, Andheri Kurla Road, Andheri- East, Mumbai-400093	U70109MH2019PTC320939	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,93,94,636	-	1,93,94,636	69.2666	1,96,64,636	-	1,96,80,636	70.2880	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	280	-	280	0.0010	280	-	280	0.0010	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	1,93,94,916	-	1,93,94,916	69.2676	1,96,80,916	-	1,96,80,916	70.2890	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	1,93,94,916	-	1,93,94,916	69.2676	1,96,80,916	-	1,96,80,916	70.2890	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	300	-	300	0.0011	573	-	573	0.0020	0.0010
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	300	-	300	0.0011	573	-	573	0.0020	0.0010
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	11,06,916	-	11,06,916	3.9533	9,39,971	-	9,39,971	3.3570	(0.5962)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	52,87,897	152	52,88,049	18.8859	53,15,516	152	53,15,668	18.9845	0.0986
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	9,13,295	-	9,13,295	3.2618	9,77,160	-	9,77,160	3.4899	0.2281
c) Others (specify)	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	7,98,673	-	7,98,673	2.8524	7,22,978	-	7,22,978	2.5821	(0.27)
IEPF	19,539	-	19,539	0.0698	19,539	-	19,539	0.0698	-
Clearing Members	1,81,436	-	1,81,436	0.6480	42,008	-	42,008	0.1500	(0.4980)
Non Resident Indians (REPAT)	2,55,749	-	2,55,749	0.9134	2,61,641	-	2,61,641	0.9344	0.0210
Non Resident Indians (NON REPAT)	38,841	-	38,841	0.1387	37,260	-	37,260	0.1331	(0.0056)
Trusts	2,286	-	2,286	0.0082	2,286	-	2,286	0.0082	0.0000
Sub-total (B)(2):-	86,04,632	152	86,04,784	30.7314	83,18,359	152	83,18,511	29.7090	(1.0224)
Total Public Shareholding (B)=(B)(1)+(B)(2)	86,04,932	152	86,05,084	30.7324	83,18,932	152	83,19,084	29.7110	(1.0214)
C. Custodian/DR Holder	-	-	-	-	-	-	-	-	-
D. Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C+D)	2,79,99,848	152	2,80,00,000	100	2,79,99,848	152	2,80,00,000	100	-

Note: The Promoters has purchased equity shares on 20.03.2020 and 23.03.2020 but due to covid 19 outbreak and approximately 16000 equity shares were reflected in the pool account of the depository participant as on 31.03.2020 instead of credit into the demat account of such promoters. Relevant disclosure under Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Regulation 7(2) read with Regulation 6(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 were given by such promoter within the prescribed timeline and hence, In order to give correct position of promoters' shareholding of promoter as on 31.03.2020, 16000 equity shares has been included in the above mentioned promoters' shareholding as on 31.03.2020.

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2019			Shareholding at the end of the year as on 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Rasesh Kanakia	95,11,524	33.4590	73.2239	94,99,024	33.9251	73.2239	-
2	Mr. Himanshu Kanakia	95,11,424	33.4587	73.2247	95,07,924	33.9569	73.2247	-
3	Mrs. Rupal Kanakia	3,28,844	1.1744	-	3,28,844	1.1744	-	-
4	Mrs. Hiral Kanakia	3,28,844	1.1744	-	3,28,844	1.1744	-	-
5	M/s Kanakia Gruhnirman Pvt Ltd	140	0.0005	-	140	0.0005	-	-
6	M/s Kanakia Finance And Investments Pvt Ltd	140	0.0005	-	140	0.0005	-	-
	Total	1,93,94,916	69.2676	70.7412	1,96,64,916	70.2318	70.7412	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year as on 01.04.2019		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Rasesh Kanakia				
	At the beginning of the year	93,68,524	33.46	93,68,524	33.46
	Date wise increase/ Decrease during the year specifying the reasons for increase/ decrease (eg. Allotment/ transfer/ bonus/ sweat equity, etc.)	1,43,000	0.51	95,11,524	33.97
	At the end of the year	95,11,524	33.97	-	-
2	Mr. Himanshu Kanakia				
	At the beginning of the year	93,68,424	33.46	95,07,924	33.96
	Date wise increase/ Decrease during the year specifying the reasons for increase/ decrease (eg. Allotment/ transfer/ bonus/ sweat equity, etc.)	1,43,000	0.51	95,11,424	33.97
	At the end of the year	95,11,424	33.97	-	-

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (01-04-2019)		Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of shares	% of total shares			No. of shares	% of total shares
1	Vinay Kumar HUF	2,91,417	1.04	-76,417	Decrease in shareholding during the year pursuant to sale in open market	2,15,000	0.77
2	River Sharesstake Private Limited	2,10,950	0.75	-	-	2,10,950	0.75
3	Revolutionary Shares and Securities Private Limited	2,10,950	0.75	-	-	2,10,950	0.75
4	Ulhas Vallabhji Gala	2,10,724	0.75	-	-	2,10,724	0.75
5	Y T Entertainment Limited	1,41,440	0.51	-	-	1,41,440	0.51
6	Arun Buxi	1,25,000	0.45	-	-	1,25,000	0.45
7	Varun Buxi	1,00,000	0.36	-	-	1,00,000	0.36
8	Renoun Shares and Securities Private Limited	1,00,000	0.36	-	-	1,00,000	0.36
9	Lincoln Coelho	1,00,000	0.36	-	-	1,00,000	0.36
10	Wellbeing Shares and securities Private Limited	94,169	0.34	-	-	94,169	0.34

Note: Top 10 shareholders of the Company as on 31.03.2020 has been considered for the above disclosure.**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01-04-2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Rasesh Kanakia Chairman, Whole Time Director				
	At the beginning of the year	93,68,524	33.46	93,68,524	33.46
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	1,43,000	0.51	95,11,524	33.97
	At the end of the year	95,11,524	33.97	-	-
2	Mr. Himanshu Kanakia Managing Director & Whole Time Director				
	At the beginning of the year	93,68,424	33.46	93,68,424	33.46
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	1,43,000	0.51	95,11,424	33.97
	At the end of the year	95,11,424	33.97	-	-

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01-04-2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
3	Mrs. Hiral Kanakia Executive Director				
	At the beginning of the year	3,28,844	1.17	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	3,28,844	1.17	3,28,844	0.0117
4	*Mr. Kranti Sinha Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	-	-	-	-
5	#Mr. Utpal Sheth Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	-	-	-	-
6	#Mr. Naushad Panjwani Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	-	-	-	-
7	Mr. Anand Bathiya Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	-	-	-	-
8	#Mr. Shantilal Haria Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01-04-2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
9	Mr. Vipul Parekh - CFO				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	-	-	-	-
10	Mr. Jatin Shah- Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Director share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus /sweat equity, etc.)	-	-	-	-
	At the end of the year	-	-	-	-

* Pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 1st April, 2019.

#Mr Utpal Sheth resigned as Independent Director on August 14, 2019 due to his pre-occupation and has confirmed that there is no other material reason other than mention above for his resignation and Mr. Naushad Panjwani and Mr. Shantilal Haria were appointed as Independent Director on June 28, 2019 and August 14, 2019 respectively

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,57,91,51,000	-	-	1,57,91,51,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,57,91,51,000	-	-	1,57,91,51,000
Change in Indebtedness during the financial year				
* Addition	15,43,49,000	-	-	15,43,49,000
* Reduction	1,97,00,000	-	-	1,97,00,000
Net Change	13,46,49,000	-	-	13,46,49,000
Indebtedness at the end of the financial year				
i) Principal Amount	1,71,38,00,000	-	-	1,71,38,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,71,38,00,000	-	-	1,71,38,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs. in lakhs)	
		Name	Mr. Rasesh Kanakia	Mr. Himanshu Kanakia		Mrs. Hiral Kanakia
		Designation	Chairman, Whole time Director	Managing Director		Whole Time Director
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.99	15.99	15.00	46.98	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	-as % of profit	-	-	-	-	
	- others, specify	-	-	-	-	
5	Others, please specify	-	-	-	-	
	Total (A)	15.99	15.99	15.00	46.98	
	Ceiling as per the Act				104.32	

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs. in lakhs)
		Mr. Naushad Panjhwani	Mr. Utpal Sheth	Mr. Anand Bathiya	Mr. Shantilal Haria	
1	Independent Directors					
(a)	Fee for attending board/ committee meetings	0.90	0.80	1.00	0.60	3.30
(b)	Commission	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-
	Total (1)	0.90	0.80	1.00	0.60	3.30
2	Other Non-Executive Directors					
(a)	Fee for attending board committee meetings	-	-	-	-	-
(b)	Commission	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.90	0.80	1.00	0.60	3.30
	Total Managerial Remuneration (A+B)					50.28
	Overall Ceiling as per the Act					114.75

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs. in lakhs)
	Name	#Mr. Vipul Parekh	Mr. Jatin Shah	
	Designation	CFO	CS	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10.05	10.05
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (C)	-	10.05	10.05

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

S. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A	COMPANY					
(i)	Penalty	-	-	-	-	-
(ii)	Punishment	-	-	-	-	-
(iii)	Compounding	-	-	-	-	-
B.	DIRECTORS					
(i)	Penalty	-	-	-	-	-
(ii)	Punishment	-	-	-	-	-
(iii)	Compounding	-	-	-	-	-
C.	OTHER OFFICERS IN DEFAULT					
(i)	Penalty	-	-	-	-	-
(ii)	Punishment	-	-	-	-	-
(iii)	Compounding	-	-	-	-	-

**ANNEXURE 2 TO BOARD'S REPORT
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate/companies/joint ventures

Part "A": Subsidiary

Sr. No.	Particulars	Amount
		(In Rs.)
1	Name of the subsidiary	Transquare Realty Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period same as Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	1,00,000
5	Reserves & surplus	(1,55,288)
6	Total assets	2,61,243
7	Total Liabilities	2,61,243
8	Investments	0.00
9	Turnover	0.00
10	Profit before taxation	(84,139)
11	Provision for taxation	0.00
12	Profit after taxation	(84,139)
13	Proposed Dividend	Nil
14	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Transquare Realty Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

**For and on behalf
of the Board of Directors**

Rasesh Kanakia
Chairman
(DIN: 00015857)

Date: 15th September, 2020
Place: Mumbai

ANNEXURE 3 TO BOARD'S REPORT

POLICY ON DIRECTORS NOMINATION AND REMUNERATION

The philosophy for remuneration of Directors, KMP and all other employees of Cinline India Limited ("Company") is based on commitment demonstrated by the Directors, KMPs and other employees towards the Company and truly fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

I. PREAMBLE:

This Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013, read with the applicable Rules thereto and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into by the Company with Stock Exchanges, as amended from time to time. This Policy has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors based on the recommendations of the NRC.

II. OBJECTIVE:

The objective of the Policy is to ensure that:

- (i) To lay down criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (executive, non-executive and independent) including their qualifications, positive attributes and independence and who may be appointed as the Senior Management of the Company.
- (ii) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- (iii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iv) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

III. COMPLIANCE WITH APPLICABLE LAWS:

The procedure and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Companies Act, 2013 read with Rules framed thereunder, (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges,

(c) Articles of Association of the Company and (d) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR Policy of the Company.

IV. CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

In accordance with the provisions of Section 178(3) of the Act and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose are as under:

Criteria for determining qualifications, positive attributes and independence of a director:

I. QUALIFICATIONS:

- (a) He/ She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
- (b) Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed there under and the Listing Agreement with Stock Exchanges.

II. POSITIVE ATTRIBUTES:

- (a) He/ She should be a person of integrity, with high ethical standard.
- (b) He/ She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.
- (c) He/ She should be having courtesy, humility and positive thinking.
- (d) He/ She should be knowledgeable and diligent in updating his/her knowledge.
- (e) He/ She should have skills, experience and expertise by which the Company can benefit.

- (f) In respect of Executive/Whole time Director/ Managing Director, in addition to I (a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.

III. INDEPENDENCE:

In respect of an Independent director, in addition to I (a) & (b) and II (a) to (e) above, he/she should fulfil the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

V. REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration

shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4) Premium on Insurance Policy:

Where any insurance is taken by the Company on behalf of its Non-Executive / Independent Directors, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

Where any insurance is taken by the Company on behalf of its MD/EDs, KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

VI. POLICY IMPLEMENTATION

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

VII. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update

this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

**For and on behalf
of the Board of Directors**

Rasesh Kanakia
Chairman
(DIN: 00015857)

Date: 15th September, 2020
Place: Mumbai

ANNEXURE 4 TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

For The Financial Year Ended on March 31, 2020

(Pursuant to section 135 of the Companies Act, 2013 and Rule No. 9 of the Companies (Accounts) Rules, 2014)

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link www.cineline.co.in to the CSR Policy and projects and programs.	The Board of Directors (Board) adopted the CSR Policy (Policy) on 26th May, 2014 which is available on the Company's website. The Company's CSR is in alignment with the Companies focus initiatives – Education, Health, Art, Culture, etc. Besides, it also undertakes interventions in the areas of sports, environment and ethnicity all aimed at improving the quality of life of the communities.
2.	The Composition of the CSR Committee	1. Mr. Anand Bathiya (Chairman-CSR Committee) 2. Mr. Rasesh Kanakia, (Member) 3. Mr. Himanshu Kanakia, (Member)
3.	Average net profit of the Company (India –Standalone) for last three financial years.	Rs. 1374.26 lacs
4.	Prescribed CSR Expenditure to be spent (two percent of the amount as in item 3 above).	Rs. 27.48/- lacs
5.	Details of CSR spent during the financial year:	
	a) Total amount spent for the financial year;	Rs. 41.75/- lacs
	b) Amount unspent, if any;	Nil
	c) Manner in which the amount spent during the financial year:	The details are as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken.	Amount outlay (budget) project or programs wise (Rs. in Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Rs. in Lakhs)	Cumulative expenditure up to the reporting period (Rs. in Lakhs)	Amount spent: Direct or through implementation agency
1.	Housing for children suffering from chronic diseases presently focusing on cancer.	Promoting Home for orphans & Health Care	Mumbai, Maharashtra	Rs. 5.00	Rs. 5.00	Rs. 5.00	Through St. Jude India Childcare Centers
2.	Promoting Healthcare	Promoting Healthcare for Thalassemia pateints	Nashik, Maharashtra	Rs. 1.50	Rs. 1.50	Rs. 1.50	Through Arpan Thalassemia Society
3.	Promoting Healthcare	Promoting Healthcare and providing medical facilities	Amreli, Gujarat	Rs. 1.00	Rs. 1.00	Rs. 1.00	Through Amreli Muk Badhir Seva Trust
4.	Promoting Healthcare	Promoting Healthcare and providing medical facilities	Thane, Maharashtra	Rs. 0.75	Rs. 0.75	Rs. 0.75	Through Global Vision

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken.	Amount outlay (budget) project or programs wise (Rs. in Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Rs. in Lakhs)	Cumulative expenditure up to the reporting period (Rs. in Lakhs)	Amount spent: Direct or through implementation agency
5.	Promoting Healthcare	Promoting Healthcare and providing medical facilities	Udaipur, Rajasthan	Rs. 5.00	Rs. 5.00	Rs. 5.00	Through Narayan Seva Sansthan
6.	CM Relief Fund	CM Relief Fund	Mumbai	Rs. 2.00	Rs. 2.00	Rs. 2.00	CM Relief Fund
7.	Eradicating Hunger	Flood Relief Fund	Mumbai, Maharashtra	Rs. 5.00	Rs. 5.00	Rs. 5.00	Through Sangharsh
8.	Old Age Homes	Old Age Homes	Jamnagar, Gujarat	Rs. 15.00	Rs. 15.00	Rs. 15.00	Through MP Shah Municipal Vrudhashram
9.	Eradicating Hunger	Eradicating Hunger	Alegaon, Pune	Rs. 6.500	Rs. 15.00	Rs. 15.00	Through Daund Sugar Mills
	Total			Rs. 41.75	Rs. 41.75	Rs. 41.75	

6. In the case company has failed to spend the two per cent of the average net profit of the last three financial year or any part thereof, the company shall provide the reason for not spending the amount in its board report. : Not Applicable
7. The Company confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Anand Bathiya
Chairman- CSR Committee
(Din: 0001643)

Rasesh Kanakia
Member- CSR Committee
(Din: 00015857)

Date: 15th September, 2020
Place: Mumbai

ANNEXURE 5 TO BOARD'S REPORT

Secretarial Audit Report Form No. MR-3

For the Financial year ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Cineline India Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cineline India Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Cineline India Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as may be applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('The SEBI'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not relevant / applicable during the year under review)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not relevant / applicable during the year under review)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not relevant / applicable during the year under review)**

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Since the Company is in service industry there are no laws that are specifically applicable to the Company.

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period under review;

- (a) The Company had dispatched Postal Ballot notice dated 14th November, 2019, for the following purposes:
 - 1. Approve the material related party transaction for grant an additional loan (“Proposed Loan”) up to Rs. 50 crores (Rupees Fifty Crores only) to Kanakia Spaces Realty Private Limited (“KSRPL”);

**For D. M. Zaveri & Co
Company Secretaries**

Dharmesh Zaveri
(Proprietor)

FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 15th September 2020

ICSI UDIN:- F005418B000694678

ANNEXURE 6 TO BOARD'S REPORT
**[Pursuant to Section 197(12) and Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2020:

Sr. No.	Director	Remuneration(Rs. In lacs)	Median Remuneration(Rs. In lacs)	Ratio
1	Mr. Rasesh Kanakia, Chairman	15.99	1.91	8.35
2	Mr. Himanshu Kanakia, Managing Director	15.99	1.91	8.35
3	Mrs. Hiral Kanakia, Whole-time Director	15.00	1.91	7.84
4	Mr. Anand Bathiya, Independent Director	Nil	Nil	Nil
5	Mr. Naushad Panjwani, Independent Director	Nil	Nil	Nil
6	Mr. Shantilal Haria, Independent Director	Nil	Nil	Nil

(Sitting Fees paid to the Independent Directors have not been considered as remuneration.)

2. The Percentage increase in remuneration of each Director, CFO, Company Secretary in the financial year:

Sr. No.	Director	% increase
1	Mr. Rasesh Kanakia	0%
2	Mr. Himanshu Kanakia	0%
3	Mrs. Hiral Kanakia	0%
4	Mr. Anand Bathiya	NA
5	Mr. Naushad Panjwani	NA
6	Mr. Shatilal Haria	NA

Sr. No.	Company Secretary & CFO	% increase
1	Mr. Jatin Shah, Company Secretary	0%
2	Mr. Vipul Parekh, CFO	NA

3. Percentage increase in median remuneration of employees in the financial year: 9.30 %
4. The number of permanent employees on the rolls of the company as on 31 March, 2020: 29 (including directors)
5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2019-20 was 11.04% whereas there is 0% change in the remuneration of two executive directors and managerial remuneration of KMP for the same financial year.

6. The key parameters for any variable component of remuneration availed by the directors:

Please refer to the remuneration policy given as Annexure –3 to the Directors' Report.

7. It is affirmed that the remuneration paid is as per the remuneration policy of the company.

Top 10 employees in terms of remuneration drawn

Sr. No.	Name	Designation	Qualification	Date of Birth	Date of Joining	Remuneration Received (Rs.)	Experience (In years)	Particulars of last employment held - Designation & Organisation
1	Rasesh Kanakia	Chairman	OPM from Harvard Business School	14.09.1961	22.05.2002	1599996	36	NA
2	Himanshu Kanakia	Managing Director	Engineer	01.01.1964	22.05.2002	1599996	33	NA
3	Hiral Kanakia	Executive Director	Bachelor in Arts	29.08.1970	01.04.2015	1500000	25	NA
4	Ashish Barai	General Manager – Mall	MBA in Marketing & Finance, DBM, BSC.	05.05.1977	21.04.2007	1018866	21	Store Manager, Big Bazaar, Future Group,
5	Jatin Shah	CS & Legal Head	B.Com, CS and Post Graduate Degree in Law	23.01.1979	27.05.2013	1004712	18	Company Secretary - Hinduja Group Company
6	Nikhil Ashvin Mehta	Manager - Accounts & Audit	MBA in Finance	05.08.1984	20.05.2015	661404	18	Accounts Manager - Décor Exclusive Granites Pvt. Ltd.
7	Ajay Amarjeet Vishwakarma	Manager- Accounts & Taxation	Master in Finance Management. B.com	15.05.1988	01.12.2019	750720	12	DB Realty
8	Sheetal Thomas Dsouza	Sr. Manager- Administration	B.Com	13.11.1977	01.07.2019	743556	15	RBK School, Mira Road
9	Parasnath Jaiswal	Duty Manager – Mall	ITI Diploma	03.08.1975	07.07.2007	550746	18	Executive Maintenance- Big Bazaar, Future Group
10	Ketan Chitnis	Manager- Operations	Bachelor in Hotel Management. MBA - Operations	20.08.1987	05.08.2019	577944	12	Account Executive - Global Eng, Butibori

**For and on behalf
of the Board of Directors**

Rasesh Kanakia
Chairman
(DIN: 00015857)

Date: 15th September, 2020
Place: Mumbai

ANNEXURE-A TO DIRECTOR'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economy grew at a moderate 2.9% in calendar year (CY) 2019, slowest since 2008 global financial crisis, as against 3.6% in CY 2018. Factors like trade barriers, weak manufacturing activity, country specific shocks in emerging markets and apprehensions relating to Brexit impacted growth.

The Emerging Markets and Developing Economies (EMDEs) registered a marked slowdown with economic growth rate of 3.7% in CY 2019 as against 4.5% in CY 2018. Weak economic activity in Brazil, Mexico, Russia, South Africa and especially India which a sharp decline in consumption due to the non-banking financial companies (NBFC) crisis resulted in slower growth.

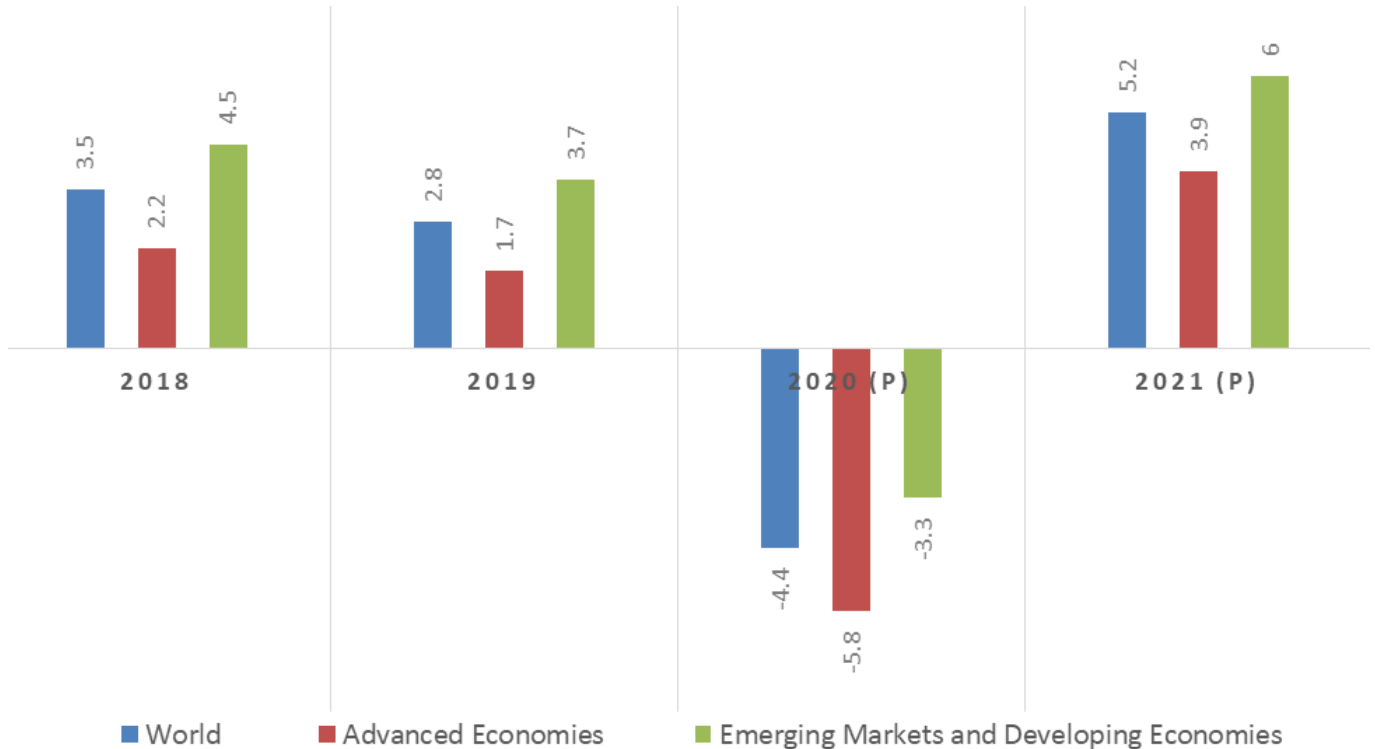
The Advanced Economies (AEs) also registered a decline in economic activity with a growth rate of 1.7% in CY 2019 as against 2.2% in CY 2018. The overall growth of AEs was weighed down by weakness in the US and Europe economies.

The US economy post several quarters of above-trend performance steamed out, resulting in growth rate declining from 2.9% in CY 2018 to 2.3% in CY 2019. The European countries were impacted due to looming uncertainty over trade deal following Britain's exit from the Union resulting in lower growth rate of 1.3% in CY 2019 as against 1.9% in CY 2018. (Source: IMF World Economic Outlook June 2020)

Outlook

While the global economy was showing revival with manufacturing activity and trade showing tentative signs of bottoming out towards the end of CY 2019, the onset of COVID-19 pandemic has triggered a recessionary trend. With every country being significantly impacted, the global growth is projected at -4.4% in CY 2020. Though the growth is expected to rebound in CY 2021 to 5.2% due to pent up demand, in the medium term it is likely to slowdown to 3.5%. (Source: World Economic Outlook October 2020, International Monetary Fund)

Summary of world output



Indian Economy

The Indian economy grew at 4.2% in FY 2019-20. The growth was slower than 6.1% witnessed in FY 2018-19 as trade and financial market confidence remained low amidst a global turmoil, resulting in subdued consumption and private investment. Liquidity crunch triggered by the non-banking finance sector crisis further dampened activity. As the economy was starting to see recovery towards in the last quarter supported by falling oil prices, the sudden outbreak of COVID-19 pandemic unleashed unprecedented challenges.

The rapid spread of the virus triggered apprehensions among consumers and businesses. The Government to curb the spread called for nation-wide lockdown which in turn stalled economic activity and impacted both consumption and investment.

Despite, the challenges the fundamentals of the country remain strong with inflation averaging 4.8% and foreign exchange reserves rising to a comfortable level of USD 476.2 billion at the end of FY 2019-20. The robust fiscal position facilitated the Government to roll-out special economic and comprehensive package worth Rs. 20 lakh crore to support the economy. This included Rs. 1.7 trillion stimulus for the marginalised sections to help them sustain. The Government also announced the 'Atmanirbhar Bharat Abhiyan' aimed at supporting domestic companies tide by promoting the use of local products and services.

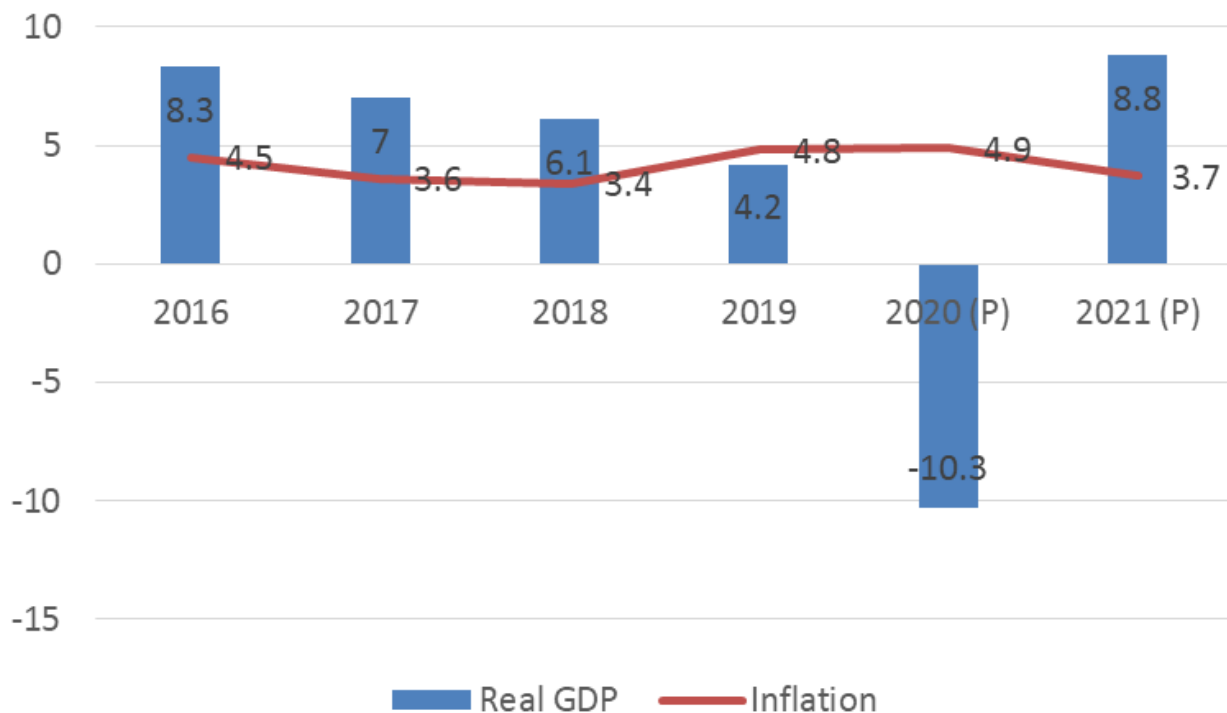
The Reserve Bank of India also took an accommodative stance and reduced key repo rate by 115 bps to 4.0% to assist flow of credit to drive economic activity and maintain financial stability.

Outlook

Covid-19 pandemic has triggered a recessionary trend globally and the Indian economy too is likely to witness setback. The IMF forecasts the Indian economy to contract by 10.3% in 2020 before rebounding to 8.8% growth in 2021.

The Indian economy's long-term outlook remains positive. Reformative policies like GST, Insolvency and Bankruptcy Code and Foreign Direct Investment liberalization strengthened the country's fundamentals. Measures of corporate tax rate cuts, front-loaded infrastructure investment programmes, bank recapitalisation along with supportive policy measures for the farmers are likely to drive growth.

Already the Indian economy is seeing signs of revival with faster than expected recovery since the second half of the FY 2020-21. High frequency indicators like electricity generation, GST and e-way bills collection, rail freight and port cargo traffic, and automotive sales have started to rebound. Global forecasting firms Morgan Stanley and Goldman Sachs have also weighed on their confidence in the prospects of Indian economy. (Source: IMF World Economic Outlook, ICRA)



Industry review

The real estate sector is the second largest employer in India. The industry after witnessing a period of fast paced growth has witnessed a slowdown in recent years due to various regulatory reforms that has brought structural change.

The year 2019 was mixed for the industry. While NBFC crisis led to liquidity squeeze and impacted sales, the launch of India's first Real Estate Investment Trust (REIT) was positive and will open new investment avenues.

Reforms such as Real Estate (Regulation and Development) Act (RERA), the Goods and Services Tax (GST), and the Insolvency and Bankruptcy Code (IBC) while good for the long-term have brought a halt to the industry's momentum in the short term. They are expected to drive formalization, trust and transparency in the industry. Reduction in GST rates to 1% for affordable housing and 5% for others will further help drive in the industry's growth. Over the medium to long term the industry's growth is expected to accelerate with projections to reach US\$ 650 billion by 2025 and US\$ 1,000 billion by 2030.

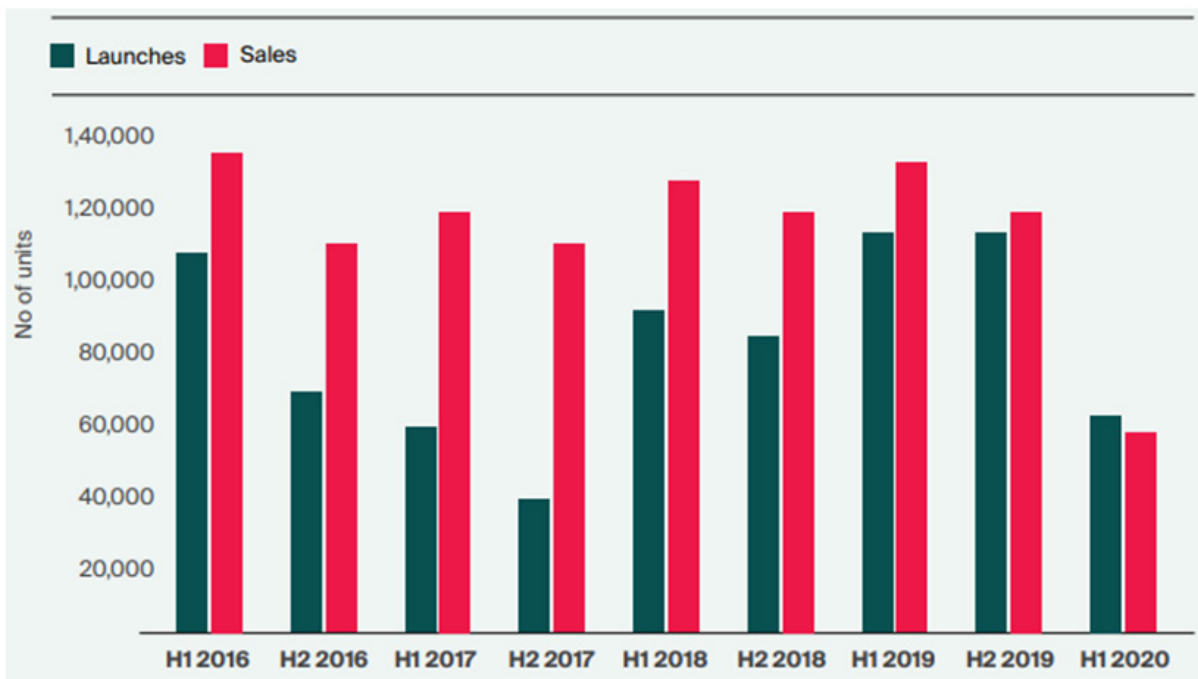
The onset of Covid-19 pandemic may further delay the recovery if the virus spread rate continues to persist. It is driven recessionary trend across all countries globally. All industries have been impacted especially the real estate due to disruptions in raw material supply chain, issue of migrant labour availability and weak consumer sentiments. (Source: Knight Frank Indian Real Estate report H1 2020)

Residential market

FY 2019-20 saw weak housing demand in India led by a slowing economy, credit crunch and then the outbreak of Covid-19. The overall housing sales during the year declined by 11% to 3,22,667 units across nine cities, primarily led by a 16% decline in sales of under-construction to 2,58,281 units. Sales of ready-to-move-in flats remain buoyant and grew by 19% to 64,386 units driven by benefit of GST exemption and immediate possession. This segment continues to witness surge led by home buyers growing concerns about project completion and delays. The share of completed projects in the total housing sales increased to 20% compared to 15% in FY 2018-19. (Source: PropTiger report)

The real estate industry has witnessed a significant dip since the pandemic. The housing launches and sales in H1 CY 2020 across top eight cities (Mumbai, Pune, NCR, Bengaluru, Kolkata, Chennai, Hyderabad, Ahmedabad) declined by 46% and 54% respectively as compared to H1 CY 2019. To overcome the slack in demand and encourage sales, there is rising trend of developers aligning to the needs of home buyers by reducing ticket and unit sizes. Measures such as loan moratorium by the RBI and six months extension on RERA completion dates for all registered projects will provide some relief to developers.

Residential launches and sales in top eight cities



In 2019 Mumbai Metropolitan Region witnessed a 7% increase in new housing launches to 79,810 units and a 5% decline in sales to 60,943 units. The region remained one of the most impacted due to the pandemic and witnessed the new launches and sales declining by 47% and 45% respectively in H1 2020 over H1 2019. Weighted average prices have declined 3.2% YoY.

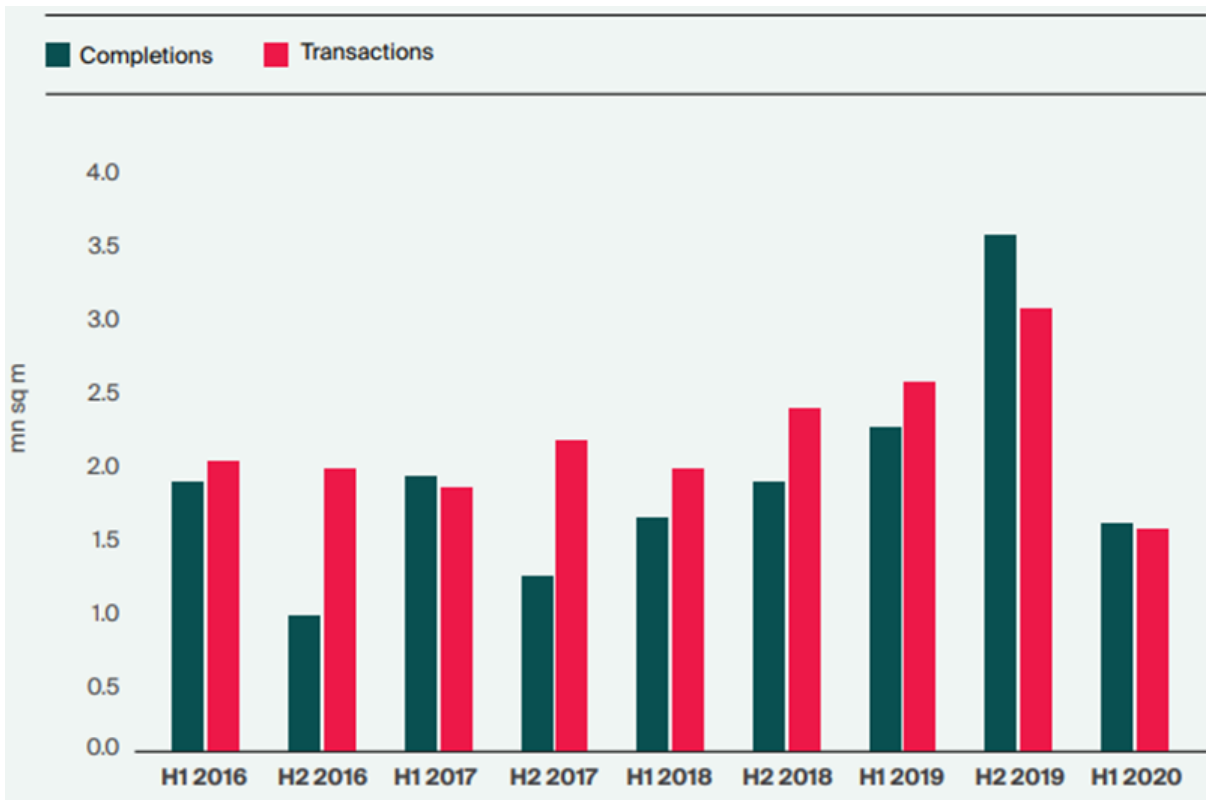
Office market

2019 saw new commercial office assets completions across top eight cities increase by 56% to 61.3 million sq. ft. (msf) taking the total stock to 758 msf. Transactions increased by 27% to 60.6 msf and vacancy rate stood at 13.2%. Bengaluru, Hyderabad, NCR and Mumbai remains the top regions in terms of space take-up, accounting for almost 75% of the overall

space take-up. Tech firms continue to account for majority share in total space taken up in 2019 at 40% compared to a third in 2018, a leasing by them grew 45%.

Office market despite being the best performing real estate property type has witnessed challenging phase after the pandemic. New completions and transactions fell by 27% and 37% to 17.3 msf and 17.2 msf in H1 2020 as compared to H1 2019. Pune, NCR, Bengaluru and Hyderabad were the hardest hit markets recording over 40% decline in demand. Mumbai saw a moderate YoY decline of 17% in transaction volumes supported by two big ticket leases totaling 1.8 msf that accounted for almost half of its total transactions. (Source: Knight Frank)

Indian office market activity



Retail market

India's rapidly growing consumption market provides a thrust to the retail industry. With a total population of 1.3 billion, a GDP of USD 2.7 trillion with a private consumption share of nearly 60% and rising per capita income, the retail industry is set to grow exponentially. Shift to organised sector, low per-capita mall availability and rising expectation of individuals for malls being an entertainment destination centre further make a strong case for growth in retail real estate.

In line with this, the CY 2019 witnessed USD 970 million being pumped by PE investors into Indian retail. The vacancy levels have in retail sector have also dropped to 14% in CY 2019. It is estimated that ~7 msf of retail space will enter the market in CY 2020.

Business overview

Cineline India Limited is a part of Kanakia Group. The Company is one of the most trusted real estate players having a track record of identifying commercial properties with high return potential in Mumbai and western India. The Company engages in renting out commercial and retail properties, providing parking and advertising spaces in high-street malls, and selling power.

The Company's rental assets include:

- **Nine theatres** (seven in and around Mumbai and one each in Nasik and Nagpur) leased to leading film exhibitor, PVR Limited on a long-term basis, thus ensuring steady and significant rental revenue
- **A mall** (Eternity Mall) situated in Nagpur's prime area. It is amongst the most prominent retail destinations in the city with almost 100% occupancy by leading Indian and international brands. The Company arranges several fun-filled events and exhibitions at the mall to enhance footfalls. In addition to rentals, the mall also generates significant income from car-parking, maintenance and advertising
- **Two commercial properties** Boomerang in Chandivali, Powai and Kanakia Wall Street in Andheri East. The Company is in process of selling/ transfer the Kanakia Wallstreet property.

The Company has successfully diversified into the renewable energy business. It owns and operates two windmills at Viswada (Gujarat) and Revangaon (Maharashtra) with power generation capacity of 0.6 MWA and 1.6 MWA respectively. This strategic investment has de-risked the Company's business with an additional revenue source in an area which is witnessing significant importance to address the climate change challenge.

Review of Financial Performance

In FY 2019-20, the Company's total revenue increased 20.81% from Rs. 3,493.94 Lacs in FY 2018-19 to Rs. 4,221.01 Lacs. Revenue from retail space increased 6.27% to Rs. 2391.62 Lacs and accounted for 56.65% of the total revenue. EBITDA increased 24.72% from Rs. 2,678.32 Lacs in FY 2018-19 to Rs. 3,340.27 Lacs in FY 2019-20. Net Profit declined 22.46% from Rs. 985.59 Lacs in FY 2018-19 to Rs. 764.13 Lacs attained in FY 2019-20.

Segment-wise revenue

Considering the nature of operations and the manner in which the chief operating decision maker of the Company reviews the operating results, the Company has concluded that there is only one operating segment as per Ind AS 108 "Operating Segments" i.e. retail space. Accordingly, no separate disclosures of segment information have been made. The Company's revenue from retail space increased by 6.27% from Rs. 2,241.60 lacs to Rs. 2,391.62 lacs in FY 2019-20.

(Rs. in Lacs)

	FY 2019-20	FY 2018-19	% difference
Retail space	2391.62	2241.60	6.27

Key Financial Ratios

The Debtors turnover Ratio stands at 11.12 for current financial year as compared to 8.87 for previous financial year due to reduction in debtors. Current ratio declined to 0.55 as at 31st March, 2020 as compared to 8.87 as at 31st March, 2019 as the Company invested its liquid funds as on last financial year in non-current assets in the current financial year. Operating Profit Margin of the Company remains healthy at 72.99% in current financial year as compared to 75.59% in the previous financial year. Net profit margin for FY 2019-20 and 2018-19 were 18.10% and 28.21% respectively. Return on Networth for FY 2019-20 and 2018-19 were 6.26% and 8.62% respectively. The main reason for change is due to increase in depreciation and CAM/Property tax of Wallstreet units for which possession was taken at end of last financial year.

Opportunities and outlook

The long-term outlook of the real estate sector in India remains positive having passed through all the hurdles due to the regulatory changes. Rapid urbanisation, growing disposable income, rising aspirations and huge population is likely to provide the growth thrust. However, FY 2020-21 is expected to be another challenging year for the real estate sector as the pandemic continues to spread well into the second half of the year and the state of economy remains weak. Issues of labour and raw material unavailability, liquidity crunch and lockdown are likely to impact delivery schedules of many projects. The new reality of work from home may impact office segment

transactions. On the positive side, the decline in interest rates and reduction in discretionary spending, and measures provided by the Government will help support the industry.

As the pandemic subsides, the pent-up demand and restart of stalled projects will likely accelerate launches and sales. The multiple ambitious projects of the Government i.e. Smart Cities and Housing for All will set the stage for revival.

Amidst the ongoing scenario, the Company is focused on taking a cautious approach to ensure its balance sheet position remains strong. It is undertaking cost optimization initiatives and strengthening collections mechanism to ensure sustained flow of funds. At the same time, the Company also considers the present scenario as the right time to acquire assets at attractive valuations as prices has fallen and demand is low. The Company is focused on using this opportunity to explore high-quality assets and look for geographical expansion in locations that are expected to real estate hot spots.

Risks and Concerns

Real estate is a capital-intensive sector where performance of companies can be impacted to project delays, cost of capital, labour and material unavailability, regulatory changes and liquidity issues. These are some of the reasons accountable for the present slowdown witnessed in the industry. However, the Company being into leasing of real estate properties on long-term basis is relatively secured from these factors as it earns assured and steady rental income. Its mall asset additionally generates ancillary revenues from parking and advertising spaces thereby ensuring steady cash flows generations. The Company's expert team of people further ensures that it invests in right assets in right location having potential for steady rentals, rental growth and eventually capital appreciation.

The Company's diversification in the windmill business, a source of highly demanded renewable energy, further provides de-risking as well as additional income.

Human Resources

Cineline's is a knowledge-based organisation where expertise and knowledge of employees is critical in making investment decisions. In line with this, the Company ensures hiring employees with deep experience in real estate industry and provides them necessary training to enhance their skills. For this, skill development programmes, trainings and workshops are conducted at regular intervals through with internal

and external experts. The Company follows a transparent, conducive, inspiring and open-door work environment where employees are encouraged to bring forth their ideas and view. The Company has adopted various best practices to enhance employee motivation and satisfaction levels which in turn drives organisational productivity and improves business outcomes.

The Company ensures that its employees adhere to the Code of Conduct while interacting with the stakeholders to strengthen relations. Employee health and safety remains an important agenda and the Company has implemented globally recognised safety practices. Employees working at the windmill are equipped with necessary safety gears and are providing safety training. The Company follows zero tolerance policy for safety related measures to reduce the risk of work-related accidents across the project sites. The Company also ensures fair remuneration to the contract labourers at par with the industry standards.

The Company continues to maintain harmonious relationship with its workforce. As on March 31, 2020, its total employee strength stood at 29 (including Directors).

Internal Control Systems

The Company has adequate and well-framed internal control systems commensurate to the size, nature and complexity of its operations. The Company ensures having a robust control framework with well-documented policies, procedures and processes. This helps in ensuring compliance with the applicable laws and regulations, protecting assets, preventing frauds and errors and timely and accurate reporting of transactions. The Company has appointed internal and external auditors to review and audit the internal controls and assess their efficacy. Any inconsistency/deviation is immediately flagged off to the Senior Management who in turn monitors the mechanism and undertakes necessary actions.

Cautionary Statement

This report contains forward looking statements that involve risks and uncertainties including, but not limited to, the risk inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, reliance on the availability of qualified and trained manpower and other factors. Actual results, performances or achievements could differ materially from those expressed or implied by such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

CORPORATE GOVERNANCE

ANNEXURE-B TO DIRECTOR'S REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2020, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Regulations and Disclosure Requirements), 2015 ("Listing Regulation").

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"Corporate governance is about maintaining an appropriate balance of accountability between three key players: the corporation's owners, the directors whom the owners elect and the managers whom the directors select. Accountability requires not only good transparency, but also an effective means to take action for poor performance or bad decisions."

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors and enhance the trust and confidence of the stakeholders.

We believe that sound corporate governance is critical to enhance and retain investors trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

Our disclosures always seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our corporate governance philosophy is based on the following principles:

1. Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
2. Be transparent and maintain a high degree of disclosure levels.
3. Communicate externally, in a truthful manner, about how the Company is run internally.

4. Have a simple and transparent corporate structure driven solely by business needs.

The Company, through its Corporate Governance envisages an attainment of transparency, accountability, integrity and propriety in total functioning of the Company and conduct of business, both internally and externally. The Company defines Corporate Governance as a set of guidelines that are followed by the Board of Directors and the Management of the Company voluntarily.

II. BOARD OF DIRECTORS

Composition and category of Directors as on 31st March, 2020:

The Board of Directors of your Company comprises of Six (6) Directors as on 31st March, 2020 representing the optimum combination of professionalism, knowledge and experience. Of these six members, three of them are non-independent executive Directors out of which one is a woman director and are forming part of the promoters group of the Company and other three are independent non-executive directors.

Name of Director	Designation	Category	
		Executive/ Non-Executive	Independent/ Non-Independent
Mr. Rasesh Kanakia	Chairman	Executive	Non - Independent
Mr. Himanshu Kanakia	Managing Director	Executive	Non - Independent
Mrs. Hiral Kanakia	Whole-time Director	Executive	Non - Independent
#Mr. Utpal Sheth	Director	Non - Executive	Independent
*Mr. Kranti Sinha	Director	Non - Executive	Independent
Mr. Anand Bathiya	Director	Non - Executive	Independent
#Mr. Naushad Panjwani	Director	Non - Executive	Independent
#Mr. Shantilal Haria	Director	Non - Executive	Independent

*Pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2019/10 dated 9th May, 2019, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 30th April, 2019.

Mr. Utpal Sheth resigned as Independent Director on August, 14, 2019 due to his pre-occupation and has confirmed that there is no other material reason other than mentioned above for his resignation and Mr. Naushad Panjwani & Mr. Shantilal Haria were appointed as Independent Director on June 28, 2019 and August 14, 2019 respectively.

Directorship / Committee Membership as on 31st March, 2020 (including CINELINE):

Sr. No.	Name of the Director	No .of Directorships*	Board Committees**	Chairmanships of Board Committees**
1	Mr. Rasesh Kanakia	1	2	Nil
2	Mr. Himanshu Kanakia	1	1	Nil
3	Mrs. Hiral Kanakia	1	Nil	Nil
4	Mr. Anand Bathiya	1	2	2
5	Mr. Naushad Panjwani	1	1	Nil
6	Mr. Shantilal Haria	2	2	Nil

*The Directorships excludes Private Limited Companies, Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Alternate Directorship.

** Chairmanship/Membership of Committees only includes Audit Committee and Stakeholder Relationship Committee in Indian Public Limited companies including Cinline India Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.

Matrix of expertise and skill of Directors

Present Directors of the Company (including directors seeking appointment) having different skill and expertise in respective domain area viz. sales and marketing, technology and business management, accounting, finance and taxation etc. Following is the qualification, expertise and skill of the Directors of the Company. The Board is of the opinion that the skill or competence required for the Directors in relation to the present business of the Company includes finance, accounts, taxation, technology, legal, operation, business development and compliance:-

Sr. No.	Name of Director	Designation	Qualification	Skills/expertise/competence/experience
1	Mr. Rasesh Kanakia	Executive Chairman	Owner President Management Programme from Harvard University	Management & Strategy, Global Business Leadership, Finance, Investment & Treasury, Regulatory and Government matters and CSR matters.
2	Mr. Himanshu Kanakia	Executive Managing Director	Engineer	Management & Strategy, Global Business Leadership, Engineering, Operations Finance, Investment & Treasury, Regulatory and Government matters and CSR matters.
3	Mrs. Hiral Kanakia	Executive, Whole-time Director	Bachelor in Arts	Human Resource and Administration.
4	Mr. Anand Bathiya	Independent Director	Bachelor of Commerce, Company Secretary and Chartered Accountant	Management & Strategy, Finance & Taxation, Banking & Treasury, Financial Services, Audit & Risk Management, Business Advisory, Company Law, Regulatory matters, Corporate Governance and Ethics.
5	Mr. Naushad Panjwani	Independent Director	Bachelor of Commerce and Chartered Accountant	Management & Strategy, Finance & Taxation, Banking & Treasury, Financial Services, Audit & Risk Management, Business Advisory, Regulatory matters and Ethics.
6	Mr. Shantilal Haria	Independent Director	Bachelor of Commerce, Company Secretary and Chartered Accountant	Management & Strategy, Finance & Taxation, Banking & Treasury, Financial Services, Audit & Risk Management, Business Advisory, Company Law, Regulatory matters, Corporate Governance and Ethics.

Independent Directors:

The Non-Executive Independent Directors fulfill the conditions of Independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with the requirements of Regulation 16(1)(b) of the Listing Regulation. A formal letter of appointment to the Independent Director as provided in the Companies Act, 2013 and the Listing Regulation has been issued and disclosed on the websites of the Company viz. www.cineline.co.in.

Personal Shareholding of Non- Executive Directors, in the Company as on 31st March, 2020 is as follows:

Name of Director	No of equity shares of Rs. 5/- each, held
Mr. Kranti Sinha	Nil
#Mr. Utpal Sheth	Nil
Mr. Anand Bathiya	Nil
#Mr. Naushad Panjwani	Nil
#Mr. Shantilal Haria	Nil

*Pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2019/10 dated 9th May, 2019, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 30th April, 2019.

Mr. Utpal Sheth resigned as Independent Director on August, 14, 2019 due to his pre-occupation and has confirmed that there is no other material reason other than mentioned above for his resignation and Mr. Naushad Panjwani & Mr. Shantilal Haria were appointed as Independent Director on June 28, 2019 and August 14, 2019 respectively.

Directors of the Company do not hold any options or instruments convertible into equity shares of the Company.

Board Meetings

Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. The Board meetings are pre-scheduled and a tentative calendar of the Board meetings is circulated to the Directors in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at subsequent Board meeting.

The notice of each Board meeting is given in writing to each Director. The Agenda along with relevant notes and other material information are sent in advance to Directors and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis budgets/targets.

In the financial year 2019-20, the Board met five times. The meetings were held on 9th May, 2019, 28th June, 2019, 14th August, 2019, 14th November, 2019 and 13th February, 2020. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

Attendance of the Directors at the Board Meeting and at the last Annual General Meeting (AGM):

Sr. No.	Name of Director	No. of Board meetings held	No. of Board meetings attended	Attendance at AGM held on 26th September, 2019
1	Mr. Rasesh Kanakia	5	5	Present
2	Mr. Himanshu Kanakia	5	4	Present
3	*Mr. Kranti Sinha	5	0	NA
4	#Mr. Utpal Sheth	5	1	NA
5	Mrs. Hiral Kanakia	5	4	Present
6	Mr. Anand Bathiya	5	4	Present
7	#Mr. Naushad Panjwani	5	3	Present
8	#Mr. Shantilal Haria	5	3	Present

*Pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2019/10 dated 9th May, 2019, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 30th April, 2019.

Mr. Utpal Sheth resigned as Independent Director on August, 14, 2019 due to his pre-occupation and has confirmed that there is no other material reason other than mentioned above for his resignation and Mr. Naushad Panjwani & Mr. Shantilal Haria were appointed as Independent Director on June 28, 2019 and August 14, 2019 respectively.

Information given to the Board:

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulation to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

Post Meeting Mechanism:

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments/divisions.

Board Support:

The Company Secretary attends the Board/Committee meetings and advises on Compliances with applicable laws and governance.

Familiarization Program for Directors:

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director also explained in detail the Compliance required from him under the Companies Act, 2013, Listing Regulation and other relevant regulations and affirmations taken with respect to the same. The Chairman and the Managing Director also has one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further the Company has put into place a system to familiarise the Independent Director about the Company, its business and the on-going events relating to the Company. The details of such program are available on the web link www.cineline.co.in.

Disclosure of relationship between Directors inter-se:

Mr. Himanshu Kanakia is younger brother of Mr. Rasesh Kanakia, being the Chairman of the Company and Mrs. Hiral Kanakia is wife of Mr. Himanshu Kanakia who is the Managing Director of the Company.

III. COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and functions under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the Minutes of the Committee Meetings are placed before the Board for their noting.

The Board has currently the following Committees:

(A) AUDIT COMMITTEE

Composition:

The Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to

supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provision of Regulation 18 of the Listing Regulation. All members of the Audit Committee are financially literate and bring expertise in the field of Finance, Taxation, Economics and Risk.

The Audit Committee as on 31st March, 2020 comprised of four (4) members namely, Mr. Anand Bathiya - Chairman, Mr. Naushad Panjwani, Mr. Shantilal Haria and Mr. Rasesh Kanakia of which first three are independent directors. The Managing Director, the Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

However, pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 1st April, 2019. The Board vide Circular resolution dated 30th April, 2019 has re-constituted the Audit Committee and has appointed Mr. Anand Bathiya as Chairman of the Audit Committee. Mr. Utpal Sheth resigned as the member of the Audit Committee on August 14, 2019.

Objective:

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting processes of the Company, the audit of the Company's Financial Statements, the appointment, independence and performance of the statutory and internal auditors and the Company's risk management policies.

Meetings and Attendance:

The Audit Committee met Five (5) times during the Financial Year 2019-20. The maximum gap between two meetings was not more than 120 days. The Committee met on 9th May, 2019, 28th June, 2019, 14th August, 2019, 14th November, 2019 and 13th February, 2020. The necessary quorum was present for all meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Audit Committee:

Attendance of each Member at the Audit Committee Meetings:

Name of Committee Member	Designation	No. of Meeting Held	No. of Meeting Attended
*Mr. Kranti Sinha	Chairman, Independent Director	5	0
Mr. Rasesh Kanakia	Member, Executive Director	5	5
#Mr. Utpal Sheth	Member, Independent Director	5	1
Mr. Anand Bathiya	Member, Independent Director	5	5
#Mr. Naushad Panjwani	Member, Independent Director	5	3
#Mr. Shantilal Haria	Member, Independent Director	5	3

*Pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2019/10 dated 9th May, 2019, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 30th April, 2020.

Mr. Utpal Sheth resigned as Independent Director on August, 14, 2019 due to his pre-occupation and has confirmed that there is no other material reason other than mentioned above for his resignation and Mr. Naushad Panjwani & Mr. Shantilal Haria were appointed as Independent Director on June 28, 2019 and August 14, 2019 respectively.

Terms of References: The terms of reference / powers of the Audit Committee are as under:

A. Powers of the Committee: The Committee is vested with the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Other powers as may be mandated by any Law for time being force or as per Listing Agreement.

B. Role of Committee: The Committee shall function primarily in the following roles:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of the audit fees;

- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors on any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal

control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

C. Review of information by Audit Committee: The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of Deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

(B) NOMINATION AND REMUNERATION COMMITTEE

Composition:

The Nomination and Remuneration Committee as on 31st March, 2020 comprised of three (3) Directors. Mr. Anand Bathiya, Non-Executive, Independent Director, is the Chairman of the Committee. The other member of the Nomination and Remuneration Committee includes Mr. Naushad Panjwani and Mr. Shantilal Haria. The Composition of Nomination and Remuneration

Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulation.

Meeting and Attendance:

The Nomination and Remuneration Committee met two (2) times during the Financial Year 2019-20. The Committee met on 28th June, 2019 and 14th August, 2019.

Attendance of each Member at the Nomination and Remuneration Committee Meetings:

Name of Committee Member	Designation	No. of Meeting Held	No. of Meeting Attended
#Mr. Utpal Sheth	Member, Independent Director	2	2
Mr. Anand Bathiya	Member, Independent Director	2	1
#Mr. Naushad Panjwani	Member, Independent Director	1	1
#Mr. Shantilal Haria	Member, Independent Director	NA	NA

Mr. Utpal Sheth resigned as Independent Director on August, 14, 2019 due to his pre-occupation and has confirmed that there is no other material reason other than mentioned above for his resignation and Mr. Naushad Panjwani & Mr. Shantilal Haria were appointed as Independent Director on June 28, 2019 and August 14, 2019 respectively.

Terms of Reference:

The Board has framed the Nomination and Remuneration Committee policy which ensures effective compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulation. The Board has clearly defined terms of reference for the Nomination and Remuneration Committee, which are as follows:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) devising a policy on diversity of board of directors;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- e) whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.

Performance evaluation criteria for Independent Directors:

Each Independent Director's performance was evaluated by Schedule IV of the Companies Act, 2013 having regard to the following criteria of evaluation viz. (i) preparedness (ii) participation (iii) value addition (iv) focus on governance and (v) communication.

The Non-Executive Directors of the Company comprises of Independent Directors and are paid sitting fees for the time devoted to the Company. Apart from the sitting fees, there is no other material pecuniary relationship or transactions by the Company with the Directors. The performance criteria for payment of remuneration are stated in the Remuneration Policy as specified in Annexure 3 to the Director's Report.

Other service contracts, notice period and severance fees, among others – None

(C) REMUNERATION OF DIRECTORS

In accordance with the provision of section 178(3) of the Act, the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees which was approved and adopted by the Board and the same is annexed as Annexure 3 to the Director's Report.

Criteria of making payments to non-executive directors are disclosed in Annexure 3 to the Director's Report and also available on the web link www.cineline.co.in.

Details of Remuneration to Directors during the financial year 2019-20:

Name of the Director	Sitting Fees for Board & Committees Meeting (Amount in Rs.)	Salary & Perquisites (including PF, etc.) \ (Amount in Rs.)
Mr. Rasesh Kanakia	N.A.	15,99,996
Mr. Himanshu Kanakia	N.A.	15,99,996
Mrs. Hiral Kanakia	N.A.	15,00,000
Non-Executive Director		
Mr. Utpal Sheth, Independent Director	80,000	N.A.
Mr. Anand Bathiya, Independent Director	100,000	N.A.
Mr. Naushad Panjwani, Independent Director	90,000	N.A.
Mr. Shantilal Haria, Independent Director	60,000	N.A.

The Non-Executive Directors are paid remuneration in accordance with the prevalent practice in the industry and

commensurate with their experience, time devoted to the Company and also taking into account profits of the Company and is specified in detail in Annexure 1 to the Director's Report.

Apart from the above remuneration, there is no other material pecuniary relationship or transactions by the Company with the Directors.

(D) STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulation, as on 31st March, 2020 the Stakeholder Relationship Committee comprised of three Directors. Mr. Anand Bathiya, Non-Executive, Independent Director is the Chairman of this Committee.

However, pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 1st April, 2019. The Board vide Circular resolution dated 30th April, 2019 has re-constituted the Stakeholders Relationship Committee and has appointed Mr. Anand Bathiya as Chairman of the Stakeholders Relationship Committee.

Meeting:

The Stakeholders' Relationship Committee met two (2) times during the Financial Year 2019-20. The Committee met on 9th May, 2019 and 14th November, 2019.

Attendance of each Member at the Stakeholders' Relationship Committee Meetings:

Name of Committee Member	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Anand Bathiya	Chairman, Independent Director	2	2
Mr. Rasesh Kanakia	Member, Executive Director	2	2
Mr. Himanshu Kanakia	Member, Executive Director	2	2

Terms of Reference: The terms of reference for the Committee are:

- transfer/transmission of shares as may be issued by the Company from time to time;

- b) issue of duplicate share certificates for shares and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- c) monitoring expeditious redressal of investors / stakeholders grievances;
- d) to oversee the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services;
- e) to issue and allot debentures, bonds and other securities subject to such approvals as may be required;
- f) to monitor dematerialization / rematerialisation of shares and all matters incidental or related thereto;
- g) to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- h) to perform any other function, duty as stipulated by the Companies Act, Securities & Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as amended from time to time.

Mr. Jatin Shah, Company Secretary of the Company is the Compliance Officer of the Company and also acts as Secretary to the Committee. The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. Their addresses of correspondences are specified herein below.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.

Details of Shareholder’s Complaints:

The total numbers of complaints received and replied to the shareholders during the year ended 31st March, 2020 was nil, as per details given below. There were no complaints outstanding as on March 31, 2020.

Nature of Complaints	Received	Resolved
Non-Receipt of Annual Reports	Nil	Nil
Non-Receipt of Dividends	Nil	Nil
Miscellaneous	Nil	Nil
Total	Nil	Nil

(E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee as on 31st March, 2020 comprised of three (3) Directors. Mr. Anand Bathiya, Non-Executive, Independent Director is the Chairman of the Committee. The other members of the CSR Committee include Mr. Rasesh Kanakia and Mr. Himanshu Kanakia. The Company has formulated CSR Policy which is uploaded on the website of the Company. However, pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements), 2015 notified vide Notification No: SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, directorship of Mr. Kranti Sinha as Non-Executive Independent Director has been discontinued with effect from 1st April, 2019. The Board vide Circular resolution dated 30th April, 2019 has re-constituted the Corporate Social Responsibility Committee and has appointed Mr. Anand Bathiya as Chairman of the Corporate Social Responsibility Committee.

Terms of Reference:

The terms of reference of the Corporate Social Responsibility Committee broadly comprises:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR Committee meeting was held on 9th May, 2019 during the Financial Year 2019-2020. All members of the Committee were present and no leave of absence was granted.

(F) INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 13th February, 2020 inter alia, to discuss;

- 1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- 2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The necessary quorum was present at the meeting.

IV. GENERAL BODY MEETING:

ANNUAL GENERAL MEETING

Location and time, where last three Annual General Meetings (AGM) held:

Year	Venue/Location	Day, Date and Time	Special resolutions passed
2019	Cinemax Theatre, Eagle's Flight, Behind Guranak Petrol Pump, Andheri Kurla Road, Andheri (East). Mumbai-400093	Thursday, 26th September, 2019 at 10.30 AM	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Anand Bathiya (DIN: 03084831) as an Independent Director of the Company. 2. Appointment of Mr. Naushad Panjwani (DIN: 06640459) as an Independent Director of the Company. 3. Appointment of Mr. Shantilal Haria (DIN: 00295097) as an Independent Director of the Company. 4. Re-appointment of Mrs. Hiral Kanakia (DIN: 00015924) as Executive Director of the Company. 5. To approve sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013. 6. To make investments, give loan, guarantees and provide securities under section 186 of the Companies Act, 2013. 7. To approve the loan to related party under Section 185 of Companies Act, 2013. 8. To approve material related party transaction.

Year	Venue/Location	Day, Date and Time	Special resolutions passed
2018	Cinemax Theatre, Eagle's Flight, Behind Guranak Petrol Pump, Andheri Kurla Road, Andheri (East). Mumbai-400093	Thursday, 27th September, 2018 at 10.30 AM	No special resolution was passed in the Annual General Meeting.
2017	Cinemax Theatre, Eagle's Flight, Behind Guranak Petrol Pump, Andheri Kurla Road, Andheri (East). Mumbai-400093	Tuesday, 19th September, 2017 at 10.30 AM	No special resolution was passed in the Annual General Meeting.

Postal Ballot:

During the year 2019-20 the Company had approached the shareholders through postal ballot in the month of November, 2019. The Board in its meeting held on 14th November, 2019, has approved notice pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (hereinafter referred to as 'the Act'), if any, read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereto for the time being in force) (hereinafter referred to as 'the Rules') that the resolution appended below were proposed to be passed by way of Postal Ballot / e-voting.

The business of the postal ballot shall, in addition to physical voting, was also transacted through electronic voting system. Accordingly, the Company in compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, provided to its Members (whether holding shares in physical or in dematerialized form) the facility to exercise their right to vote on the matters included in the notice of the postal ballot by electronic means i.e. through e-voting services provided by Central Depository Services (India) Limited. The e-voting period commenced on 23rd November, 2019 at 9.00 a.m. and ended on 22nd December, 2019 at 5.00 p.m.

The Board of Directors had appointed Shri. Dharmesh M. Zaveri, of D. M. Zaveri & Co., Practicing Company Secretaries, as the Scrutinizer for conducting Postal Ballot. The Scrutinizer has carried out the scrutiny of all Postal Ballot forms and Electronic votes received upto the last date of receipt i.e. 22nd December, 2019 till 5:00 p.m. and submitted his report on 23rd December, 2019, to the Chairman.

Based on the Scrutinizers report dated 23rd December, 2019, the Chairman has declared the results of Postal Ballot on 24th December, 2019 as under:

Mode of voting	Total valid votes	Votes in favour of Resolution			Votes against the Resolution			Invalid Votes	
		No of ballot / e-voting entry	No of votes	%	No of ballot / e-voting entry	No of votes	%	No of ballot / e-voting entry	No.of Votes
Item 1: Approve the loan to related party under Section 185 of Companies Act, 2013.									
(Special Resolution)									
E-voting	689019	28	680378	98.7459	12	8641	1.2541	0	0
Postal Ballot	35456	21	35246	99.4077	4	210	0.5923	0	0
Total	724475	49	715624	98.7783	16	8851	1.2217	0	0
Item 2: Approval of material related party transaction.									
(Special Resolution)									
E-voting	689019	28	680378	98.7459	12	8641	1.2541	0	0
Postal Ballot	35456	21	35246	99.4077	4	210	0.5923	0	0
Total	724475	49	715624	98.7783	16	8851	1.2217	0	0

V. AFFIRMATIONS AND DISCLOSURES

1. Compliances with Governance Framework:

The Company is in compliance with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no new materially significant transactions with related parties during the financial year. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulation and amendment thereon the Board approved and adopted revised Related Party Transaction Policy as per the Companies (Meetings of Board and its Power) Rules, 2014 and Securities Exchange Board of India (LODR) Regulations, 2015 as amended by SEBI (LODR) (Amendment) Regulations, 2018 with effect from 1st April, 2019. The Policy is available on the website of the Company viz., www.cineline.co.in

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are

in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis or fair value.

3. Details of non-compliances by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

The Company has complied with all requirements of the Listing Regulation entered into with Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no stricture or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

4. Whistle Blower Policy/ Vigil Mechanism Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is displayed on the website of the company viz., www.cineline.co.in.

5. Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The Significant

accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

6. Mandatory/ Non-Mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulation and also followed non mandatory requirements relating to financial statements with unmodified audit opinion/without qualification.

7. Code of Conduct:

In compliance with Regulation 26(3) of the Listing Regulation and the Companies Act, 2013, the Company has framed and adopted Code of Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management team (one level below the Board) of the Company. The Board of Directors and members of Senior Management team are required to affirm annual compliance of this Code. The Code requires Director and Employees to act honestly, fair, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the website of the Company viz., www.cineline.co.in.

The Board of Directors and members of Senior Management team have affirmed compliance to the Code as on 31st March, 2020. A declaration to this effect signed by the Chairman and Managing Director of the Company and is annexed separately to this report.

8. Conflict of Interest:

Each Director informs the Company on an annual basis about the Board and the Committees position he occupies in other companies including Chairmanship and notifies changes during the year. Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The members of the Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

9. Insider Trading Code:

The Company has adopted an Insider Trading Policy in accordance with requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on the Company's website www.cineline.co.in.

The Board has approved and adopted revised Code of Conduct for prohibition of Insider Trading and Code for fair Disclosure pursuant to the requirements of SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 with effect from 1st April, 2019.

10. Certification under Regulation 17(8) of Listing Regulation:

The MD and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2020.

11. Details of Penalties:

No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

12. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of LODR Regulations:

This Regulation is not applicable to the Company as the Company has not raised any funds through preferential allotment or qualified institutions placement.

13. Certificate under Regulation 34(3) of the Listing Regulations:

The Company has obtained a Certificate pursuant to Regulation 34(3) read with Schedule V of Listing Regulations from M/s. D. M. Zaveri & Co., Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. The said certificate has been annexed as **Annexure 1** with this Report.

14. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

15. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

The details of total fees for all services paid by the Company and its wholly owned subsidiary, on a consolidated basis, to the Statutory Auditor for the FY 2019-20 are as follows. Neither Company nor its wholly owned subsidiary company has paid fees to network firm / network entity of the statutory auditor:-

Type of Services	Fees (in Rs)
Fees for Audit	8,11,800
Other professional fees	14,144

16. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints filed during the financial year: 2019-20 Nil
- Number of complaints disposed of during the financial year 2019-20: N.A.
- Number of complaints pending as on end of the financial year 2019-20: N.A.

I. MEANS OF COMMUNICATION TO SHAREHOLDERS:

- The unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the date of the closure of the financial year as per the requirement of the Listing Regulations with the Stock Exchanges.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in one vernacular newspaper viz., "Nav Shakti" and one English newspaper viz., "Free Press Journal", within forty-eight hours of the approval thereof.
- The Company's financial results and official press releases are displayed on the Company's website www.cineline.co.in.
- Any presentation made to the institutional investors and analysts are also posted on the Company's website.
- The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz., BSE Limited and

National Stock Exchange of India Limited are filed electronically. The Company had complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

- In line with the existing provisions of the Listing Regulations, the Company has created a separate email address viz., investor@cineline.co.in to receive complaints and grievances of the shareholders.

II. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting for the Financial Year 2019-20:

Pursuant to the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020, issued by the Ministry of Corporate Affairs, the 18th Annual General Meeting (AGM) for the year ended March 31, 2020 is scheduled to be held on Tuesday, 22nd December, 2020 at 11:45 AM IST through Video Conferencing. The Members may attend the 18th AGM scheduled to be held on 22nd December, 2020 at 11:45 AM IST onwards, through VC. Detailed instructions for participation are provided in the notice of the 18th AGM. The proceedings of the 18th AGM will be available through VC to the shareholders as on the cut-off date i.e. November 20, 2020.

2. Tentative Calendar for Financial Year 2019-20:-

Sr. No.	The Financial year of the company ends on every 31st March.	Tentative date
i)	Un-audited results for the quarter ended June 30, 2020	Second Week of September, 2020
ii)	Un-audited results for the quarter/half year ending September 30, 2020	Second Week of November 2020
iii)	Un-audited results for the quarter/nine months ending December 31, 2020	Second Week of February 2021
iv)	Audited results for the year ending March 31, 2021	Last week of May 2021

3. Listing in Stock Exchanges and stock codes:

The name of the stock exchanges at which the equity shares are listed and respective stock codes are as under:

Name of the Stock Exchanges	Trading Symbol / Code
The Bombay Stock Exchange (BSE) 1st Floor, New Trading Ring, PJ Towers, Dalal Street, Fort, Mumbai - 400 001	532807
The National Stock Exchange (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	CINELINE

The Company has paid Annual Listing Fees for all the above Stock Exchanges for the financial year 2020-21.

4. Depositories Information:

The ISIN numbers allotted to the Company for demat of shares is as under:

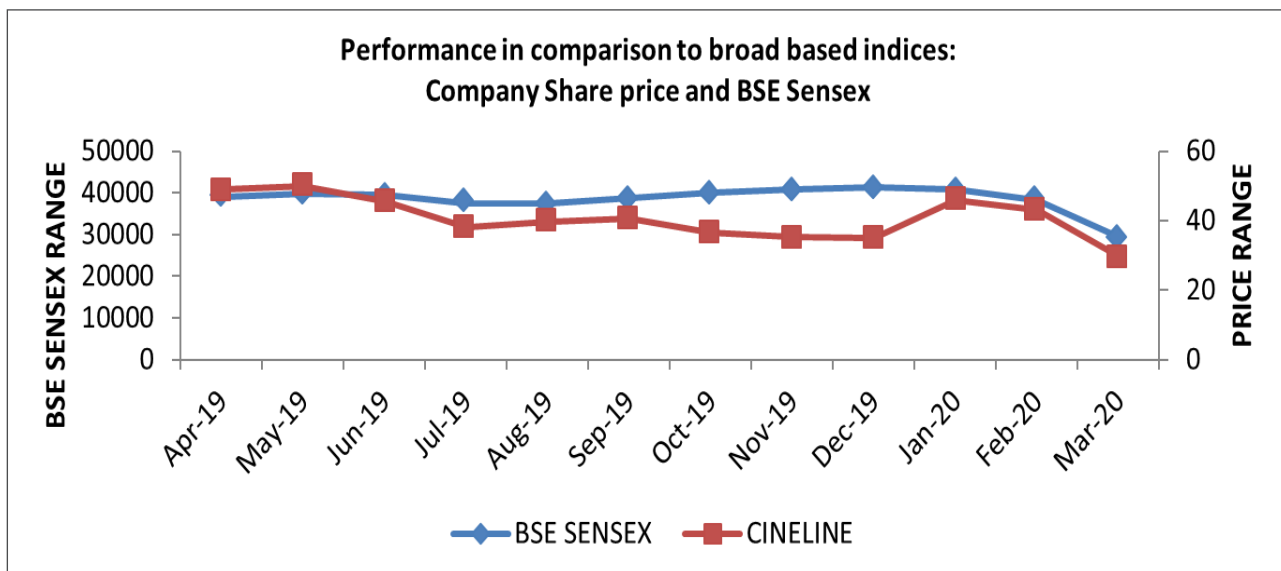
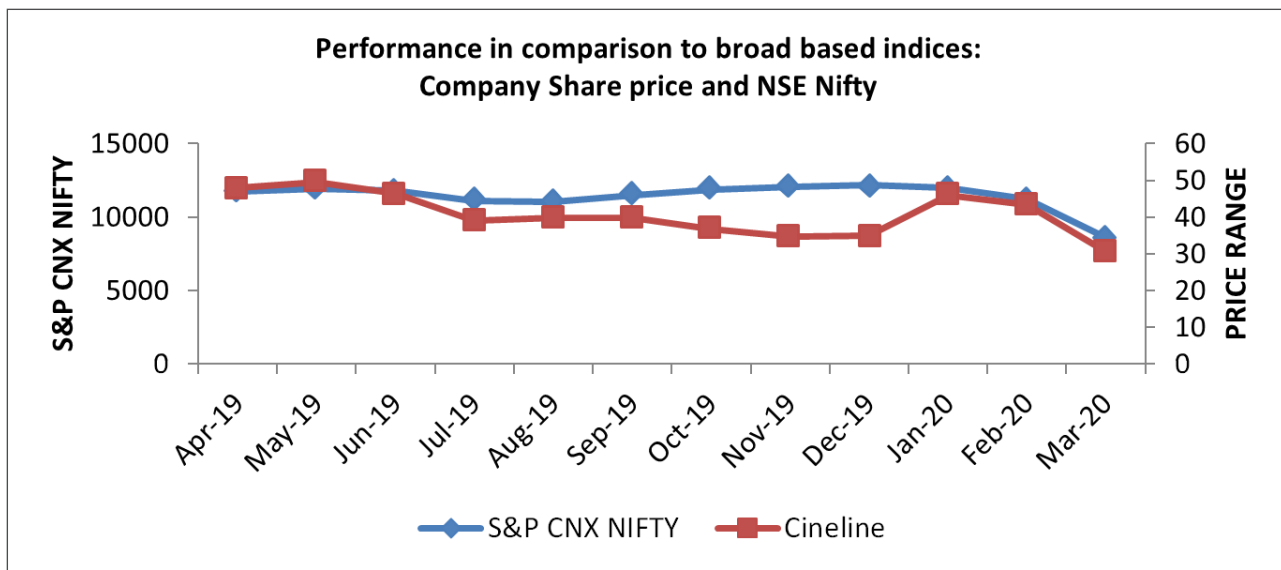
Name of the Depository	ISIN Number
Central Depository Services (India) Ltd. (CDSL)	INE704H01022
National Securities Depository Limited (NSDL)	INE704H01022

The Company has depository connectivity with NSDL and CDSL and has paid Annual Custody Fees for the financial year 2020-21.

5. Share Price & Volume (Tables / Graphs):

Month	BSE				NSE			
	Month's High (In Rs.)	Month's Low (In Rs.)	Volume (No. in Lacs)	Sensex	Month's High (In Rs.)	Month's Low (In Rs.)	Volume (No. in Lacs)	Nifty
Apr-19	48.85	43.00	37.61	39031.55	47.90	42.60	273.52	11748.15
May-19	50.00	40.85	29.40	39714.2	49.50	41.40	224.89	11922.80
Jun-19	45.45	38.00	12.31	39394.64	46.40	37.60	70.60	11788.85
Jul-19	38.10	25.50	9.72	37481.12	38.90	25.40	69.37	11118.00
Aug-19	39.75	24.00	18.03	37332.79	39.80	25.30	142.52	11023.25
Sep-19	40.55	33.20	13.48	38667.33	39.75	32.40	133.60	11474.45
Oct-19	36.65	29.25	12.83	40129.05	36.70	29.60	142.58	11877.45
Nov-19	35.35	27.70	19.08	40793.81	34.60	26.80	111.49	12056.05
Dec-19	34.95	26.25	21.46	41253.74	35.05	26.10	210.33	12168.45
Jan-20	45.95	31.50	93.14	40723.49	46.00	31.50	1004.90	11962.10
Feb-20	43.00	27.10	80.51	38297.29	43.40	27.10	684.61	11201.75
Mar-20	29.60	16.30	15.97	29468.49	30.70	16.35	129.47	8597.75
		Total:	363.53			Total:	3197.88	

6. Stock Performance vis-à-vis Index (NSE & BSE) as on 31.03.2020:



7. Shareholding Pattern as on 31st March, 2020:

Sr. No.	Category	Holders	%	No. of Shares	%
1	Clearing Members	35	0.174	42008	0.150
2	Corporate Bodies (Promoter Co)	2	0.010	280	0.001
3	Financial Institutions	1	0.005	573	0.002
4	Hindu Undivided Family	818	4.070	722978	2.582
5	Investor Education And Protection Fund	1	0.005	19539	0.070
6	Non Resident (Non Repatriable)	116	0.577	37260	0.133
7	Non Resident Indians	205	1.020	261641	0.934
8	Other Bodies Corporate	128	0.637	939971	3.357
9	Promoters	11	0.055	19664635	70.231
10	Public	18779	93.442	6308829	22.532
11	Trusts	1	0.005	2286	0.008
	Total :	20097	100	28000000	100

8. Distribution Schedule as of 31st March, 2020:

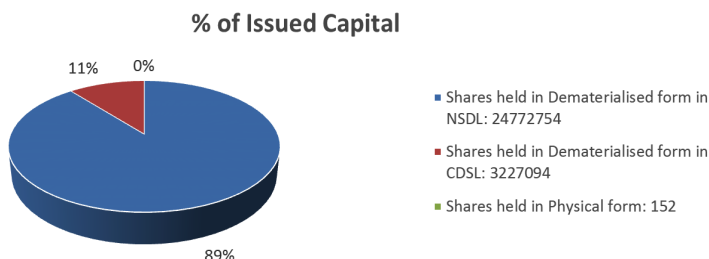
Distribution	No. of Shareholders	No of Shares	% of Shareholding
1 to 500	18245	1724604	6.16
501 to 1000	910	747497	2.67
1001 to 2000	448	691709	2.47
2001 to 3000	152	389298	1.39
3001 to 4000	76	274645	0.98
4001 to 5000	59	276798	0.99
5001 to 10000	96	718552	2.57
Above 10001	111	23176897	82.77
Total	20097	28000000	100.00

9. Share Transfer System:

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of 30 days from the date of receipt thereof provided all documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the System of transfer and a certificate to that effect is issued. On March 31, 2020, there were no unprocessed transfers pending.

10. Dematerialization of Shares and liquidity:

99.99% of the Company’s paid up Equity Share Capital is in dematerialized form as on 31st March, 2020. The Company has entered into agreements with NSDL/CDSL whereby shareholders have an option to dematerialise their shares with either of the Depositories.



11. Reconciliation of Share Capital Audit Report:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company’s shares are listed. The audit confirm that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares held in dematerialised form (held in NSDL and CDSL) and total number of shares in physical form.

12. ECS Mandate:

To service the investors better, the Company requests all the shareholders who hold shares in dematerialised form to update their bank particulars with their respective depositories immediately. Shareholders holding shares in the physical form may kindly forward the bank particulars to our Registrars to the address mentioned herein.

13. Address of correspondence:

Correspondence with the Company	Compliance Officer	Link Intime India Private Limited Registrar & Transfer Agent
Cinline India Limited 215 Atrium, 10th Floor, Opp. Divine School, J.B. Nagar, Andheri Kurla Road, Andheri- East, Mumbai- 4000 93 Phones:022-6726 7777 Fax: 022-6693 7777 Email: investor@cinline.co.in Website: www.cinline.co.in	Mr. Jatin Shah Company Secretary Phones: 022-6726 7777 Fax: 022-6693 7777 Email: investor@cinline.co.in	(Unit – Cinline India Limited) C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai-400 083 Ph : 022 – 4918 6000 Fax: 022 – 4918 6060 Email: mumbai@linkintime.co.in Website: www.linkintime.co.in

For and on behalf of the Board of Directors

Place: Mumbai
 Date: 15th September, 2020

Rasesh Kanakia
 Chairman
 (DIN: 00015857)

DECLARATION

Declaration regarding Affirmation of Code of Conduct of Business Conduct and Ethics

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2020.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 15th September, 2020

Rasesh Kanakia
Chairman
(Din: 00015857)

Himanshu Kanakia
Managing Director
(Din: 00015908)

MD- CFO CERTIFICATE

To,
The Board of Directors
Cineline India Limited

Subject: Certificate on financial statements for the financial year ended March 31, 2020 pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We, Himanshu B. Kanakia, MD and Vipul Parekh, CFO, have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2020 and that to the best of our knowledge and belief, we hereby certify that:

- (a) 1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee that:
 1. There are no significant changes in internal control over financial reporting during the year;
 2. There are no significant changes in accounting policies during the year; and
 3. There are no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

Yours faithfully,

For Cineline India Limited

Himanshu B. Kanakia
MD

Vipul Parekh
CFO

Place: Mumbai
Date: 15th September, 2020

ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,

Cineline India Limited

215 - Atrium, 10th Floor, Opp. Divine School,
JB Nagar, Andheri Kurla Road, Andheri - East,
Mumbai – 400059

Directors of Cineline India Limited having CIN L92142MH2002PLC135964 and having registered office at 215 - Atrium, 10th Floor, Opp. Divine School, JB Nagar, Andheri Kurla Road, Andheri - East, Mumbai - 400059 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Mr. Rasesh Babubhai Kanakia	00015857	22/05/2002
2.	Mr. Himanshu Babubhai Kanakia	00015908	01/05/2006
3.	Mrs. Hiral Himanshu Kanakia	00015924	10/09/2015
4.	Mr. Anand Shailesh Bathiya	03084831	10/09/2015
5.	Mr. Naushad Alimohmed Panjwani	06640459	28/06/2019
6.	Mr. Shantilal Vershi Haria	00295097	14/08/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363
Place: Mumbai
Date: 15th September, 2020

ICSI UDIN:- F005418B000694755

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
CINELINE INDIA LIMITED

I have examined the compliance of conditions of Corporate Governance by Cinline India Limited ('the Company'), for the Financial Year ended 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended 31st, March 2020.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 15th September, 2020

ICSI UDIN: F005418B000694700

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INDEPENDENT AUDITOR'S REPORT

To the Members of Cinline India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

- 1 We have audited the accompanying Standalone Ind AS financial statements of Cinline India Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('Standalone Ind AS financial statements').
- 2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

- 3 We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- 4 Attention is invited to Note No 42 to the Standalone Ind AS Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations

and financial reporting for the year ended March 31, 2020; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

Key Audit Matters

- 5 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the year under audit. We have determined that there is no key audit matter to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- 6 The Company's management and Board of Directors is responsible for the preparation of the other information, comprising of the information such as Directors' Report including Annexures to Directors' Report, and such other disclosures included in the company's annual report, excluding the standalone Ind AS financial statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities in relation to other Information'

Responsibility of Management for Standalone Ind AS Financial Statements

- 7 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India,

including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

- 8 Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements. Our audit process in accordance with the SAs is narrated in "Annexure 1" to this report.

Other Matters

- 9 The entire audit finalization process was carried from remote locations i.e. other than the office of the Company where books of account and other records are kept, based on data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by the Government to restrict the spread of COVID19. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 10 As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 2", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 11 As required by section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
 - On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3".
 - In terms of provisions of section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors is not in excess of the limits laid down under section 197 of the Act.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

- (i) The Company has disclosed the impact of pending litigations on the financials position in its standalone Ind AS financial statements - Refer Note 43 to the Standalone Ind AS financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For Khimji Kunverji & Co LLP

(Formerly Khimji Kunverji & Co)

Chartered Accountants

Firm's Registration No.: 105146W / W-100621

Hasmukh B Dedhia

Partner (F - 033494)

UDIN: 20033494AAAAFL6697

Place: Mumbai

Date: June 29, 2020

Annexure 1 to the Independent Auditors' Report

[referred to in para 8 titled "Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements"]

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Annexure 2 to the Independent Auditors' Report

[referred to in para 10 under 'Report on Other Legal and Regulatory Requirements']

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

- (b) The Company has a programme of physical verification of its fixed assets under which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets, according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (included under the head Property, plant and equipment) verified by us in course of audit, are held in the name of the Company.
- ii. The Company does not have any inventory. Accordingly, the paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has granted unsecured loans to parties covered in the register maintained under section 189 of the Companies Act, 2013
- (a) According to information and explanations given to us, the terms and conditions of the aforesaid loans are prima facie not prejudicial to the interest of the Company.
- (b) (i) Loan amounting to Rs. 183,90,33,657 as at year end to a related party has stipulations for repayment of principal and interest.
- (ii) Loan amounting to Rs. 3,00,000 as at year end to subsidiary is repayable on demand.
- (c) There are no overdue amounts of interest and principal in case of the aforesaid loans .
- iv. According to the information and explanations given to us and the representations made in course audit, in our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under section 148(1) of the Act in respect of the services provided by the company. Accordingly, the paragraph 3(vi) of the Order is not applicable to the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statues, outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Goods and Service Tax, Service tax, Value added tax, excise duty and duty of Customs which have not been deposited as on March 31, 2020 on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- ix. According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and

explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with the Sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act, 1934.

For Khimji Kunverji & Co LLP

(Formerly Khimji Kunverji & Co)

Chartered Accountants

Firm's Registration No.: 105146W / W-100621

Hasmukh B Dedhia

Partner (F – 033494)

UDIN: 20033494AAAFL6697

Place: Mumbai

Date: June 29, 2020

Annexure 3 to the Independent Auditors' Report

[referred to in paragraph 11(f) under 'Report on Other Legal and Regulatory Requirements']

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Cinline India Limited ("the Company") as at March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion considering the nature and size of the operations, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS

financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Khimji Kunverji & Co LLP

(Formerly Khimji Kunverji & Co)

Chartered Accountants

Firm's Registration No.: 105146W / W-100621

Hasmukh B Dedhia

Partner (F - 033494)

UDIN: 20033494AAAAFL6697

Place: Mumbai

Date: June 29, 2020

STANDALONE BALANCE SHEET

as at 31st March, 2020

(₹ in lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
a) Property, plant and equipment	4	695.15	766.94
b) Investment property	5	9,588.56	22,318.41
c) Right of use Asset	6	115.61	-
d) Financial assets			
i) Investments	7	1.00	1.00
ii) Loans	8	18,921.79	0.92
e) Other non-current assets	9	83.72	90.52
f) Non-current tax assets (net)	10	494.98	306.49
Total non-current assets		29,900.81	23,484.28
Current assets			
a) Financial assets			
i) Trade receivables	11	184.70	276.88
ii) Cash and cash equivalents	12	48.68	2,213.18
iii) Bank balances other than (ii) above	13	0.93	0.93
iv) Loans	8	12.44	9.90
v) Other financial assets	14	743.00	1,731.59
b) Other current assets	9	145.49	96.21
Total current assets		1,135.24	4,328.69
Assets held for sale	15	1,482.32	1,008.39
Total assets		32,518.37	28,821.36
Equity and Liabilities			
Equity			
a) Equity share capital	16	1,400.00	1,400.00
b) Other equity	17	10,798.97	10,034.78
Total equity		12,198.97	11,434.78
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	18	16,842.00	15,604.51
ii) Other financial liabilities	19	659.39	566.92
b) Provisions	20	25.73	27.10
c) Deferred tax liabilities (net)	21	451.05	432.55
d) Other non-current liabilities	22	269.21	191.44
Total non-current liabilities		18,247.38	16,822.52
Current liabilities			
a) Financial liabilities			
i) Trade payables	23	-	-
- Dues to Mirco enterprises & small enterprises		-	-
- Dues to creditors other than Mirco enterprises & small enterprises		99.39	17.29
ii) Other financial liabilities	19	1,854.77	468.45
b) Other current liabilities	22	110.14	72.26
c) Provisions	20	7.72	6.06
Total current liabilities		2,072.02	564.06
Total liabilities		20,319.40	17,386.58
Total equity and liabilities		32,518.37	28,821.36

Notes 1 to 45 form an integral part of these financial statements

As per our audit report of even date

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia
Partner
Membership No. : 033494

Place: Mumbai
Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman
DIN: 00015857

Himanshu B. Kanakia
Managing Director
DIN: 00015908

Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

STATEMENT OF PROFIT AND LOSS

as at 31st March, 2020

(₹ in lakhs, except per share data)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	24	2,566.15	2,422.98
Other income	25	1,654.86	1,070.96
Total		4,221.01	3,493.94
Expenses			
Operating expenses	26	521.37	428.94
Employee benefits expense	27	171.63	162.40
Finance costs	28	1,834.43	961.53
Depreciation and amortisation expense	29	542.48	364.23
Other expenses	30	187.74	224.28
Total		3,257.65	2,141.38
Profit before tax		963.36	1,352.56
Tax expense / (credit)			
Current tax	31	181.18	311.00
MAT credit reversal		(1.58)	(180.16)
Deferred tax charge / (credit)	31	24.75	261.24
Prior year's tax adjustments		(5.12)	(25.02)
		199.23	367.06
Profit for the year		764.13	985.50
Other comprehensive income / (loss)			
Items that will not be reclassified to statement of profit or loss			
Remeasurement of post employment benefit obligations		1.40	(0.32)
Income tax effect on above		(0.39)	0.09
Other comprehensive income / (loss) for the year (net of tax)		1.01	(0.23)
Total comprehensive income for the year		765.14	985.27
Earnings per equity share (Face value of ₹ 5 each)	32		
Basic earnings per share		2.73	3.52
Diluted earnings per share		2.73	3.52

Notes 1 to 45 form an integral part of these financial statements

As per our audit report of even date

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia
Partner
Membership No. : 033494

Place: Mumbai
Date: 29 June 2020

For and on behalf of the Board of Directors

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Chairman
DIN: 00015857

Himanshu B. Kanakia
Managing Director
DIN: 00015908

Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

A Equity share capital

(₹ in lakhs)

Particulars	Note	No. of shares	Amount
Issued, subscribed and fully paid up			
Equity shares of ₹ 5 each			
Balance as at 31 March 2018	15	28,000,000	1,400.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2019	15	28,000,000	1,400.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2020	15	28,000,000	1,400.00

B Other equity

(₹ in lakhs)

Particulars	Reserves and surplus				
	Securities premium reserve	General reserve	Capital redemption reserve	Retained earnings	Total
Balance as at 31 March 2018	3,564.00	55.00	17.02	5,413.49	9,049.51
Profit for the year	-	-	-	985.50	985.50
Other comprehensive income	-	-	-	(0.23)	(0.23)
Balance as at 31 March 2019	3,564.00	55.00	17.02	6,398.76	10,034.78
Profit for the year	-	-	-	764.13	764.13
Other comprehensive income	-	-	-	1.01	1.01
Other adjustments (net of taxes)	-	-	-	(0.95)	(0.95)
Balance as at 31 March 2020	3,564.00	55.00	17.02	7,162.94	10,798.96

As per our audit report of even date

For Khimji Kunverji & Co LLP
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Chartered Accountants
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Hasmukh B. Dedhia
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Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2020

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	963.35	1,352.57
Adjustments for:		
Depreciation expense	542.48	364.23
(Profit)/Loss on sale of assets	(31.55)	-
Provision for doubtful debts	64.40	5.63
Provisions and balances no longer required written back	(0.80)	(7.43)
Finance costs	1,825.83	868.04
Interest income	(1,541.73)	(1,009.33)
(Gain) / Loss due to modification of lease liability	(11.97)	-
Operating profit before working capital changes	1,810.01	1,573.71
Changes in working capital		
Decrease in Trade receivables	27.79	(6.80)
Increase in Other assets	(45.02)	(60.91)
Increase in Financial assets	(738.21)	(1,738.47)
Increase in Trade payables	82.91	(55.85)
Increase in Provisions	0.29	6.66
Decrease in Other liabilities	(1.62)	(187.11)
Increase in Financial liabilities	1,362.69	487.64
Cash generated from operations	2,498.84	18.86
Income taxes paid / refunds (net)	(369.61)	(247.31)
Net cash generated from operating activities	2,129.23	(228.45)
Cash flow from investing activities:		
Purchase of property, plant and equipment (including capital advances and capital work in progress)	11,844.01	(880.10)
Interest received	1,813.01	1,224.67
Investment in subsidiary company	-	(1.00)
Loan given to subsidiary company	(3.00)	-
Loan given to related party	(17,461.92)	-
Net cash generated from / (used) in investing activities	(3,807.90)	343.57
Cash flow from financing activities:		
Interest paid	(1,800.55)	(898.94)
Interest paid on lease liability	(18.17)	-
Repayment of principal towards lease liability	(13.60)	-
Net proceeds / (repayments) of long term borrowings	1,346.49	2,882.57
Net cash used in financing activities	(485.83)	1,983.63
Net decrease / (increase) in cash and cash equivalents	(2,164.50)	2,098.75
Cash and cash equivalents as at the beginning of the year	2,213.18	114.43
Cash and cash equivalents as at the end of the year	48.68	2,213.18
Notes to cash flow statement		
	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.57	1.02
Balances with banks - in current accounts	48.11	2,212.16
	48.68	2,213.18

As per our audit report of even date

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia
Partner
Membership No. : 033494

Place: Mumbai
Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman
DIN: 00015857

Himanshu B. Kanakia
Managing Director
DIN: 00015908

Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

1. Corporate information

Cineline India Limited (the 'Company') is a company domiciled in India, incorporated under the Companies Act, 1956 on 22 May 2002. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is into the business of renting out premises owned by the Company and operating windmills.

2. Significant accounting policies

a. Statement of Compliance:

The Company has prepared the financial statements which comprise the balance sheet as at 31 March 2020, the statement of profit and loss, the statement of cash flows and the statement of changes in equity for the year ended 31 March 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

These financial statements are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

b. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities have been measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – measured using actuarial valuation.

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Company had applied certain accounting policies and exemptions upon transition to Ind AS.

Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs, unless otherwise stated.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as not exceeding twelve months for the purpose of current / non-current classification of assets and liabilities.

c. Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

Below is an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

- **Useful lives of property, plant and equipment and investment property** - Property, plant and equipment and investment property represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management, based on those prescribed under Schedule II to the Act, at the time the asset is acquired and reviewed periodically, including at each financial year end.
- **Defined benefit obligation** - The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The assumptions used are disclosed in the notes to these financial statements.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.
- **Impairment of assets** – In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Income tax** - Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

- **Provisions** - Provisions are recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are not discounted to its present value and are determined based on the best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

d. Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that the economic benefits will flow to the Company. Amount disclosed as revenue are reported net of applicable taxes, which are collected on behalf of the government or on behalf of third parties.

i. Leased operations and windmill income

- a) Revenue from rent and common area maintenance is recognised based upon the agreement, for the period the property has been let out and when no significant uncertainty exists regarding the amount of consideration that will be derived. Ind AS 17 mandates straight lining of lease rental income, only if the escalation rate is not in line with the general inflation rate.
- b) Revenue from sale of power is booked on monthly basis as per the power generation reports at wind farm and the same is sold to the State Government.
- c) Revenue from car parking is based on the actual collection depending on the vehicles parked at the respective sites or as per the agreement entered into for the property.
- d) Advertisement income is recognised as and when advertisements are displayed at the property.

ii. Other income

- a) Other income is recognised when no significant uncertainty as to its determination or realisation exists.
- b) Interest income is recognised using the effective interest method.
- c) Dividend income is accounted for when the right to receive the income is established.

e. Leases

i. The Company as Lessee

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Lease liability and Right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

ii. The Company as Lessor

The company has recognized rental income on straight line basis in the statement of profit and loss in accordance with IND AS 116.

Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in the OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in the OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off such amounts.

Minimum alternate tax

Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustments of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT credit is recognised as a deferred tax asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company and the asset can be measured reliably.

f. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition, initial measurement and derecognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows under an eligible transaction.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

ii. Subsequent Measurement

Non-Derivative Financial Instruments

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

g. Investment in subsidiary

The Company's investment in subsidiary is carried at cost.

h. Equity shares

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i. Cash and cash equivalents and cash flows

Cash and cash equivalents comprise cash on hand and demand deposits, together with other current / short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The Cashflow Statement of the company is prepared under 'Indirect' method as per Ind AS.

j. Property, plant and equipment (including capital work-in-progress)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight and expenses incidental to acquisition and installation, net of tax credits up to the point the asset is ready for its intended use. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Assets acquired but not ready for use or assets under construction are classified under capital work in progress and are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets, and are recognised in the statement of profit and loss within 'other income' or 'other expenses' respectively.

k. Depreciation

Depreciation is provided on property, plant and equipment on pro rata basis for the period of use, on the straight line method (SLM) as per the useful life of the assets prescribed under Schedule II to the Companies Act, 2013, which is in line with the management's estimate of useful life.

Freehold land is not depreciated. Depreciation on assets under construction commences only when the assets are ready for their intended use.

Depreciation method, useful life and residual value are reviewed periodically and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

l. Investment property

Investment property are those that are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company in a period exceeding one year and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Investment properties are depreciated using the SLM method over their estimated useful lives, based on the rates prescribed under Schedule II to the Companies Act, 2013.

m. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there were no impairment.

n. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

o. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

p. Employee benefits

• Defined contribution plans

The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

• Defined benefit plans

The Company's gratuity benefit scheme is a unfunded defined benefit plan. The Company's obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in the subsequent period

• Other long-term employee benefits

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

• Short-term employee benefits

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

q. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the date of the balance sheet. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, existence of which would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

r. Earnings per share

Basic earnings per share are computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share after considering the income tax effect of all finance costs associated with dilutive potential equity shares, and the weighted average number

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

s. Operating segments

An operating segment is a component of a Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relates to transactions with any of the Company's other components, for which discrete financial information is available, and such information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make key decision on operations of the segments and assess its performance.

t. Non-current assets (or disposal groups) classified as held for disposal

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell. To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, these non-current assets are no longer amortised or depreciated.

3. Recent accounting pronouncements

Ministry of Corporate Affairs notifies amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2020.

Note 4: Property, plant and equipment

(₹ in lakhs)

Particulars	Plant and equipment	Theatre furniture and fixtures	Other furniture, fixtures and office equipments	Computers	Vehicles	Wind energy generator **	Total
Gross block							
Balance as at 31 March 2018	1.00	0.49	42.23	1.14	14.71	942.76	1,002.33
Additions	-	-	9.42	-	-	-	9.42
Balance as at 31 March 2019	1.00	0.49	51.65	1.14	14.71	942.76	1,011.75
Additions	-	-	-	-	-	-	-
Balance as at 31 March 2020	1.00	0.49	51.65	1.14	14.71	942.76	1,011.75
Accumulated depreciation							
Balance as at 31 March 2018	0.91	0.24	35.16	0.54	5.36	131.85	174.06
Depreciation charge for the year	0.09	0.08	1.73	0.25	2.67	65.93	70.75
Balance as at 31 March 2019	1.00	0.32	36.89	0.79	8.03	197.78	244.81
Depreciation charge for the year	-	0.08	2.84	0.26	2.67	65.92	71.77
Balance as at 31 March 2020	1.00	0.40	39.73	1.05	10.70	263.70	316.58
Net block							
Balance as at 31 March 2020	-	0.09	11.92	0.09	4.01	679.06	695.15
Balance as at 31 March 2019	-	0.17	14.76	0.35	6.68	744.98	766.94

** Windmills have been lien marked towards loan facility availed from Aditya Birla Finance Limited (also refer note 18)

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 5: Investment property

(₹ in lakhs)

Particulars	Freehold lands	Theatre and mall buildings **	Other buildings **	Total
Balance as at 31 March 2018	1,971.68	3,310.09	1,980.82	7,262.59
Additions	-	-	15,349.30	15,349.30
Depreciation charge for the year	-	191.17	102.31	293.48
Balance as at 31 March 2019	1,971.68	3,118.92	17,227.81	22,318.41
Additions	-	-	80.21	80.21
Sales during the year	-	-	10,884.26	10,884.26
Transferred to asset held for sale	-	-	1,482.32	1,482.32
Depreciation charge for the year	-	191.17	252.31	443.48
Balance as at 31 March 2020	1,971.68	2,927.75	4,689.13	9,588.56

Notes:

(a) Fair value of investment property

(₹ in lakhs)

Particulars	As at 31 March 2020
Freehold lands	35,726.61
Theatre and mall buildings	
Other buildings	6,943.21

The fair value of investment properties has been determined internally by the management.

The value is determined based on the rate prescribed by government authorities for commercial property. The resultant fair value estimates for investment property is included in level 3."

The Company has no restrictions on the realisability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Amounts recognised in the statement of profit and loss account in relation to investment property

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Rental income from investment property (refer note 24)	2,151.16	1,995.45
Direct operating expenses arising from investment property that generated rental income during the period (refer note 26)	521.37	428.94
Direct operating expenses arising from investment property that did not generate rental income during the period	-	-

(b) Investment properties have been lien marked towards loan facility availed from Aditya Birla Finance Limited (also refer note 18) **

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 6: Right of use asset

(₹ in lakhs)

Particulars	Lease asset
Balance as at 31 March 2019	-
Additions	142.84
Sales during the year	-
Depreciation charge for the year	27.23
Balance as at 31 March 2020	115.61

From 1 April 2019, the new accounting standard i.e. Ind AS 116 "Leases" became effective. The Company has adopted the new standard with retrospective modified approach and recognized asset in the form of 'Right of use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments for the leases. In the statement of profit and loss for the quarter and year ended 31 March, 2020, the nature of expenses in respect of operating leases has changed from lease rent in the year to depreciation for the right-of-use asset and finance cost on interest accrued on lease liability. The impact of this is that reported profit is lesser by Rs. 13.63 lakhs.

Note 7: Investments

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
(Unquoted)				
Investment in equity shares of subsidiary company				
Transquare Realty Private Limited (10,000 equity shares of ₹10/- each, previous year 10,000 equity shares of ₹10/- each)	1.00	-	1.00	-
Total	1.00	-	1.00	-
Aggregate value of unquoted investments	1.00	-	1.00	-

Note 8: Loans

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Loans receivable considered good –Secured	-	-	-	-
Loans receivable considered good –Unsecured				
Loan to related party (refer note 41)	18,919.81	-	-	-
Loan to subsidiary	-	3.00	-	-
Security deposits	1.98	9.44	0.92	9.90
Loans receivable which has significant increase in credit risk	-	-	-	-
Loans receivable – credit impaired	-	-	-	-
Total	18,921.79	12.44	0.92	9.90

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 9: Other assets

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Capital advances	-	-	-	-
Prepaid expenses	-	12.90	-	88.66
Deferred rent expense	-	6.36	-	0.76
Unamortised processing fees for loan	83.72	6.79	90.52	6.79
Lease equalisation reserve	-	99.86	-	-
Advance to suppliers	-	19.58	-	-
Balances with government authorities	-	5.63	-	5.63
Less: Provision for doubtful advances	-	(5.63)	-	(5.63)
Total	83.72	145.49	90.52	96.21

Note 10: Non-current tax assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provision for tax of ₹ 1,375.87 Lakhs (PY ₹ 1,357.26 Lakhs))	494.98	306.49
Total	494.98	306.49

Note 11: Trade receivables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade receivables considered good –Unsecured	184.70	276.88
Trade receivables which has significant increase in credit risk	-	-
Trade receivables – credit impaired	73.40	9.00
Less: Provision for doubtful debts	(73.40)	(9.00)
Total	184.70	276.88

Note 12: Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Balances with banks - in current accounts	48.11	2,212.16
Cash on hand	0.57	1.02
Total	48.68	2,213.18

Note 13: Other bank balances

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Unclaimed dividend account	0.93	0.93
Total	0.93	0.93

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 14: Other financial assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good) Other assets	743.00	2.42
Advance recoverable from related party	-	1,729.17
Total	743.00	1,731.59

Note 15: Assets held for sale

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Assets held for sale	1,482.32	1,008.39
Total	1,482.32	1,008.39

Note 16: Equity share capital

(₹ in lakhs)

	Number of shares	Amount
a) Authorised share capital		
Equity shares of ₹ 5 each		
Total authorised equity share capital as at 31 March 2019	80,000,000	4,000.00
Change during the year	-	-
Total authorised equity share capital as at 31 March 2020	80,000,000	4,000.00
Preference shares of ₹ 10 each		
Total authorised preference share capital as at 31 March 2019	250,000	25.00
Change during the year	-	-
Total authorised preference share capital as at 31 March 2020	250,000	25.00

Issued, subscribed and paid-up equity share capital:

(₹ in lakhs)

	Number of shares	Amount
Equity shares of ₹ 5 each		
Balance as at 31 March 2018	28,000,000	1,400.00
Change during the year	-	-
Balance as at 31 March 2019	28,000,000	1,400.00
Change during the year	-	-
Shares issued and fully paid as at 31 March 2020	28,000,000	1,400.00

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend to be proposed by the Board of Directors and to be approved by the shareholders in the General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

c) Terms and rights attached to preference shares

The Company has one class of preference shares. The preference shares have preferred right on payment of dividend and repayment of capital over equity shareholders.

d) Details of shares held by each shareholder holding more than 5% shares

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Himanshu B. Kanakia	9,368,424	33.46%	9,368,424	33.46%
Rasesh B. Kanakia	9,368,524	33.46%	9,368,524	33.46%
	18,736,948	66.92%	18,736,948	66.92%

e) The Company has not issued any bonus shares, shares for consideration other than cash or has not bought back any shares during the period of five years immediately preceding the reporting date

Note 17: Other equity

(₹ in lakhs)

	Sub-note	As at 31 March 2020	As at 31 March 2019
Securities premium reserve	(i)	3,564.00	3,564.00
Capital redemption reserve	(ii)	17.02	17.02
General reserve	(iii)	55.00	55.00
Retained earnings	(iv)	7,162.95	6,398.76
Total		10,798.97	10,034.78

(₹ in lakhs)

(i) Securities premium reserve	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3,564.00	3,564.00
Change during the year	-	-
Balance at the end of the year	3,564.00	3,564.00

Securities premium was created when shares were issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

(ii) Capital redemption reserve	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	17.02	17.02
Change during the year	-	-
Balance at the end of the year	17.02	17.02

Capital Redemption Reserve was created when Preference shares were redeemed. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

(iii)	General reserve	As at 31 March 2020	As at 31 March 2019
	Balance at the beginning of the year	55.00	55.00
	Change during the year	-	-
	Balance at the end of the year	55.00	55.00

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

(₹ in lakhs)

(iv)	Retained earnings	As at 31 March 2020	As at 31 March 2019
	Balance at the beginning of the year	6,398.76	5,413.49
	Add : Profit for the year	764.13	985.50
	Less: Dividend distributed on equity shares	-	-
	Less: Tax on dividend distributed on equity shares	-	-
	Less: Other adjustments (net of taxes)	(0.95)	-
	Items of other comprehensive income / (loss) recognised directly in retained earnings		
	- Remeasurement of net defined benefit liability	1.01	(0.23)
	Balance at the end of the year	7,162.95	6,398.76

Retained earnings pertain to the accumulated earnings made by the Company over the years.

Note 18: Non-current financial liabilities - borrowings

(₹ in lakhs)

	Interest rate	Maturity date	As at 31 March 2020	As at 31 March 2019	Remarks
Secured					
Term loan from financial institution	LTRR - 7.40%	July 2033	12,733.00	12,920.00	Refer note (a) below
Line of credit from financial institution	LTRR - 7.00%	October 2033	4,405.00	2,871.51	Refer note (a) below
Total borrowings			17,138.00	15,791.51	
Less: Current maturities of term loan (refer note 19)			(296.00)	(187.00)	
Total			16,842.00	15,604.51	

(a) Term loan & line of credit taken from Aditya Birla Finance Limited is secured against:

i) First and exclusive charge / hypothecation of:

1) All rental receivables arising out of leasing of following properties:

a) Theatre buildings

b) Boomerang properties

c) Commercial spaces to multiple brands at Eternity mall, Nagpur

2) All income / receivables from sale of power from two windmills

ii) First and exclusive charge on movable tangible and intangible assets including all stocks, work-in-progress, receivables,

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

inventories, goodwill, patents, trade licenses, permits and all other intellectual property rights and all plant, machinery and equipment employed and over all the contracts and insurance policies/proceeds under the insurance contract in relation to the above properties

- iii) First and exclusive charge by way of hypothecation of the escrow account with all monies credited / deposited therein and all investments in respect thereof (in whatever form the same may be)
 - iv) Personal / corporate guarantee of Rasesh B. Kanakia and Himanshu B. Kanakia.
 - v) First and exclusive charge by way of registered mortgage on the above detailed properties together with all the buildings and structures thereon, both present and future.
- (b) Reserve Bank of India, by notification no. RBI/201920/186, dated March 27, 2020 (the "RBI Covid 19 Circular") has permitted financial institutions to allow, at their discretion, a moratorium of three months on payment of instalments and interest. Accordingly the Company has availed moratorium for interest payment and principal due between the this period.

Net debt reconciliation

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Non-current borrowings (including current maturities)	17,138.00	15,791.51
Cash and cash equivalents	48.68	2,213.18
Net debt	17,089.32	13,578.33

(₹ in lakhs)

	Cash and cash equivalents	Non-current borrowings
Balance as at 31 March 2019	2,213.18	15,791.51
Cash flows (net)	(2,164.50)	1,346.49
Balance as at 31 March 2020	48.68	17,138.00

Note 19: Other financial liabilities

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Current maturities of term loan (refer note 18)	-	296.00	-	187.00
Interest accrued but not due on borrowings	-	83.59	-	76.49
Unclaimed dividends	-	0.93	-	0.93
Earnest money deposit	-	1,380.49	-	161.00
Other payables	-	49.83	-	21.02
Salary and reimbursements	-	15.62	-	9.87
Security deposits	659.39	24.94	566.92	12.14
Deposits refundable	-	3.37	-	-
Total	659.39	1,854.77	566.92	468.45

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 20: Provisions

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 33)	25.73	7.72	27.10	6.06
Total	25.73	7.72	27.10	6.06

Note 21: Deferred tax liabilities (net)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Deferred tax liability		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	905.46	887.29
Amortisation of Processing fees for term loan	25.18	28.33
Lease equalisation reserve	27.78	-
	958.42	915.62
Deferred tax assets		
Provision for:		
Doubtful debts	21.98	4.26
Gratuity	6.77	6.78
Compensated absences	2.54	2.88
Bonus	0.97	-
Net lease expense on right of use asset	0.46	-
Lease equalisation reserve	-	1.15
MAT credit entitlement	474.65	468.00
	507.37	483.07
Deferred tax liability (net)	451.05	432.55

Note 22: Other liabilities

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Deferred income	151.94	-	191.44	-
Lease liability on right of use asset	117.27	-	-	-
Advances from customers	-	35.64	-	33.74
Lease equalisation reserve	-	-	-	2.84
Statutory dues payable	-	74.50	-	35.68
Total	269.21	110.14	191.44	72.26

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 23: Trade payables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Dues to Mirco enterprises & small enterprises (refer note 38)	-	-
Dues to creditors other than Mirco enterprises & small enterprises	99.39	17.29
Total	99.39	17.29

Note 24: Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Rental income		
Space rentals	1,930.96	1,810.27
Rental income ATS/BTS	72.95	80.33
Common area maintenance	220.20	185.18
	2,224.11	2,075.78
Advertisement income	34.63	52.85
Income from car parking	132.88	112.97
Sale of power	174.53	181.38
	342.04	347.20
Total	2,566.15	2,422.98

Note 25: Other income

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income	1,541.73	1,009.33
Sundry balances written back	0.80	7.43
Gain due to modification of lease liability	11.97	-
Profit on sale of assets	31.55	-
Financial liabilities measured at amortised cost	63.64	52.89
Miscellaneous income	5.17	1.31
Total	1,654.86	1,070.96

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 26: Operating expenses

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	49.56	42.04
Rates and taxes		
Property tax	196.36	192.91
Others	22.45	17.91
	218.81	210.82
Repairs and maintenance		
Building	60.25	25.80
Common area maintenance	67.67	21.95
Cleaning charges	23.38	21.24
Plant and equipments	4.24	6.30
Others	69.32	79.06
	224.86	154.35
Security charges	25.05	20.58
Other operating expenses	3.09	1.15
Total	521.37	428.94

Note 27: Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and bonus	150.92	139.32
Contribution to provident and other funds (refer note 33)	11.28	12.43
Staff welfare expenses	9.43	10.65
Total	171.63	162.40

Note 28: Finance costs

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense		
on term loan	1,736.28	812.83
on vehicle loan	-	0.02
on others	71.38	55.19
Finance charges	8.60	93.49
Interest on lease liability	18.17	-
Total	1,834.43	961.53

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 29: Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation and amortisation on property, plant and equipment (refer note 4)	71.77	70.75
Depreciation on investment property (refer note 5)	443.48	293.48
Depreciation on right of use asset (refer note 6)	27.23	-
Total	542.48	364.23

Note 30: Other expenses

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Rent (refer note 39)	1.25	27.56
Travelling and conveyance	3.72	4.81
Communication expenses	2.07	6.96
Insurance	8.80	6.76
Legal and professional fees	36.85	45.23
Directors' sitting fees	2.90	2.60
Advertising and publicity	3.03	5.13
Marketing and sales promotion	4.10	3.75
Auditor's remuneration (refer note (a) below)	8.14	8.47
Bank charges	0.05	0.11
Printing and stationery	4.23	8.10
Provision for doubtful debts	64.40	-
Provision for doubtful Advances	-	5.63
Contribution towards corporate social responsibility (refer note 40)	41.76	23.71
Donation	0.63	0.20
Sundry balance written off	-	51.49
Commission & brokerage	1.50	14.61
Miscellaneous expenses	4.33	9.16
Total	187.74	224.28
a) Auditor's remuneration (exclusive of taxes)		
- Statutory audit fees	8.00	7.85
- Out of pocket expenses	0.14	0.62
Total	8.14	8.47

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 31: Current tax

(a) Income-tax expense through the statement of profit and loss

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on profits for the year	181.18	311.00
Adjustments for current tax of prior periods	(5.12)	(25.02)
Reversal of MAT credit	(1.58)	(180.16)
	174.48	105.82
Deferred tax charge / (credit)		
In respect of current year origination and reversal of temporary differences	24.75	261.24
Total tax expense	199.23	367.06

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before income-tax	963.36	1,352.56
Applicable Indian statutory income-tax rate	27.82%	29.12%
Computed tax expense	268.01	393.86
Tax effect of items deductible in calculating tax income (net)	(48.22)	194.48
Effect of income that is exempt from tax	(13.85)	(16.11)
MAT credit reversal / (creation)	(1.58)	(180.16)
Adjustment of current tax of prior periods	(5.12)	(25.02)
Income-tax expense reported in the statement of profit and loss	199.23	367.06

Note 32: Earnings per share

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
The numerators and denominators used to calculate the basic and diluted earnings per share are as follows:		
Net profit attributable to shareholders for basic/diluted earnings per share (₹ in lakhs)	764.13	985.50
Weighted average number of equity shares for basic/diluted earnings per share (in lakhs)	280.00	280.00
Basic earnings per share (₹)	2.73	3.52
Diluted earnings per share (₹)	2.73	3.52

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 33: Employee benefits

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Gratuity	18.93	5.40	19.47	3.81
Compensated absences	6.80	2.32	7.63	2.25
Total	25.73	7.72	27.10	6.06

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the amount recognised in the balance sheet for the defined benefit plan."

(₹ in lakhs)

	Gratuity benefits	
	As at 31 March 2020	As at 31 March 2019
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	23.28	18.30
Interest cost	1.63	1.41
Service Cost	3.37	3.26
Benefits paid	(2.56)	-
Actuarial losses/(gains) on obligation	(1.40)	0.31
Closing defined benefit obligation	24.32	23.28
Amount recognised in the balance sheet:		
Liability at the beginning of the year	23.28	18.30
Current year's expense	5.00	4.67
Transferred to OCI	(1.40)	0.31
Contributions by employer	(2.56)	-
Liability recognised in the Balance Sheet	24.32	23.28
Expense recognised in the statement of profit and loss:		
Service cost	3.37	3.26
Interest cost	1.63	1.41
	5.00	4.67

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Expense/(income) recognised in the other comprehensive income:		
Actuarial loss / (gain) on defined benefit obligations	(1.40)	0.31
Net expense / (income) recognised in the total comprehensive income	(1.40)	0.31

Breakup of actuarial gain/loss

Actuarial (gain) / loss arising from change in financial assumption	(1.44)	0.41
Actuarial (gain) / loss arising from experience adjustment	0.04	(0.10)
	(1.40)	0.31

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Actuarial assumptions used

	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	6.60%	7.40%
Salary growth rate (per annum)		
-for first year	NIL	10.00%
-for second year	5.00%	10.00%
-thereafter	10.00%	10.00%

Demographic assumptions used

	As at 31 March 2020	As at 31 March 2019
Mortality table	IALM(2012-14)	IALM(2012-14)
Retirement age	60 years	60 years
Average remaining life (years)	7.21	6.79
Withdrawal rates for all ages	12% per annum	12% per annum

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis

The financial results are sensitive to the actuarial assumptions. The changes to the defined benefit obligations for increase & decrease of 1% from assumed salary escalation, withdrawal and discount rates are given below. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2020.

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
Increase/ (decrease) in the defined benefit liability	(1.47)	1.66	(1.30)	1.46
Salary escalation rate				
Increase/ (decrease) in the defined benefit liability	1.38	(1.25)	1.18	(1.09)
Withdrawal rates				
Increase/ (decrease) in the defined benefit liability	(0.23)	0.26	(0.18)	0.20

The present value of the defined benefit obligation calculated with the same method (projected unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Compensated absences

The Company has a defined benefit compensated absences plan. It is payable to all the eligible employees at the rate of daily salary subject to a maximum of forty two days. The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the statement of profit and loss for the year is ₹ 0.06 lakhs (Previous year: net charge of ₹ 2.02 lakhs).

Actuarial assumptions used

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.60%	7.40%
Expected salary escalation rate		
-for first year	NIL	10.00%
-for second year	5.00%	10.00%
-thereafter	10.00%	10.00%
Mortality table	IALM(2012-14)	IALM(2012-14)
Withdrawal rate	12% per annum	12% per annum

Note 34: Related party transactions

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", names of the related parties, related party relationships, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

a) List of related parties

Relationship	Name of the related party
Directors	Rasesh B. Kanakia Himanshu B. Kanakia Hiral H. Kanakia
Relative of director	Manisha Vora
Key management personnel (KMP)	Sunil Ranka (from 7 February 2018 to 15 April 2018) Vipul Parekh (from 12 October 2018) Jatin Shah
Subsidiary company	Transquare Realty Private Limited
Entities under common control	Kanakia Spaces Realty Private Limited Sarang Property Developers Private Limited Babubhai Kanakia Foundation (upto 14 August 2019) RBK Education Solutions Private Limited

Details of transaction between the Company and its related parties are disclosed below:

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

b) Transactions during the year

(₹ in lakhs)

Particulars	Nature of relationship	Year ended 31 March 2020	Year ended 31 March 2019
Capital advance given			
Kanakia Spaces Realty Private Limited	Entity under common control	-	1,434.65
Other advance given			
Kanakia Spaces Realty Private Limited	Entity under common control	-	1,729.17
Loan given			
Kanakia Spaces Realty Private Limited	Entity under common control	18,468.29	-
Transquare Realty Private Limited	Subsidiary company	3.00	-
Deposit given			
Kanakia Spaces Realty Private Limited	Entity under common control	5.03	-
Investment			
Transquare Realty Private Limited	Subsidiary company	-	1.00
Other advance received back			
Kanakia Spaces Realty Private Limited	Entity under common control	1,729.17	-
Loan received back			
Kanakia Spaces Realty Private Limited	Entity under common control	81.87	-
Interest received from			
Kanakia Spaces Realty Private Limited	Entity under common control	1,148.14	-
Cost reimbursement received			
Kanakia Spaces Realty Private Limited	Entity under common control	396.51	-
Advertisement income			
Babubhai Kanakia Foundation	Entity under common control	1.92	2.52
RBK Education Solutions Private Limited	Entity under common control	1.13	-
Sundry balances written back			
Sarang Property Developers Private Limited	Entity under common control	-	2.92
Rent expense			
Kanakia Spaces Realty Private Limited	Entity under common control	31.77	29.60

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Particulars	Nature of relationship	Year ended 31 March 2020	Year ended 31 March 2019
Reimbursement of expenses			
Kanakia Spaces Realty Private Limited	Entity under common control	3.63	2.40
Manisha Vora	Relative of director	3.26	5.46
Jatin Shah	KMP	1.10	1.20
Professional fees paid			
Manisha Vora (from 1 August 2019)	Relative of director	10.08	
Remuneration paid			
Rasesh B. Kanakia	Director	16.00	16.00
Himanshu B. Kanakia	Director	16.00	16.00
Hiral H. Kanakia	Director	15.00	15.00
Jatin Shah	KMP	10.05	10.04
Manisha Vora	Relative of director	3.19	9.09

The Related Party relationships are identified by the management and relied upon by the auditors
There are no other type of remuneration paid to KMP.

Note 34: Related party transactions (contd.)
c) Balances outstanding at the year end

(₹ in lakhs)

Particulars	Nature of relationship	As at 31 March 2020	As at 31 March 2019
Loan given			
Kanakia Spaces Realty Private Limited	Entities under common control	18,919.81	-
Transquare Realty Private Limited	Susibidiary Company	3.00	-
Trade Receivables			
Babubhai Kanakia Foundation	Entity under common control	0.08	0.11
RBK Educatiion Solutions Private Limited	Entity under common control	0.28	-
Other advance given			
Kanakia Spaces Realty Private Limited	Entity under common control	-	1,729.17
Investment			
Transquare Realty Private Limited	Subsidiary company	1.00	1.00
Security deposit			
Kanakia Spaces Realty Private Limited	Entity under common control	15.88	10.85

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Particulars	Nature of relationship	As at 31 March 2020	As at 31 March 2019
Trade payables			
Kanakia Spaces Realty Private Limited (reimbursement of expenses)	Entity under common control	1.37	-
Manisha Vora	Relative of director	1.13	-
Other payables			
Kanakia Spaces Realty Private Limited (rent payable)	Entity under common control	8.34	-

Note 35: Segment information

Operating segments

Considering the nature of operations and the manner in which the chief operating decision maker of the Company reviews the operating results, the Company has concluded that there is only one operating segment as per Ind AS 108 "Operating Segments". Accordingly, no separate disclosures of segment information have been made.

	As at 31 March 2020		As at 31 March 2019	
	Amount	% of revenue from operations	Amount	% of revenue from operations
Total revenue from operations from:				
Major Customer	1,282.10	49.96%	1,324.04	54.65%

Note 36.1: Financial instruments

i) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Financial assets		
Measured at amortised cost		
Investments - Non current	1.00	1.00
Loans - Non current	18,921.79	0.92
Loans - Current	12.44	9.90
Trade Receivables	184.70	276.88
Cash and cash equivalents	48.68	2,213.18
Other Bank balances	0.93	0.93
Other financial assets	743.00	1,731.59
Total	19,912.53	4,234.40
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity)	17,138.00	15,791.51

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Particulars	31 March 2020	31 March 2019
Trade payables	99.39	17.29
Other financial liabilities - Non current	659.39	566.92
Other financial liabilities - Current	1,558.77	281.45
Total	19,455.57	16,657.17

- (a) The carrying value of trade and other receivables, security deposits, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.
- (b) The carrying value of borrowings, trade payables, other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

ii) Fair values heirarchy and method of valuation

Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation process and technique used to determine fair value

The fair values for instruments at amortised cost are based on discounted cash flows using a discount rate determined based on market interest rate for an equivalent instrument.

Note 36.2: Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is carried out by finance team under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

The credit risk for cash and cash equivalents and loans is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ in lakhs)	
	As at 31 March 2020	
	As at 31 March 2019	
Line of credit from Aditya Birla Finance Limited	-	1,628.49
	-	1,628.49

Contractual maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	(₹ in lakhs)			
31 March 2020	Up to 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	296.00	2,336.00	14,506.00	17,138.00
Trade payables	99.39	-	-	99.39
Other financial liabilities	1,558.77	659.39	-	2,218.16
Total	1,954.16	2,995.39	14,506.00	19,455.55

	(₹ in lakhs)			
31 March 2019	Upto 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	187.00	1,717.66	13,886.85	15,791.51
Trade payables	17.29	-	-	17.29
Other financial liabilities	281.45	566.92	-	848.37
Total	485.74	2,284.58	13,886.85	16,657.17

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

C) Market risk - foreign exchange

The Company is not exposed to any foreign exchange risk arising from foreign currency transactions.

D) Market risk - interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's variable rate borrowings. The Company is not exposed to changes in market interest rates in so far it relates to fixed rate borrowings.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	17,138.00	15,791.51

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowing, as follows:

Particulars	(₹ in lakhs)	
	Gain / (loss) on profit before tax	
	31 March 2020	31 March 2019
Interest rate increases by 50 basis points	(85.69)	(78.96)
Interest rate decreases by 50 basis points	85.69	78.96

Note 37: Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	(₹ in lakhs)	
	31 March 2020	31 March 2019
Net debts	17,089.32	13,578.33
Total equity	12,198.97	11,434.78
Gearing ratio	140.09%	118.75%

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 38: Micro, Small and Medium Enterprises

The disclosures relating to Micro and Small Enterprises (MSME) has been furnished to the extent such parties have been identified on the basis of intimation received from suppliers regarding their status under the Micro and Small Enterprises Act, 2006 .

Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) the principal amount and the interest due thereon remaining unpaid	-	-
b) the amount of interest paid , along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
c) the amount of interest due and payable for the period of delay in making payment without interest	-	-
d) the amount of interest accrued and remaining unpaid at the end of financial year	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
Total	-	-

Note 39: Leases INDAS

a) As Lessee:

Effective April 1, 2019, the Company adopted Ind AS 116 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The incremental borrowing rate applied to lease liabilities as at April 1, 2019 - 11.55% p.a.

Following is the information pertaining to leases for the year ended March 2020:

(₹ in lakhs)

Particulars	Amount
(a) Depreciation charge for Right of Use asset	27.23
(b) Interest expense on lease liability	18.17
(c) Expense relating to short term leases accounted in profit & loss	-
(d) Total cash outflow for leases for the period	31.77
(e) Additions to Right of Use asset	142.84
(f) Carrying amount of Right of use Asset as on March 31, 2020	115.61

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Table showing contractual maturities of lease liabilities on undiscounted basis:

Due	As at 31 March 2020	As at 31 March 2019
Due not later than one year	31.77	23.82
Due later than one year but not later than five years	128.65	-

(₹ in lakhs)

b) As Lessor:

The Company has given certain part of its property on operating lease. These lease arrangements are for a period of 9 years and cancellable solely at discretion of the lessees. Rental income from leasing of property of Rs. 2,224.11 lakhs (P.Y. Rs. 2,075.78 lakhs) is recognized in the Statement of Profit and Loss. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

The Company has not given any property under non -cancellable operating lease.

Note 40: Corporate social responsibility

The Company has formed a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. The Company was required to spend ₹ 27.49 lakhs (previous year ₹ 23.49 lakhs) as per Section 135(5) of Companies Act, 2013. The Company has spent ₹ 41.76 lakhs (previous year ₹ 23.71 lakhs) towards CSR expenses on the activities mentioned in Schedule VII to the Companies Act, 2013 for the purpose other than construction/acquisition of any asset.

Note 41: Pursuant to the approval of share holders of the Company at the Company's Seventeenth Annual General Meeting held on 14th August 2019, Company had entered into an agreement with Kanakia Spaces Realty Private Limited (KSRPL) for providing loan of Rs.15,000.00 lakhs to "KSRPL". In addition to the above an additional Rs.500.00 lakhs to the borrower "KSRPL" was approved by the share holders through postal ballot / evoting conducted during period 23rd November 2019 to 22nd December 2019 of which results were declared on 24th December 2019.

Note 42:

The Operations and the Financial Results of the Company during the year ended 31 March, 2020 were marginally impacted due to the lockdown imposed by the Government to restrict the spread of COVID-19. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investments in properties. In assessing the impacts of the pandemic, the Company has used internal and various external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The leases that the Company has entered with lessors are long term in nature and no major changes in terms of those leases are expected due to the COVID-19. Despite the uncertainties arising due to said pandemic as to the period and impacts, having regard to the business environment, the management does not foresee major impacts on its reported numbers and business operations.

Note 43:

- (i) The company does not have any pending litigation which would impact its financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31 March 2020

Note 44: Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification / disclosure.

Note 45: Authorisation of financial statements

These financial statements as at and for the year ended 31 March 2020 (including comparatives) have been approved by the Board of Directors on 29 June 2020.

As per our audit report of even date

For Khimji Kunverji & Co LLP

(Formerly Khimji Kunverji & Co)

Chartered Accountants

Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia

Partner

Membership No. : 033494

Place: Mumbai

Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia

Chairman

DIN: 00015857

Himanshu B. Kanakia

Managing Director

DIN: 00015908

Vipul N. Parekh

Chief Financial Officer

Jatin Shah

Company Secretary

Place: Mumbai

Date: 29 June 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Cinline India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying Consolidated Ind AS financial statements of **Cinline India Limited** ('hereinafter referred to as "the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. Attention is invited to Note No 41 to the Consolidated IND AS Financial Statements regarding the uncertainties

arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations and financial reporting for the year ended March 31, 2020; such an assessment and the outcome of the pandemic, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the year under audit. We have determined that there is no key audit matter to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

6. The Holding Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures included in the company's annual report, excluding the Standalone as well as Consolidated Ind AS financial statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

Responsibility of Management for Consolidated Ind AS Financial Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the

financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements. Our audit process in accordance with the SAs is narrated in "Annexure 1" to this report.

Other Matters

9. The entire audit finalization process was carried from remote locations i.e. other than the office of the Group where books of account and other records are kept, based on data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by the Government to restrict the spread of

COVID19. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by section 143(3) of the Act, based on our audit, we report to the extent :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
 - e. On the basis of the written representations received from the directors of the Group as on March 31, 2019, taken on record by the respective Board of Directors, none of the Directors of the Group is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
 - g. In terms of provisions of section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding company and subsidiary to its directors is not in excess of the limits laid down under section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

- (i) The Group has disclosed the impact of pending litigations on the financials position in its Consolidated Ind AS financial statements. Refer Note 41 to the Consolidated Ind AS financial statements.
- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2020.

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W / W-100621

Hasmukh B Dedhia

Partner (F - 033494)

UDIN: 20033494AAAAFM2815

Place: Mumbai

Date: June 29, 2020

Annexure 1 to the Independent Auditors' Report to the Members of Cinline India Limited

[referred to in para 8 titled 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements']

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Annexure 2 to the Independent Auditors' Report

[referred to in paragraph 10(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Cinline India Limited ("hereinafter referred to as "the Holding Company")

and its Subsidiary company (the Holding Company and its Subsidiary together referred to as “the Group”), as of that date.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the group, in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established

and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W / W-100621

Hasmukh B. Dedhia

Partner

Membership No.: 033494

UDIN : 20033494AAAAFM2815

Place : Mumbai

Date : June 29,2020

CONSOLIDATED BALANCE SHEET

as at 31st March, 2020

(₹ in lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
a) Property, plant and equipment	4	695.15	766.94
b) Investment property	5	9,588.56	22,318.41
c) Right of use Asset	6	115.61	-
d) Financial assets			
ii) Loans	7	18,921.79	0.92
e) Other non-current assets	8	83.72	90.52
f) Non-current tax assets (net)	9	494.98	306.49
Total non-current assets		29,899.81	23,483.28
Current assets			
a) Financial assets			
i) Trade receivables	10	184.70	276.88
ii) Cash and cash equivalents	11	51.30	2,214.18
iii) Bank balances other than (ii) above	12	0.93	0.93
iv) Loans	7	9.44	9.90
v) Other financial assets	13	743.00	1,731.59
b) Other current assets	8	145.49	96.22
Total current assets		1,134.86	4,329.70
Assets held for sale	14	1,482.32	1,008.39
Total assets		32,516.99	28,821.37
Equity and Liabilities			
Equity			
a) Equity share capital	15	1,400.00	1,400.00
b) Other equity	16	10,797.42	10,034.07
Total equity		12,197.42	11,434.07
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	16,842.00	15,604.51
ii) Other financial liabilities	18	659.39	566.92
b) Provisions	19	25.73	27.10
c) Deferred tax liabilities (net)	20	451.05	432.55
d) Other non-current liabilities	21	269.21	191.44
Total non-current liabilities		18,247.38	16,822.52
Current liabilities			
a) Financial liabilities			
i) Trade payables	22	-	-
- Dues to Mirco enterprises & small enterprises		99.39	17.29
- Dues to creditors other than Mirco enterprises & small enterprises		1,854.94	469.17
ii) Other financial liabilities	18	110.14	72.26
b) Other current liabilities	21	7.72	6.06
c) Provisions	19	-	-
Total current liabilities		2,072.19	564.78
Total liabilities		20,319.57	17,387.30
Total equity and liabilities		32,516.99	28,821.37

Notes 1 to 45 form an integral part of these financial statements

As per our audit report of even date

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia
Partner
Membership No. : 033494

Place: Mumbai
Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman
DIN: 00015857

Himanshu B. Kanakia
Managing Director
DIN: 00015908

Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

as at 31st March, 2020

(₹ in lakhs)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	23	2,566.15	2,422.98
Other income	24	1,654.86	1,070.96
Total		4,221.01	3,493.94
Expenses			
Operating expenses	25	521.37	428.94
Employee benefits expense	26	171.63	162.40
Finance costs	27	1,834.43	961.53
Depreciation and amortisation expense	28	542.48	364.23
Other expenses	29	188.58	224.99
Total		3,258.49	2,142.09
Profit before tax		962.52	1,351.85
Tax expense / (credit)			
Current tax	30	181.18	311.00
MAT credit reversal		(1.58)	(180.16)
Deferred tax charge / (credit)	30	24.75	261.24
Prior year's tax adjustments		(5.12)	(25.02)
		199.23	367.06
Profit for the year		763.29	984.79
Other comprehensive income / (loss)			
Items that will not be reclassified to statement of profit or loss			
Remeasurement of post employment benefit obligations		1.40	(0.32)
Income tax effect on above		(0.39)	0.09
Other comprehensive income / (loss) for the year (net of tax)		1.01	(0.23)
Total comprehensive income for the year		764.30	984.56
Earnings per equity share (Face value of ₹ 5 each)	31		
Basic earnings per share		2.73	3.52
Diluted earnings per share		2.73	3.52

Notes 1 to 45 form an integral part of these financial statements

As per our audit report of even date

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia
Partner
Membership No. : 033494

Place: Mumbai
Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman
DIN: 00015857

Himanshu B. Kanakia
Managing Director
DIN: 00015908

Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

A Equity share capital

(₹ in lakhs)

Particulars	Note	No. of shares	Amount
Issued, subscribed and fully paid up			
Equity shares of ₹ 5 each			
Balance as at 31 March 2018	15	28,000,000	1,400.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2019	15	28,000,000	1,400.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2020	15	28,000,000	1,400.00

B Other equity

(₹ in lakhs)

Particulars	Reserves and surplus				
	Securities premium reserve	General reserve	Capital redemption reserve	Retained earnings	Total
Balance as at 31 March 2018	3,564.00	55.00	17.02	5,413.49	9,049.51
Profit for the year	-	-	-	984.79	984.79
Other comprehensive income	-	-	-	(0.23)	(0.23)
Balance as at 31 March 2019	3,564.00	55.00	17.02	6,398.05	10,034.07
Profit for the year	-	-	-	763.29	763.29
Other comprehensive income	-	-	-	1.01	1.01
Other adjustments (net of taxes)	-	-	-	(0.95)	(0.95)
Balance as at 31 March 2020	3,564.00	55.00	17.02	7,161.40	10,797.42

As per our audit report of even date

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia
Partner
Membership No. : 033494

Place: Mumbai
Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman
DIN: 00015857

Himanshu B. Kanakia
Managing Director
DIN: 00015908

Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2020

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	962.52	1,351.85
Adjustments for:		
Depreciation expense	542.48	364.23
(Profit)/Loss on sale of assets	(31.55)	-
Provision for doubtful debts	64.40	5.63
Provisions and balances no longer required written back	(0.80)	(7.43)
Finance costs	1,825.83	868.04
Interest income	(1,541.73)	(1,009.33)
(Gain) / Loss due to modification of lease liability	(11.97)	-
Operating profit before working capital changes	1,809.18	1,572.99
Changes in working capital		
Decrease in Trade receivables	27.79	(6.80)
Increase in Other assets	(45.02)	(60.92)
Increase in Financial assets	(738.19)	(1,738.47)
Increase in Trade payables	82.91	(55.75)
Increase in Provisions	0.29	6.66
Decrease in Other liabilities	(1.62)	(186.67)
Increase in Financial liabilities	1,362.13	487.64
Cash generated from operations	2,497.47	18.68
Income taxes paid / refunds (net)	(369.61)	(247.32)
Net cash generated from operating activities	2,127.86	(228.64)
Cash flow from investing activities:		
Purchase of property, plant and equipment (including capital advances and capital work in progress)	11,844.01	(880.12)
Interest received	1,813.01	1,224.67
Loan given to related party	(17,461.92)	-
Net cash generated from / (used) in investing activities	(3,804.90)	344.55
Cash flow from financing activities:		
Interest paid	(1,800.55)	(898.73)
Interest paid on lease liability	(18.17)	-
Repayment of principal towards lease liability	(13.60)	-
Net proceeds / (repayments) of long term borrowings	1,346.48	2,882.57
Net cash used in financing activities	(485.84)	1,983.84
Net decrease / (increase) in cash and cash equivalents	(2,162.88)	2,099.75
Cash and cash equivalents as at the beginning of the year	2,214.18	114.43
Cash and cash equivalents as at the end of the year	51.30	2,214.18
Notes to cash flow statement	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.58	1.02
Balances with banks - in current accounts	50.72	2,213.16
	51.30	2,214.18

As per our audit report of even date

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia
Partner
Membership No. : 033494

Place: Mumbai
Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia
Chairman
DIN: 00015857

Himanshu B. Kanakia
Managing Director
DIN: 00015908

Vipul N. Parekh
Chief Financial Officer

Jatin Shah
Company Secretary

Place: Mumbai
Date: 29 June 2020

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

1. Corporate information

Cineline India Limited (the 'Company') is a company domiciled in India, incorporated under the Companies Act, 1956 on 22 May 2002. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company and its consolidated subsidiary (collectively referred to as "Group") are principally engaged into the business of renting out premises and operating windmills.

2. Significant accounting policies

a. Statement of Compliance:

The Holding Company has prepared the consolidated financial statements of the Group which comprise the balance sheet as at 31 March 2020, the statement of profit and loss, the statement of cash flows and the statement of changes in equity for the year ended 31 March 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated financial statements").

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

b. Basis of consolidation

- The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements incorporate the results of Cineline India Limited and its subsidiary, being the entity that it controls. The financial statements of the subsidiary is prepared for the same reporting year as the Parent Company, using consistent accounting policies to the extent applicable. The financial statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and resulting unrealised profits and losses have been fully eliminated.

- Following company has been considered in the preparation of Consolidated financial statements:

Name of the Subsidiary Company	% holding as at	
	March 31, 2020	March 31, 2019
Transquare Realty Private Limited (w.e.f February 11, 2019)	100%	100%

c. Basis of preparation

The consolidated financial statements have been prepared on a going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities have been measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – measured using actuarial valuation.

These financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Group had applied certain accounting policies and exemptions upon transition to Ind AS.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees, which is the Group's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs, unless otherwise stated.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as not exceeding twelve months for the purpose of current / non-current classification of assets and liabilities.

d. Critical estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

Below is an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

- **Useful lives of property, plant and equipment and investment property** - Property, plant and equipment and investment property represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management, based on those prescribed under Schedule II to the Act, at the time the asset is acquired and reviewed periodically, including at each financial year end.

- **Defined benefit obligation** - The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The assumptions used are disclosed in the notes to these financial statements.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.
- **Impairment of assets** – In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.
- **Income tax** - Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.
- **Provisions** - Provisions are recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligation and compensated expenses) are not discounted to its present value and are determined based on the best estimate required to settle obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

e. Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that the economic benefits will flow to the Group. Amount disclosed as revenue are reported net of applicable taxes, which are collected on behalf of the government or on behalf of third parties.

i. Leased operations and windmill income

- a) Revenue from rent and common area maintenance is recognised based upon the agreement, for the period the property has been let out and when no significant uncertainty exists regarding the amount of consideration that will be derived. Ind AS 17 mandates straight lining of lease rental income, only if the escalation rate is not in line with the general inflation rate.
- b) Revenue from sale of power is booked on monthly basis as per the power generation reports at wind farm and the same is sold to the State Government.
- c) Revenue from car parking is based on the actual collection depending on the vehicles parked at the respective sites or as per the agreement entered into for the property.
- d) Advertisement income is recognised as and when advertisements are displayed at the property.

ii. Other income

- a) Other income is recognised when no significant uncertainty as to its determination or realisation exists.
- b) Interest income is recognised using the effective interest method.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

- c) Dividend income is accounted for when the right to receive the income is established.

f. Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

i. The Group as lessee

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and Right-of-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

ii. The Group as lessor

The company has recognized rental income on straight line basis in the statement of profit and loss in accordance with IND AS 116.

g. Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in the OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in the OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off such amounts.

Minimum alternate tax

Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustments of future income tax liability. The same is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the tax holiday period. Accordingly, MAT credit is recognised as a deferred tax asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Group and the asset can be measured reliably.

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition, initial measurement and derecognition

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows under an eligible transaction.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

ii. Subsequent Measurement

Non-Derivative Financial Instruments

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Impairment of financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

i. Equity shares

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

j. Cash and cash equivalents and Cash Flows

Cash and cash equivalents comprise cash on hand and demand deposits, together with other current / short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The Cashflow Statement of the group is prepared under 'Indirect' method as per Ind AS.

k. Property, plant and equipment (including capital work-in-progress)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight and expenses incidental to acquisition and installation, net of tax credits up to the point the asset is ready for its intended use. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Assets acquired but not ready for use or assets under construction are classified under capital work in progress and are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets, and are recognised in the statement of profit and loss within 'other income' or 'other expenses' respectively.

l. Depreciation

Depreciation is provided on property, plant and equipment on pro rata basis for the period of use, on the straight line method (SLM) as per the useful life of the assets prescribed under Schedule II to the Companies Act, 2013, which is in line with the management's estimate of useful life.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Freehold land is not depreciated. Depreciation on assets under construction commences only when the assets are ready for their intended use.

Depreciation method, useful life and residual value are reviewed periodically and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

m. Investment property

Investment property are those that are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group in a period exceeding one year and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the SLM method over their estimated useful lives, based on the rates prescribed under Schedule II to the Companies Act, 2013.

n. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there were no impairment.

o. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

p. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

q. Employee benefits

• Defined contribution plans

The Holding Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

• Defined benefit plans

The Holding Company's gratuity benefit scheme is a unfunded defined benefit plan. The Holding Company's obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods recognised as a liability at the present value of the defined benefit obligations at the balance sheet date based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in the subsequent period

• Other long-term employee benefits

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

• Short-term employee benefits

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

r. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the date of the balance sheet. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, existence of which would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

s. Earnings per share

Basic earnings per share are computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share after considering the income tax effect of all finance costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

t. Operating segments

An operating segment is a component of a Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relates to transactions with any of the Group's other components, for which discrete financial information is available, and such information is regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make key decision on operations of the segments and assess its performance.

u. Non-current assets (or disposal groups) classified as held for disposal

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell. To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, these non-current assets are no longer amortised or depreciated.

3. Recent accounting pronouncements

Ministry of Corporate Affairs notifies amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2020.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 4: Property, plant and equipment

(₹ in lakhs)

Particulars	Plant and equipment	Theatre furniture and fixtures	Other furniture, fixtures and office equipments	Computers	Vehicles	Wind energy generator **	Total
Gross block							
Balance as at 31 March 2018	1.00	0.49	42.23	1.14	14.71	942.76	1,002.33
Additions	-	-	9.42	-	-	-	9.42
Balance as at 31 March 2019	1.00	0.49	51.65	1.14	14.71	942.76	1,011.75
Additions	-	-	-	-	-	-	-
Balance as at 31 March 2020	1.00	0.49	51.65	1.14	14.71	942.76	1,011.75
Accumulated depreciation							
Balance as at 31 March 2018	0.91	0.24	35.16	0.54	5.36	131.85	174.06
Depreciation charge for the year	0.09	0.08	1.73	0.25	2.67	65.93	70.75
Balance as at 31 March 2019	1.00	0.32	36.89	0.79	8.03	197.78	244.81
Depreciation charge for the year	-	0.08	2.84	0.26	2.67	65.92	71.77
Balance as at 31 March 2020	1.00	0.40	39.73	1.05	10.70	263.70	316.58
Net block							
Balance as at 31 March 2020	-	0.09	11.92	0.09	4.01	679.06	695.15
Balance as at 31 March 2019	-	0.17	14.76	0.35	6.68	744.98	766.94

** Windmills have been lien marked towards loan facility availed from Aditya Birla Finance Limited (also refer note 18)

Note 5: Investment property

(₹ in lakhs)

Particulars	Freehold lands	Theatre and mall buildings **	Other buildings **	Total
Balance as at 31 March 2018	1,971.68	3,310.09	1,980.82	7,262.59
Additions	-	-	15,349.30	15,349.30
Depreciation charge for the year	-	191.17	102.31	293.48
Balance as at 31 March 2019	1,971.68	3,118.92	17,227.81	22,318.41
Additions	-	-	80.21	80.21
Sales during the year	-	-	10,884.26	10,884.26
Transferred to asset held for sale	-	-	1,482.32	1,482.32
Depreciation charge for the year	-	191.17	252.31	443.48
Balance as at 31 March 2020	1,971.68	2,927.75	4,689.13	9,588.56

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Notes:

(a) Fair value of investment property

(₹ in lakhs)

Particulars	As at 31 March 2020
Freehold lands	35,726.61
Theatre and mall buildings	
Other buildings	6,943.21

The fair value of investment properties has been determined internally by the management.

The value is determined based on the rate prescribed by government authorities for commercial property. The resultant fair value estimates for investment property is included in level 3.

The Group has no restrictions on the realisability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Amounts recognised in the statement of profit and loss account in relation to investment property

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Rental income from investment property (refer note 23)	2,151.16	1,995.45
Direct operating expenses arising from investment property that generated rental income during the period (refer note 25)	521.37	428.94
Direct operating expenses arising from investment property that did not generate rental income during the period	-	-

(b) Investment properties have been lien marked towards loan facility availed from Aditya Birla Finance Limited (also refer note 17) **

Note 6: Right of use asset

(₹ in lakhs)

Particulars	Lease asset
Balance as at 31 March 2019	-
Additions	142.84
Sales during the year	-
Depreciation charge for the year	27.23
Balance as at 31 March 2020	115.61

From 1 April 2019, the new accounting standard i.e. Ind AS 116 "Leases" became effective. The Holding Company has adopted the new standard with retrospective modified approach and recognized asset in the form of 'Right of use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments for the leases.

In the statement of profit and loss for the quarter and year ended 31 March, 2020, the nature of expenses in respect of operating leases has changed from lease rent in the year to depreciation for the right-of-use asset and finance cost on interest accrued on lease liability. The impact of this is that reported profit is lesser by Rs. 13.63 lakhs.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 7: Loans

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Loans receivable considered good –Secured	-	-	-	-
Loans receivable considered good –Unsecured				
Loan to related party (refer note 40)	18,919.81	-	-	-
Security deposits	1.98	9.44	0.92	9.90
Loans receivable which has significant increase in credit risk	-	-	-	-
Loans receivable – credit impaired	-	-	-	-
Total	18,921.79	9.44	0.92	9.90

Note 8: Other assets

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Capital advances	-	-	-	-
Prepaid expenses	-	12.90	-	88.67
Deferred rent expense	-	6.36	-	0.76
Unamortised processing fees for loan	83.72	6.79	90.52	6.79
Lease equalisation reserve	-	99.86	-	-
Advance to suppliers	-	19.58	-	-
Balances with government authorities	-	5.63	-	5.63
Less: Provision for doubtful advances	-	(5.63)	-	(5.63)
Total	83.72	145.49	90.52	96.22

Note 9: Non-current tax assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provision for tax of ₹ 1,375.87 Lakhs (PY ₹ 1,357.26 Lakhs))	494.98	306.49
Total	494.98	306.49

Note 10: Trade receivables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade receivables considered good –Unsecured	184.70	276.88
Trade receivables which has significant increase in credit risk		
Trade receivables – credit impaired	73.40	9.00
Less: Provision for doubtful debts	(73.40)	(9.00)
Total	184.70	276.88

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 11: Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Balances with banks - in current accounts	50.72	2,213.16
Cash on hand	0.58	1.02
Total	51.30	2,214.18

Note 12: Other bank balances

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Unclaimed dividend account	0.93	0.93
Total	0.93	0.93

Note 13: Other financial assets

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Other assets	743.00	2.42
Advance recoverable from related party	-	1,729.17
Total	743.00	1,731.59

Note 14: Assets held for sale

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Assets held for sale	1,482.32	1,008.39
Total	1,482.32	1,008.39

Note 15: Equity share capital

(₹ in lakhs)

	Number of shares	Amount
a) Authorised share capital		
Equity shares of ₹ 5 each		
Total authorised equity share capital as at 31 March 2019	80,000,000	4,000.00
Change during the year	-	-
Total authorised equity share capital as at 31 March 2020	80,000,000	4,000.00
Preference shares of ₹ 10 each		
Total authorised preference share capital as at 31 March 2019	250,000	25.00
Change during the year	-	-
Total authorised preference share capital as at 31 March 2020	250,000	25.00

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Issued, subscribed and paid-up equity share capital:

(₹ in lakhs)

	Number of shares	Amount
Equity shares of ₹ 5 each		
Balance as at 31 March 2018	28,000,000	1,400.00
Change during the year	-	-
Balance as at 31 March 2019	28,000,000	1,400.00
Change during the year	-	-
Shares issued and fully paid as at 31 March 2020	28,000,000	1,400.00

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend to be proposed by the Board of Directors and to be approved by the shareholders in the General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms and rights attached to preference shares

The Company has one class of preference shares. The preference shares have preferred right on payment of dividend and repayment of capital over equity shareholders.

d) Details of shares held by each shareholder holding more than 5% shares

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Himanshu B. Kanakia	9,368,424	33.46%	9,368,424	33.46%
Rasesh B. Kanakia	9,368,524	33.46%	9,368,524	33.46%
	18,736,948	66.92%	18,736,948	66.92%

e) The Company has not issued any bonus shares, shares for consideration other than cash or has not bought back any shares during the period of five years immediately preceding the reporting date

Note 16: Other equity

(₹ in lakhs)

	Sub-note	As at 31 March 2020	As at 31 March 2019
Securities premium reserve	(i)	3,564.00	3,564.00
Capital redemption reserve	(ii)	17.02	17.02
General reserve	(iii)	55.00	55.00
Retained earnings	(iv)	7,161.40	6,398.05
Total		10,797.42	10,034.07

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

(i) Securities premium reserve	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3,564.00	3,564.00
Change during the year	-	-
Balance at the end of the year	3,564.00	3,564.00

Securities premium was created when shares were issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

(ii) Capital redemption reserve	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	17.02	17.02
Change during the year	-	-
Balance at the end of the year	17.02	17.02

Capital Redemption Reserve was created when Preference shares were redeemed. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

(iii) General reserve	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	55.00	55.00
Change during the year	-	-
Balance at the end of the year	55.00	55.00

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

(₹ in lakhs)

(iv) Retained earnings	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	6,398.05	5,413.49
Add : Profit for the year	763.29	984.79
Less: Dividend distributed on equity shares	-	-
Less: Tax on dividend distributed on equity shares	-	-
Less: Other adjustments (net of taxes)	(0.95)	-
Items of other comprehensive income / (loss) recognised directly in retained earnings		
- Remeasurement of net defined benefit liability	1.01	(0.23)
Balance at the end of the year	7,161.40	6,398.05

Retained earnings pertain to the accumulated earnings made by the Company over the years.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 17: Non-current financial liabilities - borrowings

(₹ in lakhs)

	Interest rate	Maturity date	As at 31 March 2020	As at 31 March 2019	Remarks
Secured					
Term loan from financial institution	LTRR - 7.40%	July 2033	12,733.00	12,920.00	Refer note (a) below
Line of credit from financial institution	LTRR - 7.00%	October 2033	4,405.00	2,871.51	Refer note (a) below
Total borrowings			17,138.00	15,791.51	
Less: Current maturities of term loan (refer note 18)			(296.00)	(187.00)	
Total			16,842.00	15,604.51	

- (a) Term loan & line of credit taken from Aditya Birla Finance Limited is secured against:
- i) First and exclusive charge / hypothecation of:
 - 1) All rental receivables arising out of leasing of following properties:
 - a) Theatre buildings
 - b) Boomerang properties
 - c) Commercial spaces to multiple brands at Eternity mall, Nagpur
 - 2) All income / receivables from sale of power from two windmills
 - ii) First and exclusive charge on movable tangible and intangible assets including all stocks, work-in-progress, receivables, inventories, goodwill, patents, trade licenses, permits and all other intellectual property rights and all plant, machinery and equipment employed and over all the contracts and insurance policies/proceeds under the insurance contract in relation to the above properties
 - iii) First and exclusive charge by way of hypothecation of the escrow account with all monies credited / deposited therein and all investments in respect thereof (in whatever form the same may be)
 - iv) Personal / corporate guarantee of Rasesh B. Kanakia and Himanshu B. Kanakia.
 - v) First and exclusive charge by way of registered mortgage on the above detailed properties together with all the buildings and structures thereon, both present and future.
- (b) Reserve Bank of India, by notification no. RBI/201920/186, dated March 27, 2020 (the "RBI Covid 19 Circular") has permitted financial institutions to allow, at their discretion, a moratorium of three months on payment of instalments and interest. Accordingly the Holding Company has availed moratorium for interest payment and principal due between the this period.

Net debt reconciliation

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Non-current borrowings (including current maturities)	17,138.00	15,791.51
Cash and cash equivalents	51.30	2,214.18
Net debt	17,086.70	13,577.33

(₹ in lakhs)

	Cash and cash equivalents	Non-current borrowings
Balance as at 31 March 2019	2,214.18	15,791.51
Cash flows (net)	(2,162.88)	1,346.49
Balance as at 31 March 2020	51.30	17,138.00

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 18: Other financial liabilities

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Current maturities of term loan (refer note 17)	-	296.00	-	187.00
Interest accrued but not due on borrowings	-	83.59	-	76.49
Unclaimed dividends	-	0.93	-	0.93
Earnest money deposit	-	1,380.49	-	161.00
Other payables	-	50.00	-	21.74
Salary and reimbursements	-	15.62	-	9.87
Security deposits	659.39	24.94	566.92	12.14
Deposits refundable	-	3.37	-	-
Total	659.39	1,854.94	566.92	469.17

Note 19: Provisions

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 32)	25.73	7.72	27.10	6.06
Total	25.73	7.72	27.10	6.06

Note 20: Deferred tax liabilities (net)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Deferred tax liability		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	905.46	887.29
Amortisation of Processing fees for term loan	25.18	28.33
Lease equalisation reserve	27.78	-
	958.42	915.62
Deferred tax assets		
Provision for:		
Doubtful debts	21.98	4.26
Gratuity	6.77	6.78
Compensated absences	2.54	2.88
Bonus	0.97	-
Net lease expense on right of use asset	0.46	-
Lease equalisation reserve	-	1.15
MAT credit entitlement	474.65	468.00
	507.37	483.07
Deferred tax liability (net)	451.05	432.55

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 21: Other liabilities

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Deferred income	151.94	-	191.44	-
Lease liability on right of use asset	117.27	-	-	-
Advances from customers	-	35.64	-	33.74
Lease equalisation reserve	-	-	-	2.84
Statutory dues payable	-	74.50	-	35.68
Total	269.21	110.14	191.44	72.26

Note 22: Trade payables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Dues to Mirco enterprises & small enterprises (refer note 37)	-	-
Dues to creditors other than Mirco enterprises & small enterprises	99.39	17.29
Total	99.39	17.29

Note 23: Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Rental income		
Space rentals	1,930.96	1,810.27
Rental income ATS/BTS	72.95	80.33
Common area maintenance	220.20	185.18
	2,224.11	2,075.78
Advertisement income	34.63	52.85
Income from car parking	132.88	112.97
Sale of power	174.53	181.38
	342.04	347.20
Total	2,566.15	2,422.98

Note 24: Other income

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income	1,541.73	1,009.33
Sundry balances written back	0.80	7.43
Gain due to modification of lease liability	11.97	-
Profit on sale of assets	31.55	-
Financial liabilities measured at amortised cost	63.64	52.89
Miscellaneous income	5.17	1.31
Total	1,654.86	1,070.96

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 25: Operating expenses

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Power and fuel	49.56	42.04
Rates and taxes		
Property tax	196.36	192.91
Others	22.45	17.91
	218.81	210.82
Repairs and maintenance		
Building	60.25	25.80
Common area maintenance	67.67	21.95
Cleaning charges	23.38	21.24
Plant and equipments	4.24	6.30
Others	69.32	79.06
	224.86	154.35
Security charges	25.05	20.58
Other operating expenses	3.09	1.15
Total	521.37	428.94

Note 26: Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and bonus	150.92	139.32
Contribution to provident and other funds (refer note 32)	11.28	12.43
Staff welfare expenses	9.43	10.65
Total	171.63	162.40

Note 27: Finance costs

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense		
on term loan	1,736.28	812.83
on vehicle loan	-	0.02
on others	71.38	55.19
Finance charges	8.60	93.49
Interest on lease liability	18.17	-
Total	1,834.43	961.53

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 28: Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation and amortisation on property, plant and equipment (refer note 4)	71.77	70.75
Depreciation on investment property (refer note 5)	443.48	293.48
Depreciation on right of use asset (refer note 6)	27.23	-
Total	542.48	364.23

Note 29: Other expenses

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Rent (refer note 38)	1.25	27.56
Travelling and conveyance	3.72	4.81
Communication expenses	2.07	6.96
Insurance	8.80	6.76
Legal and professional fees	37.52	45.82
Directors' sitting fees	2.90	2.60
Advertising and publicity	3.03	5.13
Marketing and sales promotion	4.10	3.75
Auditor's remuneration (refer note (a) below)	8.26	8.57
Bank charges	0.06	0.11
Printing and stationery	4.23	8.10
Provision for doubtful debts	64.40	-
Provision for doubtful Advances	-	5.63
Contribution towards corporate social responsibility (refer note 39)	41.76	23.71
Donation	0.63	0.20
Sundry balance written off	-	51.49
Commission & brokerage	1.50	14.61
Miscellaneous expenses	4.38	9.19
Total	188.58	224.99
a) Auditor's remuneration (exclusive of taxes)		
- Statutory audit fees	8.12	7.85
- Out of pocket expenses	0.14	0.62
Total	8.26	8.47

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 30: Current tax

(a) Income-tax expense through the statement of profit and loss

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax on profits for the year	181.18	311.00
Adjustments for current tax of prior periods	(5.12)	(25.02)
Reversal of MAT credit	(1.58)	(180.16)
	174.48	105.82
Deferred tax charge / (credit)		
In respect of current year origination and reversal of temporary differences	24.75	261.24
Total tax expense	199.23	367.06

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before income-tax	962.52	1,351.85
Applicable Indian statutory income-tax rate	27.82%	29.12%
Computed tax expense	267.77	393.66
Tax effect of items deductible in calculating tax income (net)	(47.99)	194.69
Effect of income that is exempt from tax	(13.85)	(16.11)
MAT credit reversal / (creation)	(1.58)	(180.16)
Adjustment of current tax of prior periods	(5.12)	(25.02)
Income-tax expense reported in the statement of profit and loss	199.23	367.06

Note 31: Earnings per share

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
The numerators and denominators used to calculate the basic and diluted earnings per share are as follows:		
Net profit attributable to shareholders for basic/diluted earnings per share (₹ in lakhs)	763.29	984.79
Weighted average number of equity shares for basic/diluted earnings per share (in lakhs)	280.00	280.00
Basic earnings per share (₹)	2.73	3.52
Diluted earnings per share (₹)	2.73	3.52

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 32: Employee benefits

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Gratuity	18.93	5.40	19.47	3.81
Compensated absences	6.80	2.32	7.63	2.25
Total	25.73	7.72	27.10	6.06

The Holding Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the amount recognised in the balance sheet for the defined benefit plan.

(₹ in lakhs)

	Gratuity benefits	
	As at 31 March 2020	As at 31 March 2019
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	23.28	18.30
Interest cost	1.63	1.41
Service Cost	3.37	3.26
Benefits paid	(2.56)	-
Actuarial losses/(gains) on obligation	(1.40)	0.31
Closing defined benefit obligation	24.32	23.28
Amount recognised in the balance sheet:		
Liability at the beginning of the year	23.28	18.30
Current year's expense	5.00	4.67
Transferred to OCI	(1.40)	0.31
Contributions by employer	(2.56)	-
Liability recognised in the Balance Sheet	24.32	23.28
Expense recognised in the statement of profit and loss:		
Service cost	3.37	3.26
Interest cost	1.63	1.41
	5.00	4.67

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Expense/(income) recognised in the other comprehensive income:		
Actuarial loss / (gain) on defined benefit obligations	(1.40)	0.31
Net expense / (income) recognised in the total comprehensive income	(1.40)	0.31

Breakup of actuarial gain/loss

Actuarial (gain) / loss arising from change in financial assumption	(1.43)	0.41
Actuarial (gain) / loss arising from experience adjustment	0.04	(0.10)
	(1.40)	0.31

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Actuarial assumptions used

	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	6.60%	7.40%
Salary growth rate (per annum)		
-for first year	NIL	10.00%
-for second year	5.00%	10.00%
-thereafter	10.00%	10.00%

Demographic assumptions used

	As at 31 March 2020	As at 31 March 2019
Mortality table	IALM(2012-14)	IALM(2012-14)
Retirement age	60 years	60 years
Average remaining life (years)	7.21	6.79
Withdrawal rates for all ages	12% per annum	12% per annum

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis

The financial results are sensitive to the actuarial assumptions. The changes to the defined benefit obligations for increase & decrease of 1% from assumed salary escalation, withdrawal and discount rates are given below. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2020.

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
Increase/ (decrease) in the defined benefit liability	(1.47)	1.66	(1.30)	1.46
Salary escalation rate				
Increase/ (decrease) in the defined benefit liability	1.38	(1.25)	1.18	(1.09)
Withdrawal rates				
Increase/ (decrease) in the defined benefit liability	(0.23)	0.26	(0.18)	0.20

The present value of the defined benefit obligation calculated with the same method (projected unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Compensated absences

The Holding Company has a defined benefit compensated absences plan. It is payable to all the eligible employees at the rate of daily salary subject to a maximum of forty two days. The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the statement of profit and loss for the year is ₹0.06 lakhs (Previous year: net charge of ₹2.02 lakhs).

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Actuarial assumptions used

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.60%	7.40%
Expected salary escalation rate		
-for first year	NIL	10.00%
-for second year	5.00%	10.00%
-thereafter	10.00%	10.00%
Mortality table	IALM(2012-14)	IALM(2012-14)
Withdrawal rate	12% per annum	12% per annum

Note 33: Related party transactions

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", names of the related parties, related party relationships, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

a) List of related parties

Relationship	Name of the related party
Directors	Rasesh B. Kanakia Himanshu B. Kanakia Hiral H. Kanakia
Relative of director	Manisha Vora
Key management personnel (KMP)	Sunil Ranka (from 7 February 2018 to 15 April 2018) Vipul Parekh (from 12 October 2018) Jatin Shah
Entities under common control	Kanakia Spaces Realty Private Limited Sarang Property Developers Private Limited Babubhai Kanakia Foundation (upto 14 August 2019) RBK Education Solutions Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Details of transaction between the Company and its related parties are disclosed below:

b) Transactions during the year

(₹ in lakhs)

Particulars	Nature of relationship	Year ended 31 March 2020	Year ended 31 March 2019
Capital advance given			
Kanakia Spaces Realty Private Limited	Entity under common control	-	1,434.65
Other advance given			
Kanakia Spaces Realty Private Limited	Entity under common control	-	1,729.17
Loan given			
Kanakia Spaces Realty Private Limited	Entity under common control	18,468.29	-
Deposit given			
Kanakia Spaces Realty Private Limited	Entity under common control	5.03	-
Other advance received back			
Kanakia Spaces Realty Private Limited	Entity under common control	1,729.17	-
Loan received back			
Kanakia Spaces Realty Private Limited	Entity under common control	81.87	-
Interest received from			
Kanakia Spaces Realty Private Limited	Entity under common control	1,148.14	-
Cost reimbursement received			
Kanakia Spaces Realty Private Limited	Entity under common control	396.51	-
Advertisement income			
Babubhai Kanakia Foundation	Entity under common control	1.92	2.52
RBK Education Solutions Private Limited	Entity under common control	1.13	-
Sundry balances written back			
Sarang Property Developers Private Limited	Entity under common control	-	2.92
Rent expense			
Kanakia Spaces Realty Private Limited	Entity under common control	31.77	29.60
Reimbursement of expenses			
Kanakia Spaces Realty Private Limited	Entity under common control	3.63	2.40
Manisha Vora	Relative of director	3.26	5.46
Jatin Shah	KMP	1.10	1.20

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Particulars	Nature of relationship	Year ended 31 March 2020	Year ended 31 March 2019
Professional fees paid			
Manisha Vora (from 1 August 2019)	Relative of director	10.08	
Remuneration paid			
Rasesh B. Kanakia	Director	16.00	16.00
Himanshu B. Kanakia	Director	16.00	16.00
Hiral H. Kanakia	Director	15.00	15.00
Jatin Shah	KMP	10.05	10.04
Manisha Vora	Relative of director	3.19	9.09

The Related Party relationships are identified by the management and relied upon by the auditors
There are no other type of remuneration paid to KMP.

Note 33: Related party transactions (contd.)
c) Balances outstanding at the year end

(₹ in lakhs)

Particulars	Nature of relationship	As at 31 March 2020	As at 31 March 2019
Loan given			
Kanakia Spaces Realty Private Limited	Entities under common control	18,919.81	-
Trade Receivables			
Babubhai Kanakia Foundation	Entity under common control	0.08	0.11
RBK Education Solutions Private Limited	Entity under common control	0.28	-
Other advance given			
Kanakia Spaces Realty Private Limited	Entity under common control	-	1,729.17
Security deposit			
Kanakia Spaces Realty Private Limited	Entity under common control	15.88	10.85
Trade payables			
Kanakia Spaces Realty Private Limited (reimbursement of expenses)	Entity under common control	1.37	-
Manisha Vora	Relative of director	1.13	-
Other payables			
Kanakia Spaces Realty Private Limited (rent payable)	Entity under common control	8.34	-

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 34: Segment information

Operating segments

Considering the nature of operations and the manner in which the chief operating decision maker of the Group reviews the operating results, the Group has concluded that there is only one operating segment as per Ind AS 108 "Operating Segments". Accordingly, no separate disclosures of segment information have been made.

	As at 31 March 2020		As at 31 March 2019	
	Amount	% of revenue from operations	Amount	% of revenue from operations
Total revenue from operations from: Major Customer	1,282.10	49.96%	1,324.04	54.65%

Note 35.1: Financial instruments

i) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Financial assets		
Measured at amortised cost		
Loans - Non current	18,921.79	0.92
Loans - Current	9.44	9.90
Trade Receivables	184.70	276.88
Cash and cash equivalents	51.30	2,214.18
Other Bank balances	0.93	0.93
Other financial assets	743.00	1,731.59
Total	19,911.15	4,234.40
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity)	17,138.00	15,791.51
Trade payables	99.39	17.29
Other financial liabilities - Non current	659.39	566.92
Other financial liabilities - Current	1,558.94	282.17
Total	19,455.73	16,657.88

- (a) The carrying value of trade and other receivables, security deposits, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.
- (b) The carrying value of borrowings, trade payables, other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

ii) Fair values heirarchy and method of valuation

Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation process and technique used to determine fair value

The fair values for instruments at amortised cost are based on discounted cash flows using a discount rate determined based on market interest rate for an equivalent instrument.

Note 35.2: Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Group's risk management is carried out by finance team under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Group causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and loans is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Financing arrangements

The Holding Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ in lakhs)	
	As at 31 March 2020	
	As at 31 March 2019	
Line of credit from Aditya Birla Finance Limited	-	1,628.49
	-	1,628.49

Contractual maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

31 March 2020	Up to 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	296.00	2,336.00	14,506.00	17,138.00
Trade payables	99.39	-	-	99.39
Other financial liabilities	1,558.94	659.39	-	2,218.33
Total	1,954.33	2,995.39	14,506.00	19,455.72

31 March 2019	Upto 1 year	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings	187.00	1,717.66	13,886.85	15,791.51
Trade payables	17.29	-	-	17.29
Other financial liabilities	282.17	566.92	-	849.09
Total	486.46	2,284.58	13,886.85	16,657.89

C) Market risk - foreign exchange

The Group is not exposed to any foreign exchange risk arising from foreign currency transactions.

D) Market risk - interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's variable rate borrowings. The Group is not exposed to changes in market interest rates in so far it relates to fixed rate borrowings.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	17,138.00	15,791.51

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowing, as follows:

(₹ in lakhs)

Particulars	Gain / (loss) on profit before tax	
	31 March 2020	31 March 2019
Interest rate increases by 50 basis points	(85.69)	(78.96)
Interest rate decreases by 50 basis points	85.69	78.96

Note 36: Capital management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Net debts	17,086.70	13,577.33
Total equity	12,197.42	11,434.07
Gearing ratio	140.08%	118.74%

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 37: Micro, Small and Medium Enterprises

The disclosures relating to Micro and Small Enterprises (MSME) has been furnished to the extent such parties have been identified on the basis of intimation received from suppliers regarding their status under the Micro and Small Enterprises Act, 2006 .

Disclosure U/s 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) the principal amount and the interest due thereon remaining unpaid	-	-
b) the amount of interest paid , along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
c) the amount of interest due and payable for the period of delay in making payment without interest	-	-
d) the amount of interest accrued and remaining unpaid at the end of financial year	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
Total	-	-

Note 38: Leases INDAS

a) As Lessee:

Effective April 1, 2019, the Holding Company adopted Ind AS 116 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Holding Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The incremental borrowing rate applied to lease liabilities as at April 1, 2019 - 11.55% p.a.

Following is the information pertaining to leases for the year ended March 2020:

(₹ in lakhs)

Particulars	Amount
(a) Depreciation charge for Right of Use asset	27.23
(b) Interest expense on lease liability	18.17
(c) Expense relating to short term leases accounted in profit & loss	-
(d) Total cash outflow for leases for the period	31.77
(e) Additions to Right of Use asset	142.84
(f) Carrying amount of Right of use Asset as on March 31, 2020	115.61

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Table showing contractual maturities of lease liabilities on undiscounted basis:

Due	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Due not later than one year	31.77	23.82
Due later than one year but not later than five years	128.65	-

b) As Lessor:

The Holding Company has given certain part of its property on operating lease. These lease arrangements are for a period of 9 years and cancellable solely at discretion of the lessees. Rental income from leasing of property of Rs. 2,224.11 lakhs (P.Y. Rs. 2,075.78 lakhs) is recognized in the Statement of Profit and Loss. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

The Holding Company has not given any property under non -cancellable operating lease.

Note 39: Corporate social responsibility

The Group has formed a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. The Group was required to spend ₹ 27.49 lakhs (previous year ₹ 23.49 lakhs) as per Section 135(5) of Companies Act, 2013. The Group has spent ₹ 41.76 lakhs (previous year ₹ 23.71 lakhs) towards CSR expenses on the activities mentioned in Schedule VII to the Companies Act, 2013 for the purpose other than construction/acquisition of any asset.

Note 40: Pursuant to the approval of share holders of the Holding Company at the Company's Seventeenth Annual General Meeting held on 14th August 2019, Holding Company had entered into an agreement with Kanakia Spaces Realty Private Limited (KSRPL) for providing loan of Rs.15,000.00 lakhs to "KSRPL". In addition to the above an additional Rs.500.00 lakhs to the borrower "KSRPL" was approved by the share holders through postal ballot / evoting conducted during period 23rd November 2019 to 22nd December 2019 of which results were declared on 24th December 2019.

Note 41:

The Operations and the Financial Results of the Holding Company during the year ended 31 March, 2020 were marginally impacted due to the lockdown imposed by the Government to restrict the spread of COVID-19. The Holding Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and investments in properties. In assessing the impacts of the pandemic, the Holding Company has used internal and various external sources of information. The Holding Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The leases that the Holding Company has entered with lessors are long term in nature and no major changes in terms of those leases are expected due to the COVID-19. Despite the uncertainties arising due to said pandemic as to the period and impacts, having regard to the business environment, the management does not foresee major impacts on its reported numbers and business operations.

Note 42:

- (i) The group does not have any pending litigation which would impact its financial position.
- (ii) The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 43: Additional Information as required under Schedule III to the Companies Act, 2013 pertaining to Parent company & its Subsidiary for the year ended 31 March, 2020

Name of the entity	31 March, 2020							
	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Cineline India Limited	100.00%	12,197.97	100.11%	764.13	100.00%	1.01	100.11%	765.14
Subsidiary								
Transquare Realty Private Limited	0.00%	(0.55)	-0.11%	(0.84)	0.00%	-	-0.11%	(0.84)
Total	100.00%	12,197.42	100.00%	763.29	100.00%	1.01	100.00%	764.30

Name of the entity	31 March, 2019							
	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Cineline India Limited	100.00%	11,433.78	100.07%	985.50	100.00%	(0.23)	100.07%	985.27
Subsidiary								
Transquare Realty Private Limited	0.00%	0.29	-0.07%	(0.71)	0.00%	-	-0.07%	(0.71)
Total	100.00%	11,434.07	100.00%	984.79	100.00%	(0.23)	100.00%	984.56

Note 44: Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification / disclosure.

Note 45: Authorisation of financial statements

These financial statements as at and for the year ended 31 March 2020 (including comparatives) have been approved by the Board of Directors on 29 June 2020.

As per our audit report of even date

For Khimji Kunverji & Co LLP

(Formerly Khimji Kunverji & Co)

Chartered Accountants

Firm Registration No.:105146W / W100621

Hasmukh B. Dedhia

Partner

Membership No. : 033494

Place: Mumbai

Date: 29 June 2020

For and on behalf of the Board of Directors

Rasesh B. Kanakia

Chairman

DIN: 00015857

Himanshu B. Kanakia

Managing Director

DIN: 00015908

Vipul N. Parekh

Chief Financial Officer

Place: Mumbai

Date: 29 June 2020

Jatin Shah

Company Secretary

CINELINE

CINELINE INDIA LIMITED

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