

**QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED**

Registered Office: No. 42, Dr. Ranga Road, Mylapore, Chennai – 600 004  
CIN: U92490TN1986PTC012536 Email ID: srivarshin@qubecinema.com

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**NOTICE OF THIRTY SIXTH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Thirty Sixth Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 30<sup>th</sup> of September 2021 at 04:00 P.M. through Video conference to transact the following Business:-

**ORDINARY BUSINESS:**

**ITEM NO.1**

To receive, consider and adopt the Standalone Audited financial statements of the Company along with the reports of the Directors and the Auditors for the financial year ended 31<sup>st</sup> March 2021.

**ITEM NO.2**

To receive, consider and adopt the Consolidated Audited financial statements of the Company and its subsidiary along with report of the Auditors for the financial year ended 31<sup>st</sup> March 2021.

**SPECIAL BUSINESS:**

**ITEM NO: 3**

**APPOINTMENT OF MS. SARADHA GOVINDARAJAN AS THE CFO OF THE COMPANY**

To approve the appointment of Ms. Saradha Govindarajan as Chief Financial Officer.

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

**RESOLVED** that as per provisions contained in Article 25.1(ff) of the Articles of Association of the Company, the appointment of Ms. Saradha Govindarajan as Chief Financial Officer (CFO) of the Company with effect from 01<sup>st</sup> April 2021, be and is hereby approved and ratified and that Mr. P. Jayendra and Mr. V. Senthil Kumar, Whole Time Directors be and are hereby severally and/or jointly authorized to discuss and finalize the terms and conditions of Service Agreement for appointment of Ms. Saradha Govindarajan as CFO.

**ITEM NO.4**

**RECLASSIFICATION OF SHARE CAPITAL AND ALTERATION OF MEMORANDUM OF ASSOCIATION**

To consider and approve the below resolution as special resolution with or without modification as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 61 read with Section 64 and all other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), read with rules framed thereunder, the consent of the Shareholders be and hereby accorded that the existing Authorised Share Capital of the Company of 54,50,00,000 (Rupees Fifty Four Crores and Fifty Lakhs) divided into 4,70,00,000 (Four Crores and Seventy Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 75,00,000 (Seventy Five Lacs) preference shares of 10/- (Rupees Ten Only) each be and is hereby reclassified to 54,50,00,000 (Rupees Fifty Four Crores and Fifty Lakhs) divided into 5,45,00,000 (Five Crores and Forty Five lakhs) Equity shares of Rs. 10/- (Rupees Ten Only) each.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013, and rules framed thereunder, the consent of the Shareholders of the Company be and is hereby accorded to alter Clause V of the Memorandum of Association of the Company by substituting it with the following clause:

- V. *\*The Authorised Share Capital of the Company is Rs. 54,50,00,000 (Fifty -Four Crores and Fifty Lakhs Only) divided into 5,45,00,000 (Five Crores and forty five lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten) each , with the powers to increase or reduce the same in accordance with the provisions of Companies Act 2013.*

**“RESOLVED FURTHER THAT** Mr. V. Senthil Kumar, Mr. P. Jayendra Whole- Time Directors and/ or Ms. S. Sri Varshini, Company Secretary of the Company be and are hereby authorized to file necessary forms and Returns from time to time with the Registrar of Companies, Chennai and to do all such acts, deeds, matters and things as it may deemed necessary, pertinent, desirable, or incidental in this regard.”

By Order of the Board  
For **Qube Cinema Technologies Pvt. Ltd.**

Place: Chennai

Date: 8<sup>th</sup> September 2021



*Sri Varshini*

**S. Sri Varshini**  
Company Secretary

**IP DETAILS FOR ATTENDING THE MEETING THROUGH VIDEO CONFERENCE**

Please find the below IP Details for attending the meeting through Video Conference.

**Join Zoom Meeting on Thursday the 30<sup>th</sup> September 2021 at 04:00 PM**

**Meeting ID:** 895 5994 6376

**Passcode:** 252062

**Link:** <https://qubecinema.zoom.us/j/89559946376?pwd=N2dENUFQTzdYa01uV2lNbUNNVlVrdz09>

**NOTE:**

*In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ( "MCA") vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, Circular no. 02/2021 dated January 13, 2021 and Circular No. 10/2021 dated 23rd June 2021 (Collectively referred to as "MCA Circulars") permitted the companies to hold the Annual General Meeting ("AGM") through Video conference ("VC") / Other Audio Visual Means(OAVM), without Physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013("Act") and MCA Circulars, the Thirty sixth Annual General Meeting of the company is being convened through Video Conference ("VC").*

*The member's intending to attend the Thirty sixth Annual General Meeting of the Company through video conference may confirm their presence to [srivarshini@qubecinema.com](mailto:srivarshini@qubecinema.com) and/or [cs@qubecinema.com](mailto:cs@qubecinema.com) on or before **28<sup>th</sup> of September 2021.***

- *The Notice of the Thirty sixth Annual General Meeting along with followings documents forming part of the Agenda item is being sent to the registered mail id's of the members.*
  - a. *Approved Standalone Financial Statements, along with the Reports of the Directors and Auditors for the Financial year ended 31<sup>st</sup> March 2021 along with the Notes to accounts/ schedules/ provisions/appropriations to the Financial Statements.*
  - b. *Approved Consolidated Financial Statement of the Company including its subsidiary company along with report of the Auditors for the financial year ended 31<sup>st</sup> March 2021 along with the Notes to accounts/ schedules/ provisions/appropriations to the Financial Statements*
  - c. *Any other connected documents forming part of the Agenda items.*
- *Notice along with the Annual Report for the FY 2020-21 is also available in the website of the Company [www.qubecinema.com](http://www.qubecinema.com) for the attention of the Members.*
- *Since the Thirty sixth Annual General Meeting is convened through Video conference, the Route Map is not annexed in this Notice and instead the login details for attending the meeting through VC is enclosed as part of the Notice.*
- *The members may attend the meeting through video conference with the USER Id & Password or by clicking the link which is being sent to the Registered Mail Id's of the Members for due participation & voting at the meeting. Any member finding difficulty in attending the meeting may intimate their concern to [srivarshini@qubecinema.com](mailto:srivarshini@qubecinema.com) and/or [cs@qubecinema.com](mailto:cs@qubecinema.com)*
- *The facility for joining the meeting shall be open for at least 15 minutes before the meeting time and 15 minutes after the meeting time.*
- *Kindly note that this this Thirty sixth AGM is being held thorough Video Conference, and the physical attendance of members has been dispensed with and accordingly the facility for appointment of proxies by the Members will not available for this Thirty Sixth AGM and hence the proxy form and Attendance Slip are not annexed to this Notice. However, as per Section 113 of Companies Act, 2013,*



*Body Corporates being a member of the Company may authorize, authorize a person to act as its representatives by passing a Board Resolution or Letter of Autorisation for the purpose of attending and voting at the meeting.*

- The Body Corporates being a members shall submit the Board Resolution or Authorisation letter authorising a person to attend and vote at the meeting on or before **28<sup>th</sup> of September 2021** to [srivarshini@qubecinema.com](mailto:srivarshini@qubecinema.com) and/or [cs@qubecinema.com](mailto:cs@qubecinema.com)*
- The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection by the members of the Company at Registered office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting. The members are requested to intimate at least 3 days advance to [srivarshini@qubecinema.com](mailto:srivarshini@qubecinema.com) and/or [cs@qubecinema.com](mailto:cs@qubecinema.com), if they wish to inspect the Records, Registers & documents mentioned above.*
- At the Thirty Second Annual General Meeting held on 24<sup>th</sup> August 2017, the Members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W), Chennai, as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirty Seventh Annual General Meeting of the company, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.*
- The members may submit their queries relating to the Agenda items placed at the AGM through e-mail on or before **28<sup>th</sup> of September 2021** to [srivarshini@qubecinema.com](mailto:srivarshini@qubecinema.com) and/or [cs@qubecinema.com](mailto:cs@qubecinema.com) and the same will be replied by the Company suitably.*
- The Chairman of the Meeting may decide to conduct a vote on the Agenda items by **Show of hands** if the members attending the meeting are less than 50 in number, unless a demand for poll is made by any member.*
- The members having not less than 1/10<sup>th</sup> of the total voting power or holding shares not less than Rs. 5 lakhs or such higher amount of the paid up capital may demand for poll.*
- If poll is demanded the members, may record their assent/dissent to the Poll paper Form MGT-12 enclosed along with the Notice in and send it to [srivarshini@qubecinema.com](mailto:srivarshini@qubecinema.com) and/or [cs@qubecinema.com](mailto:cs@qubecinema.com) at the time of the meeting.*
- The results of the poll shall be scrutinized and the results of the meetings shall be announced by the Chairman within half an hour of the meeting.*

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**Form MGT-12- Polling Paper**

**If Poll is demanded by the members under Section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014**

Name of the Company	Qube Cinema Technologies Private Limited
Registered office of the Company	No. 42, DR. Ranga Road, Mylapore, Chennai 600 004
Name of the Shareholder	
Address of the Shareholder	
Demat ID/ Client ID of the Shareholder	
Class of Shares	
Number of Share held	
% of Shares held	

I hereby exercise my vote in respect of Ordinary resolution enumerated below by recording my assent or dissent to the said resolution in the following manner

No	Item No	Number of Shares held by the Shareholder	I/We assent to the resolution	I/ We dissent to the resolution
1	To receive, consider and adopt the Standalone Audited financial statements of the Company along with the reports of the Directors and the Auditors for the financial year ended 31st March 2021.			
2.	To receive, consider and adopt the Consolidated Audited financial statements of the Company, its subsidiary and associate company along with report of the Auditors for the financial year ended 31st March 2021.			
3.	Appointment of Ms. Saradha Govindarajan as the CFO of the company			
4.	Reclassification of share capital and alteration of memorandum of articles			

Place:

Date:

Signature of the Shareholder/ Authorised representative of Body Corporate along with seal

**QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED**

Registered Office: No. 42, Dr. Ranga Road, Mylapore, Chennai – 600 004  
CIN: U92490TN1986PTC012536 Email ID: srivarshini@qubecinema.com

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**EXPLANATORY STATEMENT UNDER SECTION 102(2) OF THE COMPANIES ACT,  
2013**

**ITEM NO: 3**

The Board of Directors of the Company at its Meeting held on 31<sup>st</sup> March 2021 considered the appointment of Ms. Saradha Govindarajan as Chief Financial Officer (CFO) with effect from 1<sup>st</sup> April 2021 subject to the approval of Shareholders in the Annual General Meeting.

As per the provisions contained in Article 25.1 (ff) of the Articles of Association of the Company, approval of company investors needs to be taken at a General Meeting for the appointment of Chief Financial Officer of the Company.

Hence the resolution as set out under Item No.3 is submitted to the Meeting.

**Interest of Directors**

None of the Directors is interested or concerned in the resolution.

The Directors accordingly recommend the resolution at set out in Item No. 3 for your approval as a Special resolution.

**ITEM NO: 4**

The Company as on 31<sup>st</sup> March 2021 has converted all the existing Preference Share Paid Up Capital into Equity Shares. At present the Company has only one class of Shares i.e Equity in its Paid- Up Capital.

Hence the Board of Directors vide resolution passed at the meeting held on 8<sup>th</sup> September 2021 approved to reclassify the authorized share capital as follows:

The Authorised Share Capital of Rs. 54,50,00,000/- (Rupees Fifty Four Crores and Fifty Lakhs) divided into 4,70,00,000 (Four Crores and Seventy Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 75,00,000 (Seventy Five Lacs) preference shares of 10/- (Rupees Ten Only) each be **reclassified** to 54,50,00,000 (Rupees Fifty Four Crores and Fifty Lakhs) divided into 5,45,00,000 (Five Crores and Forty Five lakhs) Equity shares of Rs. 10/- (Rupees Ten Only) each.

and consequentially amend the clause V of the Memorandum of Association of the Company

Pursuant to Section 61 and 64 of the Companies Act, 2013, approval of the shareholders of the Company is required to re-classify the authorized share capital of the company.

Hence, the Resolution set out in Item No. 4 is relating to reclassification of the Share capital of the Company and consequent amendment of Clause V of the Memorandum of Association of the Company is submitted to this Meeting for seeking the approval of the Shareholders of the Company.

A copy of the Memorandum of Association of the Company together with the proposed alteration is available for inspection at registered office of the Company between 11:00 a.m. and 5:30 p.m. on all working days up to the date of the Annual General Meeting

**Interest of Directors**

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice except to the extent of their individual shareholding in the Company.

The Directors accordingly recommend the resolution at set out in Item No. 4 for your approval as a Special resolution.

By Order of the Board  
**For Qube Cinema Technologies Private Limited**

Place: Chennai

Date: 8<sup>th</sup> September 2021



**S. Sri Varshini**  
**Company Secretary**

**Qube Cinema Technologies Private Limited**  
**Thirty Sixth Annual Report – 2020-21**  
**Directors' Report**

Your Directors have pleasure in presenting to you the Thirty Sixth Annual Report of the Company for the financial year ended March 31, 2021.

***I. Financial Results***

The financial performance of your Company for the financial year ended 31<sup>st</sup> March 2021 is as under:

(Rs. in Lakhs)		
Year ended March 31	2021	2020
Revenue from Operations including Other Income	5,432.91	34,243.7
Profit Before Depreciation Interest, Exchange Gain/Loss, Non-recurring items and Tax (PBDIT)	( 5,516.85)	4,507.51
Profit Before Tax and exceptional items	(11,233.46)	(1,890.62)
Less: Exceptional items	1051.60	2,344.59
Profit Before Tax and after exceptional items	(12,285.06)	(4,235.21)
Profit/ Loss After Tax	(8,718.05)	(3,862.86)

***II. Business during the year***

Covid-19 pandemic adversely impacted the media industry and in specific, the community theatre viewing experience was brought to a standstill in FY 2020-21. The adverse impact of the same is also being witnessed in the Q1 of FY2021-22.

Your company, whose business was predominantly dependent on running of theatres, took a major hit on revenues and subsequently profits. It was an abnormal year for the business with revenues of ~60 crores INR recorded for the entire financial year. This was approximately 12-15% of pre pandemic level revenues. The only silver lining was revenues from our media solutions business, [Media solutions business provides hardware, software and other allied services to TV channels providing live broadcasting services] which recorded 70% of pre pandemic level revenues.

Your company focused on conserving cash during these stressful times. Admin and operating overheads were slashed through prudent monitoring and an organizational restructuring exercise was undertaken. This helped us reduce expenses to the tune of Rs 70 crores/ year.

Your Company also focused on better collections from receivables and ended up collecting Rs 40 crores from receivables pertaining to previous Financial Years. This helped the company meet out all commitments including employee salaries, statutory benefits, and banks.

Your company has also utilized this opportunity to explore newer and allied avenues including providing similar services to OTT platforms. It has strengthened its resolve of providing technology solutions keeping in mind the future of cinema & role of automation in the cinema world. Your company has looked at related diversification opportunities to be better prepared for such circumstances in the future.

Your company has consolidated its capital structure and has been able to attract a reputed strategic investor in place of multiple financial investors who had helped the company grow through their earlier investments. The entry of SS Theatres LLP, coupled with the partial opening of theatres in Q4 of FY2020-21 gave a new lease of life to the company. The renewed enthusiasm shown by the theatre going audience in India and trends across the world, reiterated the fact that community viewing experience is here to stay and depending on regulatory bindings - the business will revive at the earliest.

Your company has been focusing on strengthening its cash position continuously. The resolve was further necessitated by the second wave that hit the country in Q1 of FY2021-22. The company raised fresh equity and borrowed under the ECLGS 3.0 scheme announced for the most affected sectors by the Govt. of India. These above initiatives added more than Rs 45 crores to the corpus of the company through debt and equity routes to sail through tough times.

Your company remains confident on theatres opening and business resuming given the trends seen in countries including India during times of lifting of restrictions. The resumption of revenues coupled with the cost efficiency measures already undertaken will lead the company to better profitability in the future.

### *Subsidiary & Associate Company*

#### *Qube Cinema Inc., USA.*

#### *QCI*

QCI was on the verge of a turnaround having completed its nascent years towards the end of FY2019-2020. It was poised to turn profitable in FY2020-21, however the Covid-19 pandemic led to theatrical businesses getting adversely impacted globally. Your Company improvised on its strategy – it used the worldwide lockdown to expedite talks with the major studios like Disney, Paramount, Warner, Sony etc for exclusive contracts to electronically deliver content in geographies like Australia, New Zealand, Middle East etc. The efforts were fruitful, and the company entered into exclusive agreements for newer geographies. The efforts will show results in the coming financial year and turn this into a profitable and lean business in FY2021-22.

Justickets Private Limited (Justickets), an Associate of your Company effective 29<sup>th</sup> March 2019

During the year under review, Justickets had undertaken the production of an Indian anthology streaming television series titled "Navarasa" for Netflix. The net revenue realized out of this project will be fully utilized for providing financial assistance to the technicians of the Cinema industry affected by the Pandemic. This has resulted in a profit of Rs.849.58 Lakhs for FY21 as against the loss of Rs.494.79 Lakhs in FY20.

Details of the Subsidiary Company and Associate Company in form AOC 1 is annexed herewith marked as **Annexure A** and forms part of this report.

III. Names of Companies which have become or ceased to be its subsidiary (ies), Joint Ventures or Associate Companies during the year: Nil

IV. Material changes and commitments, if any, affecting the financial position of the Company which has occurred since 31<sup>st</sup> March 2021 till the date of report

There are no material changes and commitments affecting the financial position of the Company which has occurred since 31<sup>st</sup> March 2021 till the date of this report.

V. Change in the nature of business if any

There was no change in the nature of the business during the year under review.

VI. Transfer to Reserves – NIL

VII. Declaration of Dividend – NIL

VIII. Deposits

Your Company has not accepted any deposits during the financial year nor has any outstanding unclaimed or unpaid public deposits as on 31<sup>st</sup> March 2021.

IX. Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year

a. Company Secretary

During the year, there was no change in the position of Company Secretary in the company, Ms. S. Sri Varshini is the Company Secretary of the company.

b. Chief Executive Officer (CEO)



Mr. Harsh Krishna Rohatgi continued as a position of Chief Executive Officer of Qube Cinema Technologies Private Limited during the FY 20-21.

*c. Chief Financial Officer (CFO)*

Mr. P. Raghunath ceased to be the Chief Financial Officer of the Company with effect from 12<sup>th</sup> June 2020. After the end of the FY 20-21, Ms. Saradha Govindarajan was appointed as the Chief Financial Officer of Qube Cinema Technologies Private Limited by the Board with effect from 01<sup>st</sup> April 2021.

*d. Directors*

- *Appointment*

Mr. Peruvemba Balakrishnan Ramany was appointed as a Nominee Director in the Board Meeting dated 31<sup>st</sup> March 2021 with immediate effect.

- *Change in Designation*

NIL

- *Resignation*

Mr. Anirudh Raj Sarathy – Nominee Director, Ms. Louise Jane Moat- Nominee Director and Mr. Atsushi Okabe- Nominee Director, resigned from the company in the Board Meeting dated 31<sup>st</sup> March 2021 with immediate effect.

*X. Particulars of loans, guarantees or investments under Section 186 of the Companies Act 2013*

There are no loans, guarantees or investments exceeding the limits prescribed under Section 186 of the Companies Act 2013.

*XI. Net Worth of the Company*

	(Amount in Rs. Mn)	
	As on 31.03.2021	As on 31.03.2020
Net-worth of the Company	10428.10	19094.36

*XII. Compliance with Secretarial Standards*

During the financial year under review your Company was regular in compliance with the applicable Secretarial Standards.



**XIII. Board Meetings held during the financial year**

Seven (7) Board Meetings were held during the financial year on 14<sup>th</sup> May 2020, 04<sup>th</sup> August 2020, 17<sup>th</sup> September 2020, 20<sup>th</sup> October 2020, 24<sup>th</sup> November 2020, 11<sup>th</sup> March 2021 and 31<sup>st</sup> March 2021.

**Attendance details of Directors**

Name of Directors	Number of Board Meetings entitled to attend during the year	Number of Board Meetings attended during the year
P. Jayendra	7	7
V. Senthil Kumar	7	7
M.G. Parameswaran	7	7
Balakrishnan Ramany	1	1

**Committee Meeting held during the financial year-**

CSR Committee Meeting was held on 31<sup>st</sup> March 2021

**XIV. Details of Policies developed by the Company:**

**a) Corporate Social Responsibility Policy**

The Board has, on the recommendation of the CSR Committee, approved the CSR Policy.

The Company's CSR Policy is available on the Company's website [www.qubecinema.com](http://www.qubecinema.com). Annual Report on CSR as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith marked as **Annexure B** and forms part of this report.

**b) Risk Management Policy**

Business Risk Evaluation and Management is an ongoing process within the Organization. Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Management of the Company has framed a Risk Management Policy for the key elements of risk affecting the core business of your Company. In respect of these, the Company has in place a mechanism to identify, assess, monitor and mitigate with a view to achieving key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis and it is towards this end that your Company has obtained ISO 22001 certification for its processes underlying the core businesses of digital cinema mastering and content licensing. Generally, and as part of this framework, the Company has not identified any element of risk which may threaten the existence of the Company.

c) Vigil Mechanism/Whistle Blower Policy

Your Company has formulated a Vigil Mechanism Policy with a view to provide a mechanism for employees and directors of the Company to approach the Vigilance and Ethics Officer to ensure adequate safeguards against victimization. This policy would help create an environment wherein individuals feel free and secure to raise an alarm, whenever any fraudulent activity takes place or is likely to take place. It will also ensure that complainant(s) are protected from retribution, whether within or outside the organization. The details of establishment of the Vigil Mechanism Policy are displayed on the website of the Company [www.qubecinema.com](http://www.qubecinema.com).

In terms of Section 177 (9) of the Companies Act 2013, your Company has established a policy with regard to vigil mechanism for directors and employees to report their genuine concerns in respect to the following areas: -

- a. Financial irregularities, including fraud or suspected fraud.
- b. Wastage or misappropriation of company money or assets
- c. Abuse of authority
- d. Misbehavior with stakeholders such as employees, lenders, project members & their family members, etc.
- e. Manipulation of company data/records/register
- f. Accused or convicted in any criminal offence
- g. Non-compliance with / violation of organization rules & regulations or statutory requirements
- h. Any other unethical, dishonest or biased happenings.

XV. Details pursuant to employee stock options

Issue of employee stock options

Pursuant to Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, following are the details regarding Employees Stock Option Scheme: -

ESOP Scheme 2006

Table A

Options Granted	12,14,158
Options Vested	12,14,158
Options Exercised	9,14,158
Total Number of shares arising as a result of exercise of Options	9,14,158
Options lapsed	NIL

Exercise Price	Rs.10/- per Option
Variation of Terms of Options	NIL
Money realized by exercise of Options	NIL
Total number of Options in force	3,00,000*
Employee-wise details of Options granted to -	
i) Key Managerial Personnel	NIL
ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year	NIL*
iii) Identified employees who were granted Option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL

\* After the financial year Mr. Rajesh Ramachandran exercised 120,000 options granted to him. After the end of financial year, 1,80,000 Options are in force.

\* Mr. Arvind Ranganathan, ex- employee of the Company is yet to exercise the 180,000 Options granted.

**Table B**

**ESOP SCHEME- 2012**

Options Granted	75,000
Options Vested	75,000
Options Exercised	-
Options not exercised	25,000 Options granted to Mr. Sanjeev Mehta- Business Head- QCN was not exercised. Hence the 25,000 Options is available under pool for further distribution.
Options Lapsed	NIL
Exercise Price	Rs.130/- per Option
Variation of Terms of Options	NIL
Money realized by exercise of Options	NIL
Total number of Options in force	75,000

Employee-wise details of Options granted to –	
i) Key Managerial Personnel	-
ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Mr. Harsh Rohatgi CEO w.e.f 4 <sup>th</sup> June 2020 -50,000 options
iii) Identified employees who were granted Option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL

**XVI. Particulars of Employees**

Particulars of employees as required under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014- **Not Applicable.**

**XVII. Extract of the Annual Return**

The requirement of extract of the Annual Return as per Section 92(3) of Companies Act, 2013 is relinquished by the Amendment of the Companies Act. However the Annual Return in Form MGT-7 is placed in the website of the Company [www.qubecinema.com](http://www.qubecinema.com) in compliance to Section 92(3) of Companies Act, 2013.

**XVIII. Adequacy of Internal Financial Controls**

Your Company has adequate internal financial controls with reference to preparation of financial statements, commensurate with the size of operations of the Company.

**XIX. Disclosures as per the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013**

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Also, your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company has received no complaint on sexual harassment during the financial year 2020-21.

**XX. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future**

No significant orders were received by the Company during the period under review.

**XXI. Particulars of contracts or arrangements with related parties**

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto in Form No. AOC-2 is annexed herewith marked as **Annexure C** and forms part of this report.

**XXII. Statutory Auditors - B S R & Co. LLP**

Your company statutory auditors BSR & Co. LLP., Chartered Accountants, having their office at 10, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034, was appointed by the shareholders of the Company in the Thirty Second Annual General Meeting of the Company held on 24<sup>th</sup> August 2017 as the Statutory auditors of your company for a period of 5 years commencing from the conclusion of the Thirty Second Annual General Meeting. Accordingly, BSR & Co. LLP., Chartered Accountants, holds office till the conclusion of the Thirty Seventh Annual General Meeting. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, the ratification of appointment of statutory auditors BSR & Co. LLP., Chartered Accountants, Chennai is not proposed at the ensuing Annual General Meeting.

**XXIII. Qualification(s) of Auditors in their Report**

There are no adverse remarks or observations in the Auditors' Report which require clarification from the Board.

**XXIV. Details of frauds reported by Auditors in their Report**

During the financial year under review, there were no fraud reported by the Auditors in their report under sub-section (12) of Section 143 of the Companies Act 2013 other than those which are reportable to the Central Government.



**XXV. Maintenance of Cost Records**

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable.

**XXVI. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Particulars as required under Section 134(3) (m) of the Companies Act, 2013 are annexed herewith marked as **Annexure- D** and forms part of this report.

**XXVII. Directors' Responsibility Statement**

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the Company for that period;
- c) the directors had 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 had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**XXVIII. Acknowledgement**

Your Directors wish to place on record their sincere thanks and appreciation to its Company Investors, shareholders, suppliers, customers, employees, bankers and also the Central and State governments for their continued co-operation and support.

Place: Chennai  
Date: 08.09.2021

For and on behalf of the Board of Directors



P. Jayendra  
Chairman & Whole-time Director  
DIN: 00320286

# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

### Annexure A

#### 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": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S. No.	Particulars	Details of Subsidiary
1	Name of the subsidiary	Qube Cinema Inc. USA
2	The date since when subsidiary was acquired	27/09/2005
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD/73.5047
5	Share capital	49,79,94,342
6	Reserves & Surplus	(443,113,087)
7	Total Assets	111,086,257
8	Total Liabilities	111,086,257
9	Investments	Nil
10	Turnover	86,383,164
11	Profit before taxation	(30,431,828)
12	Provision for taxation	58,804
13	Profit after taxation	(30,490,632)
14	Proposed Dividend	Nil
15	% of shareholding	100

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

1. Names of subsidiaries which are yet to commence operations - **NIL**
2. Names of subsidiaries which have been liquidated or sold during the year - **NIL**

# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

### Part "B": Associates Companies / Joint Ventures

#### Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Particulars	Details of Associate
	Name of Associates/Joint Ventures	Justickets Pvt. Ltd.
1	Latest audited Balance Sheet Date	31.03.2021
2	Date on which the Associate or Joint venture was associated or acquired	29 <sup>th</sup> March 2019
3	Shares of Associate /Joint Ventures held by the company on the year end	
	No of Shares	80,58,162
	Amount of Investment in Associates or Joint Venture	Rs.1164.95 Lakhs
	Extent of Holding (in percentage)	43.44%
4	Description of how there is significant influence	Company is holding more than 20% of the Equity Shares of Justickets Pvt. Ltd.
5	Reason why the associate/joint venture is not consolidated	Not mandatory as per accounting standards as the Investment has been written off
6	Net-worth attributable to shareholding as per latest audited Balance Sheet	Rs.(0.68 Lakhs)
7	Profit or Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	Rs. (0.2968 Lakhs)

1. Names of associates or joint ventures which are yet to commence operations: **NIL**  
 2. Names of associates or joint ventures which have been liquidated or sold during the year: **NIL**  
**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Place: Chennai  
 Date: 08.09.2021



S. Sri Varshini  
 Company Secretary

For & On behalf of the Board



P. Jayendra  
 Chairman & Whole-Time  
 Director  
 (DIN: 00320286)



V. Senthil Kumar  
 Whole-Time Director  
 (DIN: 00320535)



# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

Annexure B

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company.

To contribute 2% of the average net profits of your Company for the preceding three years (currently in vogue under the provisions of the Companies Act, 2013) -

A. to the institutions/organizations/trust(s) who are engaged in –

- i) providing assistance/financial support/relief to the people who are affected by hunger, poverty, ill-health, disablement;
- ii) promoting education including special education, employment enhancing vocation skills among children, women, elderly persons;
- iii) setting up homes and hostels for women and orphans, old age homes, day care centres for senior citizens;
- iv) taking measures for reducing inequalities faced by socially and economically backward groups;

And

B. for such other activities as enshrined in Schedule VII to the Companies Act 2013, as modified/ amended from time to time.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. P. Jayendra	Chairman of Committee / Whole-Time Director	1	1
2.	Mr. V. Senthil Kumar	Member / Whole-time Director	1	1
3.	Dr. M.G. Parameswaran	Member / Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: The CSR policy is also available in the

# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

website of the Company [www.qubecinema.com](http://www.qubecinema.com) under the link <http://www.qubecinema.com/corporate/corporate-social-responsibility>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- NA

6. Average net profit of the company as per section 135(5) = (387 Lakhs)

7. (a) Two percent of average net profit of the company as per section 135(5) = (8 Lakhs)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NA

(c) Amount required to be set off for the financial year, if any - NA

(d) Total CSR obligation for the financial year (7a+7b-7c). - NA

8. (a) CSR amount spent or unspent for the financial year: - NA

(b) Details of CSR amount spent against ongoing projects for the financial year: - NA

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: - NA

(d) Amount spent in Administrative Overheads. - NA

(e) Amount spent on Impact Assessment, if applicable- NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - NA

(g) Excess amount for set off, if any- NA

9.(a) Details of Unspent CSR amount for the preceding three financial years: - NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): - NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). - NA

(a) Date of creation or acquisition of the capital asset(s). - NA

(b) Amount of CSR spent for creation or acquisition of capital asset. - NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - NA

**QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED**

**DIRECTORS' REPORT 2020-21**

11. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5). - NA

**For QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED**



**P. JAYENDRA**

**Whole Time Director / Chairman of CSR**

**Committee**

**DIN: 00320286**

**Place: Chennai**

**Date: 08.09.2021**

**QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED**  
**DIRECTORS' REPORT 2020-21**

Annexure C

**Form AOC - 2**

*(Pursuant to clause (h) of sub-section 3 of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for Disclosure of Particulars of Contracts / Arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts / arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any:	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Nil

# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

### 2. Details of material contracts or arrangement or transactions at arm's length basis

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances , if any
1	Qube Cinema Inc., USA [a wholly-owned subsidiary of Qube Cinema Technologies Pvt. Ltd. and a Body Corporate accustomed to act under the Directions of Qube Cinema Technologies Pvt. Ltd.]	Sale of Digital Cinema Equipment	Until Termination	As per the terms contained in the Transfer Pricing Agreement and the subsequent Amendments entered into between the Parties. Value: Rs.84.94 Lakhs	Not applicable as the Transfer Price Agreement and the subsequent Amendments were entered into prior to the commencement of the Companies Act 2013, and the applicable Rules made thereunder	Nil
2	Qube Cinema Inc., USA [a wholly-owned subsidiary of Qube Cinema Technologies Pvt. Ltd. and a Body Corporate accustomed to act under the Directions of Qube Cinema Technologies Pvt. Ltd.]	Reimbursement of certain marketing and related expenses	NA	Reimbursement of certain marketing and related expenses. Value: Rs.331.48 Lakhs	Not applicable as the Transfer Price Agreement and the subsequent Amendments were entered into prior to the commencement of the Companies Act 2013, and the applicable Rules made thereunder	Nil
3	Qube Cinema Inc., USA [a wholly-owned subsidiary of Qube Cinema Technologies Pvt. Ltd. and a Body Corporate accustomed to act under the Directions of Qube Cinema Technologies Pvt. Ltd.]	Providing License to QCI to deploy the Software developed by the Company	3 Years	As per the terms contained in the Software License Agreement dated 26 <sup>th</sup> April 2019 being deemed effective from 01 <sup>st</sup> April 2018. Value: 10.73 Lakhs	26 <sup>th</sup> June 2019	Nil



# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

4	Justickets Pvt. Ltd. [An Associate Company with Directors in Common]	Providing certain backend support including personnel, administrative, marketing, software development and any other support services	5 Years & Automatic renewal for successive renewal terms of 1 year each	As per the terms contained in the Shared Services Agreement dated 7th January 2015 and Addendum to Share Service Agreement dated 27th March 2017. Value: Rs3.82 Lakhs	27 <sup>th</sup> November 2014	Nil
5	Justickets Pvt. Ltd. [An Associate Company with Directors in Common]	Reimbursement of certain marketing and related expenses	5 Years & Automatic renewal for successive renewal terms of 1 year each	As per the terms contained in the Shared Services Agreement dated 7th January 2015 and Addendum to Share Service Agreement dated 27th March 2017. Value: Rs5.68 Lakhs	27 <sup>th</sup> November 2014	Nil
6	Justickets Pvt. Ltd. [An Associate Company with Directors in Common]	Assignment of Trade Mark	NA	As per the terms contained in the Deed of Assignment of Trade Mark dated 01.03.2017	24 <sup>th</sup> August 2017	Nil
7	Digital Film Technologies Pvt. Ltd. [a company in which Director's Relatives are Directors]	Rendering of services related to digital cinema business being carried on by the Company	5 years	As per the terms contained in the Agreement dated 1st July, 2016, Letter of Exchange dated 3rd July, 2016, First Amendment to the Agreement dated 1st October, 2016 and Second Amendment to the Agreement dated 25th June, 2018 entered between the parties Value: 1.65 Lakhs	08 <sup>th</sup> June 2016	Nil
8	Digital Film Technologies Pvt. Ltd. [a company in which Director's Relatives are Directors]	Assignment of Trade Mark	NA	As per the terms contained in the Deed of Assignment of Trade Mark dated 01.03.2017	24 <sup>th</sup> August 2017	Nil

# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

9	M. G. Parameswaran (Independent Director)	Providing Professional Services	NA	Professional Fees for services rendered to the Company during the Financial Year 2020-21 Value: Rs.3.75 Lakhs	Approved at the Annual General Meeting held on 14th July 2011	Nil
10	Arun Veerappan (Relative of Mr. V. Senthil Kumar, Whole Time Director)	Remuneration	NA	Terms and Conditions as per the Employment Agreement. Value: Rs.12.84 Lakhs	19 <sup>th</sup> September 2008	Nil
11	Sudha Panchapakesan (Relative of Mr. P. Jayendra, Whole Time Director)	Remuneration	NA	Terms and Conditions as per the Employment Agreement. Value: Rs.20.49 Lakhs	Approved at the Annual General Meeting held on 4th July 2001	Nil
12	V. Senthil Kumar (Whole-Time Director)	Vehicle Lease	1 year and automatic renewal every year	Terms and Conditions as per the Vehicle Lease Agreement. Rs.0.90 Lakhs	12 <sup>th</sup> August 2019	Nil
12.1	V. Senthil Kumar (Whole-Time Director)	Remuneration	5 years	Terms and Conditions as per the Service Agreement and amendment to Service Agreement Value: Rs. 92.26	Approved in the Board Meeting dated 25 <sup>th</sup> August 2016	Nil
13	Vee. Vijayalakshmi (Relative of Mr. V. Senthil Kumar, Whole-Time Director)	Vehicle Lease	3 years	Terms and Conditions as per the Vehicle Lease Agreement. Rs.0.30 Lakhs	26 <sup>th</sup> June 2019	Nil
14	Meena Veerappan (Relative of Mr. V. Senthil Kumar, Whole-Time Director)	Vehicle Lease	5 years	Terms and Conditions as per the Vehicle Lease Agreement. Rs.0.65 Lakhs	25th August 2016	Nil
15	P. Jayendra (Whole-Time Director)	Vehicle Lease	5 years	Terms and Conditions as per the Vehicle Lease Agreement. Rs. 0.90 Lakhs	01st February 2018	Nil

# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

15.1	P. Jayendra (Whole-Time Director)	Remuneration	5 years	Terms and Conditions as per the Service Agreement and amendment to Service Agreement Value: Rs. 92.26	Approved in the Board Meeting dated 25 <sup>th</sup> August 2016	Nil
16	Mr. Harsh Krishna Rohatgi (CEO)	Remuneration	NA	Terms and Conditions as per the Employment Agreement Value Rs. 96.13	Approved in the General Meeting dated 12 <sup>th</sup> August 2019	Nil

For and on behalf of the Board of Directors

Date: 08.09,2021

Place: Chennai



P. Jayendra  
Chairman & Whole-time Director

DIN: 00320286



# QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

## DIRECTORS' REPORT 2020-21

### Annexure D

#### Conservation of energy, technology absorption, foreign exchange earnings and outgo

(A) Conservation of energy : Not applicable

(B) Technology absorption : Not applicable

(C) Foreign exchange earnings and Outgo:

❖ Inflows/Earnings: 390.39 Lakhs break up of which is as under:

(Amount in Lakhs)

Earnings - Export Sales of Goods	158.68
Earnings - Export Sales of Services	123.75
Commission on Sales	106.47
Digital Print Fee	0.50
Mastering Revenue	0.00
<b>Total Inflows/Earnings</b>	<b>390.39</b>

❖ Expenditure/Outgo: 929.33 Lakhs break up of which is as under:-

(Amount in Lakhs)

Purchase of goods	395.70
Purchase of capital goods	122.88
Consulting /Legal Fees	0.00
Travelling expenses	0.00
Freight and Clearing Charges	0.12
Interest	0.00
Repairs	22.24
Other Expenses	388.4
<b>Total Expenditure/Outgo</b>	<b>929.33</b>

Place: Chennai

Date: 08.09.2021

For and on behalf of the Board of Directors

  
P. Jayendra

Chairman & Whole-time Director

DIN: 00320286

# B S R & Co. LLP

Chartered Accountants

KRM Tower, 1<sup>st</sup> & 2<sup>nd</sup> Floors,  
No.1, Harrington Road, Chetpet,  
Chennai – 600 031, India

Telephone: + 91 44 4608 3100  
Fax: + 91 44 4608 3199

## INDEPENDENT AUDITORS' REPORT

**To the Members of Qube Cinema Technologies Private Limited**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the standalone financial statements of Qube Cinema Technologies Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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 on the Standalone financial statements.

### Emphasis of matter

We draw attention to Note 2.1(b) in the standalone financial statements, which describes that based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all its assets and revenue recognised. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.



Principal Office:

**Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the standalone financial statements for the year ended 31 March 2021 (continued)**

Page 2 of 5

**Other information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board Report, but does not include the standalone financial statements and our auditors' report thereon

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under 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; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.



**Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the standalone financial statements for the year ended 31 March 2021 (continued)**

Page 3 of 5

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)**

As part of an 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 standalone financial statements, whether due to fraud or error, 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 with reference to financial statements 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.



**Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the standalone financial statements for the year ended 31 March 2021 (continued)**

Page 4 of 5

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2.(A) As required by Section 143(3) of the Act, we report that:
  - 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.
  - b) 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.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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:
  - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 41 to the standalone 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



## **B S R & Co. LLP**

### **Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the standalone financial statements for the year ended 31 March 2021 (continued)**

Page 5 of 5

- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, the Company is a private limited company and accordingly the provisions of Section 197 of the Act is not applicable to the Company.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Satish Vaidyanathan**

*Partner*

Membership No. 217042

ICAI UDIN: 21217042AAAACO3035

Place: Chennai

Date: 8 September 2021



## **B S R & Co. LLP**

### **Annexure A to the Independent Auditors' Report on the standalone financial statements of Qube Cinema Technologies Private Limited for the year ended 31 March 2021** (Referred to in our report of even date)

Page 1 of 3

With reference to the Annexure A referred to in the Independent Auditors' report to the members of Qube Cinema Technologies Private Limited ('the Company') on the standalone financial statements for the year ended 31 March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the company does not own any immovable properties as at the balance sheet date. Accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noted on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of sections 186 of the Act, with respect of investments made. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, to the extent paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the products/ services of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.



**Annexure A to the Independent Auditors' Report on the standalone financial statements of Qube Cinema Technologies Private Limited for the year ended 31 March 2021**  
(Referred to in our report of even date)

Page 2 of 3

- (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, employees' state insurance, income-tax, duty of customs, goods and service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of service tax, sales tax, value added tax, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues in respect of service tax and value added tax have not been deposited by the Company with the appropriate authorities on account of dispute.

Name of the statute	Nature of the dues	Amount disputed (in INR lakhs)	Amount paid under protest* (in INR lakhs)	Disputed but not deposited (in INR lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	160.18	9.4	169.58	2004-05 to 2011-2012	CESTAT, Chennai
Maharashtra VAT Act, 2006	Value Added Tax	36.48	-	36.48	2006-07, 2009-10	Deputy Commissioner of Sales Tax
Tamil Nadu VAT Act, 2006	Value Added Tax	52.98	-	52.98	2008-09 to 2014-15	High Court of Madras

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks. The Company did not have any outstanding dues to financial institution, government or debenture holders during the year.
- (ix) According to the information and explanations given to us, moneys raised by way of term loans were applied for the purposes for which those were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit..
- (xi) In our opinion and according to the information and explanation given to us, the provision of section 197 read with Schedule V to the Companies Act, 2013 is not applicable since the Company is not a public company. Accordingly, paragraph 3(xi) of the Order is not applicable.



## **B S R & Co. LLP**

**Annexure A to the Independent Auditors' Report on the standalone financial statements of Qube Cinema Technologies Private Limited for the year ended 31 March 2021**  
(Referred to in our report of even date)

Page 3 of 3

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the accounting standards. The Company is a private limited Company and hence provisions of section 177 of the Act is not applicable.
- (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, paragraph 3(xiv) of the Order is not applicable.
- (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 the directors during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not engaged in any businesses that requires it to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Satish Vaidyanathan**

*Partner*

Membership No. 217042

ICAI UDIN: 21217042AAAACO3035

Place: Chennai

Date: 8 September 2021

## **B S R & Co. LLP**

### **Annexure B to the Independent Auditor's report on the standalone financial statements of Qube Cinema Technologies Private Limited for the period ended 31 March 2021.**

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Qube Cinema Technologies Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.



## **B S R & Co. LLP**

### **Annexure B to the Independent Auditors' report on the standalone financial statements of Qube Cinema Technologies Private Limited for the period ended 31 March 2021 (continued)**

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Page 2 of 2

#### **Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 (3) 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 financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Satish Vaidyanathan**

*Partner*

Membership No. 217042

ICAI UDIN: 21217042AAAACO3035

Place: Chennai

Date: 8 September 2021

# Qube Cinema Technologies Private Limited

Standalone Balance sheet as at 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	10,844.71	15,353.03
Capital work-in-progress	5	327.17	247.04
Right-of-use assets	6	1,257.80	1,584.71
Intangible assets	7	911.57	1,325.25
Intangible asset under development	8	-	1,051.59
<b>Financial assets</b>			
Investments	9	1,714.62	1,493.66
Trade receivables	10	500.28	427.13
Loans	11	417.01	325.73
Other financial assets	12	42.00	42.00
Deferred tax assets (Net)	35	5,859.91	2,256.70
Income tax assets	13	1,131.05	1,605.01
Other assets	14	102.74	286.71
<b>Total non-current assets</b>		<b>23,108.86</b>	<b>25,998.56</b>
<b>Current assets</b>			
Inventories	15	2,381.41	3,145.05
<b>Financial assets</b>			
Trade receivables	10	3,281.44	6,248.56
Cash and cash equivalents	16	283.85	1,060.50
Bank balances other than cash and cash equivalents	17	1,831.58	1,831.58
Loans	11	61.31	59.52
Other financial assets	12	219.01	552.57
Other assets	14	2,120.16	2,313.01
<b>Total current assets</b>		<b>10,178.76</b>	<b>15,210.79</b>
<b>Total assets</b>		<b>33,287.62</b>	<b>41,209.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	1,948.31	994.09
Other equity			
Compulsory convertible cumulative preference shares classified as equity	18	-	744.36
Others (including items of Other Comprehensive Income)	18	8,476.91	17,355.91
<b>Total equity</b>		<b>10,425.22</b>	<b>19,094.36</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	3,938.10	3,817.15
Lease liabilities	21	959.23	1,356.61
Other financial liabilities	22	3,221.26	1,478.77
Provisions	24	262.38	303.21
Other liabilities	23	165.58	372.47
<b>Total non-current liabilities</b>		<b>8,546.55</b>	<b>7,328.21</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	3,342.77	2,818.01
Lease liabilities	21	465.08	333.28
Trade payables		-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	25	2,955.25	3,975.51
Other financial liabilities	22	1,729.60	2,638.38
Provisions	24	78.56	83.14
Other liabilities	23	5,744.59	4,938.46
<b>Total current liabilities</b>		<b>14,315.85</b>	<b>14,786.78</b>
<b>Total liabilities</b>		<b>22,862.40</b>	<b>22,114.99</b>
<b>Total equity and liabilities</b>		<b>33,287.62</b>	<b>41,209.35</b>

Significant accounting policies

3

The notes referred to above form an integral part of these standalone financial statements

As per our report attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022



Satish Vaidyanathan

Partner

Membership No.: 217042

Place: Chennai

Date: 08 September 2021

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

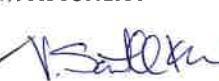
CIN : U92490TN1986PTC012536



P Jayendra

Wholtime Director

DIN : 00320286



V Senthil Kumar

Wholtime Director

DIN : 00320535



Sri Varshini

Company Secretary

Place: Chennai

Date: 08 September 2021

# Qube Cinema Technologies Private Limited

## Standalone Statement of profit and loss for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	26	5,020.47	33,814.03
Other income	27	412.44	429.76
<b>Total revenue</b>		<b>5,432.91</b>	<b>34,243.79</b>
<b>Expenses</b>			
Purchases of stock in trade	28	583.32	4,933.07
Changes in inventories of stock in trade	29	763.64	932.24
Employee benefits expense	30	5,173.15	7,775.10
Finance costs	31	1,114.02	1,166.52
Depreciation and amortisation expense	32	4,602.59	5,231.61
Other expenses	33	4,429.65	16,095.87
<b>Total expenses</b>		<b>16,666.37</b>	<b>36,134.41</b>
<b>Loss before exceptional items and tax</b>		<b>(11,233.46)</b>	<b>(1,890.62)</b>
Exceptional items	34	1,051.60	2,344.59
<b>Loss before tax</b>		<b>(12,285.06)</b>	<b>(4,235.21)</b>
<b>Tax expense:</b>			
Current tax		-	16.73
Tax related to earlier years		56.29	-
Deferred tax benefit		(3,623.30)	(389.08)
<b>Income tax expense</b>	35	<b>(3,567.01)</b>	<b>(372.35)</b>
<b>Loss for the year</b>		<b>(8,718.05)</b>	<b>(3,862.86)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit liability/ (assets)		69.00	(179.43)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(20.09)	52.25
<b>Net other comprehensive income that will not be reclassified subsequently to profit or loss</b>		<b>48.91</b>	<b>(127.18)</b>
<b>Total comprehensive loss for the year</b>		<b>(8,669.14)</b>	<b>(3,990.04)</b>
<b>Earnings per share:</b>	39		
Basic earnings per share (INR)		(83.45)	(38.86)
Diluted earnings per share (INR)		(83.45)	(38.86)

Significant accounting policies

3

The notes referred to above form an integral part of these standalone financial statements

As per our report attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022



**Satish Vaidyanathan**

Partner

Membership No.: 217042

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

CIN : U92490TN1986PTC012536



**P Jayendra**

Wholtime Director

DIN : 00320286



**V Senthil Kumar**

Wholtime Director

DIN : 00320535



**Sri Varshini**

Company Secretary

Place: Chennai

Date: 08 September 2021

Place: Chennai

Date: 08 September 2021



**Qube Cinema Technologies Private Limited**  
**Standalone statement of cash flows for the year ended 31 March 2021**  
*(All amounts are in Indian Rupees lakhs, unless otherwise stated)*

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flow from operating activities</b>			
Loss before tax		(12,285.06)	(4,235.21)
Adjustments:			
Depreciation and amortisation expenses	32	4,602.59	5,231.61
Impairment of intangibles under development	34	1,051.60	-
Net loss / (gain) on sale of property, plant and equipment	27	1,068.11	(121.62)
Bad debts written off	33	11.53	77.50
Impairment loss on financial assets	33	-	1,164.95
Allowance for doubtful debt	33	390.14	1,598.88
Finance costs	31	1,114.02	1,166.52
Interest income	27	(114.60)	(134.84)
Unwinding of discount on security deposit paid		(1.51)	-
Interest income on security deposit paid	27	(15.20)	(21.59)
Notional rental income on security deposit received	27	(245.11)	(144.19)
Profit on lease modification		(0.97)	-
Unrealised loss on foreign exchange (net)		22.23	91.26
		<b>(4,402.23)</b>	<b>4,673.27</b>
<b>Working capital adjustments:</b>			
Decrease in inventories		763.64	932.24
Decrease in trade receivables		2,492.30	1,060.15
Decrease in loans and other financial assets		245.40	380.44
Decrease in other assets		376.82	151.38
Increase / (decrease) in trade payable and other financial liabilities		(857.16)	770.62
Increase / (decrease) in provisions and other liabilities		565.85	(107.97)
<b>Cash generated from operating activities</b>		<b>(815.38)</b>	<b>7,860.13</b>
Income tax paid (net)		474.63	(880.31)
<b>Net cash from operating activities (A)</b>		<b>(340.75)</b>	<b>6,979.82</b>
<b>Cash flows from investing activities</b>			
Interest received		124.89	111.12
Acquisition of property, plant and equipment and capital work-in-progress		(442.56)	(3,802.64)
Expenditure on internally generated intangible assets		-	(604.63)
Proceeds from sale of property, plant and equipment		10.74	269.85
Investments in subsidiary		(220.96)	-
Investments in bank deposits (net)		-	(600.00)
<b>Net cash used in investing activities (B)</b>		<b>(527.89)</b>	<b>(4,626.30)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		3,750.66	1,701.72
Repayments of borrowings		(2,038.85)	(1,932.22)
Payment of transaction cost relating to the borrowings		-	(25.95)
Repayment of lease liabilities		(377.28)	(522.40)
Interest paid		(794.22)	(756.30)
<b>Net cash used in financing activities (C)</b>		<b>540.31</b>	<b>(1,535.15)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(328.33)</b>	<b>818.37</b>
Cash and cash equivalents at the beginning of the year		742.49	(75.88)
<b>Cash and cash equivalents at the end of the year</b>	14	<b>414.16</b>	<b>742.49</b>
<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>			
Cash and cash equivalents as per the above comprises of the following			
		<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Cash on hand		1.59	1.57
Bank balances		282.26	1,058.93
Bank overdrafts		130.31	(318.01)
Balances as per statement of cash flows		<b>414.16</b>	<b>742.49</b>

Refer note 20 for disclosure on changes in liabilities arising from financing activities

Significant accounting policies

3

The notes referred to above form an integral part of these standalone financial statements

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022



Satish Vaidyanathan

Partner

Membership No.: 217042

Place: Chennai

Date: 08 September 2021

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

CIN: U92490TN1986PTC012536



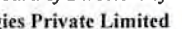
P Jayendra

Wholetime Director

DIN : 00320286

Place: Chennai

Date: 08 September 2021



V Senthil Kumar

Wholetime Director

DIN : 00320535



Sri Varshini

Company Secretary

# Qube Cinema Technologies Private Limited

## Standalone Statement of changes in equity for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### a. Equity share capital

	Note	Amount
Balance as at 1 April 2019		994.09
Changes in equity share capital during 2019-20	18	-
Balance as at 31 March 2020		994.09
Changes in equity share capital during 2020-21	18	954.22
Balance as at 31 March 2021		1,948.31

### b. Other equity

	Compulsory convertible cumulative preference shares	Capital redemption reserve	Securities Premium	Share options outstanding account	Reserves and surplus	Attributable to the owners of the Company				Total
						Equity shares held by ESOP trust (including securities premium)	General reserve	Retained earnings	Items of OCI Remeasurement of defined benefit liability	
Balance at 1 April 2019	744.36	131.19	7,995.28	173.48	14.90	(242.88)		13,273.98	-	21,345.95
Total comprehensive income for the year ended 31 March 2020	-	-	-	-	-	-	-	(3,862.86)	-	(3,862.86)
Loss for the year	-	-	-	-	-	-	-	-	(127.18)	(127.18)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(3,862.86)	(127.18)	(3,990.04)
Total comprehensive income	-	-	-	-	-	-	-	(3,862.86)	(127.18)	(3,990.04)
Transferred to retained earnings	-	-	-	-	-	-	-	(127.18)	127.18	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Contributions to owners	-	-	-	-	-	-	-	-	-	-
Share-based options	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	744.36	131.19	7,995.28	173.48	14.90	(242.88)		9,283.94	-	17,355.91
Balance at 1 April 2021	744.36	131.19	7,995.28	173.48	14.90	(242.88)		9,283.94	-	17,355.91
Total comprehensive income for the year ended 31 March 2021	-	-	-	-	-	-	-	(8,718.05)	-	(8,718.05)
Loss for the year	-	-	-	-	-	-	-	-	48.91	48.91
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(8,718.05)	48.91	(8,669.14)
Total comprehensive income	-	-	-	-	-	-	-	(8,718.05)	48.91	(8,669.14)
Transferred to retained earnings	-	-	-	-	-	-	-	48.91	(48.91)	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Contributions to owners	-	-	-	-	-	-	-	-	-	-
Preference shares converted to equity	-	-	(209.86)	-	-	-	-	-	-	(209.86)
Share-based options	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	-	131.19	7,785.42	173.48	14.90	(242.88)		565.89	48.91	8,476.91

### Significant accounting policies

The notes referred to above form an integral part of these standalone financial statements

As per our report attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration Number : 101248W/W-100022

Signature

Satish Vaidyanathan

Partner

Membership No : 217042

Place: Chennai

Date: 08 September 2021

for and on behalf of the Board of Directors of  
Qube Cinema Technologies Private Limited  
CIN : U92490TN1986PTCO12536

Signature

V. Senthil Kumar

Wholetime Director

DIN : 00320286

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Wholetime Director

DIN : 00320286

Sri Varshini

Company Secretary

DIN : 00320286

Place: Chennai

Date: 08 September 2021



## Qube Cinema Technologies Private Limited

### Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 1 Background

Qube Cinema Technologies Private Limited (Formerly Real Image Media Technologies Private Limited) ("the Company") was incorporated on 1 January 1986. The Company is domiciled and incorporated in India with its registered address situated at No. 42, Dr. Ranga Road, Mylapore, Chennai, Tamil Nadu - 600004. The Company is primarily engaged in the business of providing digital cinema service. The Company also provides other services such as content mastering, managed services and in-theater advertising.

#### 2 Basis of preparation

##### 2.1 (a) Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These financial statements were authorised for issue by the Company's Board of Directors on 08 September 2021.

Details of the Company's accounting policies are included in Note 3.

2.1 (b) The Company is primarily in the business of digital cinema distribution network and related activities. The COVID-19 situation across the country continued to adversely affect the operations of the Company during the FY 2020-21. Theaters across the country started operations during October 2020 – December 2020 period in line with the guidelines from respective state authorities and by beginning of March 2021 there were signs of revival of the business. However due to the second wave of COVID-19 from April 2021, the operations of the Company were affected since majority of Theaters were closed in line with respective state government or regulatory bodies guidelines. Since the operations of the Company were severely impacted due to economic uncertainty and disruption created by closure of cinema halls, this necessitates the evaluation of the Company's ability to continue as a Going concern and meeting its obligations to the stakeholders, creditors, employees and lenders.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company believes that COVID-19 will impact their business in the short-term, but it does not anticipate material risk to its business prospects over the medium to long term.

On account of COVID-19, the management of the Company has undertaken various cost saving initiatives to mitigate the adverse impact of COVID-19 on the business, which inter alia includes reduction in employee costs by temporary salary cuts and headcount reduction, received waivers of rental and maintenance charges during lockdown, significant reduction in all other overhead expenses during the FY 2020-21 and post balance sheet date, infusion of capital through issue of equity shares, raising debt from banks and promoters, and Seeking operational and financial support from the majority shareholder. With these actions, we have been able to bring down the cash burn significantly and meet the operational needs of the Company.

The management of the Company has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects and as on the date of approval of the standalone financial statements, it believes that there is no significant impact. We are closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimise the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone financial statements.

Basis the cash flow projections for the next 12 months and financial support letter from majority shareholder, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these standalone financial statements are prepared on a going concern basis.

##### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

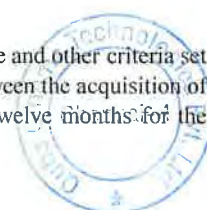
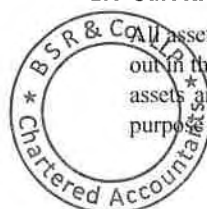
##### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments and share based	Fair value
- Net defined benefit assets/(liability)	Fair value of plan assets, less present value of defined benefit obligations

##### 2.4 Current / Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.



## **2.5 Use of estimates and judgements**

In preparing the standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised

### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 36 – fair valuation of financial assets
- Note 39 – lease classification

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 is included in the following notes:

Note 7 & 8 - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally generated intangible asset.

Note 35 - recognition of deferred tax assets;

Note 36 - measurement of defined benefit obligations: key actuarial assumptions;

Note 37 - impairment of financial assets;

Note 6 & 21 - Measurement of lease liabilities and Right of Use Asset

Note 41 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## **2.6 Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the note 37 – financial instruments.

## **3 Significant accounting policies**

### **3.1 Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss except exchange differences arising on qualifying cash flow hedges to the extent that the hedges are effective.



### **3 Significant accounting policies (continued)**

#### **3.2 Financial instruments**

##### **i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### **ii. Classification and subsequent measurement**

###### *Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

###### *Financial assets: Business model*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

##### **Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



**3 Significant accounting policies (continued)****3.2 Financial instruments (continued)****iii. Derecognition***Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**3.3 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**3.4 Property, plant and equipment****i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and machinery	3 - 10 Years	15 years
Computer Systems	3 - 6 years	3 - 6 years
Office equipments	5 years	5 years
Furniture and fixtures	6 years	10 years
Electrical equipments and installation	6 years	10 years
Vehicles	5 years	8 years

Leasehold improvements are written off over the period of lease or over a period of 4 years whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.



### **3 Significant accounting policies (continued)**

#### **3.5 Intangible assets**

##### **i. Recognition and measurement**

###### *Internally generated: Research and Development*

Expenditure on research activities is recognised in the profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

##### **ii. Others**

Other intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

##### **iii. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

##### **iv. Amortization**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Right to use the intellectual property is amortised using unit of production method. (Product of each unit then are transferred to inventory and subsequently accounted for under cost of stock-in-trade consumed if the unit is sold or considered as property, plant and equipment if the unit is leased.)

The estimated useful lives are as follows:

<b>Asset</b>	<b>Management estimate of useful life</b>
Software (including internally generated)	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

#### **3.6 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

#### **3.7 Impairment**

##### **i. Impairment of financial instruments**

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.



### **3 Significant accounting policies (continued)**

#### **3.7 Impairment (continued)**

##### **ii. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount in the statement of profit and loss.

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **3.8 Employee benefits**

##### **i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

##### **ii. Gratuity**

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity scheme.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.

##### **iii. Provident fund**

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

##### **iv. Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

##### **v. Share-based compensation**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.





**3 Significant accounting policies (continued)**

**3.9 Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

**3.10 Revenue recognition**

The Company is primarily engaged in the business of providing digital cinema service

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

**i. Income from services and sale of goods**

Advertisement income is recognised in the period during which advertisements are displayed.

Virtual print fees (VPF) received from distributors of the films is recognised in the period in which the services are rendered.

Revenue from sale of goods is recognised upon transfer of control to buyers and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.

Revenue from maintenance service fees is recognised on time proportion basis for the period falling in the reporting period.

Lease rental income on equipment is recognised as mentioned in note 3.11 (ii) below

Revenue from commission and technical service income is recognised in period in which services are rendered.

Royalty income on licenses of IP is recognised when the customer's subsequent sales or usage occurs.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, if any. Revenue also excludes taxes collected from customers.

The Company disaggregates revenue from contracts with customers based on nature of services.

Contract assets includes amounts related to Company's contractual right to consideration for completed performance objectives not yet invoiced. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Invoices are payable within contractually agreed credit period and none of the contracts include a financing element.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change.

**ii. Contract cost**

The Company does not incur any cost to obtain or fulfill the contracts with customers.



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### **3 Significant accounting policies (continued)**

#### **3.11 Leases**

The Company has adopted Ind AS 116-Leases effective 1 April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April, 2019). Accordingly, previous period information has not been restated.

At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

##### **i. Company as a lessee**

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

##### **ii. Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.



### **3 Significant accounting policies (continued)**

#### **3.12 Recognition of interest income or expense**

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### **3.13 Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### **i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### **ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **3.14 Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.



**Qube Cinema Technologies Private Limited**

**Notes to standalone financial statements for the year ended 31 March 2021**

*(All amounts are in Indian Rupees lakhs, unless otherwise stated)*

**3 Significant accounting policies (continued)**

**3.15 Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

**3.16 Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to : a) Change in existing presentation requirements for certain items in Balance sheet and b) Additional disclosure requirements in specified formats c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions. d) Additional Regulatory Information e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

Further, On June 18, 2021, the MCA has notified certain amendments to Ind AS which are primarily related to a) interest rate benchmark reform, b) Covid-19 related rent concessions, c) references to conceptual framework (in substitution of reference to framework for preparation and presentation of financial statements) with certain exceptions and d) other minor/clerical changes. The amendments have come into force effective June 18, 2021.

The Company is evaluating the effect of these amendments on its standalone financial statements.



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# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

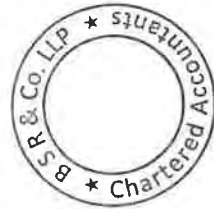
### 4. Property, plant and equipment

#### Reconciliation of carrying amount

Particulars	Leasehold improvements	Plant and machinery	Computer Systems	Office equipments	Furniture and fixtures	Electrical Equipments & Installation	Vehicles	Total
<b>Cost or deemed cost (gross carrying amount)</b>								
Balance at 1 April 2019	251.64	26,529.17	524.22	322.03	527.42	162.69	92.36	28,409.53
Additions	-	3,632.58	60.57	9.67	1.36	-	0.62	3,704.80
Disposals	-	478.38	16.46	3.80	-	-	0.71	499.35
<b>Balance at 31 March 2020</b>	<b>251.64</b>	<b>29,683.37</b>	<b>568.33</b>	<b>327.90</b>	<b>528.78</b>	<b>162.69</b>	<b>92.27</b>	<b>31,614.98</b>
Balance at 1 April 2020	251.64	29,683.37	568.33	327.90	528.78	162.69	92.27	31,614.98
Additions	-	362.43	-	-	-	-	-	362.43
Disposals	-	6,660.78	0.24	0.12	0.01	-	-	6,661.15
<b>Balance at 31 March 2021</b>	<b>251.64</b>	<b>23,385.02</b>	<b>568.09</b>	<b>327.78</b>	<b>528.77</b>	<b>162.69</b>	<b>92.27</b>	<b>25,316.26</b>
<b>Accumulated depreciation</b>								
Balance at 1 April 2019	178.86	11,154.74	319.05	183.39	261.26	80.23	51.78	12,229.31
Depreciation for the year	57.49	4,025.60	121.12	54.32	83.97	26.86	14.40	4,383.76
Disposals	-	331.08	15.73	3.64	-	-	0.67	351.12
<b>Balance at 31 March 2020</b>	<b>236.35</b>	<b>14,849.26</b>	<b>424.44</b>	<b>234.07</b>	<b>345.23</b>	<b>107.09</b>	<b>65.51</b>	<b>16,261.95</b>
Balance at 1 April 2020	236.35	14,849.26	424.44	234.07	345.23	107.09	65.51	16,261.95
Depreciation for the year	0.49	3,572.21	57.62	42.83	80.05	26.10	12.60	3,791.90
Disposals	-	5,581.94	0.23	0.12	0.01	-	-	5,582.30
<b>Balance at 31 March 2021</b>	<b>236.84</b>	<b>12,839.53</b>	<b>481.83</b>	<b>276.78</b>	<b>425.27</b>	<b>133.19</b>	<b>78.11</b>	<b>14,471.55</b>
<b>Carrying amount (net)</b>								
As at 31 March 2020	15.29	14,834.11	143.89	93.83	183.55	55.60	26.76	15,353.03
<b>As at 31 March 2021</b>	<b>14.80</b>	<b>10,545.49</b>	<b>86.26</b>	<b>51.00</b>	<b>103.50</b>	<b>29.50</b>	<b>14.16</b>	<b>10,844.71</b>

#### a) Security

As at 31 March 2021, properties with a carrying amount of INR 3,748.71 lakhs (31 March 2020: INR 3,679.41 lakhs) are subject to first charge to secure bank loans (see Note 20).





# Qube Cinema Technologies Private Limited

Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

## 5 Capital work-in-progress

Particulars	Amount
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2019	149.20
Additions	3,802.64
Capitalised during the year	3,704.80
Balance at 31 March 2020	247.04
Balance at 1 April 2020	247.04
Additions	234.53
Capitalised during the year	154.40
Balance at 31 March 2021	327.17

## 6 Right-of-use assets

Particulars	Buildings
Transition impact of Ind AS 116	2,005.78
Additions	12.59
Deletions	-
Balance as at 31 March 2020	2,018.37
Balance at 1 April 2020	2,018.37
Additions	70.10
Deletions	-
Balance as at 31 March 2020	2,088.47
Accumulated depreciation	
Depreciation for the year	433.66
Deletions	-
Balance as at 31 March 2021	433.66
Balance at 1 April 2020	433.66
Depreciation for the year	397.01
Deletions	-
Balance as at 31 March 2021	830.67
Net block as at 31 March 2020	1,584.71
Net block as at 31 March 2021	1,257.80

## 7 Intangible assets

(See accounting policy in Note 3.5)

### Reconciliation of carrying amount

Particulars	Software *	Total
Cost or deemed cost (gross carrying amount)		
Balance as at 1 April 2019	2,195.47	2,195.47
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	2,195.47	2,195.47
Balance as at 1 April 2020	2,195.47	2,195.47
Additions	-	-
Disposals	-	-
Amortised cost transferred to property, plant and equipments and inventory	-	-
Balance as at 31 March 2021	2,195.47	2,195.47
Accumulated amortisation and impairment losses		
Balance as at 1 April 2019	456.04	456.04
Amortisation for the year	414.18	414.18
Balance as at 31 March 2020	870.22	870.22
Balance as at 1 April 2020	870.22	870.22
Amortisation for the year	413.68	413.68
Balance as at 31 March 2021	1,283.90	1,283.90
Carrying amount (net)		
As at 31 March 2020	1,325.25	1,325.25
As at 31 March 2021	911.57	911.57

\* Software consists of capitalised development cost being an internally generated intangible asset





# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 18 Equity share capital

#### Authorised

20,000,000 (31 March 2020: 20,000,000) equity shares of INR 10 each,

7,500,000 (31 March 2020 : 7,500,000) Compulsory convertible cumulative preference shares of INR 10 each.

	As at 31 March 2021	As at 31 March 2020
	2,000.00	2,000.00
	750.00	750.00

#### Issued, subscribed and paid up

19,483,114 (31 March 2020: 9,940,858) equity shares of INR 10 each fully paid up,

Nil (31 March 2020: 7,443,611) Compulsory convertible cumulative preference shares of INR 10 each

	1,948.31	994.09
	-	744.36

#### Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement and at the end of the year	19,483,114	1,948.31	9,940,858	994.09
<b>Compulsory convertible cumulative preference shares</b>				
At the commencement and at the end of the year	-	-	7,443,611	744.36

#### a) Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Company.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

#### b) Rights, preferences and restrictions attached to preference shares

The Company has only one class of compulsorily convertible cumulative preference shares having a par value of INR 10. The compulsorily convertible preference shares were convertible based on the terms and conditions contained in the shareholders agreement dated 24 May 2006, 29 June 2007 and 18 July 2008, at any time after the initial investment closing date (as defined in the agreement) but before 31 March 2013. Each preference share will be converted into a fixed no. of equity shares. As per the amendment agreement between the shareholders dated 16 January 2013, the compulsorily convertible preference shares are convertible at any time after the initial investment closing date but before 31 March 2016. The agreement was amended in May 2016 by extending the date of conversion to 31 March 2018. In March 2018, the agreement was again amended by extending the date of conversion to 31 March 2019. During the previous year, at the board meeting held on 28 March 2019, the board of directors have decided to extend the date of conversion by another 2 year, i.e., 31 March 2021.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend is not declared in respect of a financial year in the case of cumulative preference shares, the entitlement for that year lapses. The preference shares holder shall have one vote for each Equity Share into which the Preferred Shares held by him of record could be converted (as provided in these articles), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means, and would be entitled to notice of and the right to vote together with the equity shares on all matters submitted to a vote of the company's shareholder. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

During the current year, at the board meetings held on 11 March 2021 and 31 March 2021, the board of directors have approved the conversion of preference shares to equity shares at a ratio mentioned in the respective shareholder agreements.

#### c) Employee stock options

Terms attached to stock options granted to employees are described in Note 43 regarding share-based payments.

#### Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of equity shares	Number of shares	% of equity shares
<b>Equity shares of INR 10 each fully paid, held by</b>				
SS Theater LLP	10,979,515	56.35%	-	0.00%
Real Image LLP	2,462,225	12.64%	2,462,225	24.77%
Street Edge Capital L.P. USA	-	0.00%	1,597,302	16.07%
RIMT Employees Trust	808,308	4.15%	808,308	8.13%
Nomura Asia Investment (MB) Pte Ltd	-	0.00%	625,747	6.29%
V. Senthil Kumar	553,100	2.84%	553,100	5.56%
Canara Bank Ltd.	531,567	2.73%	531,567	5.35%
Meena Veerappan	506,800	2.60%	506,800	5.10%
	<b>15,841,515</b>	<b>81.31%</b>	<b>7,085,049</b>	<b>71.27%</b>
<b>Compulsory convertible cumulative preference shares</b>				
Nomura Asia Investment (MB) Pte Ltd - Series C	-	0.00%	3,095,160	41.58%
Intel (Capital) Mauritius Limited - Series A and Series C	-	0.00%	2,768,569	37.19%
CSI BD (Mauritius) - Series B	-	0.00%	789,941	10.61%
Payone Enterprises Pvt Ltd - Series B	-	0.00%	789,941	10.61%
	<b>-</b>	<b>0.00%</b>	<b>7,443,611</b>	<b>100.00%</b>

#### Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
	9,542,256	-	-	-	-

# During the year ended 31 March 2021, pursuant to the board meetings held on 11 March 2021 and 31 March 2021, the board of directors have approved the conversion of preference shares to equity shares at a ratio mentioned in the respective shareholder agreements.



# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 8 Intangible asset under development

Particulars	Amount
<b>Cost or deemed cost (gross carrying amount)</b>	
Balance at 1 April 2019	446.96
Additions	604.63
Capitalised during the year	-
<b>Balance at 31 March 2020</b>	<b>1,051.59</b>
Balance at 1 April 2020	1,051.59
Additions	-
Capitalised during the year	-
Written off during the period (refer note below)	1,051.59
<b>Balance at 31 March 2021</b>	<b>-</b>

Note: During the current year the Company has performed a detailed assessment and after considering the intention and technical feasibility of completing the intangible assets under development, the entire expenditure have been written off and charged to Statement of profit and loss. Also refer note 34

### 9 Investments

#### Non-current investments

##### Unquoted equity shares

##### Equity shares of subsidiary at cost

67,750,000 (31 March 2020: 64,750,000) equity shares of \$ 0.1 each fully paid up in Qube Cinema Inc

3,562.37 3,341.41

Less: Provision for diminution in value of investments

(1,847.75) (1,847.75)

1,714.62 1,493.66

##### Equity shares of joint venture at cost

8,058,162 (31 March 2020 : 8,058,162) equity shares of INR 10 each of Justickets Private Limited

1,164.95 1,164.95

Less: Provision for diminution in value of investments #

(1,164.95) (1,164.95)

1,714.62 1,493.66

Aggregate book value of unquoted investments

4,727.32 4,506.36

Aggregate amount of impairment in value of investments

(3,012.70) (3,012.70)

1,714.62 1,493.66

### 10 Trade receivables

Secured, considered good

Unsecured, considered good

Which have significant increase in credit risk

Credit impaired

- -

3,781.72 6,675.69

2,730.97 2,340.84

- -

6,512.69 9,016.53

(2,730.97) (2,340.84)

Allowance for doubtful debt

#### Net trade receivables

3,781.72 6,675.69

Non-current

500.28 427.13

Current

3,281.44 6,248.56

3,781.72 6,675.69

Of the above, trade receivables from related parties are as below:

Total trade receivables from related parties

714.44 710.31

Allowance for doubtful debt #

(710.31) (710.31)

4.13 -

The Company has performed an impairment assessment on its trade receivables as a result of the impact of COVID-19. Management believes that the provision recorded is sufficient and adequate and the carrying amount of receivables reflects its recoverable value. The Company's exposure to credit and loss allowances related to trade receivables are disclosed in Note 35.

# The Company, basis its evaluation of recoverability of the dues from the related party (Justickets Private Limited) has provided for the entire receivables as bad and doubtful debts.



# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 11 Loans

(Unsecured, considered good)

Security deposits	462.91	371.63
Loans to employees	15.41	13.62
Loans to related parties	20.00	20.00
	<b>498.32</b>	<b>405.25</b>
Loss allowance *	(20.00)	(20.00)
<b>Net loans</b>	<b>478.32</b>	<b>385.25</b>
Non-current	417.01	325.73
Current	61.31	59.52
	<b>478.32</b>	<b>385.25</b>

\* The Company, basis its evaluation of recoverability of the dues from the related party (Qube Digital Cinema Private Limited) has provided for the entire receivables as bad and doubtful debts.

### 12 Other financial assets

	As at 31 March 2021	As at 31 March 2020
Bank deposits under lien	42.00	42.00
Dues from related party*	515.01	469.33
Contract assets	146.01	514.96
Interest accrued on bank deposits	27.32	37.61
Interest accrued on loan to related parties*	1.73	1.73
	<b>732.07</b>	<b>1,065.63</b>
Loss allowance *	(471.06)	(471.06)
<b>Net other financial assets</b>	<b>261.01</b>	<b>594.57</b>
Non-current	42.00	42.00
Current	219.01	552.57
	<b>261.01</b>	<b>594.57</b>

Of the above, contractually reimbursable expenses from related parties are as below:

Dues from related party*	516.74	471.06
Loss allowance *	(471.06)	(471.06)
	<b>45.68</b>	<b>-</b>

\* During the year ended 31 March 2020, the Company, basis its evaluation of recoverability of the dues from related party (Justickets Private Limited and Qube Digital Cinema Private Limited) has provided for a loss allowance against these dues.

### 13 Income tax assets

Advance tax recoverable (net of provision)	1,131.05	1,605.01
	<b>1,131.05</b>	<b>1,605.01</b>

### 14 Other assets

Advances to suppliers	201.87	376.19
Prepaid expenses	428.92	589.34
Balance with government authorities	1,592.11	1,634.19
	<b>2,222.90</b>	<b>2,599.72</b>
Non-current	102.74	286.71
Current	2,120.16	2,313.01
	<b>2,222.90</b>	<b>2,599.72</b>

### 15 Inventories

Stock in trade	2,381.41	3,145.05
	<b>2,381.41</b>	<b>3,145.05</b>

### 16 Cash and cash equivalents

Cash on hand	1.59	1.57
Bank balances	282.26	1,058.93
	<b>283.85</b>	<b>1,060.50</b>
Bank overdrafts used for cash management purposes	130.31	(318.01)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>414.16</b>	<b>742.49</b>

### 17 Bank balances other than cash and cash equivalents

Bank deposits*	1,831.58	1,831.58
	<b>1,831.58</b>	<b>1,831.58</b>
	1,831.58	231.58

\* Of the above, Bank deposits under lien



# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 19 Other equity

#### Capital redemption reserve

Capital Redemption reserve was created on account of buy back of entire shares held by Kotak Mahindra Venture Capital Fund in March 2005 (596,000 shares) and June 2005 (715,904 shares).

#### Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### Share options outstanding account

The Company has established various equity-settled share-based payment plans for certain categories of employees of the Company. Refer to Note 40 for further details on these plans.

### 20 Borrowings

#### Non-current borrowings

##### Term loans

Secured loans from bank (refer note (i) & (ii) below)

Supplier credit, unsecured

Loans from director, unsecured (refer note D below)

#### Total non-current borrowings

#### Current borrowings

##### Bank overdraft

Overdraft against fixed deposits

Current portion of term and other loans (refer note (i) & (ii) below)

Less: Amount included under 'Other financial liabilities'

	As at 31 March 2021	As at 31 March 2020
Secured loans from bank (refer note (i) & (ii) below)	2,501.78	2,905.65
Supplier credit, unsecured	536.32	911.50
Loans from director, unsecured (refer note D below)	900.00	-
<b>Total non-current borrowings</b>	<b>3,938.10</b>	<b>3,817.15</b>
<b>Current borrowings</b>		
Bank overdraft	1,869.69	2,818.01
Overdraft against fixed deposits	1,473.08	-
Current portion of term and other loans (refer note (i) & (ii) below)	1,619.23	969.60
	4,962.00	3,787.61
Less: Amount included under 'Other financial liabilities'	(1,619.23)	(969.60)
	<b>3,342.77</b>	<b>2,818.01</b>

#### A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Nominal interest rate	Date of maturity	Carrying Amount as at	
				31 March 2021	31 March 2020
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 1.80%	03-May-21	28.69	168.52
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.65%	24-Apr-23	722.55	857.25
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.20%	04-Jan-24	1,318.79	1,479.94
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.80%	07-Feb-25	1,665.07	1,173.70
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.7%	31-Mar-21	389.08	598.05
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.6%	30-Jun-26	533.15	509.29
Loans from director (Mr. V. Senthil Kumar)	INR	12% p.a	24-Dec-22	700.00	-
Loans from director (Mr. V. Senthil Kumar)	INR	12% p.a	27-Jan-23	200.00	-
Overdraft against fixed deposits	INR	9.75%	On demand	1,473.08	-
Cash credit	INR	1 year MCLR	On demand	1,869.69	2,818.01
				<b>8,900.10</b>	<b>7,604.76</b>

#### B. Secured bank loans

The secured term loans from banks are secured by exclusive charge on fixed assets including plant and equipment created out of term loans with a carrying amount of INR 3,748.70 lakhs (31 March 2020 : 3,679.41 lakhs)

#### C. Reconciliation of movement of liabilities to cash flows arising from financing activities

##### Particulars

Non-current borrowings

Current borrowings

Overdraft against fixed deposits

Bank overdrafts

	3,938.10	3,817.15
	1,619.23	969.60
	1,473.08	-
	1,869.69	2,818.01
	<b>8,900.10</b>	<b>7,604.76</b>

##### Particulars

Loans from director

Bank overdraft

Term loans/supplier credit

Total

Balance as at 1 April 2019

Proceeds from loans and borrowings

Repayment of borrowings

Change in bank overdraft and working capital loan

Non-cash changes

- Impact of effective interest amortisation

- Unrealised exchange loss on restatement of borrowings

Balance as at 31 March 2020

Proceeds from loans and borrowings

Repayment of borrowings

Change in bank overdraft

Non-cash changes

- Impact of effective interest amortisation

- Unrealised exchange loss on restatement of borrowings

Balance as at 31 March 2021

	-	3,750.33	4,966.78	8,717.11
	-	-	1,701.72	1,701.72
	-	-	(1,958.17)	(1,958.17)
	-	(932.32)	-	(932.32)
	-	-	10.72	10.72
	-	-	65.70	65.70
	-	<b>2,818.01</b>	<b>4,786.75</b>	<b>7,604.76</b>
	900.00	1,473.08	1,377.58	3,750.66
	-	(500.00)	(1,538.85)	(2,038.85)
	-	(448.32)	-	(448.32)
	-	-	9.62	9.62
	-	-	22.23	22.23
	<b>900.00</b>	<b>3,342.77</b>	<b>4,657.33</b>	<b>8,900.10</b>





# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 20 Borrowings (continued)

(i) The Reserve Bank of India (RBI) has permitted banks and financial institutions to offer a moratorium of six months on payment of instalments of all term loans falling due between 1 April 2020 and 31 August 2020. This includes all Term Loans and Cash Credit/Overdraft facilities. The Company had considered to avail the loan moratorium and all installments due from 1 April 2020 to 31 August 2020 stand deferred. The RBI has further clarified that deferment of loan payments shall not be considered as default by lenders.

#### (ii) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- the adjusted tangible net worth must be more than 19,000 lakhs
- the ratio of total outstanding liabilities to adjusted tangible net worth must be less than 1.5
- the debt service coverage ratio must be more than 2
- Interest coverage ratio has to be more than 3
- Minimum turnover has to be more than INR 20,000 lakhs

As at 31 March 2021, the Company has failed to comply with all the above mentioned loan covenants. Subsequent to reporting date, the Company has obtained renewal of its existing facilities considering the financial position as at 31 March 2021.

#### D. Loans from director (Mr. V. Senthil Kumar)

Subsequent to reporting date, the Company repaid INR 400 lakhs and converted INR 500 lakhs as equity.

	As at 31 March 2021	As at 31 March 2020
<b>21 Lease liabilities</b>	<b>Buildings</b>	<b>Buildings</b>
Particulars		
Transition impact of Ind AS 116 (refer note 6 (i))	1,689.89	2,025.98
Additions	74.56	-
Deletions	-	-
Lease modification	6.95	-
Finance cost accrued during the period	154.43	186.30
Rent concession	(110.34)	-
Discharge of lease liabilities	377.28	522.39
<b>Balance as at 31 March 2021</b>	<b>1,424.31</b>	<b>1,689.89</b>
Non-current	959.23	1,356.61
Current	465.08	333.28
	As at 31 March 2021	As at 31 March 2020
<b>22 Other financial liabilities</b>		
Deposits received	3,221.26	3,052.43
Current maturities of long term borrowings	1,619.23	969.60
Interest accrued on borrowings	110.37	95.12
	<b>4,950.86</b>	<b>4,117.15</b>
Non-current	3,221.26	1,478.77
Current	1,729.60	2,638.38
	<b>4,950.86</b>	<b>4,117.15</b>

The Company's exposure to liquidity and currency risks related to the above financial liabilities are disclosed in Note 35.

### 23 Other liabilities

Billing in advance of work completed	323.66	596.25
Advance payments from customers	3,165.78	3,249.77
Employees benefits payable	1,926.14	790.99
Statutory dues payables	229.86	274.42
Deferred revenue	264.73	399.50
	<b>5,910.17</b>	<b>5,310.93</b>
Non-current	165.58	372.47
Current	5,744.59	4,938.46
	<b>5,910.17</b>	<b>5,310.93</b>

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## Qube Cinema Technologies Private Limited

### Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 24 Provisions

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits (see note 35)</b>				
Liability for gratuity	92.01	71.02	51.09	55.02
Liability for compensated absences	170.37	220.17	27.47	28.12
<b>Total provision for employee benefits</b>	<b>262.38</b>	<b>291.19</b>	<b>78.56</b>	<b>83.14</b>
<b>Other provisions</b>				
Provision for tax	-	12.02	-	-
<b>Total other provisions</b>	<b>-</b>	<b>12.02</b>	<b>-</b>	<b>-</b>
<b>Total provisions</b>	<b>262.38</b>	<b>303.21</b>	<b>78.56</b>	<b>83.14</b>

#### 25 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables to related parties		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	2,955.25	3,975.51
	<b>2,955.25</b>	<b>3,975.51</b>

Of the above, trade payables from related parties are as below:

Total trade payables from related parties	80.41	180.94
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The Company's exposure to liquidity and currency risks related to the above trade payables are disclosed in Note 36.



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# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020				
<b>26 Revenue from operations</b>						
Sale of services						
Advertisement income	227.47	9,750.68				
Virtual print fees	1,552.03	11,602.60				
Service income	1,332.17	2,485.97				
Lease rental income	8.57	1,764.62				
Other revenue	260.79	883.95				
	<b>3,381.03</b>	<b>26,487.82</b>				
Sale of products						
Sale of digital cinema equipments	1,628.71	7,301.07				
Other operating income						
Royalty	10.73	25.14				
<b>Total revenue from operations</b>	<b>5,020.47</b>	<b>33,814.03</b>				
<b>27 Other income</b>						
Interest income on						
Cash and cash equivalents	114.60	134.84				
Security deposit paid	15.20	21.59				
Insurance claim received	20.85	7.52				
Profit on lease modification	0.97	-				
Net gain on sale of property, plant and equipment	-	121.62				
Net gain on foreign currency transactions	12.97	-				
Interest on income tax refund	2.74	-				
Notional rental income on security deposit received	245.11	144.19				
	<b>412.44</b>	<b>429.76</b>				
<b>28 Purchases of stock in trade</b>						
Cost of stock in trade consumed	1,346.96	5,865.31				
Less: Inventory of materials at the beginning of the year	3,145.05	4,077.29				
Add: Inventory of materials at the end of the year	2,381.41	3,145.05				
<b>Purchases during the year</b>	<b>583.32</b>	<b>4,933.07</b>				
<b>29 Changes in inventories of stock in trade</b>						
	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>				
	<b>Opening Inventory</b>	<b>Closing Inventory</b>	<b>Increase in inventory</b>	<b>Opening Inventory</b>	<b>Closing Inventory</b>	<b>Decrease in inventory</b>
Stock in trade	3,145.05	2,381.41	763.64	4,077.29	3,145.05	932.24
	<b>3,145.05</b>	<b>2,381.41</b>	<b>763.64</b>	<b>4,077.29</b>	<b>3,145.05</b>	<b>932.24</b>
<b>30 Employee benefits expense</b>						
Salaries, wages and bonus	4,750.52	6,939.81				
Contribution to provident and other funds	174.19	334.55				
Expenses related to post-employment defined benefit plans	86.06	53.30				
Expenses related to compensated absences	(11.64)	83.06				
Staff welfare expenses	174.02	364.38				
	<b>5,173.15</b>	<b>7,775.10</b>				
<b>31 Finance costs</b>						
Interest expense on financial liabilities measured at amortised cost	959.59	980.22				
Interest expenses on lease liability	154.43	186.3				
	<b>1,114.02</b>	<b>1,166.52</b>				
<b>32 Depreciation and amortisation expense</b>						
Depreciation of property, plant and equipment	3,791.90	4,383.77				
Amortisation of intangible assets	413.68	414.18				
Depreciation expenses (ROU assets)	397.01	433.66				
	<b>4,602.59</b>	<b>5,231.61</b>				



# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>33 Other expenses</b>		
Advertisement revenue share	147.51	5,027.98
Virtual print fee revenue share	260.30	4,006.62
Freight and handling charges	30.72	396.24
Digitising, censor, theatre advertisement and VSAT charges	176.26	1,061.74
Consumption of packing material and spares	7.19	289.36
Power and fuel	133.29	244.94
Rent	48.95	76.00
Repairs and maintenance		
- Buildings	-	-
- Plant & machinery	457.25	906.10
- Others	426.04	666.71
Service charges	370.83	282.82
Insurance	62.31	119.02
Rates and taxes	21.30	89.48
Communication	136.35	316.96
Traveling and conveyance	48.00	421.38
Printing and stationery	7.16	28.13
Software expenses	60.13	73.57
Sales discount and commission	26.37	210.16
Loss on sale of assets/ assets written off	1,068.11	0.38
Advertisement and business promotion	7.01	339.52
Expenditure on corporate social responsibility (Refer Note (ii) below)	-	25.75
Legal and professional fees (Refer Note (i) below)	430.00	646.58
Bad debts written off	11.53	77.50
Allowance for doubtful debt	390.14	419.24
Bank charges	14.91	24.57
Net loss on foreign currency transactions	-	280.38
Miscellaneous expenses	87.99	64.74
	<b>4,429.65</b>	<b>16,095.87</b>
<b>(i) Payment to auditors (excluding tax)</b>		
<b>As auditor</b>		
Statutory audit	20.00	19.00
Other services	8.00	-
Reimbursement of expenses	-	3.63
	<b>28.00</b>	<b>22.63</b>
<b>(ii) Details of corporate social responsibility expenditure</b>		
(a) Amount required to be spent by the Company during the year	-	47.81
(b) Amount spent during the year ( in cash)		
(i) Construction / acquisition of any assets		
(ii) On purposes other than (i) above	-	25.00
<b>34 Exceptional items</b>		
Impairment loss on investment in Justickets Pvt.Ltd (Jointly controlled entity) (refer note 9)	-	1,164.95
Impairment of receivables from Justickets Pvt.Ltd (Jointly controlled entity) (refer note 10 & 12)	-	1,179.64
Intangible asset under development written off (refer note 8)	1,051.60	-
	<b>1,051.60</b>	<b>2,344.59</b>



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# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 35 Income tax

#### A. Amount recognised in statement of profit and loss

##### Current tax

	Year ended 31 March 2021	Year ended 31 March 2020
Current period (a)	-	16.73
Tax related to earlier years	56.29	-

##### Deferred tax (b)

##### Attributable to -

Origination and reversal of temporary differences	(3,623.30)	(389.08)
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##### Tax expense for current period (a)+(b)

	<b>(3,567.01)</b>	<b>(372.35)</b>
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#### B. Income tax recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit liability (assets)	69.00	(20.09)	48.91	(179.43)	52.25	(127.18)
	<b>69.00</b>	<b>(20.09)</b>	<b>48.91</b>	<b>(179.43)</b>	<b>52.25</b>	<b>(127.18)</b>

#### C. Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
Profit before tax	(11,233.46)		(1,890.62)	
Tax using the Company's domestic tax rate	29.120%	(3,271.18)	29.120%	(550.55)
Effect of non-deductible expenses	2.63%	(295.83)	-9.43%	178.20
Effective tax rate	<b>31.753%</b>	<b>(3,567.01)</b>	<b>19.695%</b>	<b>(372.35)</b>

#### D. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets/(liabilities)	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Property, plant and equipment	1,833.74	1,262.00	-	-	1,833.74	1,262.00
Provisions:						
Employee benefit provisions	129.84	141.14	-	-	129.84	141.14
Trade receivables	931.93	818.32	-	-	931.93	818.32
ROU asset and lease liability	48.48	51.84	-	-	48.48	51.84
Brought forward losses	2,907.28	-	-	-	2,907.28	-
Other items	8.64	-	-	(16.60)	8.64	(16.60)
Deferred tax assets / (liabilities)	<b>5,859.91</b>	<b>2,273.30</b>	<b>-</b>	<b>(16.60)</b>	<b>5,859.91</b>	<b>2,256.70</b>
Offsetting of deferred tax assets and deferred tax liabilities	-	(16.60)	-	16.60	-	-
Net deferred tax assets / (liabilities)	<b>5,859.91</b>	<b>2,256.70</b>	<b>-</b>	<b>-</b>	<b>5,859.91</b>	<b>2,256.70</b>

#### Movement in temporary differences

	Balance as at 1 April 2019	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2020	Recognised in profit or loss	Recognised in OCI during	Balance as at 31 March 2021
Property, plant and equipment	1,257.66	4.34	-	1,262.00	571.74	-	1,833.74
Provisions:							
Employee benefit	123.77	(34.88)	52.25	141.14	8.79	(20.09)	129.84
Trade receivables	423.27	395.05	-	818.32	113.61	-	931.93
ROU asset and lease liability	-	51.84	-	51.84	(3.36)	-	48.48
Brought forward losses	-	-	-	-	2,907.28	-	2,907.28
Other items	10.67	(27.27)	-	(16.60)	25.24	-	8.64
	<b>1,815.37</b>	<b>389.08</b>	<b>52.25</b>	<b>2,256.70</b>	<b>3,623.30</b>	<b>(20.09)</b>	<b>5,859.91</b>



# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 36 Assets and liabilities relating to employee benefits

	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability / (asset) - Gratuity plan	-	-
<b>Total Employee benefit asset (current)</b>	-	-
Net defined benefit liability - Gratuity plan	143.10	126.04
Liability for compensated absences	197.84	248.29
<b>Total employee benefit liabilities</b>	<b>340.94</b>	<b>374.33</b>
Non-current	262.38	291.19
Current	78.56	83.14
	<b>340.94</b>	<b>374.33</b>

For details about the related employee benefit expenses, see Note 30.

The Company operates the following post-employment defined benefit plans.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

#### A. Funding

Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

#### B. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Reconciliation of present value of defined benefit obligation</b>		
Balance at the beginning of the year	677.22	518.42
Benefits paid	(160.56)	(117.41)
Current service cost	77.66	58.60
Interest cost	39.82	35.40
Past service cost	-	-
Actuarial (gains) losses recognised in other comprehensive income	-	-
Changes in demographic assumptions	-	-
Changes in financial assumptions	(21.16)	84.59
Experience adjustments	(46.39)	97.62
<b>Balance at the end of the year</b>	<b>566.59</b>	<b>677.22</b>
<b>Reconciliation of the present value of plan assets</b>		
Balance at the beginning of the year	551.18	549.35
Contributions paid into the plan	-	75.75
Benefits paid	(160.56)	(117.41)
Interest income	31.42	40.70
Return on plan assets recognised in other comprehensive income	1.45	2.78
<b>Balance at the end of the year</b>	<b>423.49</b>	<b>551.18</b>
<b>Net defined benefit liability/(asset)</b>	<b>143.10</b>	<b>126.04</b>

#### C. i. Expense recognised in profit or loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	77.66	58.60
Interest cost	39.82	35.40
Interest income	(31.42)	(40.70)
Past service cost	-	-
	<b>86.06</b>	<b>53.30</b>

#### ii. Remeasurement recognised in other comprehensive income

	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gain)/ loss on defined benefit obligation	(67.55)	182.21
Return on plan assets excluding interest income	(1.45)	(2.78)
	<b>(69.00)</b>	<b>179.43</b>

#### D. Plan assets

Plan assets were primarily invested in LIC fund.



## Qube Cinema Technologies Private Limited

### Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 36 Assets and liabilities relating to employee benefits (continued)

##### E. Defined benefit obligations

##### i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.97%	6.67%
Future salary growth	5.00%	5.00%
Attrition rate	5.00%	5.00%

##### ii. Sensitivity analysis

	Year ended 31 March 2021		Year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	533.89	602.56	634.04	724.95
Future salary growth (0.5% movement)	600.43	535.44	722.03	636.08
Attrition rate (5% movement)	567.37	565.82	678.11	676.35
Mortality (5% movement)	566.84	566.35	677.51	676.96

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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# Qube Cinema Technologies Private Limited

Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

## 37 Financial instruments - Fair values and risk management

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2021

		Carrying amount		
	Note	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
<b>Financial assets not measured at fair value (refer note 1 below)</b>				
Investments	9	1,714.62	-	1,714.62
Loans	11	478.32	-	478.32
Trade receivables	10	3,781.72	-	3,781.72
Cash and cash equivalents	16	283.85	-	283.85
Bank balances other than cash and cash equivalents	17	1,831.58	-	1,831.58
Other financial assets	12	261.01	-	261.01
		<b>8,351.10</b>	<b>-</b>	<b>8,351.10</b>
<b>Financial liabilities not measured at fair value (refer note 1 below)</b>				
Borrowings	20	-	7,280.87	7,280.87
Trade payables	25	-	2,955.25	2,955.25
Other financial liabilities	22	-	4,950.86	4,950.86
		<b>-</b>	<b>15,186.98</b>	<b>15,186.98</b>

As at 31 March 2020

		Carrying amount		
	Note	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
<b>Financial assets not measured at fair value (refer note 1 below)</b>				
Investments	9	1,493.66	-	1,493.66
Loans	11	385.25	-	385.25
Trade receivables	10	6,675.69	-	6,675.69
Cash and cash equivalents	16	1,060.50	-	1,060.50
Bank balances other than cash and cash equivalents	17	1,831.58	-	1,831.58
Other financial assets	12	594.57	-	594.57
		<b>12,041.25</b>	<b>-</b>	<b>12,041.25</b>
<b>Financial liabilities not measured at fair value (refer note 1 below)</b>				
Borrowings	20	-	6,635.16	6,635.16
Trade payables	25	-	3,975.51	3,975.51
Other financial liabilities	22	-	4,117.15	4,117.15
		<b>-</b>	<b>14,727.82</b>	<b>14,727.82</b>

Note 1: The Company has not disclosed fair values of financial instruments such as investments, loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables and other financial liabilities, since their carrying amounts are reasonable approximation of fair values.





# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 37 Financial instruments - Fair value and risk management (continued)

#### B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) liquidity risk and
- c) market risk.

#### i. Risk management framework

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### ii. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, certain loans and advances and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount	
	As at 31 March 2021	As at 31 March 2020
Trade receivables	3,781.72	6,675.69
Loans	478.32	385.25
Cash and cash equivalents	283.85	1,060.50
Bank balances other than cash and cash equivalents	1,831.58	1,831.58
Other financial assets	261.01	594.57
	<b>6,636.48</b>	<b>10,547.59</b>

#### Trade receivables

Trade receivables are amount billed to customers for the sale of goods and services, and represent the maximum exposure to credit risk of those financial assets, exclusive of the allowance for doubtful debts. Normal credit terms are in line with Industry practice.

The Company does not require collateral or other security from customers; however credit evaluations are performed prior to the initial granting of credit when warranted and periodically thereafter. Based on policy, the Company records a reserve for estimated uncollectible amounts, which management believes reduce credit risk. Management assesses the adequacy of reserve quarterly, taking into account historical experience, current collection trend, the age of the receivables and, when warranted and available, the financial condition of specific counterparties. The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables.

The Company's exposure to credit risk for trade receivables by relationship is as follows:

	As at 31 March 2021	As at 31 March 2020
Third party customers	3,777.59	6,675.69
Related parties	4.13	-

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31 March 2021	As at 31 March 2020
India	3,647.86	6,541.38
Rest of the world	133.86	134.31



## Qube Cinema Technologies Private Limited

### Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 37 Financial instruments - Fair value and risk management (continued)

##### ii. Credit risk (continued)

The Company uses Expected Credit Loss model to assess the impairment loss or gain. The Company has used simplified approach for its trade receivables and other receivables to compute loss allowance.

The following tables provides information about the exposure to credit risk and expected credit loss for trade receivables:

##### As at 31 March 2021

	Gross carrying amount	Weighted-average loss rate	Loss allowance
1-240 days past due	1,106.10	4.03%	44.61
241-365 days past due	643.03	12.04%	77.42
More than 365 days past due	4,752.47	54.90%	2,608.94
<b>Total</b>	<b>6,501.60</b>		<b>2,730.97</b>

##### As at 31 March 2020

	Gross carrying amount	Weighted-average loss rate	Loss allowance
1-240 days past due	5,576.37	2.13%	118.53
241-365 days past due	557.27	49.79%	277.48
More than 365 days past due	2,882.89	67.46%	1,944.83
<b>Total</b>	<b>9,016.53</b>		<b>2,340.84</b>

The movement in the allowance for impairment in respect of trade receivables is as follows:

	31 March 2021	31 March 2020
Balances at 1 April 2020	2,340.84	1,211.29
Provision for the year	390.13	1,129.55
<b>Balance at 31 March 2021</b>	<b>2,730.97</b>	<b>2,340.84</b>

##### Cash and bank balances (includes amounts classified under bank balances other than cash and cash equivalents)

The Company holds cash and bank balances of INR 2,115.43 lakhs as at 31 March 2021 (31 March 2020: INR 2,892.08 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

##### Other financial assets

###### a. Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

###### b. Loan to employees

This balance is constituted by loans given to the employees. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

###### c. Contractually reimbursable expenses

This balance is primarily constituted by reimbursable expenses incurred on behalf of Justickets Private Limited. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable.

###### d. Contract assets

This balance is primarily constituted by services but not billed yet. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable.

###### e. Interest accrued on bank deposit

These fixed deposits are held with credit worthy banks and financial institutions. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.



# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 37 Financial instruments - Fair value and risk management (continued)

#### iii. Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (excluding trade payables).

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

#### As at 31 March 2021

	Carrying amount	Total	Contractual cash flows			
			6 months or less	6-12 months	1-2 years	More than 2 years
Borrowings	7,280.87	7,280.87	3,342.77	-	2,107.08	1,831.02
Trade payables	2,955.25	2,955.25	2,955.25	-	-	-
Lease liabilities	1,424.31	1,424.31	229.76	235.32	483.87	475.36
Other financial liabilities	4,950.86	4,950.86	907.57	795.27	26.76	3,221.26
	<b>16,611.29</b>	<b>16,611.29</b>	<b>7,435.35</b>	<b>1,030.59</b>	<b>2,617.71</b>	<b>5,527.64</b>

#### As at 31 March 2020

	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Borrowings	6,635.16	6,635.16	-	2,818.01	1,358.77	2,458.38
Trade payables	3,975.51	3,975.51	3,975.51	-	-	-
Lease Liabilities	1,689.89	1,689.89	182.64	150.64	316.89	1,039.72
Other financial liabilities	4,117.15	4,117.15	1,443.90	1,194.30	560.93	918.02
	<b>16,417.71</b>	<b>16,417.71</b>	<b>5,602.05</b>	<b>4,162.95</b>	<b>2,236.59</b>	<b>4,416.12</b>

#### iv. Market risks

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### Currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

#### As at 31 March 2021

	USD	EURO	Total
Financial assets/ (liabilities)			
Trade receivables	133.86	-	133.86
Cash and cash equivalents	71.33	-	71.33
Borrowings (including interest accrued)	(982.80)	-	(982.80)
Trade payables	(631.05)	(72.24)	(703.29)
Net assets / (liabilities)	<b>(1,408.66)</b>	<b>(72.24)</b>	<b>(1,480.90)</b>

#### As at 31 March 2020

	USD	EURO	Total
Financial assets/ (liabilities)			
Trade receivables	134.31	-	134.31
Cash and cash equivalents	106.18	-	106.18
Borrowings (including interest accrued)	(1,168.92)	-	(1,168.92)
Trade payables	(865.41)	(55.42)	(920.83)
Net assets / (liabilities)	<b>(1,793.84)</b>	<b>(55.42)</b>	<b>(1,849.26)</b>



## Qube Cinema Technologies Private Limited

### Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 37 Financial instruments - Fair value and risk management (continued)

##### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against US dollar and EURO at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>As at 31 March 2021</b>				
USD (1% movement)	(14.09)	14.09	(10.42)	10.42
EURO (1% movement)	(0.72)	0.72	(0.53)	0.53
<b>As at 31 March 2020</b>				
USD (1% movement)	(17.94)	17.94	(13.27)	13.27
EURO (1% movement)	(0.55)	0.55	(0.41)	0.41

##### c. Interest rate risk

The Company has only variable rate instruments i.e. term loan and supplier credit.

##### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

	As at 31 March 2021	As at 31 March 2020
Fixed rate borrowings	-	-
Variable rate borrowings	8,900.10	7,604.76
	<b>8,900.10</b>	<b>7,604.76</b>

##### Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit / (loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>As at 31 March 2021</b>				
Variable rate instrument	(89.00)	89.00	(63.08)	63.08
<b>Cash flow sensitivity (net)</b>	<b>(89.00)</b>	<b>89.00</b>	<b>(63.08)</b>	<b>63.08</b>
<b>As at 31 March 2020</b>				
Variable rate instrument	(76.05)	76.05	(53.90)	53.90
<b>Cash flow sensitivity (net)</b>	<b>(76.05)</b>	<b>76.05</b>	<b>(53.90)</b>	<b>53.90</b>

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## Qube Cinema Technologies Private Limited

### Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 38 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity and other borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Equity comprises all components of equity.

The Company's policy is to keep the ratio below 1.00.

	As at 31 March 2021	As at 31 March 2020
Total liabilities	8,900.10	7,604.76
Less : Cash and cash equivalents	(283.85)	(1,060.50)
<b>Adjusted net debt</b>	<b>8,616.25</b>	<b>6,544.26</b>
Total equity	10,425.22	19,094.36
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.83</b>	<b>0.34</b>

#### 39 Earnings per share (EPS)

See accounting policy in note 3.15

##### a) Basic earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Loss for the year, attributable to the equity holders	(8,718.05)	(3,862.86)
Weighted average number of equity shares	10,446,623	9,940,858
<b>Basic earnings per share (In INR)</b>	<b>(83.45)</b>	<b>(38.86)</b>

##### b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

Loss for the year, attributable to the equity holders	(8,718.05)	(3,862.86)
<b>Weighted average number of equity shares (diluted)</b>		
Weighted average number of equity shares (basic)	10,446,623	9,940,858
Effect of conversion of compulsory convertible cumulative preference shares *	-	-
Effect of exercise of share options *	-	-
Weighted average number of equity shares (diluted) for the year	10,446,623	9,940,858
<b>Diluted earnings per share (In INR)</b>	<b>(83.45)</b>	<b>(38.86)</b>

\* For the FY 2019-20, the Company has compulsory convertible cumulative preference shares and share options which could potentially dilute basis earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive.

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# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 40 Operating leases

#### (i) As Lessor

The Company has leased out digital cinema equipment to theatres on operating lease arrangement. The lease term is generally for 5 to 10 years. The Company as well as the theatres have an option of terminating this lease arrangement any time during the tenure of the lease as per the provisions of the lease agreement. Based on the management assumptions there is a reasonable certainty that the lease will continue for the lease term of 5 to 10 years.

Lease income recognised from the above lease arrangement (included under sale of services under Note 26 - INR 8.57 lakhs (Previous year - INR 1,764.62 lakhs)

#### (ii) As Lessee

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to short-term leases as the Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### i. Future minimum lease payments

At 31 March 2021, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at 31 March 2021	As at 31 March 2020
Payable in less than one year	27.24	48.65
Payable between one and five years	-	-
Payable after more than five years	-	-

#### ii. Amounts recognised in profit or loss

	As at 31 March 2021	As at 31 March 2020
Lease expense – minimum lease payments	48.95	76.00

### 41 Contingent liabilities and commitments

(to the extent not provided for)

Contingent liabilities	As at 31 March 2021	As at 31 March 2020
Counter Guarantees issued to banks	117.18	45.97
Claims against the Company not acknowledged as debts		
Excise duty, service tax and customs duty, VAT matters (see Note (i) and (ii) below)	259.06	827.58
Other matters		
Bonus (see Note (iii))	93.81	93.81

#### Note:

(i) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where it is not acknowledged as debt, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums/authorities.

(iii) Bonus provision financial year 2014-15 pursuant to retrospective amendment to "Payment of Bonus Act" for which an interim stay has been granted by the High Court of Madras.

(iv) Supreme Court vide their judgement dated 28 February 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Company, based on external advice, believes that there are interpretative challenges and significant uncertainties surrounding the determination of liability including period of assessment, application for present and past employees, liability towards employees' contribution and assessment of interest and penalties. The amount of obligation, therefore, cannot be measured with sufficient reliability for past periods and hence, disclosed as contingent liability.

Commitments	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account	-	281.72



# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 42 Related parties

#### A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Subsidiary Company	Qube Cinema Inc, USA
Jointly controlled entity	Justickets Private Limited
Enterprises having Significant Influence	M/s. StreetEdge Capital L.P, USA (upto 31 March 2021) Real Image LLP M/s Nomura Asia Investment (MB) Pte. Ltd , Singapore (Upto 31 March 2021)
Key Management Personnel	Mr. V. Senthil Kumar Mr. P.Jayendra Mr. Arvind Ranganathan (until May 31, 2019) Mr. Harsh Krishna Rohatgi
Relative of Key Management Personnel	Mr.Arun Veerappan Mrs. Vee. Vijayalakshmi Mr. V. Sivakumar Mrs. Meena Veerappan Mrs. Sudha Panchapakesan Mrs. Sujatha Arvind
Entities in which Relatives of KMP can exercise significant influence	Digital Film Technologies Private. Limited., in which Mrs. Sudha Panchapakesan wife of Director Mr. P.Jayendra and Mrs. Vandana Gopikumar wife of Director Mr.V. Senthil Kumar are interested.  Qube Digital Cinema Private Limited., in which Mrs. Vandana Gopikumar wife of Director Mr.V. Senthil Kumar are interested.

#### B. Transaction with key managerial personnel (KMP)

Key management personnel of the Company comprise of the board of directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short term employee benefits	313.99	789.86
Post-employment defined benefits	*	*
Compensated absences	*	*
<b>Total</b>	<b>313.99</b>	<b>789.86</b>

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan.

\* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

#### C. Related party transactions during the year

Nature of transactions	Transaction value	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of goods</b>		
Subsidiary Company		
Qube Cinema Inc, USA	84.94	261.27
	<b>84.94</b>	<b>261.27</b>
<b>Sale of services</b>		
Jointly controlled entity		
Justickets Private Limited	3.82	116.46
Entities in which relatives of KMP can exercise significant influence		
Digital Film Technologies Private Limited	1.65	217.33
	<b>5.47</b>	<b>333.79</b>
<b>Other operating income</b>		
Subsidiary Company		
Qube Cinema Inc, USA	10.73	25.14
<b>Vehicle hire charges</b>		
Key Management Personnel		
Mr. V. Senthil Kumar	0.90	10.80
Mr. P.Jayendra	0.90	10.80
Mrs. Vee. Vijayalakshmi	0.30	3.60
Mrs. Meena Veerappan	0.65	7.80
Mrs. Sujatha Arvind	-	1.00
	<b>2.75</b>	<b>34.00</b>



# Qube Cinema Technologies Private Limited

Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

## 42 Related parties (continued)

### Investment made during the year

#### Subsidiary Company

Qube Cinema Inc, USA

### Reimbursement of expenses

#### Subsidiary Company

Qube Cinema Inc, USA

#### Jointly controlled entity

Justickets Private Limited

Transaction value	
For the year ended 31 March 2021	For the year ended 31 March 2020
220.96	-
<b>220.96</b>	
331.49	750.37
5.68	150.79
<b>337.17</b>	<b>901.16</b>

### D. Balances as at year end

Particulars	Balance outstanding	
	As at 31 March 2021	As at 31 March 2020
<b>Loans</b>		
<i>Entities in which relatives of KMP can exercise significant influence</i>		
Qube Digital Cinema Private Limited	20.00	20.00
Loss allowance	(20.00)	(20.00)
	-	-
<b>Interest accrued on loan</b>		
<i>Entities in which relatives of KMP can exercise significant influence</i>		
Qube Digital Cinema Private Limited	1.73	1.73
Loss allowance	(1.73)	(1.73)
	-	-
<b>Outstanding receivables</b>		
<i>Jointly controlled entity</i>		
Justickets Private Limited	714.44	710.31
Loss allowance	(710.31)	(710.31)
	<b>4.13</b>	-
<i>Subsidiary Company</i>		
Qube Cinema Inc, USA	8.09	-
	<b>8.09</b>	-
<b>Contract assets</b>		
<i>Subsidiary Company</i>		
Qube Cinema Inc, USA	10.73	25.14
	<b>10.73</b>	<b>25.14</b>
<b>Advance from customers</b>		
<i>Subsidiary Company</i>		
Qube Cinema Inc, USA	-	39.61
<i>Entities in which relatives of KMP can exercise significant influence</i>		
Digital Film Technologies Private Limited	1.32	4.52
	<b>1.32</b>	<b>44.13</b>
<b>Loan from directors</b>		
Mr. V. Senthil Kumar	900	-
	<b>900</b>	-
<b>Interest accrued but not due on loan from directors</b>		
Mr. V. Senthil Kumar	26.76	-
	<b>26.76</b>	-
<b>Outstanding payables</b>		
<i>Relative of Key Management Personnel</i>		
Mrs. Vee. Vijayalakshmi	3.00	-
<i>Subsidiary Company</i>		
Qube Cinema Inc, USA	80.41	180.94
<b>Employee benefits payables</b>		
<i>Key Management Personnel/ Relative of Key Management Personnel</i>		
Mr. V. Senthil Kumar	172.33	130.64
Mr. P. Jayendra	172.33	130.64
Mr. Arun Veerappan	9.87	-
Mrs. Sudha Panchapakesan	13.45	-
Mr. Arvind Ranganathan	-	25.28
Mr. Harsh Krishna Rohangi	48.46	66.18
	<b>416.44</b>	<b>352.74</b>



## Qube Cinema Technologies Private Limited

Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### D. Balances as at year end

Particulars	Balance outstanding	
	As at 31 March 2021	As at 31 March 2020
<b>Security deposits received</b>		
<i>Key Management Personnel/ Relative of Key Management Personnel</i>		
Mr. V. Senthil Kumar	8.00	8.00
Mr. P.Jayendra	8.00	8.00
Mrs. Meena Veerappan	2.00	2.00
	<b>18.00</b>	<b>18.00</b>
<b>Contractually reimbursable expenses</b>		
<i>Jointly controlled entity</i>		
Justickets Private Limited	515.01	469.33
Loss allowance	(469.33)	(469.33)
	<b>45.68</b>	<b>-</b>
<b>Investments</b>		
<i>Subsidiary Company</i>		
Qube Cinema Inc, USA	1,714.62	1,493.66
<i>Jointly controlled entity</i>		
Justickets Private Limited	1,164.95	1,164.95
	(1,164.95)	(1,164.95)
Less: Provision for diminution in value of investments	<b>1,714.62</b>	<b>1,493.66</b>

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# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 43 Share-based payments

#### A. Description of share-based payment arrangements

##### Share option plans (equity-settled)

##### i) ESOP 2006 Plan

The 2006 plan was approved by the Board of Directors in 6 May 2006 and by shareholders on 31 May 2006. The plan entitles employees in full time service to purchase shares of the company at the stipulated exercise price, subject to compliance with the vesting conditions; all exercises options shall be settled by physical delivery of shares. As per the plan, holders of vested option are entitled to purchase one equity shares for every option at the exercise price of INR 10. The key terms and conditions related to the grants under these plans are as follows.

Employees entitled	Grant Date	Number of instruments	Vesting conditions	Contractual life of options
Senior management personnel	1 April 2012	300,000	1/3 of options will vest after completion of each year from the date of grant.	6 years

##### ii) ESOP 2012 Plan

The 2012 plan was approved by the Board of Directors on July 19, 2012 and by shareholders on October 25, 2012. The plan entitles employees in full time service to purchase shares of the company at the stipulated exercise price, subject to compliance with the vesting conditions; all exercises options shall be settled by physical delivery of shares. As per the plan, holders of vested option are entitled to purchase one equity shares for every option at the exercise price of INR 130.

Employees entitled	Grant Date	Number of instruments	Vesting conditions	Contractual life of options
Senior management personnel	18 May 2017	25,000	Completion of service of 1 year from grant date	6 years
	10 January 2013	50,000	1/3 of options will vest after completion of each year from the date of grant.	6 years

#### B. Measurement of fair values

The fair value of employee share options (see (A)(i) and (A)(ii)) has been measured using Black -Scholes model as at the grant date.

#### C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans (see (A)(i) and (ii)) are as follows.

##### For the year ended 31 March 2021

	ESOP Plan 2006		ESOP Plan 2012	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	10	300,000	130	75,000
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the year	10	300,000	130	75,000
Vested and Exercisable as at end of the year	10	300,000	130	75,000

##### For the year ended 31 March 2020

	ESOP Plan 2006		ESOP Plan 2012	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	10	300,000	130	75,000
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the year	10	300,000	130	75,000
Vested and Exercisable as at end of the year	10	300,000	130	75,000

#### D. Expenses recognized in statement of profit and loss

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense are as follows:

Year ended	Year ended
31 March 2021	31 March 2020

Employee Option plan

- Equity-settled shared-based payments (Refer note 28)





# Qube Cinema Technologies Private Limited

## Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 44 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

#### (i) Contract assets

	Amount
Opening balance 1 April 2020	514.96
Less: Invoiced during the year	(514.96)
Add: Revenue recognised during the year	146.01
Closing balance 31 March 2021	146.01

#### (ii) Contract liabilities (Billing in advance of work completed)

	Amount
Opening balance 1 April 2020	596.25
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(596.25)
Add: invoices raised for which no revenue is recognised during the year	323.66
Closing balance 31 March 2021	323.66

Accounts receivable are recorded when the right to consideration becomes unconditional.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

### Reconciliation of revenue recognised in the Statement of profit and loss with the contracted price

Revenue from contracts with customers (as per Statement of profit and loss)	5,020.47
Add: Discounts, rebates, refunds, credits, price concessions	(2.40)
Less: Contract assets adjustments	(146.01)
Contracted price with the customers	4,872.06

### 45 Segment reporting

The Company is engaged primarily in the business of digital cinema services and sale of digital cinema ancillary to sale of services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these financial statements are reflective of the information required by the Ind AS 108. The chief operating decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocations and performance assessment.

#### A. Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2021	Year ended 31 March 2020
India	4,630.08	32,763.00
Rest of the world	390.39	1,051.03
	5,020.47	33,814.03

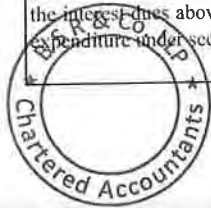
#### B. Major Customers

Revenue from top customer of the Company is INR Nil lakhs (31 March 2020: INR 3,580.54 lakhs) which is more than 10% of the Company's total revenue. However, during the year 2020-21, no single external customer has generated revenue of 10% or more of the Company's total revenue.

### 46 Micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 28 August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). The disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



## Qube Cinema Technologies Private Limited

### Notes to standalone financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

47 As at 31 March 2021, the Company has export receivables amounting to INR.2.09 lakhs which are due for a period more than 270 days, which is the maximum permissible period for realization and repatriation of export proceeds into India as per the master circular issued by Reserve Bank of India. Subsequent to the balance sheet date, the Company has not yet realized this amount, however it is in the process of obtaining necessary consent of the Authorized Dealer for delay in receipts and obtain relevant approvals/condonation for the delayed realization as per the requirements of exchange regulation.

#### 48 Transfer pricing

The Company has entered into transactions with certain related parties. For the year ended 31 March 2020, the Company obtained an Accountant's report from a Chartered Accountant in respect of international transactions with related parties as required by the relevant provisions of the Income-tax Act, 1961 and the same has been filed with the income tax authorities.

For the current year, the company confirms that it maintains documentation as prescribed by the Income-tax Act, 1961 and to prove that the international transactions are at arm's length and the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

#### 49 Specified Bank Notes Disclosure (SBN's)

The disclosure regarding details of Specified bank notes held and transacted during 08 November 2016 to 30 December 2016 have not been made since the requirements does not pertain to financials year ended 31 March 2021

#### 50 Subsequent events

There have been no material events since the end of the reporting period which would require disclosures or adjustments to these standalone financial statements for the year ended 31 March 2021 except the following.

Subsequent to reporting date, the Company has raised additional funds by way of issuing fresh equity shares amounting to INR 2,100 lakhs and availed working capital term loan under Emergency Credit Line Guarantee Scheme from HDFC Bank amounting to INR 2,532.40 lakhs.

As per our report attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022



**Satish Vaidyanathan**


Partner

Membership No.: 217042

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

CIN : U92490TN1986PTC012536



**P Jayendra**

Wholetime Director

DIN : 00320286



**V Senthil Kumar**

Wholetime Director

DIN : 00320535

**Sri Varshini**

Company Secretary

Place: Chennai

Date: 08 September 2021

Place: Chennai

Date: 08 September 2021

# B S R & Co. LLP

Chartered Accountants

KRM Tower, 1<sup>st</sup> & 2<sup>nd</sup> Floors,  
No.1, Harrington Road, Chetpet,  
Chennai – 600 031, India

Telephone: + 91 44 4608 3100  
Fax: + 91 44 4608 3199

## INDEPENDENT AUDITORS' REPORT

**To the Members of Qube Cinema Technologies Private Limited**

**Report on the Audit of Consolidated Financial Statements**

### Opinion

We have audited the consolidated financial statements of Qube Cinema Technologies Private Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its joint venture, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and its joint venture as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of matter

We draw attention to Note 2.1(b) in the consolidated financial statements, which describes that based on current indicators of future economic conditions, the Group expects to recover the carrying amount of all its assets and revenue recognised. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of this matter.

Principal Office:

## **B S R & Co. LLP**

### **Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the consolidated financial statements for the year ended 31 March 2021 (continued)**

Page 2 of 6

#### **Other information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding company's board report including annexures to the board's report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company 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 and of its joint venture is responsible for overseeing the financial reporting process of each company.





**Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the consolidated financial statements for the year ended 31 March 2021 (continued)**

Page 3 of 6

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

As part of an 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 consolidated financial statements, whether due to fraud or error, 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.





**Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the consolidated financial statements for the year ended 31 March 2021 (continued)**

Page 4 of 6

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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.

**Other Matters**

- (a) We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of INR 1,110.86 lakhs as at 31 March 2021, total revenues of INR 872.07 lakhs and net cash flows amounting to INR 21.52 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss and other comprehensive income of Rs. Nil for the year ended 31 March 2021, in respect of the joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the audit report of the other auditor.

The subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.



**Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the consolidated financial statements for the year ended 31 March 2021 (continued)**

Page 5 of 6

**Report on Other Legal and Regulatory Requirements**

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of subsidiary and joint venture as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- 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 financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - 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 statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the holding company is disqualified as on 31 March 2021 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 with reference to financial statements of the Holding Company and its joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary and its joint venture, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021



## **B S R & Co. LLP**

**Independent Auditors' Report to the members of Qube Cinema Technologies Private Limited on the audit of the consolidated financial statements for the year ended 31 March 2021 (continued)**

Page 6 of 6

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanation given to us, the Holding Company is a private limited company and accordingly the provisions of Section 197 of the Act is not applicable to the Holding Company.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration Number: 101248W/W-100022



**Satish Vaidyanathan**

*Partner*

Membership no: 217042

UDIN: 21217042AAAACP8319

Place: Chennai

Date: 8 September 2021

**Annexure A to the Independent Auditors' report on the consolidated financial statements of Qube Cinema Technologies Private Limited for the period ended 31 March 2021**

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Page 1 of 2

**Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Qube Cinema Technologies Private Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021 based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.



## **B S R & Co. LLP**

### **Annexure A to the Independent Auditors' report on the consolidated financial statements of Qube Cinema Technologies Private Limited for the period ended 31 March 2021**

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Page 2 of 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 (3) 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 financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other matters**

Based on the written representations received from the management, reporting under section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal controls with reference to financial statements is exempt for the joint venture. Our opinion is not modified in respect of this matter.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration Number: 101248W/W-100022

**Satish Vaidyanathan**

*Partner*

Membership no: 217042

UDIN: 21217042AAAACP8319

Place: Chennai

Date: 8 September 2021



# Qube Cinema Technologies Private Limited

## Consolidated Balance sheet as at 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	11,230.72	15,790.37
Capital work-in-progress	5	327.17	247.04
Right-of-use assets	6	1,334.09	1,715.10
Intangible assets	7	922.75	1,344.27
Intangible asset under development	8	-	1,051.59
Equity accounted investee	9	-	-
Financial assets			
Trade receivables	10	500.28	427.13
Loans	11	426.74	335.70
Other financial assets	12	42.00	42.00
Deferred tax assets (net)	35	5,859.91	2,256.70
Income tax assets	13	1,141.31	1,615.54
Other assets	14	102.74	286.71
<b>Total non-current assets</b>		<b>21,887.71</b>	<b>25,112.15</b>
<b>Current assets</b>			
Inventories	15	2,558.07	3,333.32
Financial assets			
Trade receivables	10	3,652.36	6,520.95
Cash and cash equivalents	16	350.53	1,106.82
Bank balances other than cash and cash equivalents	17	1,831.58	1,831.58
Loans	11	61.31	59.52
Other financial assets	12	219.01	552.57
Other assets	14	2,126.38	2,322.75
<b>Total current assets</b>		<b>10,799.24</b>	<b>15,727.51</b>
<b>Total assets</b>		<b>32,686.95</b>	<b>40,839.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	1,948.31	994.09
Other equity			
Compulsory convertible cumulative preference shares classified as equity	18	-	744.36
Others (including items of other comprehensive income)	19	7,302.88	16,504.74
<b>Total equity</b>		<b>9,251.19</b>	<b>18,243.19</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	20	3,938.10	3,817.15
Lease liabilities	21	992.03	1,475.02
Other financial liabilities	22	3,231.18	1,488.95
Provisions	24	262.38	303.21
Other liabilities	23	165.58	372.47
<b>Total non-current liabilities</b>		<b>8,589.27</b>	<b>7,456.80</b>
<b>Current liabilities</b>			
Financial liabilities			
Other bank borrowings	20	3,342.77	2,818.01
Lease liabilities	21	519.79	356.18
Trade payables			
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	25	3,411.99	4,292.26
Other financial liabilities	22	1,729.60	2,638.38
Provisions	24	78.56	83.14
Other liabilities	23	5,763.78	4,951.70
<b>Total current liabilities</b>		<b>14,846.49</b>	<b>15,139.67</b>
<b>Total liabilities</b>		<b>23,435.76</b>	<b>22,596.47</b>
<b>Total equity and liabilities</b>		<b>32,686.95</b>	<b>40,839.66</b>

Significant accounting policies

3

The notes referred to above form an integral part of these consolidated financial statements

As per our report attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022



Satish Vaidyanathan

Partner

Membership No.: 217042

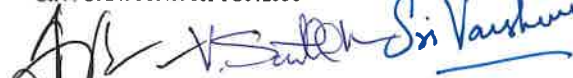
Place: Chennai

Date: 08 September 2021

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

CIN : U92490TN1986PTC012536



P Jayendra

Wholtime Director

DIN : 00320286

V Senthil Kumar

Wholtime Director

DIN : 00320535

Sri Varshini

Company Secretary

Place: Chennai

Date: 08 September 2021

# Qube Cinema Technologies Private Limited

## Consolidated Statement of profit and loss for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	26	5,773.00	35,996.64
Other income	27	420.68	429.78
<b>Total revenue</b>		<b>6,193.68</b>	<b>36,426.42</b>
<b>Expenses</b>			
Purchases of stock in trade	28	575.18	4,916.88
Changes in inventories of stock in trade	29	775.25	934.46
Employee benefits expense	30	5,223.45	7,926.25
Finance costs	31	1,124.08	1,170.34
Depreciation and amortisation expense	32	4,780.21	5,346.75
Other expenses	33	5,258.61	18,495.23
<b>Total expenses</b>		<b>17,736.78</b>	<b>38,789.91</b>
<b>Loss before exceptional items, share of net profit of investment accounted for using equity method and tax</b>		<b>(11,543.10)</b>	<b>(2,363.49)</b>
Share of net loss of joint venture accounted for using the equity method		-	-
<b>Loss before exceptional items and tax</b>		<b>(11,543.10)</b>	<b>(2,363.49)</b>
Exceptional items	34	1,051.60	1,179.64
<b>Loss before tax</b>		<b>(12,594.70)</b>	<b>(3,543.13)</b>
<b>Tax expense:</b>			
Current tax		0.60	17.86
Tax related to earlier years		56.29	-
Deferred tax benefit		(3,623.30)	(389.08)
<b>Income tax expense</b>	35	<b>(3,566.41)</b>	<b>(371.22)</b>
<b>Loss for the year</b>		<b>(9,028.29)</b>	<b>(3,171.91)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit liability/ (assets)		69.00	(179.43)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(20.09)	52.25
<b>Net other comprehensive income that will not be reclassified subsequently to profit or loss</b>		<b>48.91</b>	<b>(127.18)</b>
<b>Total comprehensive loss for the year</b>		<b>(8,979.38)</b>	<b>(3,299.09)</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences in translating consolidated financial statements of foreign operations		(12.62)	-
Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(12.62)</b>	<b>-</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(8,992.00)</b>	<b>(3,299.09)</b>
<b>Earnings per share:</b>			
Basic earnings per share (INR)	39	(86.42)	(31.91)
Diluted earnings per share (INR)		(86.42)	(31.91)

Significant accounting policies

The notes referred to above form an integral part of these consolidated financial statements

As per our report attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022



**Satish Vaidyanathan**

Partner

Membership No : 217042

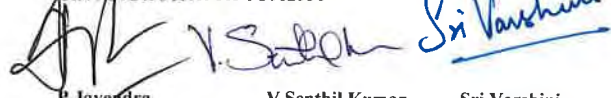
Place: Chennai

Date: 08 September 2021

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

CIN : U92490TN1986PTC012536



**P Jayendra**

Wholtime Director

DIN : 00320286

**V Senthil Kumar**

Wholtime Director

DIN : 00320535

**Sri Varshini**

Company Secretary

Place: Chennai

Date: 08 September 2021

**Qube Cinema Technologies Private Limited**  
**Consolidated Statement of changes in equity for the year ended 31 March 2021**  
*(All amounts are in Indian Rupees lakhs, unless otherwise stated)*

**a. Equity share capital**

	Note	Amount
Balance as at 1 April 2019		994.09
Changes in equity share capital during 2019-20	18	-
Balance as at 31 March 2020		994.09
Changes in equity share capital during 2020-21	18	954.22
Balance as at 31 March 2021		1,948.31

**b. Other equity**

	Compulsory convertible cumulative preference shares	Attributable to the owners of the Parent Company							Total
		Capital redemption reserve	Securities Premium	Share options outstanding account	Reserves and surplus	General reserve	Retained earnings	Items of OCI	
					Equity shares held by ESOP trust (including securities premium)			Exchange difference on translation of foreign operations	
Balance at 1 April 2019	744.36	131.19	7,995.28	173.48	(242.88)	14.90	11,633.17	34.24	19,739.38
Total comprehensive income for the year ended 31 March 2020	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	(3,171.91)	-	(3,171.91)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	(3,171.91)	(127.18)	(62.73)
Contributions to owners	-	-	-	-	-	-	(127.18)	-	-
Share-based options	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	744.36	131.19	7,995.28	173.48	(242.88)	14.90	8,334.08	98.69	16,504.74
Balance at 1 April 2020	744.36	131.19	7,995.28	173.48	(242.88)	14.90	8,334.08	98.69	16,504.74
Total comprehensive income for the year ended 31 March 2021	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	(9,028.29)	-	(9,028.29)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	(9,028.29)	(12.62)	36.29
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	48.91	(48.91)	-
Contributions to owners	-	-	-	-	-	-	-	-	-
Preference shares converted to equity	(744.36)	-	(209.86)	-	-	-	-	-	(209.86)
Share-based options	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-
Balance at 31 March 2021	-	131.19	7,785.42	173.48	(242.88)	14.90	(645.30)	86.07	7,302.88

**Significant accounting policies**

The notes referred to above form an integral part of these consolidated financial statements  
As per our report attached

for BSR & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/ W-100022

*Signature*

Satish Vaidyanathan  
Partner  
Membership No. 217042

for and on behalf of the Board of Directors of  
Qube Cinema Technologies Private Limited  
CIN : U92490TN1986PTC012536

*Signature*

P. Jayashree  
Wholetime Director  
DIN : 00320286

*Signature*

Sri Varshini  
Company Secretary

Place: Chennai  
Date: 08 September 2021

Place: Chennai  
Date: 08 September 2021

# Qube Cinema Technologies Private Limited

## Consolidated statement of cash flows for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash flow from operating activities</b>			
Loss before tax		(12,593.77)	(3,543.13)
Adjustments:			
Depreciation and amortisation expenses	32	4,780.21	5,346.75
Impairment of intangibles under development	34	1,051.60	-
Net (loss)/ gain on sale of property, plant and equipment	27	1,068.11	(121.62)
Bad debts written off	33	16.95	77.50
Allowance for doubtful debt	33	393.84	1,677.65
Finance costs	31	1,124.08	1,170.34
Interest income	27	(114.60)	(134.84)
Unwinding of discount on security deposit paid		(1.51)	-
Interest income on security deposit paid	27	(15.20)	(21.59)
Notional rental income on security deposit received	27	(245.11)	(144.19)
Profit on lease modification		(0.97)	-
Unrealised loss on foreign exchange (net)		22.23	91.26
		<b>(4,514.14)</b>	<b>4,398.13</b>
<b>Working capital adjustments:</b>			
Decrease in inventories		770.63	950.41
Decrease in trade receivables		2,554.26	1,293.91
Decrease in loans and other financial assets		245.40	437.14
Decrease in other assets		380.13	163.67
Increase / (decrease) in trade payable and other financial liabilities		(885.26)	771.44
Increase / (decrease) in provisions and other liabilities		571.59	(105.92)
<b>Cash generated from / (used in) operating activities</b>		<b>(877.39)</b>	<b>7,908.78</b>
Income tax paid (net)		474.63	(882.04)
<b>Net cash from / (used in) operating activities (A)</b>		<b>(402.76)</b>	<b>7,026.74</b>
<b>Cash flows from investing activities</b>			
Interest received		124.89	111.12
Acquisition of property, plant and equipment and capital work-in-progress		(520.63)	(4,035.73)
Expenditure on internally generated intangible assets		-	(604.63)
Proceeds from sale of property, plant and equipment		10.74	269.85
Investments in bank deposits (net)		-	(600.00)
<b>Net cash used in investing activities (B)</b>		<b>(385.00)</b>	<b>(4,859.39)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		3,750.66	1,701.72
Repayments of borrowings		(2,038.85)	(1,932.22)
Payment of transaction cost relating to the borrowings		-	(25.95)
Repayment of lease liabilities		(433.97)	(544.57)
Interest paid		(798.35)	(756.30)
<b>Net cash (used in) / from financing activities (C)</b>		<b>479.49</b>	<b>(1,557.32)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>(308.27)</b>	<b>610.03</b>
Cash and cash equivalents at the beginning of the year		788.81	169.91
Net foreign exchange difference		0.30	8.87
<b>Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>480.84</b>	<b>788.81</b>



# Qube Cinema Technologies Private Limited

## Consolidated statement of cash flows for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents as per the above comprises of the following

	As at 31 March 2021	As at 31 March 2020
Cash on hand	1.59	1.57
Bank balances	348.94	1,105.25
Bank overdrafts	130.31	(318.01)
Balances as per statement of cash flows	<u>480.84</u>	<u>788.81</u>

Refer note 20 for disclosure on changes in liabilities arising from financing activities

Significant accounting policies

3

The notes referred to above form an integral part of consolidated financial statements

for: **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

CIN: U92490TN1986PTC012536



**Satish Vaidyanathan**

Partner

Membership No.: 217042

Place: Chennai

Date: 08 September 2021



**P Jayendra**

Wholtime Director

DIN : 00320286

**V Senthil Kumar**

Wholtime Director

DIN : 00320535

**Sri Varshini**

Company Secretary

Place: Chennai

Date: 08 September 2021



**Qube Cinema Technologies Private Limited****Notes to consolidated financial statements for the year ended 31 March 2021***(All amounts are in Indian Rupees lakhs, unless otherwise stated)***1 Background**

Qube Cinema Technologies Private Limited (Formerly Real Image Media Technologies Private Limited) ("the Parent Company") was incorporated on 1 January 1986. The Group is domiciled and incorporated in India with its registered address situated at No. 42, Dr. Ranga Road, Mylapore, Chennai, Tamil Nadu - 600004. The Group is primarily engaged in the business of providing digital cinema service. The Group also provides other services such as content mastering, managed services and in-theater advertising.

The Parent Company, its subsidiary and its joint controlled entity (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

Name of the Group	Country of Incorporation	Type of Investment	Proportion of equity investment	
			As at 31 March 2021	As at 31 March 2020
Qube Cinema Inc	United states of America	Subsidiary	100%	100%
Justickets Private Limited	India	Jointly controlled entity	43.4%	43.4%

**2 Basis of preparation****2.1(a) Statement of compliance**

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 08 September 2021.

Details of the Group's accounting policies are included in Note 3.

**2.1(b)** The Group is primarily in the business of digital cinema distribution network and related activities. The COVID-19 situation across the country continued to adversely affect the operations of the Group during the FY 2020-21. Theaters across the country started operations during October 2020 – December 2020 period in line with the guidelines from respective state authorities and by beginning of March 2021 there were signs of revival of the business. However due to the second wave of COVID-19 from April 2021, the operations of the Group were affected since majority of Theaters were closed in line with respective state government or regulatory bodies guidelines. Since the operations of the Group were severely impacted due to economic uncertainty and disruption created by closure of cinema halls, this necessitates the evaluation of the Group's ability to continue as a Going concern and meeting its obligations to the stakeholders, creditors, employees and lenders.

The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Group believes that COVID-19 will impact their business in the short-term, but it does not anticipate material risk to its business prospects over the medium to long term

On account of COVID-19, the management of the Group has undertaken various cost saving initiatives to mitigate the adverse impact of COVID-19 on the business, which inter alia includes reduction in employee costs by temporary salary cuts and headcount reduction, received waivers of rental and maintenance charges during lockdown, significant reduction in all other overhead expenses during the FY 2020-21 and post balance sheet date, infusion of capital through issue of equity shares, raising debt from banks and promoters, and Seeking operational and financial support from the majority shareholder. With these actions, we have been able to bring down the cash burn significantly and meet the operational needs of the Group

The management of the Group has carried out an assessment of the appropriateness of the going-concern assumption, impairment of assets and other related aspects and as on the date of approval of the consolidated financial statements, it believes that there is no significant impact. We are closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimise the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these consolidated financial statements.

Basis the cash flow projections for the next 12 months and financial support letter from majority shareholder, the Group believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these consolidated financial statements are prepared on a going concern basis.

**2.2 Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

**2.3 Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments and share based payments)	Fair value
- Net defined benefit assets/(liability)	Fair value of plan assets, less present value of defined benefit obligations

**2.4 Current / Non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.



## **2.5 Use of estimates and judgements**

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 37 – fair valuation of financial assets
- Note 40 – lease classification

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 is included in the following notes:

- Note 9 - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally generated intangible asset.
- Note 35 - recognition of deferred tax assets;
- Note 36 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 37 - impairment of financial assets;
- Note 6 & 21 - Measurement of lease liabilities and Right of Use Asset
- Note 41 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## **2.6 Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and

The Group has an established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the note 37 to the consolidated financial instruments.

## **3 Significant accounting policies**

### **3.1 i. Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss except exchange differences arising on qualifying cash flow hedges to the extent that the hedges are effective.

### **ii. Foreign operations**

The results and financial position of foreign operations that have functional currency different from the presentation currency are translated into presentation currency as follows;

- Assets and Liabilities are translated at the closing rate at the date of balance sheet.
- Income and Expenses are translated at the average exchange rates
- All resulting exchange differences are recognised in other comprehensive income.



**3 Significant accounting policies (continued)**

**3.2 Basis of consolidation**

**i. Subsidiary**

Subsidiary are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**ii. Equity accounted investees**

The Group's interests in equity accounted investees comprise interests in joint venture.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control cease.

**iii. Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**3.3 Financial instruments**

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**ii. Classification and subsequent measurement**

*Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Business model assessment*

the Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;



### **3 Significant accounting policies (continued)**

#### **3.3 Financial instruments (continued)**

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

#### **Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### **iii. Derecognition**

##### *Financial assets*

the Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### *Financial liabilities*

the Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

the Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **3.4 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### **3.5 Property, plant and equipment**

##### **i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

##### **ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.





**3 Significant accounting policies (continued)****3.5 Property, plant and equipment (continued)****iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and machinery	3 - 10 Years	15 years
Computer Systems	3 - 6 years	3 - 6 years
Office equipments	5 years	5 years
Furniture and fixtures	6 years	10 years
Electrical equipments and installation	6 years	10 years
Vehicles	5 years	8 years

Leasehold improvements are written off over the period of lease or over a period of 4 years whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

**3.6 Intangible assets****i. Recognition and measurement***Internally generated: Research and Development*

Expenditure on research activities is recognised in the profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

**ii. Others**

Other intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

**iii. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

**iv. Amortization**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Right to use the intellectual property is amortised using unit of production method. (Product of each unit then are transferred to inventory and subsequently accounted for under cost of stock-in-trade consumed if the unit is sold or considered as property, plant and equipment if the unit is leased.)

The estimated useful lives are as follows:

Asset	Management estimate of useful life
Software (including internally generated software)	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**3.7 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.





### **3 Significant accounting policies (continued)**

#### **3.8 Impairment**

##### **i. Impairment of financial instruments**

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

##### **ii. Impairment of non-financial assets**

the Group assesses at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount in the statement of profit and loss.

the Group's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **3.9 Employee benefits**

##### **i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

##### **ii. Gratuity**

the Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Group. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Group.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Group gratuity scheme.

the Group recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.

##### **iii. Provident fund**

Eligible employees of the Group receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Group make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. the Group has no further obligation to the plan beyond its monthly contributions.

##### **iv. Compensated absences**

the Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

##### **v. Share-based compensation**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

#### **3.10 Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.



**3 Significant accounting policies (continued)**

**3.11 Revenue recognition**

the Group is primarily engaged in the business of providing digital cinema service

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services

**i. Income from services and sale of goods**

Advertisement income is recognised in the period during which advertisements are displayed.

Virtual print fees (VPF) received from distributors of the films is recognised in the period in which the services are rendered.

Revenue from sale of goods is recognised upon transfer of control to buyers and when no uncertainty exists regarding the amount of consideration that will be derived from sale of goods.

Revenue from maintenance service fees is recognised on time proportion basis for the period falling in the reporting period.

Lease rental income on equipment is recognised as mentioned in note 3.11 (ii) below

Revenue from commission and technical service income is recognised in period in which services are rendered.

Royalty income on licenses of IP is recognised when the customer's subsequent sales or usage occurs.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, if any. Revenue also excludes taxes collected from customers.

the Group disaggregates revenue from contracts with customers based on nature of services.

Contract assets includes amounts related to Company's contractual right to consideration for completed performance objectives not yet invoiced. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Invoices are payable within contractually agreed credit period and none of the contracts include a financing element.

Contracts are subject to modification to account for changes in contract specification and requirements. the Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change.

**ii. Contract cost**

the Group does not incur any cost to obtain or fulfill the contracts with customers.

**3.12 Leases**

At inception of the contract, the Group determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

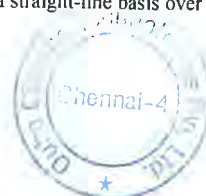
**i. Company as a lessee**

the Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

the Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments

the Group recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

the Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.





### **3 Significant accounting policies (continued)**

#### **ii. Company as a lessor**

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. the Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

#### **3.13 Recognition of interest income or expense**

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument - the gross carrying amount of the financial asset; or - the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### **3.14 Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### **i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### **ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **3.15 Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **3.16 Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

#### **3.17 Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to : a) Change in existing presentation requirements for certain items in Balance sheet and b) Additional disclosure requirements in specified formats c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions. d) Additional Regulatory Information e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

Further, On June 18, 2021, the MCA has notified certain amendments to Ind AS which are primarily related to a) interest rate benchmark reform, b) Covid-related rent concessions, c) references to conceptual framework (in substitution of reference to framework for preparation and presentation of financial statements) with certain exceptions and d) other minor/clerical changes. The amendments have come into force effective June 18, 2021.

The Group is evaluating the effect of these amendments on its standalone financial statements.



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 4. Property, plant and equipment

#### Reconciliation of carrying amount

Particulars	Leasehold improvements	Plant and machinery	Computer Systems	Office equipments	Furniture and fixtures	Electrical Equipments & Installation	Vehicles	Total
<b>Cost or deemed cost (gross carrying amount)</b>								
Balance at 1 April 2019	251.64	26,855.07	524.22	322.04	529.49	162.69	92.36	28,737.51
Additions	-	3,836.93	67.97	9.67	1.36	-	0.62	3,916.55
Disposals	-	478.38	16.46	3.80	-	-	0.71	499.35
Exchange difference on translation of foreign operations	-	44.45	-	-	0.67	-	-	45.12
<b>Balance at 31 March 2020</b>	<b>251.64</b>	<b>30,258.07</b>	<b>575.73</b>	<b>327.91</b>	<b>531.52</b>	<b>162.69</b>	<b>92.27</b>	<b>32,199.83</b>
Balance at 1 April 2020	251.64	30,258.07	575.73	327.91	531.52	162.69	92.27	32,199.83
Additions	-	440.50	-	-	-	-	-	440.50
Disposals	-	6,660.78	0.24	0.12	0.01	-	-	6,661.15
Exchange difference on translation of foreign operations	-	(20.69)	-	-	(0.45)	-	-	(21.14)
<b>Balance at 31 March 2021</b>	<b>251.64</b>	<b>24,017.10</b>	<b>575.49</b>	<b>327.79</b>	<b>531.06</b>	<b>162.69</b>	<b>92.27</b>	<b>25,958.04</b>
<b>Accumulated depreciation</b>								
Balance at 1 April 2019	178.86	11,206.06	319.05	183.41	262.31	80.23	51.82	12,281.74
Depreciation for the year	57.49	4,107.82	121.12	54.32	84.74	26.86	14.40	4,466.75
Disposals	-	331.08	15.73	3.64	-	-	0.67	351.12
Exchange difference on translation of foreign operations	-	11.96	-	-	0.13	-	-	12.09
<b>Balance at 31 March 2020</b>	<b>236.35</b>	<b>14,994.76</b>	<b>424.44</b>	<b>234.09</b>	<b>347.18</b>	<b>107.09</b>	<b>65.55</b>	<b>16,409.46</b>
Balance at 1 April 2020	236.35	14,994.76	424.44	234.09	347.18	107.09	65.55	16,409.46
Depreciation for the year	0.49	3,689.73	57.62	42.83	81.37	26.10	12.60	3,910.74
Disposals	-	5,581.94	0.23	0.12	0.01	-	-	5,582.30
Exchange difference on translation of foreign operations	-	(10.33)	-	-	(0.25)	-	-	(10.58)
<b>Balance at 31 March 2021</b>	<b>236.84</b>	<b>13,092.22</b>	<b>481.83</b>	<b>276.80</b>	<b>428.29</b>	<b>133.19</b>	<b>78.15</b>	<b>14,727.32</b>
<b>Carrying amount (net)</b>								
As at 31 March 2020	15.29	15,263.31	151.29	93.82	184.34	55.60	26.72	15,790.37
<b>As at 31 March 2021</b>	<b>14.80</b>	<b>10,924.88</b>	<b>93.66</b>	<b>50.99</b>	<b>102.77</b>	<b>29.50</b>	<b>14.12</b>	<b>11,230.72</b>

#### a) Security

As at 31 March 2021, properties with a carrying amount of INR 3,748.71 lakhs (31 March 2020: INR 3,679.41 lakhs) are subject to first charge to secure bank loans (see Note 20)



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 5 Capital work-in-progress

Particulars	Amount
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2019	
Additions	149.20
Capitalised during the year	3,802.64
Balance at 31 March 2020	3,704.80
	247.04
Balance at 1 April 2020	
Additions	247.04
Capitalised during the year	234.53
Balance at 31 March 2021	154.40
	327.17

### 6 Right-of-use assets

Particulars	Buildings
Transition impact of Ind AS 116 (refer note i)	2,005.78
Additions	163.80
Deletions	-
Exchange difference on translation of foreign operations	9.61
Balance as at 31 March 2020	2,179.19
Balance as at 1 April 2020	
Additions	2,179.19
Deletions	70.10
Exchange difference on translation of foreign operations	-
Balance as at 31 March 2021	(4.01)
	2,245.28
Accumulated depreciation	
Depreciation for the year	462.27
Deletions	-
Exchange difference on translation of foreign operations	1.82
Balance as at 31 March 2020	464.09
Balance at 1 April 2020	
Depreciation for the year	464.09
Deletions	448.35
Exchange difference on translation of foreign operations	-
Balance as at 31 March 2021	(1.25)
	911.19
Net block as at 31 March 2020	
Net block as at 31 March 2021	1,715.10
	1,334.09

Note: The Group leases comprise of only buildings. The Group entered into agreements with owners of the building for taking office premises on lease.

### 7 Intangible assets

#### Reconciliation of carrying amount

Particulars	Software *	Total
Cost or deemed cost (gross carrying amount)		
Balance as at 1 April 2019		
Additions	2,203.77	2,203.77
Disposals	21.33	21.33
Amortised cost transferred to property, plant and equipments and inventory	-	-
Exchange difference on translation of foreign operations	2.15	2.15
Balance as at 31 March 2020	2,227.25	2,227.25
Balance as at 1 April 2020		
Additions	2,227.25	2,227.25
Disposals	-	-
Amortised cost transferred to property, plant and equipments and inventory	-	-
Exchange difference on translation of foreign operations	(1.07)	(1.07)
Balance as at 31 March 2021	2,226.18	2,226.18
Accumulated amortisation and impairment losses		
Balance as at 1 April 2019		
Amortisation for the year	464.22	464.22
Exchange difference on translation of foreign operations	417.74	417.74
Balance as at 31 March 2020	1.02	1.02
	882.98	882.98
Balance as at 1 April 2020		
Amortisation for the year	882.98	882.98
Exchange difference on translation of foreign operations	421.12	421.12
Balance as at 31 March 2021	(0.67)	(0.67)
	1,303.43	1,303.43
Carrying amount (net)		
As at 31 March 2020		
As at 31 March 2021	1,344.27	1,344.27
	922.75	922.75

\* Software consists of capitalised development cost being an internally generated intangible asset.





# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 8 Intangible asset under development

Particulars	Amount
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2019	446.96
Additions	604.63
Capitalised during the year	-
Balance at 31 March 2020	1,051.59
Balance at 1 April 2020	1,051.59
Additions	-
Capitalised during the year	-
Written off during the period (refer note below)	1,051.59
Balance at 31 March 2021	-

Note: During the current year the Parent Company has performed a detailed assessment and after considering the intention and technical feasibility of completing the intangible assets under development, the entire expenditure have been written off and charged to Statement of profit and loss. Also refer note 34

### 9 Equity accounted investee

Interest in joint venture (Refer note below)

As at 31 March 2021	As at 31 March 2020
-	-
-	-

Justickets Private Limited (Justickets) is a joint arrangement in which the Parent Company has joint control and a 43.44% (31 March 2020 - 43.44%) ownership interest. Justickets is engaged in providing platform for online movie ticketing and it is not publicly listed.

#### Summarised financial information for joint venture

	As at 31 March 2021	As at 31 March 2020
Non-current assets	313.30	373.48
Current assets (including cash and cash equivalents – 31 March 2021: INR 441.76 lakhs 31 March 2020: INR 214.57 lakhs )	1,442.63	426.60
Non-current liabilities	-	-
Current liabilities	(1,756.61)	(1,650.33)
	(0.68)	(850.25)

#### Reconciliation to carrying amounts

Operating net assets	(850.25)	(355.44)
Capital raised	-	-
Profit / (loss) for the year	849.57	(494.81)
Other comprehensive income	-	-
Closing net assets	(0.68)	(850.25)
Group's share in %	43.44%	43.44%
Group's share in INR	-	-
Goodwill	-	-
Carrying amount	-	-

#### Summarised statement of Profit and Loss

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue	1,835.95	669.57
Employee benefit expenses	(45.25)	(70.20)
Depreciation and amortisation	(42.10)	(139.06)
Finance costs	(24.02)	(24.05)
Other expenses	(875.01)	(931.07)
Profit/(Loss)	849.57	(494.81)
Other comprehensive income	-	-
Total comprehensive income	849.57	(494.81)
Group's share of loss (restricted to investment value)	-	-
Group's share of OCI	-	-
Group's share of total comprehensive income	-	-



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>10 Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	4,152.64	6,948.08
Which have significant increase in credit risk	2,734.64	2,430.17
Credit impaired	-	-
	<b>6,887.28</b>	<b>9,378.25</b>
Allowance for doubtful debt	(2,734.64)	(2,430.17)
<b>Net trade receivables</b>	<b>4,152.64</b>	<b>6,948.08</b>
Non-current	500.28	427.13
Current	3,652.36	6,520.95
	<b>4,152.64</b>	<b>6,948.08</b>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	714.44	710.31
Allowance for doubtful debt #	(710.31)	(710.31)
	<b>4.13</b>	<b>-</b>

The Parent company has performed an impairment analysis on its trade receivables as a result of the impact of COVID-19. Management believes that the provision recorded is sufficient and adequate and the carrying amount of receivables reflects its recoverable value. The parent company's exposure to credit and loss allowances related to trade receivables are disclosed in Note 37.

# The Group, basis its evaluation of recoverability of the dues from the related party (Justickets Private Limited) has provided for the receivables upto 31 March 2020 as bad and doubtful debts.

<b>11 Loans</b>		
(Unsecured, considered good)		
Security deposits	472.64	381.60
Loans to employees	15.41	13.62
Loans to related parties	20.00	20.00
	<b>508.05</b>	<b>415.22</b>
Loss allowance *	(20.00)	(20.00)
<b>Net loans</b>	<b>488.05</b>	<b>395.22</b>
Non-current	426.74	335.70
Current	61.31	59.52
	<b>488.05</b>	<b>395.22</b>

\* The Company, basis its evaluation of recoverability of the dues from the related party (Qube Digital Cinema Private Limited) has provided for the entire receivables as bad and doubtful debts.

<b>12 Other financial assets</b>		
Bank deposits under lien	42.00	42.00
Dues from related party*	515.01	469.33
Unbilled revenue	146.01	514.96
Interest accrued on bank deposits	27.32	37.61
Interest accrued on loan to related parties	1.73	1.73
	<b>732.07</b>	<b>1,065.63</b>
Loss allowance *	(471.06)	(471.06)
<b>Net other financial assets</b>	<b>261.01</b>	<b>594.57</b>
Non-current	42.00	42.00
Current	219.01	552.57
	<b>261.01</b>	<b>594.57</b>

Of the above, contractually reimbursable expenses from related parties are as below:

Dues from related party*	516.74	471.06
Loss allowance *	(471.06)	(471.06)
	<b>45.68</b>	<b>-</b>

\* During the year ended 31 March 2020, the Company, basis its evaluation of recoverability of the dues from related party (Justickets Private Limited and Qube Digital Cinema Private Limited) has provided for a loss allowance against these dues.



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>13 Income tax assets</b>		
Advance tax recoverable (net of provision)	1,141.31	1,615.54
	<u>1,141.31</u>	<u>1,615.54</u>
<b>14 Other assets</b>		
Advances to suppliers	201.87	376.19
Prepaid expenses	435.14	599.08
Balance with government authorities	1,592.11	1,634.19
	<u>2,229.12</u>	<u>2,609.46</u>
Non-current	102.74	286.71
Current	2,126.38	2,322.75
	<u>2,229.12</u>	<u>2,609.46</u>
<b>15 Inventories</b>		
Stock in trade	2,558.07	3,333.32
	<u>2,558.07</u>	<u>3,333.32</u>
Due to outbreak of COVID-19, Management has performed impairment assessment of all inventory as at 31 March 2021. Management believes that the provision recorded is sufficient and adequate and the carrying amount of inventory reflects its recoverable value.		
<b>16 Cash and cash equivalents</b>		
Cash on hand	1.59	1.57
Bank balances	348.94	1,105.25
	<u>350.53</u>	<u>1,106.82</u>
<b>17 Bank balances other than cash and cash equivalents</b>		
Bank deposits*	1,831.58	1,831.58
	<u>1,831.58</u>	<u>1,831.58</u>
* Of the above, Bank deposits under lien		
	1,831.58	231.58

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# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 18 Equity share capital

#### Authorised

20,000,000 (31 March 2020: 20,000,000) equity shares of INR 10 each

7,500,000 (31 March 2020 : 7,500,000) Compulsory convertible cumulative preference shares of INR 10 each.

#### Issued, subscribed and paid up

19,483,114 (31 March 2020: 9,940,858) equity shares of INR 10 each fully paid up.

Nil (31 March 2020: 7,443,611) Compulsory convertible cumulative preference shares of INR 10 each.

As at  
31 March 2021

As at  
31 March 2020

#### Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement and at the end of the year	19,483,114	1,948.31	9,940,858	994.09
<b>Compulsory convertible cumulative preference shares</b>				
At the commencement and at the end of the year	-	-	7,443,611	744.36

#### a) Rights, preferences and restrictions attached to equity shares

The Parent Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Parent's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Parent Company.

On winding up of the Parent Company, the holders of equity shares will be entitled to receive the residual assets of the Parent Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

#### b) Rights, preferences and restrictions attached to preference shares

The Parent Company has only one class of compulsorily convertible cumulative preference shares having a par value of INR.10. The compulsorily convertible preference shares were convertible based on the terms and conditions contained in the shareholders agreement dated 24 May 2006, 29 June 2007 and 18 July 2008, at any time after the initial investment closing date (as defined in the agreement) but before 31 March 2013. Each preference share will be converted into a fixed no. of equity shares. As per the amendment agreement between the shareholders dated 16 January 2013, the compulsorily convertible preference shares are convertible at any time after the initial investment closing date but before 31 March 2016. The agreement was amended in May 2016 by extending the date of conversion to 31 March 2018. In March 2018, the agreement was again amended by extending the date of conversion to 31 March 2019. During the previous year, at the board meeting held on 28 March 2019, the board of directors have decided to extend the date of conversion by another 2 year, i.e., 31 March 2021.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend is not declared in respect of a financial year in the case of cumulative preference shares, the entitlement for that year lapses. The preference shares holder shall have one vote for each Equity Share into which the Preferred Shares held by him of record could be converted (as provided in these articles), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means, and would be entitled to notice of and the right to vote together with the equity shares on all matters submitted to a vote of the Parent Company's shareholder. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

During the current year, at the board meetings held on 11 March 2021 and 31 March 2021, the board of directors have approved the conversion of preference shares to equity shares at a ratio mentioned in the respective shareholder agreements.

#### c) Employee stock options

Terms attached to stock options granted to employees are described in Note 43 regarding share-based payments.

#### Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of equity shares	Number of shares	% of equity shares
<b>Equity shares of INR 10 each fully paid, held by</b>				
SS Theater LLP	10,979,515	56.35%	-	0.00%
Real Image LLP	2,462,225	12.64%	2,462,225	24.77%
Street Edge Capital L.P. USA	-	0.00%	1,597,302	16.07%
RJMT Employees Trust	808,308	4.15%	808,308	8.13%
Nomura Asia Investment (MB) Pte Ltd	-	0.00%	625,747	6.29%
V. Senthil Kumar	553,100	2.84%	553,100	5.56%
Canara Bank	531,567	2.73%	531,567	5.35%
Meena Veerappan	506,800	2.60%	506,800	5.10%
	<b>15,841,515</b>	<b>81.31%</b>	<b>7,085,049</b>	<b>71.27%</b>
<b>Compulsory convertible cumulative preference shares</b>				
Nomura Asia Investment (MB) Pte Ltd - Series C	-	0.00%	3,095,160	41.58%
Intel (Capital) Mauritius Limited - Series A and Series C	-	0.00%	2,768,569	37.19%
CSI BD (Mauritius) - Series B	-	0.00%	789,941	10.61%
Payone Enterprises Pvt. Ltd - Series B	-	0.00%	789,941	10.61%
	<b>-</b>	<b>0.00%</b>	<b>7,443,611</b>	<b>100.00%</b>

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
9,542,256	-	-	-	-

During the year ended 31 March 2021, pursuant to the board meetings held on 11 March 2021 and 31 March 2021, the board of directors have approved the conversion of preference shares to equity shares at a ratio mentioned in the respective shareholder agreements.



## Qube Cinema Technologies Private Limited

Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 19 Other equity

#### Capital redemption reserve

Capital Redemption reserve was created on account of buy back of entire shares held by Kotak Mahindra Venture Capital Fund in March 2005 (596,000 shares) and June 2005 (715,904 shares).

#### Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### Share options outstanding account

The Parent Company has established various equity-settled share-based payment plans for certain categories of employees of the Parent Company. Refer to Note 43 for further details on these plans.

### 20 Borrowings

#### Non-current borrowings

##### Term loans

Secured loans from bank (refer note (i) & (ii) below)

Supplier credit, unsecured

Loans from director, unsecured (refer note D below)

#### Total non-current borrowings

#### Current borrowings

##### Bank overdraft

Overdraft against fixed deposits

Current portion of term loans (refer note (i) & (ii) below)

Less: Amount included under 'Other financial liabilities'

	As at 31 March 2021	As at 31 March 2020
Secured loans from bank (refer note (i) & (ii) below)	2,501.78	2,905.65
Supplier credit, unsecured	536.32	911.50
Loans from director, unsecured (refer note D below)	900.00	-
<b>Total non-current borrowings</b>	<b>3,938.10</b>	<b>3,817.15</b>
<b>Current borrowings</b>		
Bank overdraft	1,869.69	2,818.01
Overdraft against fixed deposits	1,473.08	-
Current portion of term loans (refer note (i) & (ii) below)	1,619.23	969.60
	4,962.00	3,787.61
Less: Amount included under 'Other financial liabilities'	(1,619.23)	(969.60)
	<b>3,342.77</b>	<b>2,818.01</b>

#### A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying Amount as at	
				31 March 2021	31 March 2020
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 1.80%	03-May-21	28.69	168.52
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.65%	24-Apr-23	722.55	857.25
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.20%	04-Jan-24	1,318.79	1,479.94
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.80%	07-Feb-25	1,665.07	1,173.70
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.7%	31-Mar-21	389.08	598.05
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.6%	30-Jun-26	533.15	509.29
Loans from director (Mr. V. Senthil Kumar)	INR	12% p.a	24-Dec-22	700.00	-
Loans from director (Mr. V. Senthil Kumar)	INR	12% p.a	27-Jan-23	200.00	-
Overdraft against fixed deposits	INR	9.75%	On demand	1,473.08	-
Cash credit	INR	1 year MCLR	On demand	1,869.69	2,818.01
				<b>8,900.10</b>	<b>7,604.76</b>

#### B. Secured bank loans

The secured term loans from banks are secured by exclusive charge on fixed assets including plant and equipment created out of term loans with a carrying amount of INR 3,748.70 lakhs (31 March 2020 : 3,679.41 lakhs)

#### C. Reconciliation of movement of liabilities to cash flows arising from financing

##### Particulars

Non-current borrowings

Current borrowings

Bank overdrafts

Bank overdrafts

	As at 31 March 2021	As at 31 March 2020
Non-current borrowings	3,938.10	3,817.15
Current borrowings	1,619.23	969.60
Bank overdrafts	1,473.08	-
Bank overdrafts	1,869.69	2,818.01
	<b>8,900.10</b>	<b>7,604.76</b>

##### Particulars

Balance as at 1 April 2019

Proceeds from loans and borrowings

Repayment of borrowings

Change in bank overdraft and working capital loan

Non-cash changes

- Impact of effective interest amortisation

- Unrealised exchange loss on restatement of borrowings

Balance as at 31 March 2020

Proceeds from loans and borrowings

Repayment of borrowings

Change in bank overdraft and working capital loan

Non-cash changes

- Impact of effective interest amortisation

- Unrealised exchange loss on restatement of borrowings

Balance as at 31 March 2021

	Loans from director	Bank overdraft	Term loans	Total
Balance as at 1 April 2019	-	3,750.33	4,966.78	8,717.11
Proceeds from loans and borrowings	-	-	1,701.72	1,701.72
Repayment of borrowings	-	-	(1,958.17)	(1,958.17)
Change in bank overdraft and working capital loan	-	(932.32)	-	(932.32)
Non-cash changes	-	-	-	-
- Impact of effective interest amortisation	-	-	10.72	10.72
- Unrealised exchange loss on restatement of borrowings	-	-	65.70	65.70
Balance as at 31 March 2020	-	2,818.01	4,786.75	7,604.76
Proceeds from loans and borrowings	900.00	1,473.08	1,377.58	3,750.66
Repayment of borrowings	-	(500.00)	(1,538.85)	(2,038.85)
Change in bank overdraft and working capital loan	-	(448.32)	-	(448.32)
Non-cash changes	-	-	-	-
- Impact of effective interest amortisation	-	-	9.62	9.62
- Unrealised exchange loss on restatement of borrowings	-	-	22.23	22.23
Balance as at 31 March 2021	900.00	3,342.77	4,657.33	8,900.10





## Qube Cinema Technologies Private Limited

### Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 20 Borrowings (continued)

(i) The Reserve Bank of India (RBI) has permitted banks and financial institutions to offer a moratorium of six months on payment of instalments of all term loans falling due between 1 March 2020 and 31 August 2020. This includes all Term Loans and Cash Credit/Overdraft facilities. The Company had considered to avail the loan moratorium and all instalments due from 1 March 2020 to 31 August 2020 stand deferred. The RBI has further clarified that deferment of loan payments shall not be considered as default by lenders.

#### (ii) Loan covenants

Under the terms of the major borrowing facilities with HDFC Bank, the Company is required to comply with the following financial covenants :

- the adjusted tangible net worth must be more than 19,000 lakhs
- the ratio of total outstanding liabilities to adjusted tangible net worth must be less than 1.5
- the debt service coverage ratio must be more than 2
- Interest coverage ratio has to be more than 3
- Minimum turnover has to be more than INR 20,000 lakhs

As at 31 March 2021, the Company has failed to comply with all the above mentioned loan covenants. Subsequent to reporting date, the Company has obtained renewal of its existing facilities considering the financial position as at 31 March 2021.

#### D. Loans from director (Mr. V. Senthil Kumar)

Subsequent to reporting date, the Company repaid INR 400 lakhs and converted INR 500 lakhs as equity.

#### 21 Lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
	Buildings	Buildings
Transition impact of Ind AS 116 (refer note 6 (i))	1,831.20	2,025.98
Additions	74.56	151.21
Deletions	-	-
Lease modification	6.95	-
Finance cost accrued during the period	160.36	190.12
Rent concession	(110.34)	-
Discharge of lease liabilities	433.97	544.56
Exchange difference on translation of foreign operations	(3.04)	8.45
<b>Balance as at 31 March 2020</b>	<b>1,511.82</b>	<b>1,831.20</b>
Non-current	992.03	1,475.02
Current	519.79	356.18

#### 22 Other financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits received	3,231.18	3,062.61
Current maturities of long term borrowings	1,619.23	969.60
Interest accrued on borrowings	110.37	95.12
	<b>4,960.78</b>	<b>4,127.33</b>
Non-current	3,231.18	1,488.95
Current	1,729.60	2,638.38
	<b>4,960.78</b>	<b>4,127.33</b>

The Group's exposure to liquidity and currency risks related to the above financial liabilities are disclosed in Note 35.

#### 23 Other liabilities

Billing in advance of work completed	324.69	598.36
Advance payments from customers	3,165.78	3,249.77
Employees benefits payable	1,944.30	802.12
Statutory dues payables	229.86	274.42
Deferred rent	-	-
Deferred revenue	264.73	399.50
	<b>5,929.36</b>	<b>5,324.17</b>
Non-current	165.58	372.47
Current	5,763.78	4,951.70

#### 24 Provisions

##### Provision for employee benefits (see note 33)

	Non-current		Current	
Liability for gratuity	92.01	71.02	51.09	55.02
Liability for compensated absences	170.37	220.17	27.47	28.12
<b>Total provision for employee benefits</b>	<b>262.38</b>	<b>291.19</b>	<b>78.56</b>	<b>83.14</b>

##### Other provisions

Provision for tax	-	12.02	-	-
<b>Total other provisions</b>	<b>-</b>	<b>12.02</b>	<b>-</b>	<b>-</b>
<b>Total provisions</b>	<b>262.38</b>	<b>303.21</b>	<b>78.56</b>	<b>83.14</b>

#### 25 Trade payables

Trade payables to related parties  
total outstanding dues of micro enterprises and small enterprises  
total outstanding dues of creditors other than micro enterprises and small enterprises

	3,411.99	4,292.26
	<b>3,411.99</b>	<b>4,292.26</b>

the above, trade payables from related parties are as below:

total trade payables from related parties

the Group's exposure to liquidity and currency risks related to the above trade payables are disclosed in Note 34.



**Notes to consolidated financial statements for the year ended 31 March 2021**  
(All amounts are in Indian Rupees lakhs, unless otherwise stated)



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>33 Other expenses</b>		
Advertisement revenue share	147.51	5,027.98
Virtual print fee revenue share	260.30	4,006.62
Freight and handling charges	468.77	1,782.71
Digitising, censor, theatre advertisement and VSAT charges	295.29	1,293.25
Consumption of packing material and spares	12.42	382.42
Power and fuel	133.29	244.94
Rent	50.44	98.69
Repairs and maintenance		
- Plant & machinery	457.25	906.10
- Others	434.37	674.31
Service charges	370.83	282.82
Insurance	63.38	120.55
Rates and taxes	24.18	91.86
Communication	151.49	405.13
Traveling and conveyance	49.18	421.68
Printing and stationery	7.16	28.13
Software expenses	60.13	73.57
Sales discount and commission	26.37	210.16
Loss on sale of assets/ assets written off	1,068.11	-
Advertisement and business promotion	7.01	339.77
Expenditure on corporate social responsibility (Refer Note (ii) below)	0.03	25.87
Legal and professional fees (Refer Note (i) below)	639.17	1,076.59
Bad debts written off	16.95	77.50
Allowance for doubtful debt	393.84	498.01
Bank charges	21.97	64.49
Net loss on foreign currency transactions	-	278.77
Miscellaneous expenses	99.17	83.31
	<b>5,258.61</b>	<b>18,495.23</b>
<b>(i) Payment to auditors (excluding tax)</b>		
<b>As auditor</b>		
Statutory audit	20.00	19.00
Reimbursement of expenses	8.00	1.97
	<b>28.00</b>	<b>20.97</b>
<b>(ii) Details of corporate social responsibility expenditure</b>		
(a) Amount required to be spent by the Group during the year	-	47.81
(b) Amount spent during the year ( in cash)		
(i) Construction / acquisition of any assets	-	-
(ii) On purposes other than (i) above	-	25.00
<b>34 Exceptional items</b>		
Impairment of receivables from Justickets Pvt.Ltd ( Jointly controlled entity) (refer note 10 and 12)	-	1,179.64
Intangible asset under development written off (refer note 8)	1,051.60	-
	<b>1,051.60</b>	<b>1,179.64</b>



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# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 35 Income tax

#### A. Amount recognised in statement of profit and loss

##### Current tax

	Year ended 31 March 2021	Year ended 31 March 2020
Current period (a)	0.60	17.86
Tax related to earlier years	56.29	-

##### Deferred tax (b)

Attributable to -

Origination and reversal of temporary differences	(3,623.30)	(389.08)
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#### Tax expense for current period (a)+(b)

	<b>(3,566.41)</b>	<b>(371.22)</b>
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#### B. Income tax recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit liability (assets)	69.00	(20.09)	48.91	(179.43)	52.25	(127.18)
	<b>69.00</b>	<b>(20.09)</b>	<b>48.91</b>	<b>(179.43)</b>	<b>52.25</b>	<b>(127.18)</b>

#### C. Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
Profit before tax	(11,543.10)		(2,363.49)	
Tax using the Company's domestic tax rate	29.120%	(3,361.35)	29.120%	(688.25)
Effect of non-deductible expenses	1.78%	(205.06)	-13.41%	317.03
Effective tax rate	<b>30.896%</b>	<b>(3,566.41)</b>	<b>15.706%</b>	<b>(371.22)</b>

#### D. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets/(liabilities)	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Property, plant and equipment	1,833.74	1,262.00	-	-	1,833.74	1,262.00
Provisions:						
Employee benefit provisions	129.84	141.14	-	-	129.84	141.14
Trade receivables	931.93	818.32	-	-	931.93	818.32
ROU asset and lease liability	48.48	51.84	-	-	48.48	51.84
Brought forward losses	2,907.28	-	-	-	2,907.28	-
Other items	8.64	-	-	(16.60)	8.64	(16.60)
Deferred tax assets / (liabilities)	<b>5,859.91</b>	<b>2,273.30</b>	<b>-</b>	<b>(16.60)</b>	<b>5,859.91</b>	<b>2,256.70</b>
Offsetting of deferred tax assets and deferred tax liabilities	-	(16.60)	-	16.60	-	-
Net deferred tax assets / (liabilities)	<b>5,859.91</b>	<b>2,256.70</b>	<b>-</b>	<b>-</b>	<b>5,859.91</b>	<b>2,256.70</b>

#### Movement in temporary differences

	Balance as at 1 April 2019	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2020	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2021
Property, plant and equipment	1,257.66	4.34	-	1,262.00	571.74	-	1,833.74
Provisions:							
Employee benefit provisions	123.77	(34.88)	52.25	141.14	8.79	(20.09)	129.84
Trade receivables	423.27	395.05	-	818.32	113.61	-	931.93
ROU asset and lease liability	-	51.84	-	51.84	(3.36)	-	48.48
Brought forward losses	-	-	-	-	2,907.28	-	2,907.28
Borrowings	10.67	(27.27)	-	(16.60)	25.24	-	8.64
	<b>1,815.37</b>	<b>389.08</b>	<b>52.25</b>	<b>2,256.70</b>	<b>3,623.30</b>	<b>(20.09)</b>	<b>5,859.91</b>



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 36 Assets and liabilities relating to employee benefits

	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability / (asset) - Gratuity plan	-	-
<b>Total Employee benefit asset (current)</b>	-	-
Net defined benefit liability - Gratuity plan	143.10	126.04
Liability for compensated absences	197.84	248.29
<b>Total employee benefit liabilities</b>	<b>340.94</b>	<b>374.33</b>
Non-current	262.38	291.19
Current	78.56	83.14
	<b>340.94</b>	<b>374.33</b>

For details about the related employee benefit expenses, see Note 30.

The company operates the following post-employment defined benefit plans.

The company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

#### A. Funding

Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

#### B. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Reconciliation of present value of defined benefit obligation</b>		
Balance at the beginning of the year	677.22	518.42
Benefits paid	(160.56)	(117.41)
Current service cost	77.66	58.60
Interest cost	39.82	35.40
Past service cost	-	-
Actuarial (gains) losses recognised in other comprehensive income		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(21.16)	84.59
Experience adjustments	(46.39)	97.62
<b>Balance at the end of the year</b>	<b>566.59</b>	<b>677.22</b>
<b>Reconciliation of the present value of plan assets</b>		
Balance at the beginning of the year	551.18	549.35
Contributions paid into the plan	-	75.75
Benefits paid	(160.56)	(117.41)
Interest income	31.42	40.70
Return on plan assets recognised in other comprehensive income	1.45	2.78
<b>Balance at the end of the year</b>	<b>423.49</b>	<b>551.18</b>
<b>Net defined benefit liability/(asset)</b>	<b>143.10</b>	<b>126.04</b>





# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 36 Assets and liabilities relating to employee benefits (continued)

#### C. i. Expense recognised in profit or loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	77.66	58.60
Interest cost	39.82	35.40
Interest income	(31.42)	(40.70)
Past service cost	-	-
	<b>86.06</b>	<b>53.30</b>
<b>ii. Remeasurement recognised in other comprehensive income</b>		
Actuarial (gain)/ loss on defined benefit obligation	(67.55)	182.21
Return on plan assets excluding interest income	(1.45)	(2.78)
	<b>(69.00)</b>	<b>179.43</b>

#### D. Plan assets

Plan assets were primarily invested in LIC fund.

#### E. Defined benefit obligations

##### i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.97%	6.67%
Future salary growth	5.00%	5.00%
Attrition rate	5.00%	5.00%

##### ii. Sensitivity analysis

	Year ended 31 March 2021		Year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	533.89	602.56	634.04	724.95
Future salary growth (0.5% movement)	600.43	535.44	722.03	636.08
Attrition rate (5% movement)	567.37	565.82	678.11	676.35
Mortality (5% movement)	567.37	566.35	677.51	676.96

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 37 Financial instruments - Fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2021

		Carrying amount		
	Note	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value (refer note 1 below)				
Loans	11	488.05	-	488.05
Trade receivables	10	4,152.64	-	4,152.64
Cash and cash equivalents	16	350.53	-	350.53
Bank balances other than cash and cash equivalents	17	1,831.58	-	1,831.58
Other financial assets	12	261.01	-	261.01
		7,083.81	-	7,083.81
Financial liabilities not measured at fair value (refer note 1 below)				
Borrowings	20	-	7,280.87	7,280.87
Trade payables	25	-	3,411.99	3,411.99
Other financial liabilities	22	-	4,960.78	4,960.78
		-	15,653.64	15,653.64

As at 31 March 2020

Carrying amount				
	Note	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value (refer note 1 below)				
Loans	11	395.22	-	395.22
Trade receivables	10	6,948.08	-	6,948.08
Cash and cash equivalents	16	1,106.82	-	1,106.82
Bank balances other than cash and cash equivalents	17	1,831.58	-	1,831.58
Other financial assets	12	594.57	-	594.57
		10,876.27	-	10,876.27
Financial liabilities not measured at fair value (refer note 1 below)				
Borrowings	20	-	6,635.16	6,635.16
Trade payables	25	-	4,292.26	4,292.26
Other financial liabilities	22	-	4,127.33	4,127.33
		-	15,054.75	15,054.75

Note 1: The Group has not disclosed fair values of financial instruments such as investments, loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables and other financial liabilities, since their carrying amounts are reasonable approximation of fair values.



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 37 Financial instruments - Fair value and risk management (continued)

#### B. Financial risk management

the Group has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) liquidity risk and
- c) market risk.

#### i. Risk management framework

The Parent Company's board of directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Parent Company's board of directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, certain loans and advances and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount	
	As at 31 March 2021	As at 31 March 2020
Trade receivables	4,152.64	6,948.08
Loans	488.05	395.22
Cash and cash equivalents	350.53	1,106.82
Bank balances other than cash and cash equivalents	1,831.58	1,831.58
Other financial assets	261.01	594.57
	<b>7,083.81</b>	<b>10,876.27</b>

#### Trade receivables

Trade receivables are amount billed to customers for the sale of goods and services, and represent the maximum exposure to credit risk of those financial assets, exclusive of the allowance for doubtful debts. Normal credit terms are in line with Industry practice.

the Group does not require collateral or other security from customers; however credit evaluations are performed prior to the initial granting of credit when warranted and periodically thereafter. Based on policy, the Group records a reserve for estimated uncollectible amounts, which management believes reduce credit risk. Management assesses the adequacy of reserve quarterly, taking into account historical experience, current collection trend, the age of the receivables and, when warranted and available, the financial condition of specific counterparties. The Group follows "simplified approach" for recognition of impairment loss allowance on trade receivables.

the Group's exposure to credit risk for trade receivables by relationship is as follows:

	As at 31 March 2021	As at 31 March 2020
Third party customers	4,152.64	6,948.08
Related parties	-	-

the Group's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31 March 2021	As at 31 March 2020
India	3,668.17	6,541.38
Rest of the world	484.47	406.70



## Qube Cinema Technologies Private Limited

### Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 37 Financial instruments - Fair value and risk management (continued)

##### ii. Credit risk (continued)

the Group uses Expected Credit Loss model to assess the impairment loss or gain. the Group has used simplified approach for its trade receivables and other receivables to compute loss allowance.

The following tables provides information about the exposure to credit risk and expected credit loss for trade receivables:

##### As at 31 March 2021

	Gross carrying amount	Weighted-average loss rate	Loss allowance
1-240 days past due	1,491.78	2.99%	44.61
241-365 days past due	643.03	12.04%	77.42
More than 365 days past due	4,752.47	54.97%	2,612.61
<b>Total</b>	<b>6,887.28</b>		<b>2,734.64</b>

##### As at 31 March 2020

	Gross carrying amount	Weighted-average loss rate	Loss allowance
1-240 days past due	5,759.43	2.06%	118.53
241-365 days past due	735.93	49.84%	366.81
More than 365 days past due	2,882.89	67.46%	1,944.83
<b>Total</b>	<b>9,378.25</b>		<b>2,430.17</b>

The movement in the allowance for impairment in respect of trade receivables is as follows:

	31 March 2021	31 March 2020
Balances at 1 April	2,430.17	1,216.24
Provision for the year	304.84	1,206.57
Add: Effect of Exchange rate translation	-	7.36
<b>Balance at 31 March</b>	<b>2,735.01</b>	<b>2,430.17</b>

##### Cash and bank balances (includes amounts classified under bank balances other than cash and cash equivalents)

The Group holds cash and bank balances of INR 2,182.11 lakhs at 31 March 2021 (31 March 2020: INR 2,938.40 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

##### Other financial assets

###### a. Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Group for carrying out its operations. the Group does not expect any losses from non-performance by these counter-parties.

###### b. Loan to employees

This balance is constituted by loans given to the employees. the Group does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

###### c. Contractually reimbursable expenses

This balance is primarily constituted by reimbursable expenses incurred on behalf of Justickets Private Limited. the Group does not expect any losses from non-performance by these counter-parties as the amounts are recoverable.

###### d. Unbilled revenue

This balance is primarily constituted by services but not billed yet. the Group does not expect any losses from non-performance by these counter-parties as the amounts are recoverable.

###### e. Interest accrued on bank deposit

These fixed deposits are held with credit worthy banks and financial institutions. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 37 Financial instruments - Fair value and risk management (continued)

#### iii. Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. the Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

the Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (excluding trade payables).

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

#### As at 31 March 2021

Carrying amount	Total	Contractual cash flows			
		6 months or less	6-12 months	1-2 years	More than 2 years
Borrowings	7,280.87	3,342.77	-	2107.08	1831.02
Trade payables	3,411.99	3,411.99	-	-	-
Lease liabilities	1,511.82	317.27	235.32	483.87	475.36
Other financial liabilities	4,960.78	917.49	795.27	26.76	3221.26
	<b>17,165.46</b>	<b>7,989.52</b>	<b>1,030.59</b>	<b>2,617.71</b>	<b>5,527.64</b>

#### As at 31 March 2020

Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Borrowings	6,635.16	-	2,818.01	1,470.16	2,346.99
Trade payables	4,292.26	4,292.26	-	-	-
Total liabilities	1,831.20	207.48	181.46	372.99	1,069.27
Other financial liabilities	4,127.33	2,508.62	129.58	560.93	918.02
	<b>16,885.95</b>	<b>7,008.36</b>	<b>3,129.05</b>	<b>2,404.08</b>	<b>4,334.28</b>

#### iv. Market risks

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. the Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### Currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows:

#### As at 31 March 2021

##### Financial assets/ (liabilities)

	USD	EURO	GBP	Total
Trade receivables	484.47	-	-	484.47
Cash and cash equivalents	71.33	-	-	71.33
Borrowings (including interest accrued)	(934.03)	-	-	(934.03)
Trade payables	(558.70)	(110.62)	(23.49)	(692.81)
Net assets / (liabilities)	<b>(936.93)</b>	<b>(110.62)</b>	<b>(23.49)</b>	<b>(1,071.04)</b>

#### As at 31 March 2020

##### Financial assets/ (liabilities)

	USD	EURO	EURO	Total
Trade receivables	406.70	-	-	406.70
Cash and cash equivalents	106.18	-	-	106.18
Borrowings (including interest accrued)	(1,122.83)	-	-	(1,122.83)
Trade payables	(684.47)	(89.95)	(23.49)	(797.91)
Net assets / (liabilities)	<b>(1,294.42)</b>	<b>(89.95)</b>	<b>(23.49)</b>	<b>(1,407.86)</b>





# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 37 Financial instruments - Fair value and risk management (continued)

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against US dollar and EURO at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>As at 31 March 2021</b>				
USD (1% movement)	(9.37)	9.37	(6.93)	6.93
EURO (1% movement)	(1.11)	1.11	(0.82)	0.82
<b>As at 31 March 2020</b>				
USD (1% movement)	(12.94)	12.94	(8.46)	8.46
EURO (1% movement)	(0.90)	0.90	(0.59)	0.59

#### c. Interest rate risk

the Group has only variable rate instruments i.e. term loan and supplier credit.

#### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows:

	As at 31 March 2021	As at 31 March 2020
Fixed rate borrowings	-	-
Variable rate borrowings	8,900.10	7,604.76
	<b>8,900.10</b>	<b>7,604.76</b>

#### Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit / (loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>As at 31 March 2021</b>				
Variable rate instrument	(89.00)	89.00	(65.86)	65.86
<b>Cash flow sensitivity (net)</b>	<b>(89.00)</b>	<b>89.00</b>	<b>(65.86)</b>	<b>65.86</b>
<b>As at 31 March 2020</b>				
Variable rate instrument	(76.05)	76.05	(56.28)	56.28
<b>Cash flow sensitivity (net)</b>	<b>(76.05)</b>	<b>76.05</b>	<b>(56.28)</b>	<b>56.28</b>

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# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 38 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity and other borrowings. the Group's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. the Group monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, , less cash and cash equivalents. Equity comprises all components of equity.

the Group's policy is to keep the ratio below 1.00. the Group's net debt to equity ratio is as follows. the Group is taking measures to bring debt equity ratio to below 1.00.

	As at 31 March 2021	As at 31 March 2020
Total liabilities	8,900.10	7,604.76
Less : Cash and cash equivalents	(348.94)	(1,105.25)
<b>Adjusted net debt</b>	<b>8,551.16</b>	<b>6,499.51</b>
Total equity	9,251.19	18,243.19
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.92</b>	<b>0.36</b>

### 39 Earnings per share (EPS)

See accounting policy in note 3.15

#### a) Basic earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Profit for the year, attributable to the equity holders	(9,028.29)	(3,171.91)
Weighted average number of equity shares	10,446,623	9,940,858
<b>Basic earnings per share (In INR)</b>	<b>(86.42)</b>	<b>(31.91)</b>

#### b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

Profit for the year, attributable to the equity holders	(9,028.29)	(3,171.91)
<b>Weighted average number of equity shares (diluted)</b>		
Weighted average number of equity shares (basic)	10,446,623	9,940,858
Effect of conversion of compulsory convertible cumulative preference shares *	-	-
Effect of exercise of share options *	-	-
Weighted average number of equity shares (diluted) for the year	10,446,623	9,940,858
<b>Diluted earnings per share (In INR)</b>	<b>(86.42)</b>	<b>(31.91)</b>

\* For the FY 2019-20, the Parent Company has compulsory convertible cumulative preference shares and share options which could potentially dilute basis earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive.

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# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 40 Operating leases

#### (i) As Lessor

the Group has leased out digital cinema equipment to theaters on operating lease arrangement. The lease term is generally for 5 to 10 years. the Group as well as the theaters have an option of terminating this lease arrangement any time during the tenure of the lease as per the provisions of the lease agreement. Based on the management assumptions there is a reasonable certainty that the lease will continue for the lease term of 5 to 10 years.

Lease income recognised from the above lease arrangement (included under sale of services under Note 26 - INR 1,764.62 lakhs (Previous year - INR 1,505.37 lakhs)

#### (ii) As Lessee

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to short-term leases as the Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### i. Future minimum lease payments

At 31 March 2021, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at 31 March 2021	As at 31 March 2020
Payable in less than one year	27.24	48.65
Payable between one and five years	-	-
Payable after more than five years	-	-

#### ii. Amounts recognised in profit or loss

	As at 31 March 2021	As at 31 March 2020
Lease expense – minimum lease payments	50.44	98.69

### 41 Contingent liabilities and commitments

(to the extent not provided for)

#### Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
Counter Guarantees issued to banks	117.18	45.97
Claims against the Group not acknowledged as debts		
Excise duty, service tax and customs duty, VAT matters (see Note (i) and (ii) below)	259.06	827.58
Other matters		
Bonus (see Note (iii))	93.81	93.81

#### Note:

(i) the Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. the Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(i) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums/authorities.

(iii) Bonus provision financial year 2014-15 pursuant to retrospective amendment to "Payment of Bonus Act" for which an interim stay has been granted by the High Court of Madras.

(iv) Supreme Court vide their judgement dated 28 February 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. the Group, based on external advice, believes that there are interpretative challenges and significant uncertainties surrounding the determination of liability including period of assessment, application for present and past employees, liability towards employees' contribution and assessment of interest and penalties. The amount of obligation, therefore, cannot be measured with sufficient reliability for past periods and hence, disclosed as contingent liability.

#### Commitments

Estimated amount of contracts remaining to be executed on capital account

	As at 31 March 2021	As at 31 March 2020
--	------------------------	------------------------

281.72



## Qube Cinema Technologies Private Limited

### Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

#### 42 Related parties

##### A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Subsidiary Company	Qube Cinema Inc. USA
Jointly controlled entity	Justickets Private Limited
Enterprises having Significant Influence	M/s. StreetEdge Capital L.P, USA (upto 31 March 2021) M/s Nomura Asia Investment (MB) Pte. Ltd , Singapore (Upto 31 March 2021)
Key Management Personnel	Mr. V. Senthil Kumar Mr. P.Jayendra Mr. Arvind Ranganathan (until May 31, 2019)
Relative of Key Management Personnel	Mr.Arun Veerappan Mrs. Vee. Vijayalakshmi Mr. V. Sivakumar Mrs. Meena Veerappan Mrs. Sudha Panchapakesan Mrs. Sujatha Arvind
Entities in which Relatives of KMP can exercise significant influence	Digital Film Technologies Private. Limited., in which Mrs. Sudha Panchapakesan wife of Director Mr. P.Jayendra and Mrs. Vandana Gopikumar wife of Director Mr.V. Senthil Kumar are interested.  Qube Digital Cinema Private Limited., in which Mrs. Vandana Gopikumar wife of Director Mr.V. Senthil Kumar are interested.

##### B. Transaction with key managerial personnel (KMP)

Key management personnel of the Group comprise of the board of directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation during the year are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short term employee benefits	313.99	789.86
Post-employment defined benefits	*	*
Compensated absences	*	*
<b>Total</b>	<b>313.99</b>	<b>789.86</b>

Compensation of the Group's key managerial personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan.

\*Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

##### C. Related party transactions

Nature of transactions	Transaction value	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of services</b>		
Jointly controlled entity		
Justickets Private Limited	3.82	116.46
Entities in which relatives of KMP can exercise significant influence		
Digital Film Technologies Private Limited	1.65	217.33
	<b>5.47</b>	<b>333.79</b>
<b>Vehicle hire charges</b>		
Key Management Personnel/Relative of Key Management Personnel		
Mr. V. Senthil Kumar	0.90	10.80
Mr. P.Jayendra	0.90	10.80
Mrs. Vee. Vijayalakshmi	0.30	3.60
Mrs. Meena Veerappan	0.65	7.80
Mrs. Sujatha Arvind	-	1.00
	<b>2.75</b>	<b>34.00</b>
<b>Reimbursement of expenses</b>		
Jointly controlled entity		
Justickets Private Limited	5.68	150.79
	<b>5.68</b>	<b>150.79</b>



# Qube Cinema Technologies Private Limited

Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

## 42 Related parties (continued)

Particulars	Balance outstanding	
	As at 31 March 2021	As at 31 March 2020
<b>Loans</b>		
<i>Entities in which relatives of KMP can exercise significant influence</i>		
Qube Digital Cinema Private Limited	20.00	20.00
Loss allowance	(20.00)	(20.00)
	-	-
<b>Interest accrued on loan</b>		
<i>Entities in which relatives of KMP can exercise significant influence</i>		
Qube Digital Cinema Private Limited	1.73	1.73
Loss allowance	(1.73)	(1.73)
	-	-
<i>Jointly controlled entity</i>		
Justickets Private Limited	714.44	710.31
Loss allowance	(710.31)	(710.31)
	4.13	-
<b>Advance from customers</b>		
<i>Entities in which relatives of KMP can exercise significant influence</i>		
Digital Film Technologies Private Limited	1.32	4.52
	1.32	4.52
<b>Loan from directors</b>		
Mr. V. Senthil Kumar	900	-
	900	-
<b>Interest accrued but not due on loan from directors</b>		
Mr. V. Senthil Kumar	26.76	-
	26.76	-
<b>Outstanding payables</b>		
<i>Key Management Personnel/ Relative of Key Management Personnel</i>		
Mrs. Vee. Vijayalakshmi	3.00	-
<b>Employee benefits payables</b>		
<i>Key Management Personnel/ Relative of Key Management Personnel</i>		
Mr. V. Senthil Kumar	172.33	130.64
Mr. P. Jayendra	172.33	130.64
Mr. Arun Veerappan	9.87	-
Mrs. Sudha Panchapakesan	13.45	-
Mr. Arvind Ranganathan	-	25.28
Harsh Krishna Rohatgi	48.46	66.18
	416.44	286.57
<b>Security deposits receivable</b>		
<i>Key Management Personnel/ Relative of Key Management Personnel</i>		
Mr. V. Senthil Kumar	8.00	8.00
Mr. P. Jayendra	8.00	8.00
Mrs. Meena Veerappan	2.00	2.00
	18.00	18.00
<b>Contractually reimbursable expenses</b>		
<i>Jointly controlled entity</i>		
Justickets Private Limited	515.01	469.33
Loss allowance	(469.33)	(469.33)
	45.68	-





# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 43 Share-based payments

#### A. Description of share-based payment arrangements

##### Share option plans (equity-settled)

##### i) ESOP 2006 Plan

The 2006 plan was approved by the Board of Directors in 6 May 2006 and by shareholders on 31 May 2006. The plan entitles employees in full time service to purchase shares of the Group at the stipulated exercise price, subject to compliance with the vesting conditions; all exercises options shall be settled by physical delivery of shares. As per the plan, holders of vested option are entitled to purchase one equity shares for every option at the exercise price of INR 10. The key terms and conditions related to the grants under these plans are as follows.

Employees entitled	Grant Date	Number of instruments	Vesting conditions	Contractual life of options
Senior management personnel	1 April 2012	300,000	1/3 of options will vest after completion of each year from the date of grant.	6 years

##### ii) ESOP 2012 Plan

The 2012 plan was approved by the Board of Directors on July 19, 2012 and by shareholders on October 25, 2012. The plan entitles employees in full time service to purchase shares of the Group at the stipulated exercise price, subject to compliance with the vesting conditions; all exercises options shall be settled by physical delivery of shares. As per the plan, holders of vested option are entitled to purchase one equity shares for every option at the exercise price of INR 130.

Employees entitled	Grant Date	Number of instruments	Vesting conditions	Contractual life of options
Senior management personnel	18 May 2017	25,000	Completion of service of 1 year from grant date	6 years
	10 January 2013	50,000	1/3 of options will vest after completion of each year from the date of grant.	6 years

#### B. Measurement of fair values

The fair value of employee share options (see (A)(i) and (A)(ii)) has been measured using Black -Scholes model as at the grant date.

#### C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans (see (A)(i) and (ii)) are as follows.

##### For the year ended 31 March 2020

	ESOP Plan 2006		ESOP Plan 2012	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	10	300,000	130	75,000
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the year	10	300,000	130	75,000
Vested and Exercisable as at end of the year	10	300,000	130	75,000

##### For the year ended 31 March 2019

	ESOP Plan 2006		ESOP Plan 2012	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	10	300,000	130	75,000
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the year	10	300,000	130	75,000
Vested and Exercisable as at end of the year	10	300,000	130	75,000

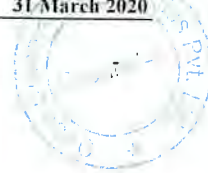
#### D. Expenses recognized in statement of profit and loss

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense are as follows:

Year ended	Year ended
31 March 2021	31 March 2020

Employee Option plan

Equity-settled share-based payments (Refer note 28)



# Qube Cinema Technologies Private Limited

## Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

### 44 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

#### (i) Contract assets

	Amount
Opening balance 1 April 2020	514.96
Less: Invoiced during the year	(514.96)
Add: Revenue recognised during the year	146.01
Closing balance 31 March 2021	146.01

#### Contract liabilities (Billing in advance of work completed)

	Amount
Opening balance 1 April 2020	598.36
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(598.36)
Add: invoices raised for which no revenue is recognised during the year	324.69
Closing balance 31 March 2021	324.69

Accounts receivable are recorded when the right to consideration becomes unconditional.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract

#### Reconciliation of revenue recognised in the Statement of profit and loss with the contracted price

	Amount
Revenue from contracts with customers (as per Statement of profit and loss)	5,773.00
Add: Discounts, rebates, refunds, credits, price concessions	(2.40)
Less: Unbilled revenue adjustments	(146.01)
Contracted price with the customers	5,624.59

### 45 Segment reporting

The Group is engaged primarily in the business of digital cinema services and sale of digital cinema ancillary to sale of services. The entity's chief operating decision maker considers the Group as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Group does not have multiple segments and these consolidated financial statements are reflective of the information required by the Ind AS 108. The chief operating decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocations and performance assessment.

#### A. Geographic information :

The geographic information analyses the Group's revenue by the Group's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2021	Year ended 31 March 2020
India	2,842.92	33,066.56
Rest of the world	2,930.08	2,930.08
	5,773.00	35,996.64

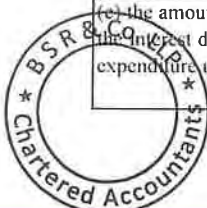
#### B. Major Customers

During the year 2020-21 and 2019-20, no single external customer has generated revenue of 10% or more of the Group total revenue.

### 46 Micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 28 August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). The disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the consolidated financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. the Group has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-



## Qube Cinema Technologies Private Limited

### Notes to consolidated financial statements for the year ended 31 March 2021

(All amounts are in Indian Rupees lakhs, unless otherwise stated)

47 As at 31 March 2021, the Parent Company has export receivables amounting to INR.2.09 lakhs which are due for a period more than 270 days, which is the maximum permissible period for realization and repatriation of export proceeds into India as per the master circular issued by Reserve Bank of India. Subsequent to the balance sheet date, the Parent Company has not yet realized this amount, however it is in the process of obtaining necessary consent of the Authorized Dealer for delay in receipts and obtain relevant approvals/condonation for the delayed realization as per the requirements of exchange regulation.

#### 48 Transfer pricing

The Parent Company has entered into transactions with certain related parties. For the year ended 31 March 2020, the Parent Company obtained an Accountant's report from a Chartered Accountant in respect of international transactions with related parties as required by the relevant provisions of the Income-tax Act, 1961 and the same has been filed with the income tax authorities.

For the current year, the Group confirms that it maintains documentation as prescribed by the Income-tax Act, 1961 and to prove that the international transactions are at arm's length and the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

#### 49 Specified Bank Notes Disclosure (SBN's)

The disclosure regarding details of Specified bank notes held and transacted during 08 November 2016 to 30 December 2016 have not been made since the requirements does not pertain to financials year ended 31 March 2021

#### 50 Subsequent events

There have been no material events since the end of the reporting period which would require disclosures or adjustments to these consolidated financial statements for the nine months period ended 31 March 2021 except the following.

Subsequent to reporting date, the Parent Company has raised additional funds by way of issuing fresh equity shares amounting to INR 2,100 lakhs and availed working capital term loan under Emergency Credit Line Guarantee Scheme from HDFC Bank amounting to INR 2,532.40 lakhs.

As per our report attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/ W-100022



Satish Vaidyanathan

Partner

Membership No.: 217042

Place: Chennai

Date: 08 September 2021

for and on behalf of the Board of Directors of

**Qube Cinema Technologies Private Limited**

CIN : U92490TN1986PTC012536



P Jayendra

Wholetime Director

DIN : 00320286

Place: Chennai

Date: 08 September 2021



V Senthil Kumar

Wholetime Director

DIN : 00320535



Sri Varshini

Group Secretary