Qube Cinema Technologies Private Limited
Thirty Fifth Annual Report – 2019-20
Directors' Report

Your Directors have pleasure in presenting to you the Thirty Fifth Annual Report of the Company for the financial year ended March 31, 2020.

I. *Financial Results*

The financial performance of your Company for the financial year ended 31st March 2020 is as under:

(Rs. in Mn)

Year ended March 31	**2020**	**2019**
Revenue from Operations including Other Income	3424	3911
Profit Before Depreciation Interest, Exchange Gain/Loss, Non-recurring items and Tax (PBDIT)	457	638
Profit Before Tax and exceptional items	(181)	70
Less: Exceptional items	(241)	-
Profit Before Tax and after exceptional items	(422)	70
Profit After Tax	(387)	41

II. *Business during the year*

The year under review saw a ~ 12% fall in the Overall Revenue and a ~ 28% decline in PBDIT before exceptional items. Due to the slowing down of the Indian economy, as shown by slowing GDP growth rates, resulting in a shortfall in collection of taxes, the Central Government cut back drastically on advertising through DAVP & NFDC. Advertisement revenue from Government sector took a deep dive and YOY revenue came down drastically by ~ INR 350 Mn which severely impacted the Gross Margin & Profit for the year. Gross revenue from Domestic and International Product Sales also came down by ~ INR 150 Mn which too impacted the Gross Margin and Profit for the year. Virtual Print Fee revenue had a marginal growth and the growth is attributed to increase in the number of movie releases.

These resulted in a fall in PBDIT before exceptional items of your Company from Rs.638 Mn to Rs. 455Mn, a fall of ~ 28%.

The Company's financial position continued to be comfortable with overall net debt of Rs.471 Mn (FY19: 631Mn) while the PBDIT before exceptional items to Net Debt ratio increased to 1.04 (FY19: 0.99) on account of loss incurred during FY20.

ROLLOUT:

Your Company's screen base on the roll-out models stood at 3694 as at March 31, 2020, with 3234 under the Media Model [Previous Year - 2965] and 460 under the Pay Per Use Model [Previous Year - 441]. The Company also contracted non-deployment based and/ or limited media rights for 177 screens.

Despite irrational competitive activity, your Company maintained its overall leadership position in the South and continued to make further inroads into newer territories.

The year saw an increase of about 3% in VPF and Mastering, which was along expected lines. As in the earlier years, the trend of conversion DCI systems from non-DCI continued and your Company was well placed to cater to this.

QCN:

Sluggishness in growth, especially in the Government Sector, led to fall by ~ 25% in revenue terms. While the advertisement revenue from Government Sector dropped drastically from ~ INR 550 Mn in FY19 to ~ INR 200 Mn in FY20 (decline in revenue by ~ 36%), Corporate demand from national advertisers and retail markets picked up very well and contributed a strong 80% of the overall advertisement revenues. During the year your Company was also successful in closing quite a few annual deals with key advertisers.

COVID 19:

As you are well aware, WHO had declared COVID-`19 as a pandemic and the Government of India and State Governments are taking various measures to curtail the spread. To avoid mass gatherings, every State Government had ordered the shutdown of malls, cinema halls and multiplexes beginning the middle of March 2020 and consequently there were no film releases since then. The Government of India had directed a nationwide lockdown from 24th March 2020 resulting in closing of theatres across all of India. Further, as the lockdown continues, the theatres and multiplex screens across the country are closed and shall remain closed until further orders from the Central & individual State Governments. This has brought your Company's business to a complete halt, with no revenues from end-March 2020 onwards and we expect the trend to continue till Mid Q3 of FY21.

Given the current situation, Your Company's primary objective is to get through this tough period and prepare to bounce back as the situation improves. Your Company had taken several initiatives and measures to reduce and optimize cost, had agreed on certain deferred payment schedule with key vendors / suppliers and has taken several steps to conserve cash to sustain this phase until cinemas re open and we are confident that your Company will get through this tough phase and subsequently begin the process of rebuilding business to pre-COVID levels.

Based on current indicators of future economic conditions, your Company expects to recover the carrying amount of all its assets and revenue recognized.

Subsidiary & Associate Company

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

During the year under review, your Company's wholly owned subsidiary, Qube Cinema Inc., USA, had earned revenue of USD 3.48 Mn (FY 19: 2.48 Mn) and incurred a net loss of USD 0.66Mn. (FY19 Profit of 0.06Mn). Qube Wire has gained momentum since its commercial launch in April 2018 and has become the major revenue source for the subsidiary.

Your Company had a steady growth in Qube Wire revenues. Number of deliveries through Qube Wire increased by ~ 40% YOY and we had successfully carried out around 300 WireTap installations globally, resulting in a proportionate growth in Revenue by ~ 43%.

With Qube Wire's wide acceptance in the overseas market, revenue grew by ~ 43% from ~INR 150 Mn in FY19 to ~ INR 215 Mn in FY20. The number of overseas content deliveries increased from nearly 30,000 deliveries in FY19 to nearly 42,000 deliveries in FY20. Your Company had successfully installed nearly 300 WireTaps in various geographies as at end Mar'20 to facilitate the electronic delivery of movie content for theatrical release. Your Company had also signed up with some Hollywood Studios for delivery of their movie content through Qube Wire.

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

During the year under review, Justickets Pvt Ltd., had earned revenue of ~ INR 67 Mn (FY19: ~ INR 80Mn). Consequent to various cost reduction and rationalization initiatives taken during the year under review, overall loss has come down from ~ INR 55Mn in FY19 to ~ INR 49 Mn 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 31st March 2020 till the date of report

There are no material changes and commitments affecting the financial position of the Company which has occurred since 31st March 2020 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 31st March 2020.

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

a. ***Company Secretary***

During the year, Mr. P. Murali Krishna was appointed as Company Secretary of Qube Cinema Technologies Pvt. Ltd. (QCT) with effect from 10th June 2019 and ceased to be as Company Secretary of QCT with effect from 24th October 2019.

Ms. S. Sri Varshini was appointed as Company Secretary of Qube Cinema Technologies Pvt Ltd. with effect from 24th October 2019.

b. ***Chief Executive Officer (CEO)***

Mr. Arvind Ranganathan ceased to be the CEO of Qube Cinema Technologies Pvt. Ltd (QCT) with effect from 31st May 2019 and Mr. Harsh Krishna Rohatgi was appointed as the CEO of QCT with effect 04th June 2019.

c. ***Chief Financial Officer (CFO)***

Mr. P. Raghunath was appointed as the Chief Financial Officer of Qube Cinema Technologies Pvt Ltd with effect from 03rd February 2020.

*d.****Directors***

Ms. Louise Jane Moat was appointed as the Nominee Director representing Nomura Asia Investment (MB) Pte. Ltd. in the Board of QCT with effect from 10th April 2019.

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 31.03.2020	**As on 31.03.2019**
Net-worth of the Company	1908.51	2308.44

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

5 (Five) Board Meetings were held during the financial year on **26th June, 2019; 12th August, 2019; 24th October, 2019; 23rd January 2020 and 10th March, 2020**.

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	5	4
V. Senthil Kumar	5	5
Louise Jane Moat	5	5
Atsushi Okabe	5	3
M.G. Parameswaran	5	5
Anirudh Raj Sarathy	5	4

Committee Meeting held during the financial year- Nil

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. 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 Board has elected Ms. S. V Prathima, as the Vigilance and Ethics Officer under the vigil mechanism policy. The details of establishment of the Vigil Mechanism Policy are displayed on the website of the Company 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: -

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	Mr.Arvind Ranganathan, CEO till 31st May 2020– 180,000 Options
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

Table B

Options Granted	75,000
Options Vested	75,000
Options Exercised	-
Total Number of shares arising as a result of exercise of Options	-
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 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	Mr. Harsh Rohatgi CEO w.e.f 4th June 2020 -50,000 options Mr. Sanjeev Mehta Business Head – QCN – 25,000 options 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 are annexed herewith marked as **Annexure C** and forms part of this report.

XVII. *Extract of the Annual Return*

An extract of the Annual Return as required under the provisions of the Companies Act 2013 is being posted on your Company's website – www.qubecinema.com and the same is annexed herewith marked as **Annexure D** and forms part of this report.

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 2019-20.

Various workshops were organized by your Company to give awareness to employees on this subject.

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

Following orders were received by the Company during the period under review:

a. The Hon'ble NCLAT, New Delhi, vide its Order dated 23rd October 2019, allowed the Appeal filed by UFO and set aside the Order of the Hon'ble NCLT, Mumbai Bench. The Hon'ble NCLAT Order, further states that, if the Appellant Companies desires to proceed further, the procedure enshrined under the provisions of Companies Act, and other provisions under various law, as may be applicable to the Company has to be followed. However, the Composite Merger was not proceeded further, considering the change in circumstances post the Order of Hon'ble NCLT, Mumbai Bench and the Composite Merger did not take place during the year under review.

b. The Hon'ble NCLAT, New Delhi, vide Order dated 4th December 2019, rejected the Scheme of Amalgamation between Real Image LLP and Qube Cinema Technologies Pvt. Ltd. and their respective partners and shareholders and set aside the NCLT Order dated 11th June 2018 approving the Scheme. Hence, the Scheme of Amalgamation did not take place during the year 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 E** 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 24th 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 F** 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: 04th August 2020

For and on behalf of the Board of Directors

P. Jayendra
Chairman

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

DIRECTORS' REPORT 2019-20

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/75.3859
5	Share capital	488,123,703
6	Reserves & Surplus	(423,182,670)
7	Total Assets	117,536,192
8	Total Liabilities	117,536,192
9	Investments	Nil
10	Turnover	262,601,430
11	Profit before taxation	(49,685,490)
12	Provision for taxation	120,617
13	Profit after taxation	(49,806,107)
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 2019-20

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	31.03.2020
2	Date on which the Associate or Joint venture was associated or acquired	29th March 2019
3	Shares of Associate /Joint Ventures held by the company on the year end	
	No.	18,551,433
	Amount of Investment in Associates or Joint Venture	Rs.116.50 Lakhs
	Extent of Holding (in percentage)	43%
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
6	Net-worth attributable to shareholding as per latest audited Balance Sheet	Rs.(369.35 Lakhs)
7	Profit or Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	Rs. (214.94 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: 04th August 2020

For & On behalf of the Board

Sri Varshini

S. Sri Varshini
Company Secretary

P. Jayendra
Chairman
(DIN: 00320286)

V. Senthil Kumar

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

Qube Cinema Technologies Pvt. Ltd. Chennai-4

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

DIRECTORS' REPORT 2019-20

Annexure B

Corporate Social Responsibility (CSR) Policy

Based on the recommendations of CSR Committee, your Board of Directors has approved a CSR Policy –

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.

Your Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company with the following as its Members:-

a) Mr. P. Jayendra
b) Mr. V. Senthil Kumar
c) Dr. M.G. Parameswaran

The CSR Committee has been constituted to carry out a transparent monitoring mechanism for implementation of CSR activities undertaken by the Company, pursuant to the provisions contained under Section 135 of the Companies Act 2013 read with Schedule VII.

The CSR policy is also available in the website of the Company www.qubecinema.com under the link http://www.qubecinema.com/corporate/corporate-social-responsibility

The CSR Committee of the Board of Directors hereby confirm that the Company has implemented and monitored the CSR Policy in compliance with the objectives and Policy of the Company.

The average net profits of the Company for last three financial years, details of CSR spent, and amount un-spent, if any, during the year are shown below:

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

DIRECTORS' REPORT 2019-20

Profit Before Tax for the financial year	(Rs. In Lakhs)
2016-17	4098
2017-18	2377
2018-19	697
Total	7172
Less:	
1. Profit arising out to overseas branch	-
2. Dividend received from other companies in India complying with CSR Provisions	-
Total Net Profit for preceding 3 years	7172
Average Net Profit	2391
Amount to be spent on CSR for 2019-20 @ 2% of average Net Profit	48
CSR spent for FY 2019-20	25
CSR un-spent for the FY 2019-20	23

Amount to be spent during the financial year under review: Rs.48 Lakhs
Amount spent during the financial year under review: Rs.25 Lakhs

<u>Details of which are as shown in the following table:-</u>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	**CSR Project / Activity identified**	**Sector in which the Project is covered**	**Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or program wise (Rs.)**	**Amount spent on the projects/ programs Subheads: 1. Direct expenditure on Projects or programs 2. Overheads (Rs.)**	**Cumulative expenditure upto the reporting period (Rs.)**	**Amount spent Direct / through implementing agency**
1	Bhoomika Trust	Promoting Education	Contribution towards building of a primary school forming part of Disaster Rehabilitation project in perumbakkam	25,00,000/-	25,00,000/-	25,00,000/-	Implementing Agency
	Total amount spent for CSR activity for FY-2019-2020			**25,00,000**	**25,00,000**	**25,00,000/-**	

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

DIRECTORS' REPORT 2019-20

Amount un-spent during the financial year under review:

The Company has not spent Rs. 23 Lakhs towards CSR activity for the financial year under review and the reasons for the same are detailed hereunder:

Reasons for not spending the balance CSR funds for the financial year under review:

The total funds liable towards contribution for CSR activities was Rs. 48 Lakhs and the CSR Committee had spent Rs. 25 lakhs towards CSR activities and vide its e-mail dated 30th March 2020 decided to retain the balance fund of Rs. 23 Lakhs for the operations of the Company, considering the lockdown of operations of the Company as a result of COVID-19.

Based on the recommendation of CSR committee, the Board, in its meeting dated 14th May 2020 considered, recorded and ratified to utilize that the balance CSR fund of Rs. 23 Lakhs un-spent during the year for the operations of the Company.

Place: Chennai
Date: 04th August 2020

Qube Cinema Technologies Pvt. Ltd. Chennai-4

P. Jayendra
Chairman of CSR Committee

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

DIRECTORS' REPORT 2019-20

Annexure C

DETAILS OF EMPLOYEES AND REMUNERATION DETAILS

[Under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. **Details of Employee, who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakhs Rupees per Annum:**

(All amounts in Rs. Lakhs)

1	Name of the Employee	**P. Jayendra**	**V. Senthil Kumar**	**Harsh Rohatgi**	**Sanjeev Anil Mehta**
2	Designation of the employee	Whole Time Director	Whole Time Director	Chief Executive Officer 4th June 2019	Business Head - QCN
3	Remuneration received	221.02	221.02	172	175.12
4	Nature of employment, whether contractual or otherwise	Permanent employment	Permanent employment	Permanent employment	Permanent employment
5	Qualification	B.Sc (Chemistry)	B.E (Computer Science)	B.A (Economics), PGDM (Marketing) - IIM (A)	B.Com
6	Experience	32 years	32 years	18 years	23 Years
7	Date of commencement of employment	28.09.2000	28.09.2000	03.10.2012	01.11.2016
8	Age of such employee	62 years	57 years	45 years	46 Years
9	Last employment held by such employee before joining the company	Not applicable	Not applicable	Turner General Entertainment Networks	Red FM 93.5, Mumbai
10	Percentage of equity shares held by the employee in the company by himself or along with his spouse and dependent children, being not less than two percent of the equity shares of the company	3.60	5.56	NIL	NIL
11	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No	No	No	No

2. **Details of Employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand Rupees per Month: NIL**

3. **Details of Employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NIL**

Place: Chennai
Date: 04th August 2020

For and on behalf of the Board of Directors

Qube Cinema Technologies Pvt Ltd Chennai-4

P. Jayendra
Chairman

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

DIRECTORS' REPORT 2019-20

Annexure D

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

of

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

[Pursuant to Section 92(3) *of the Companies Act, 2013 and* rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	U92490TN1986PTC012536
2	Registration Date	01/01/1986
3	Name of the Company	Qube Cinema Technologies Private Limited
4	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
5	Address of the Registered office and contact details	No. 42, Dr. Ranga Road, Mylapore, Chennai - 600 004. E-Mail Id: srivarshini@qubecinema.com Phone: +91 (44) 4204-1505
6	Whether listed company (Yes / No)	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	BTS Consultancy Services Pvt Ltd., 1st Floor, MS Complex, Plot No. 8, Sastri Nagar, Near Rettery / Behind RTO North, Kolathur, Chennai – 600 099. Phone: 044-2556 5121 / 0142

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Motion picture, video and television programme post-production activities, providing end to end digital cinema solutions including advertisement services	5912	78%
2	Sale of Computer Based Systems etc.	5912	22%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Qube Cinema Inc. 898, N Pacific Coast, Highway, Suite 750, El Segundo, CA 90425	NA	Wholly owned subsidiary	100%	2(87) (ii)

2	Justickets Private Limited No.42, Dr. Ranga Road, Mylapore, Chennai - 600004	U74900TN2013PTC092047	Associate Company	43%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. PROMOTERS									
(1) Indian									
(a) Individual / HUF	2,073,400	-	2,073,400	20.86	2,073,400	-	2,073,400	20.86	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	2,462,225	-	2,462,225	24.77	-	2,462,225	2,462,225	24.77	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub –total (A)(1)	**4,535,625**	-	**4,535,625**	**45.63**	**2,073,400**	**2,462,225**	**4,535,625**	**45.63**	-
(2) Foreign									
(a) NRI Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub –total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**4,535,625**	**-**	**4,535,625**	**45.63**	**2,073,400**	**2,462,225**	**4,535,625**	**45.63**	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	1,240,323	-	1,240,323	12.48	1,240,323	-	1,240,323	12.48	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
Companies *(g) FIIs*	2,225,620	790	2,226,410	22.40	2,226,410	-	2,226,410	22.40	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub –total (B)(1)	**3,465,943**	**790**	**3,466,733**	**34.88**	**3,466,733**	**-**	**3,466,733**	**34.88**	-
2. Non-Institutions									
a) Bodies Corp.									
(i) Indian	790	-	790	0.01	790	-	790	0.01	-
(ii) Overseas	455,766	-	455,766	4.58	455,766	-	455,766	4.58	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	36,106	-	36,106	0.36	36,106	-	36,106	0.36	-
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	637,530	-	637,530	6.41	637,530	-	637,530	6.41	-
c) Others (specify)									
*(i) RIMT Employees Trust**	808,308	-	808,308	8.13	808,308	-	808,308	8.13	-
Sub –total (B)(2)	**1,938,500**	**-**	**1,938,500**	**19.49**	**1,938,500**	**-**	**1,938,500**	**19.49**	**-**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**5,404,443**	**790**	**5,405,233**	**54.37**	**5,405,233**	**-**	**5,405,233**	**54.37**	-
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	**9,940,068**	**790**	**9,940,858**	**100.00**	**7,478,633**	**2,462,225**	**9,940,858**	**100.00**	-

**** RIMT employees Trust is a Non-Promoter, Non-Public Shareholding.***

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	V. Senthil Kumar	553,100	5.56	NIL	553,100	5.56	NIL	NIL
2	Meena Veerappan	506,800	5.10	NIL	506,800	5.10	NIL	NIL
3	Arun Veerappan	298,000	3.00	NIL	298,000	3.00	NIL	NIL
4	P Jayendra	357,750	3.60	NIL	357,750	3.60	NIL	NIL
5	P C Sreeram	357,750	3.60	NIL	357,750	3.60	NIL	NIL
6	Real Image LLP	2,462,225	24.77	NIL	2,462,225	24.77	NIL	NIL
	Total	**4,535,625**	**45.63**	**-**	**4,535,625**	**45.63**	**-**	**-**

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,535,625	45.63	4,535,625	45.63
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the End of the year	4,535,625	45.63	4,535,625	45.63

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	5,193,866	52.25	5,193,866	52.25
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the End of the year (or on the date of separation, if separated during the year)	5,193,866	52.25	5,193,866	52.25

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(i)	**Mr. P. Jayendra**				
	At the beginning of the year	357,750	3.60	357,750	3.60
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
	At the End of the year	357,750	3.60	357,750	3.60
(ii)	**Mr. V. Senthil Kumar**				
	At the beginning of the year	5,53,100	5.56	5,53,100	5.56
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
	At the End of the year	5,53,100	5.56	5,53,100	5.56

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	(INR in Lakhs)			
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,805.54	911.58	-	8,717.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,805.54	911.58	-	8,717.12
Change in Indebtedness during the financial year				
· Addition	1,196.01	562.71	-	1,758.72
· Reduction	2,504.13	366.95	-	2,871.07
Net Change	**-1,308.12**	**195.76**	**-**	**-1,112.35**
Indebtedness at the end of the financial year				
i) Principal Amount	6,497.42	1,107.34	-	7,604.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**6,497.42**	**1,107.34**	**-**	**7,604.76**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	**V Senthil Kumar** **Rs. 221.02 Lakhs**	**P Jayendra** **Rs. 221.02 Lakhs**	**Rs. 442.04 Lakhs**

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission o as % of profit o others, specify	-	-	-
	Total (A)	**Rs. 221.02 Lakhs**	**Rs. 221.02 Lakhs**	**Rs. 442.04 Lakhs**
	Ceiling as per the Act	**Not Applicable**		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors • Professional Fees • Commission • Others, please specify	**M.G. Parameswaran (Independent Director)**	**Rs. 3.75 Lakhs**
2.	Total (1)		**Rs. 3.75 Lakhs**
3.	Other Non-executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify		**-**
4.	Total (2)		**-**
5.	Total (B)=(1+2)		**Rs. 3.75 Lakhs**
6.	Total Managerial Remuneration (A)+(B)		**Rs. 3.75 Lakhs**
7.	Overall Ceiling as per the Act	**Not Applicable**	

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Murali Krishna Company Secretary (10th June 2019-24th October 2019)	S. Sri Varshini Company Secretary (24th October 2019 to 31st March 2020)	Total
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961	**9.13 Lakhs**	**5.67 Lakhs**	**14.80 Lakhs**

	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	**9.13 Lakhs**	**5.67 Lakhs**	**14.80 Lakhs**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Place: Chennai
Date: 04th August 2020

For and on behalf of the Board of Directors

Qube Cinema Technologies Pvt. Ltd. Chennai-4

P. Jayendra
Chairman

Annexure E

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

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.36.30 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.475 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 26th April 2019 being deemed effective from 01st April 2018. Value: 37.35 Lakhs	26th June 2019	Nil

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: Rs.191.41 Lakhs	27th 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: Rs.168.50 Lakhs	27th 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	24th 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: 144.70 Lakhs	08th 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	24th August 2017	Nil

9	M. G. Parameswaran (Independent Director)	Providing Professional Services	NA	Professional Fees for services rendered to the Company during the Financial Year 2019-20 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.22.25 Lakhs	19th 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.34.02 Lakhs	Approved at the Annual General Meeting held on 4th July 2001	Nil
12	V. Senthil Kumar (Whole-Time Director)	Vehicle Lease	1year and automatic renewal every year	Terms and Conditions as per the Vehicle Lease Agreement.	12th August 2019	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.	26th 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.	25th August 2016	Nil
15	P. Jayendra (Whole-Time Director)	Vehicle Lease	5 years	Terms and Conditions as per the Vehicle Lease Agreement.	01st February 2018	Nil

For and on behalf of the Board of Directors

Date: 04th August 2020
Place: Chennai

Qube Cinema Technologies Pvt Ltd Chennai-4

P. Jayendra
Chairman

QUBE CINEMA TECHNOLOGIES PRIVATE LIMITED

DIRECTORS' REPORT 2019-20

Annexure F

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: **1051.03 Lakhs** break up of which is as under:

(Amount in Lakhs)

Earnings - Export Sales of Goods	685.77
Earnings - Export Sales of Services	251.83
Commission on Sales	110.85
Digital Print Fee	2.07
Mastering Revenue	0.50
Total Inflows/Earnings	**1051.03**

- Expenditure/Outgo: **7135.92 Lakhs** break up of which is as under:-

(Amount in Lakhs)

Purchase of goods	3354.83
Purchase of capital goods	2836.93
Consulting /Legal Fees	166.84
Travelling expenses	72.92
Freight and Clearing Charges	0.79
Interest	34.62
Repairs	76.66
Other Expenses	592.33
Total Expenditure/Outgo	**7135.92**

Place: Chennai
Date: 04th August 2020

For and on behalf of the Board of Directors

P. Jayendra
Chairman

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Qube Cinema Technologies Private Limited

Standalone Balance sheet as at 31 March 2020

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

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,353.03	16,180.22
Capital work-in-progress	5	247.04	149.20
Right-of-use asset	6	1,584.71	-
Intangible assets	7	1,325.25	1,739.43
Intangible asset under development	8	1,051.59	446.96
Financial assets			
Investments	9	1,493.66	2,658.61
Trade receivables	10	427.13	514.03
Loans	11	325.73	327.08
Other financial assets	12	42.00	42.00
Deferred tax assets (Net)	35	2,256.70	1,815.37
Income tax assets	13	1,605.01	741.43
Other assets	14	286.71	288.85
Total non-current assets		**25,998.56**	**24,903.18**
Current assets			
Inventories	15	3,145.05	4,077.29
Financial assets			
Trade receivables	10	6,248.56	8,867.21
Cash and cash equivalents	16	1,060.50	1,174.46
Bank balances other than cash and cash equivalents	17	1,831.58	1,231.58
Loans	11	59.52	83.34
Other financial assets	12	552.57	895.12
Other assets	14	2,313.01	2,442.05
Total current assets		**15,210.79**	**18,771.05**
Total assets		**41,209.35**	**43,674.23**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	994.09	994.09
Other equity			
Compulsory convertible cumulative preference shares classified as equity	18	744.36	744.36
Others (including items of Other Comprehensive Income)	19	17,355.91	21,345.95
Total equity		**19,094.36**	**23,084.40**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	3,817.15	3,054.40
Lease liabilities	21	1,356.61	-
Other financial liabilities	22	1,478.77	1,401.05
Provisions	24	303.21	286.14
Other liabilities	23	372.47	311.65
Total non-current liabilities		**7,328.21**	**5,053.24**
Current liabilities			
Financial liabilities			
Other bank borrowings	20	2,818.01	3,750.34
Lease liabilities	21	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	3,975.51	3,446.42
Other financial liabilities	22	2,638.38	3,311.80
Provisions	24	83.14	13.70
Other liabilities	23	4,938.46	5,014.33
Total current liabilities		**14,786.78**	**15,536.59**
Total liabilities		**22,114.99**	**20,589.83**
Total equity and liabilities		**41,209.35**	**43,674.23**
Significant accounting policies	3		

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

As per our report attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

Qube Cinema Technologies Pvt. Ltd. Chennai-4

V. Senthil Kumar

P Jayendra	**V Senthil Kumar**	**Sri Varshini**
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date: 04.08.2020	Date: 04.08.2020	Date: 04.08.2020

Qube Cinema Technologies Private Limited

Standalone Statement of profit and loss for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	26	33,814.03	39,015.10
Other income	27	429.76	102.68
Total revenue		**34,243.79**	**39,117.78**
Expenses			
Purchases of stock in trade	28	4,933.07	8,691.46
Changes in inventories of stock in trade	29	932.24	(1,035.42)
Employee benefits expense	30	7,775.10	7,384.16
Finance costs	31	1,166.52	766.71
Depreciation and amortisation expense	32	5,231.61	4,913.00
Other expenses	33	16,095.87	17,700.93
Total expenses		**36,134.41**	**38,420.84**
(Loss) / profit before exceptional items and tax		**(1,890.62)**	**696.94**
Exceptional items	34	2,344.59	-
(Loss) / profit before and tax		**(4,235.21)**	**696.94**
Tax expense:			
Current tax		16.73	628.50
Deferred tax benefit		(389.08)	(342.52)
Income tax expense	35	**(372.35)**	**285.98**
(Loss) / profit for the year		**(3,862.86)**	**410.96**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability/ (assets)		(179.43)	29.90
Income tax relating to items that will not be reclassified subsequently to profit or loss		52.25	(10.45)
Net other comprehensive income that will not be reclassified subsequently to profit or loss		**(127.18)**	**19.45**
Total comprehensive income for the year		**(3,990.04)**	**430.41**
Earnings per share:	39		
Basic earnings per share (INR)		(38.86)	4.13
Diluted earnings per share (INR)		(38.86)	2.07
Significant accounting policies	3		

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

As per our report attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

P Jayendra	**V Senthil Kumar**	**Sri Varshini**
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date:04.08.2020	Date: 04.08.2020	Date: 04.08.2020

Qube Cinema Technologies Private Limited

Standalone Statement of changes in equity for the year ended 31 March 2020

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

a. Equity share capital

	Note	Amount
Balance as at 1 April 2018		994.09
Changes in equity share capital during 2018-19	**18**	-
Balance as at 31 March 2019		994.09
Changes in equity share capital during 2019-20	**18**	-
Balance as at 31 March 2020		**994.09**

b. Other equity

	Compulsory convertible cummulative preference shares	Attributable to the owners of the Company: Reserves and surplus: Capital redemption reserve	Securities Premium	Share options outstanding account	* Equity shares held by ESOP trust (including securities premium)	General reserve	Retained earnings	Items of OCI: Remeasurement of defined benefit liability	Total
Balance at 1 April 2018	**744.36**	**131.19**	**7,994.89**	**167.44**	**(243.07)**	**14.90**	**12,843.57**	**-**	**20,908.92**
Total comprehensive income for the year ended 31 March 2019									
Profit for the year	-	-		-	-	-	410.96	-	410.96
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	19.45	19.45
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**410.96**	**19.45**	**430.41**
Transferred to retained earnings	-	-	-	-		-	19.45	(19.45)	-
Transactions with owners, recorded directly in equity									
Contributions to owners									
Share-based options	-	-	-	6.04	-	-	-	-	6.04
Share options exercised	-	-	0.39	-	-	-	-	-	0.39
Shares issued by trust	-	-	-	-	0.19	-	-	-	0.19
Balance at 31 March 2019	**744.36**	**131.19**	**7,995.28**	**173.48**	**(242.88)**	**14.90**	**13,273.98**	**-**	**21,345.95**
Balance at 1 April 2019	**744.36**	**131.19**	**7,995.28**	**173.48**	**(242.88)**	**14.90**	**13,273.98**	**-**	**21,345.95**
Total comprehensive income for the year ended 31 March 2020									
Loss for the year	-	-	-	-	-	-	(3,862.86)	-	(3,862.86)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(127.18)	(127.18)
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**	**(242.88)**	**14.90**	**9,283.94**	**-**	**17,355.91**

* During the current year, the Company has changed presentaion for equity shares held by ESOP trust (including securities premium).

Significant accounting policies 3

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

As per our report attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

P Jayendra	**V Senthil Kumar**	**Sri Varshini**
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date: 04.08.2020	Date:04.08.2020	Date: 04.08.2020

Qube Cinema Technologies Private Limited

Standalone statement of cash flows for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities			
(Loss) / profit before tax		(4,235.21)	696.94
Adjustments:			
Depreciation and amortisation expenses	32	5,231.61	4,913.00
Net gain on sale of property, plant and equipment	27	(121.62)	(23.87)
Bad debts written off	33	77.50	38.94
Impairment loss on financial assets	34	1,164.95	-
Allowance for doubtful debt	33	1,598.88	-
Finance costs	31	1,166.52	766.71
Interest income	27	(134.84)	(5.19)
Equity-settled shared-based payments	30	-	6.04
Straighlined rent		-	33.84
Interest income on security deposit paid	27	(21.59)	(24.99)
Notional rental income on security deposit received	27	(144.19)	(13.56)
Unrealised loss / (gain) on foreign exchange (net)		91.26	47.00
		4,673.27	**6,434.86**
Working capital adjustments:			
Decrease / (increase) in inventories		932.24	(1,035.42)
Decrease in trade receivables		1,060.15	61.58
Decrease / (increase) in loans and other financial assets		380.44	(218.14)
Decrease / (increase)decrease in other assets		151.38	(768.30)
Increase in trade payable and other financial liabilities		770.62	534.85
(Decrease) / increase in provisions and other liabilities		(107.97)	1,137.09
Cash generated from operating activities		**7,860.13**	**6,146.52**
Income tax paid (net)		(880.31)	(991.84)
Net cash from operating activities (A)		**6,979.82**	**5,154.68**
Cash flows from investing activities			
Interest received		111.12	2.21
Acquisition of property, plant and equipment and capital work-in-progress		(3,802.64)	(3,380.99)
Expenditure on internally generated intangible assets		(604.63)	(81.25)
Proceeds from sale of property, plant and equipment		269.85	186.23
Investments in jointly controlled entity		-	(99.94)
Investments in bank deposits (net)		(600.00)	(981.96)
Net cash used in investing activities (B)		**(4,626.30)**	**(4,355.71)**
Cash flows from financing activities			
Proceeds from borrowings		1,701.72	2,811.96
Repayments of borrowings		(1,932.22)	(2,882.06)
Payment of transaction cost relating to the borrowings		(25.95)	-
Repayment of lease liabilities		(522.40)	-
Interest paid		(756.30)	(747.10)
Net cash used in financing activities (C)		**(1,535.15)**	**(817.20)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**818.37**	**(18.23)**
Cash and cash equivalents at the beginning of the year		(75.88)	(57.65)
Cash and cash equivalents at the end of the year	16	**742.49**	**(75.88)**

Qube Cinema Technologies Private Limited
Standalone statement of cash flows for the year ended 31 March 2020
(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 2020	As at 31 March 2019
Cash on hand	1.57	1.18
Bank balances	1,058.93	1,173.28
Bank overdrafts	(318.01)	(1,250.34)
Balances as per statement of cash flows	**742.49**	**(75.88)**

* Also 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 financial statements

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

P Jayendra	V Senthil Kumar	Sri Varshini
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date: 04.08.2020	Date: 04.08.2020	Date: 04.08.2020

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 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 4 August 2020.

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

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 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 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 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 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 2020 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 34 - recognition of deferred tax assets;
Note 35 - measurement of defined benefit obligations: key actuarial assumptions;
Note 36 - impairment of financial assets;
Note 6 & 21 - Measurment of lease liablities and Right of Use Asset
Note 40 - 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 measurement.

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.

3.2 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 assessment

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 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 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 the Company.

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.

3.5 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.

3 Significant accounting policies (continued)

3.5 Intangible assets (continued)

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:

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.

3.6 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.

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.

3 Significant accounting policies (continued)

3.8 Employee benefits (continued)

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 is 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.

3.9 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.

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-ofuse 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-ofuse 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-ofuse 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.

3.12 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
- 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.

3 Significant accounting policies (continued)

3.13 Income tax (continued)

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.

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

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications that are applicable for the Company from 1 April 2020.

Qube Cinema Technologies Private Limited

Notes to standalone financial statements for the year ended 31 March 2020

(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
Cost or deemed cost (gross carrying amount)								
Balance at 1 April 2018	251.64	23,991.41	430.26	315.79	524.23	160.87	92.36	25,766.56
Additions	-	3,272.46	97.28	6.24	3.19	1.82	-	3,380.99
Disposals	-	734.70	3.32	-	-	-	-	738.02
Balance at 31 March 2019	**251.64**	**26,529.17**	**524.22**	**322.03**	**527.42**	**162.69**	**92.36**	**28,409.53**
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
Balance at 31 March 2020	**251.64**	**29,683.37**	**568.33**	**327.90**	**528.78**	**162.69**	**92.27**	**31,614.98**
Accumulated depreciation								
Balance at 1 April 2018	106.55	7,610.25	201.31	125.48	173.86	53.24	34.79	8,305.48
Depreciation for the year	72.31	4,117.70	120.54	57.91	87.40	26.99	16.99	4,499.84
Disposals	-	573.21	2.80	-	-	-	-	576.01
Balance at 31 March 2019	**178.86**	**11,154.74**	**319.05**	**183.39**	**261.26**	**80.23**	**51.78**	**12,229.31**
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
Balance at 31 March 2020	**236.35**	**14,849.26**	**424.44**	**234.07**	**345.23**	**107.09**	**65.51**	**16,261.95**
Carrying amount (net)								
As at 31 March 2019	72.78	15,374.43	205.17	138.64	266.16	82.46	40.58	16,180.22
As at 31 March 2020	**15.29**	**14,834.11**	**143.89**	**93.83**	**183.55**	**55.60**	**26.76**	**15,353.03**

a) Security

As at 31 March 2020, properties with a carrying amount of INR 3,679.41 lakhs (31 March 2019: INR 4,055.21 lakhs) are subject to first charge to secure bank loans (see Note 20).

5 Capital work-in-progress

Particulars	Amount
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2018	64.71
Additions	3,530.19
Capitalised during the year	3,445.70
Balance at 31 March 2019	**149.20**
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**

6 Right-of-use assets

Particulars	Buildings
Transition impact of Ind AS 116 (refer note i)	2,005.78
Additions	12.59
Deletions	-
Balance as at 31 March 2020	**2,018.37**
Accumulated depreciation	
Depreciation for the year	433.66
Deletions	-
Balance as at 31 March 2020	**433.66**
Net block as at 31 March 2020	**1,584.71**

i) The Company has adopted Ind AS 116 effective 01 April 2019, using modified retrospective method. Accordingly previous period information has not been restated.

This has resulted in recognising a right-of-use asset at an amount equal to lease liability amounting to INR 1,994.80 lakhs, adjusted by the amount of prepaid lease payments amounting to INR 81.90 lakhs and accrued lease payments amounting to INR 102.10 as at 01 April 2019.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

ii) The Company leases comprise of only buildings. The Company entered into agreements with owners of the building for taking office premises on lease.

7 Intangible assets

Reconciliation of carrying amount

Particulars	Right to use intellectual property right #	Software *	Total
Cost or deemed cost (gross carrying amount)			
Balance as at 1 April 2018	450.15	92.74	542.89
Additions	-	2,102.73	2,102.73
Disposals	-	-	-
Amortised cost transferred to propery, plant and equipments and inventory	450.15	-	450.15
Balance as at 31 March 2019	**-**	**2,195.47**	**2,195.47**
Balance as at 1 April 2019	**-**	**2,195.47**	**2,195.47**
Additions	-	-	-
Disposals	-	-	-
Amortised cost transferred to propery, plant and equipments and inventory	-	-	-
Balance as at 31 March 2020	**-**	**2,195.47**	**2,195.47**
Accumulated amortisation and impairment losses			
Balance as at 1 April 2018		**42.88**	**42.88**
Amortisation for the year	-	413.16	413.16
Reversal of impairment loss	-	-	-
Balance as at 31 March 2019	**-**	**456.04**	**456.04**
Balance as at 1 April 2019		**456.04**	**456.04**
Amortisation for the year	-	414.18	414.18
Reversal of impairment loss		-	-
Balance as at 31 March 2020	**-**	**870.22**	**870.22**
Carrying amount (net)			
As at 31 March 2019	-	1,739.43	1,739.43
As at 31 March 2020	**-**	**1,325.25**	**1,325.25**

Company had purchased the license to develop Qube Xi Integrated media block units to equip the projectors. The license cost has been amortised based on the units developed in each year. License was fully utilised to develop integrated units during the previous financial year.

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

8 Intangible asset under development

Particulars	Amount
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2018	2,102.73
Additions	446.96
Capitalised during the year	2,102.73
Balance at 31 March 2019	**446.96**
Balance at 1 April 2019	446.96
Additions	604.63
Capitalised during the year	-
Balance at 31 March 2020	**1,051.59**

a) The Company is in the process of developing a web-based platform (an advertising marketplace) that is intended for the Company's use. As at 31 March 2020 cost incurred amounts to INR 294.63 lakhs.

b) The Company is in the process of developing a next-gen digital cinema server that are seen as the future of theatrical exhibition. As at 31 March 2020 cost incurred amounts to INR 756.96 lakhs.

9 Investments	**As at 31 March 2020**	**As at 31 March 2019**
Non-current investments		
Unquoted equity shares		
Equity shares of subsidiary at cost		
64,750,000 (31 March 2019: 64,750,000) equity shares of $ 0.1 each fully paid up in Qube Cinema Inc	3,341.41	3,341.41
Less: Provision for diminution in value of investments	(1,847.75)	(1,847.75)
	1,493.66	1,493.66
Equity shares of joint venture at cost		
8,058,162 (31 March 2019 : 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)	-
	1,493.66	**2,658.61**
Aggregate book value of unquoted investments	4,506.36	4,506.36
Aggregate amount of impairment in value of investments	(3,012.70)	(1,847.75)
	1,493.66	**2,658.61**

The Company performed impairment assessment on its non-current investments as at 31 March 2020, basis their assessment, the Company has impaired its investements in Justickets private limited.

10 Trade receivables

Unsecured, considered good	6,675.69	9,381.24
Doubtful	2,340.84	1,211.28
	9,016.53	**10,592.52**
Allowance for doubtful debt	(2,340.84)	(1,211.28)
Net trade receivables	**6,675.69**	**9,381.24**
Non-current	427.13	514.03
Current	6,248.56	8,867.21
	6,675.69	**9,381.24**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	710.31	579.20
Allowance for doubtful debt #	(710.31)	-
	-	**579.20**

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 37.

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.

11 Loans
(Unsecured, considered good)

Security deposits	371.63	373.81
Loans to employees	13.62	16.61
Loans to related parties	20.00	20.00
	405.25	**410.42**
Loss allowance *	(20.00)	-
Net loans	**385.25**	**410.42**
Non-current	325.73	327.08
Current	59.52	83.34
	385.25	**410.42**

* 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.

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

	As at 31 March 2020	As at 31 March 2019
12 Other financial assets		
Bank deposits under lien	42.00	42.00
Dues from related party	469.33	322.14
Contract assets	514.96	557.36
Interest accrued on bank deposits	37.61	13.89
Interest accrued on loan to related parties	1.73	1.73
	1,065.63	**937.12**
Loss allowance *	(471.06)	-
Net other financial assets	**594.57**	**937.12**
Non-current	42.00	42.00
Current	552.57	895.12
	594.57	**937.12**

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

Dues from related party	471.06	323.87
Loss allowance *	(471.06)	-
	-	**323.87**

* 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)	1,605.01	741.43
	1,605.01	**741.43**
14 Other assets		
Advances to suppliers	376.19	432.42
Prepaid expenses	589.34	864.90
Excess of planned assets towards gratuity obligations	-	30.93
Balance with government authorities	1,634.19	1,402.65
	2,599.72	**2,730.90**
Non-current	286.71	288.85
Current	2,313.01	2,442.05
	2,599.72	**2,730.90**
15 Inventories		
Stock in trade	3,145.05	4,077.29
	3,145.05	**4,077.29**

Due to outbreak of COVID-19, Management has performed impairment assessment of inventory as at 31 March 2020. Management believes that the provision recorded is sufficient and adequate and the carrying amount of inventory reflects its recoverable value.

16 Cash and cash equivalents		
Cash on hand	1.57	1.18
Bank balances	1,058.93	1,173.28
	1,060.50	**1,174.46**
Bank overdrafts used for cash management purposes	(318.01)	(1,250.34)
Cash and cash equivalents in the statement of cash flows	**742.49**	**(1,250.34)**
17 Bank balances other than cash and cash equivalents		
Bank deposits*	1,831.58	1,231.58
	1,831.58	**1,231.58**
* Of the above, Bank deposits under lien	231.58	231.58

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

	As at 31 March 2020	As at 31 March 2019
18 Equity share capital		
Authorised		
20,000,000 (31 March 2019: 20,000,000) equity shares of INR 10 each.	2,000.00	2,000.00
7,500,000 (31 March 2019 : 7,500,000) Compulsory convertible cumulative preference shares of INR 10 each.	750.00	750.00
Issued, subscribed and paid up		
9,940,858 (31 March 2019: 9,940,858) equity shares of INR 10	**994.09**	**994.09**
7,443,611 (31 March 2019: 7,443,611) Compulsory convertible cumulative preference shares of INR 10 each.	**744.36**	**744.36**

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement and at the end of the year	9,940,858	994.09	9,940,858	994.09
Compulsory convertible cumulative preference shares				
At the commencement and at the end of the year	7,443,611	744.36	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.

c) Employee stock options

Terms attached to stock options granted to employees are described in Note 40 regarding share-based payments.

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of equity shares	Number of shares	% of equity shares
Equity shares of INR 10 each fully paid, held by				
Real Image LLP	2,462,225	25%	2,462,225	25%
Street Edge Capital L.P.USA	1,597,302	16%	1,597,302	16%
RIMT Employees Trust	808,308	8%	808,308	8%
Nomura Asia Investment (MB) Pte Ltd	625,747	6%	625,747	6%
V. Senthil Kumar	553,100	6%	553,100	6%
Canara Bank Ltd.	531,567	5%	531,567	5%
Meena Veerappan	506,800	5%	506,800	5%
	7,085,049	**71%**	**7,085,049**	**71%**
Compulsory convertible cummulative preference shares				
Nomura Asia Investment (MB) Pte Ltd - Series C	3,095,160	42%	3,095,160	42%
Intel (Capital) Mauritius Limited - Series A and Series C	2,768,569	37%	2,768,569	37%
CSI BD (Mauritius) - Series B	789,941	11%	789,941	11%
Payone Enterprises Pvt. Ltd - Series B	789,941	11%	789,941	11%
	7,443,611	**100%**	**7,443,611**	**100%**

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 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
-	-	-	-	-

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	As at 31 March 2020	As at 31 March 2019
Non-current borrowings		
Term loans		
Secured loans from bank (refer note (i) & (ii) below)	2,905.65	2,505.70
Unsecured loans from others	911.50	548.69
Total non-current borrowings	**3,817.15**	**3,054.40**
Current borrowings		
Bank overdraft	2,818.01	3,750.34
Current portion of term loans (refer note (i) & (ii) below)	969.60	1,912.38
	3,787.61	5,662.72
Less: Amount included under 'Other financial liabilities'	(969.60)	(1,912.38)
	2,818.01	**3,750.34**

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 2020	Carrying Amount as at 31 March 2019
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 2.10%	31-Mar-20	-	249.36
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 2.10%	03-Sep-19	-	235.45
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 1.80%	04-Nov-20	168.52	457.43
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.65%	25-Oct-22	857.25	1,189.09
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.20%	04-Jul-23	1,479.94	1,923.87
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.80%	07-Aug-24	1,173.70	-
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.7%	31-Mar-21	598.05	911.58
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.6%	30-Jun-26	509.29	-
Cash credit	INR	1 year MCLR	On demand	2,818.01	3,750.34
				7,604.76	**8,717.12**

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 3,679.41 lakhs (31 March 2019 : 4,055.20 lakhs)

C. Reconciliation of movement of liabilities to cash flows arising from financing activities	As at 31 March 2020	As at 31 March 2019
Particulars		
Non-current borrowings	3,817.15	3,054.40
Current borrowings	969.60	1,912.38
Bank overdrafts	2,818.01	3,750.34
	7,604.76	**8,717.11**

Particulars	Bank overdraft	Term loans	Total
Balance as at 1 April 2018	**3,213.70**	**5,476.46**	**8,690.16**
Proceeds from loans and borrowings	-	2,811.96	2,811.96
Repayment of borrowings	-	(3,382.07)	(3,382.07)
Change in bank overdraft and working capital loan	536.63	-	536.63
Non-cash changes			
- Impact of effective interest amortisation	-	5.78	5.78
- Unrealised exchange loss on restatement of borrowings	-	54.65	54.65
Balance as at 31 March 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**

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 installments 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

As at 31 March 2020, the Company has failed to comply with adjusted tangible net woth and debt service coverage ratio as per above crtieria. However, the Company has obtained waiver of the breah of above covenants from banks.

21 Lease liabilities

Particulars	Buildings
Transition impact of Ind AS 116 (refer note 6 (i))	2,025.98
Additions	-
Deletions	-
Finance cost accrued during the period	186.30
Discharge of lease liabilities	522.39
Balance as at 31 March 2020	**1,689.89**
Non-current	1,356.61
Current	333.28

	As at 31 March 2020	As at 31 March 2019
22 Other financial Liabilities		
Deposits received	3,052.43	2,723.01
Current maturities of long term borrowings	969.60	1,912.38
Interest accrued on borrowings	95.12	77.46
	4,117.15	**4,712.85**
Non-current	1,478.77	1,401.05
Current	2,638.38	3,311.80
	4,117.15	**4,712.85**

The Company's exposure to liquidity and currency risks related to the above financial liabilities are disclosed in Note 37.

23 Other liabilities

Billing in advance of work completed	596.25	486.49
Advance payments from customers	3,249.77	3,084.47
Employees benefits payable	790.99	613.40
Statutory dues payables	274.42	705.86
Deferred rent	-	102.34
Deferred revenue	399.50	333.42
	5,310.93	**5,325.98**
Non-current	372.47	311.65
Current	4,938.46	5,014.33
	5,310.93	**5,325.98**

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

24 Provisions

	Non-current		Current	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Provision for employee benefits (see note 36)				
Liability for gratuity	71.02	-	55.02	-
Liability for compensated absences	220.17	178.60	28.12	13.70
Total provision for employee benefits	**291.19**	**178.60**	**83.14**	**13.70**
Other provisions				
Provision for tax	12.02	107.54	-	-
Total other provisions	**12.02**	**107.54**	**-**	**-**
Total provisions	**303.21**	**286.14**	**83.14**	**13.70**

25 Trade payables

	As at 31 March 2020	**As at 31 March 2019**
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	3,975.51	3,446.42
	3,975.51	**3,446.42**

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

Total trade payables from related parties	180.94	178.05

The Company's exposure to liquidity and currency risks related to the above trade payables are disclosed in Note 37.

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

		Year ended 31 March 2020	Year ended 31 March 2019
26	**Revenue from operations**		
	Sale of services		
	Advertisement income	9,750.68	13,086.25
	Virtual print fees	11,602.60	11,338.52
	Service income	2,485.97	2,041.88
	Lease rental income	1,764.62	1,505.37
	Other revenue	883.95	1,192.56
		26,487.82	**29,164.58**
	Sale of products		
	Sale of digital cinema equipments	**7,301.07**	**9,813.17**
	Other operating income		
	Royalty	25.14	37.35
	Total revenue from operations	**33,814.03**	**39,015.10**
27	**Other income**		
	Interest income on		
	Cash and cash equivalents	134.84	5.19
	Security deposit paid	21.59	24.99
	Insurance claim received	7.52	35.07
	Net gain on sale of property, plant and equipment	121.62	23.87
	Notional rental income on security deposit received	144.19	13.56
		429.76	**102.68**
28	**Purchases of stock in trade**		
	Cost of stock in trade consumed	5,865.31	7,656.04
	Less: Inventory of materials at the beginning of the year	4,077.29	3,041.87
	Add: Inventory of materials at the end of the year	3,145.05	4,077.29
	Purchases during the year	**4,933.07**	**8,691.46**

29 Changes in inventories of stock in trade

	Year ended 31 March 2020			Year ended 31 March 2019		
	Opening Inventory	**Closing Inventory**	**Increase in inventory**	**Opening Inventory**	**Closing Inventory**	**Decrease in inventory**
Stock in trade	4,077.29	3,145.05	932.24	3,041.87	4,077.29	(1,035.42)
	4,077.29	**3,145.05**	**932.24**	**3,041.87**	**4,077.29**	**(1,035.42)**

		Year ended 31 March 2020	Year ended 31 March 2019
30	**Employee benefits expense**		
	Salaries, wages and bonus	6,939.81	6,674.08
	Contribution to provident and other funds	334.55	276.81
	Expenses related to post-employment defined benefit plans	53.30	61.59
	Expenses related to compensated absences	83.06	9.30
	Equity-settled shared-based payments	-	6.04
	Staff welfare expenses	364.38	356.34
		7,775.10	**7,384.16**
31	**Finance costs**		
	Interest expense on financial liabilities measured at amortised cost	980.22	766.71
	Interest expenses on lease liability	186.3	-
		1,166.52	**766.71**
32	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	4,383.77	4,499.84
	Amortisation of intangible assets	414.18	413.16
	Depreciation expenses (ROU assets)	433.66	-
		5,231.61	**4,913.00**

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

		Year ended 31 March 2020	Year ended 31 March 2019
33	**Other expenses**		
	Advertisement revenue share	5,027.98	5,877.00
	Virtual print fee revenue share	4,006.62	3,762.73
	Freight and handling charges	396.24	534.33
	Digitising, censor, theatre advertisement and VSAT charges	1,061.74	1,363.21
	Consumption of packing material and spares	289.36	393.20
	Power and fuel	244.94	243.80
	Rent	76.00	601.47
	Repairs and maintenance		
	- Buildings	-	-
	- Plant & machinery	906.10	943.69
	- Others	666.71	501.79
	Service charges	282.82	131.87
	Insurance	119.02	263.68
	Rates and taxes	89.48	113.56
	Communication	316.96	468.76
	Traveling and conveyance	421.38	574.55
	Printing and stationery	28.13	34.94
	Software expenses	73.57	128.22
	Sales discount and commission	210.16	188.06
	Advertisement and business promotion	339.52	373.96
	Expenditure on corporate social responsibility (Refer Note (ii) below)	25.75	76.40
	Legal and professional fees (Refer Note (i) below)	646.58	639.10
	Bad debts written off	77.50	38.94
	Allowance for doubtful debt	419.24	-
	Bank charges	24.57	46.86
	Net loss on foreign currency transactions	280.38	312.37
	Miscellaneous expenses	65.12	88.44
		16,095.87	**17,700.93**
	(i) Payment to auditors (excluding tax)		
	As auditor		
	Statutory audit	19.00	19.00
	Reimbursement of expenses	1.97	3.63
		20.97	**22.63**
	(ii) Details of corporate social responsibility expenditure		
	(a) Amount required to be spent by the Company during the year	47.81	75.86
	(b) Amount spent during the year (in cash)		
	(i) Construction / acquisition of any assets		-
	(ii) On purposes other than (i) above	25.00	76.40
34	**Exceptional items**		
	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	-
		2,344.59	-

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

	Year ended 31 March 2020	Year ended 31 March 2019
35 Income tax		
A. Amount recognised in statement of profit and loss		
Current tax		
Current period (a)	16.73	628.50
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	(389.08)	(342.52)
Tax expense for current period (a)+(b)	**(372.35)**	**285.98**

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit liability (assets)	(179.43)	52.25	(127.18)	29.90	(10.45)	19.45
	(179.43)	**52.25**	**(127.18)**	**29.90**	**(10.45)**	**19.45**

C. Reconciliation of effective tax rate

	Year ended 31 March 2020		Year ended 31 March 2019	
Profit before tax		(1,890.62)		696.94
Tax using the Company's domestic tax rate	29.120%	(550.55)	34.944%	243.54
Effect of non-deductible expenses	-9.43%	178.20	6.09%	42.44
Effective tax rate	**19.695%**	**(372.35)**	**41.034%**	**285.98**

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 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Property, plant and equipment	1,262.00	1,257.66	-	-	1,262.00	1,257.66
Provisions:						
Employee benefit provisions	141.14	123.77	-	-	141.14	123.77
Trade receivables	818.32	423.27	-	-	818.32	423.27
ROU asset and lease liability	51.84				51.84	
Other items	-	10.67	(16.60)	-	(16.60)	10.67
Deferred tax assets / (liabilities)	**2,273.30**	**1,815.37**	**(16.60)**	**-**	**2,256.70**	**1,815.37**
Offsetting of deferred tax assets and deferred tax liabilities	(16.60)	-	16.60	-	-	-
Net deferred tax assets / (liabilities)	**2,256.70**	**1,815.37**	**-**	**-**	**2,256.70**	**1,815.37**

Movement in temporary differences

	Balance as at 1 April 2018	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2019	Recognised in profit or loss	Recognised in OCI during	Balance as at 31 March 2020
Property, plant and equipment	877.33	380.33	-	1,257.66	4.34	-	1,262.00
Provisions:				-			
Employee benefit	170.62	(36.40)	(10.45)	123.77	(34.88)	52.25	141.14
Trade receivables	423.27	-	-	423.27	395.05	-	818.32
ROU asset and lease liability	-	-	-	-	51.84	-	51.84
Other items	12.08	(1.41)	-	10.67	(27.27)	-	(16.60)
	1,483.30	**342.52**	**(10.45)**	**1,815.37**	**389.08**	**52.25**	**2,256.70**

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

36 Assets and liabilities relating to employee benefits

	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability / (asset) - Gratuity plan	-	(30.93)
Total Employee benefit asset (current)	**-**	**(30.93)**
Net defined benefit liability - Gratuity plan	126.04	-
Liability for compensated absences	248.29	192.30
Total employee benefit liabilities	**374.33**	**192.30**
Non-current	291.19	178.60
Current	83.14	13.70
	374.33	**192.30**

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 2020	Year ended 31 March 2019
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	518.42	494.03
Benefits paid	(117.41)	(47.95)
Current service cost	58.60	60.41
Interest cost	35.40	36.24
Past service cost	-	-
Actuarial (gains) losses recognised in other comprehensive income		
Changes in demographic assumptions	-	-
Changes in financial assumptions	84.59	0.68
Experience adjustments	97.62	(24.99)
Balance at the end of the year	**677.22**	**518.42**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	549.35	400.82
Contributions paid into the plan	75.76	155.83
Benefits paid	(117.41)	(47.95)
Interest income	40.70	35.06
Return on plan assets recognised in other comprehensive income	2.78	5.59
Balance at the end of the year	**551.18**	**549.35**
Net defined benefit liability/(asset)	**126.04**	**(30.93)**

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

36 Assets and liabilities relating to employee benefits (continued)

	Year ended 31 March 2020	Year ended 31 March 2019
C. i. Expense recognised in profit or loss		
Current service cost	58.60	60.41
Interest cost	35.40	36.24
Interest income	(40.70)	(35.06)
Past service cost	-	-
	53.30	**61.59**
ii. Remeasurement recognised in other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	182.21	(24.31)
Return on plan assets excluding interest income	(2.78)	(5.59)
	179.43	**(29.90)**

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 2020	Year ended 31 March 2019
Discount rate	6.67%	7.70%
Future salary growth	5%	5.00%
Attrition rate	5.00%	5.00%

ii. Sensitivity analysis

	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	634.04	724.95	485.88	554.28
Future salary growth (0.5% movement)	722.03	636.08	552.56	487.13
Attrition rate (5% movement)	678.11	676.35	519.56	517.29
Mortality (5% movement)	677.51	676.96	518.76	518.10

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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(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 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)				
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
		12,041.25	**-**	**12,041.25**
Financial liabilities not measured at fair value (refer note 1 below)				
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
		-	**14,727.82**	**14,727.82**

As at 31 March 2019

		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)				
Investments	9	2,658.61	-	2,658.61
Loans	11	410.42	-	410.42
Trade receivables	10	9,381.24	-	9,381.24
Cash and cash equivalents	16	1,174.46	-	1,174.46
Bank balances other than cash and cash equivalents	17	1,231.58	-	1,231.58
Other financial assets	12	937.12		937.12
		15,793.43	**-**	**15,793.43**
Financial liabilities not measured at fair value (refer note 1 below)				
Borrowings	20	-	6,804.74	6,804.74
Trade payables	25	-	3,446.42	3,446.42
Other financial liabilities	22	-	4,712.85	4,712.85
		-	**14,964.01**	**14,964.01**

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.

(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 2020	**As at 31 March 2019**
Trade receivables	6,675.69	9,381.24
Loans	385.25	410.42
Cash and cash equivalents	1,060.50	1,174.46
Bank balances other than cash and cash equivalents	1,831.58	1,231.58
Other financial assets	594.57	937.12
	10,547.59	**13,134.82**

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 2020	**As at 31 March 2019**
Third party customers	6,675.69	8,802.04
Related parties	-	579.20

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

	As at 31 March 2020	**As at 31 March 2019**
India	6,541.38	9,255.12
Rest of the world	134.31	126.12

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 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
Total	**9,016.53**		**2,340.84**

As at 31 March 2019

	Gross carrying amount	Weighted-average loss rate	Loss allowance
1-240 days past due	7,559.70	0.00%	-
241-365 days past due	622.36	32.08%	199.68
More than 365 days past due	2,410.46	41.97%	1,011.60
Total	**10,592.52**		**1,211.28**

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

	31 March 2020	31 March 2019
Balances at 1 April 2019	1,211.29	1,211.29
Provision for the year	1,129.55	-
Balance at 31 March 2020	**2,340.84**	**1,211.29**

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 2,892.0.8 at 31 March 2020 (31 March 2019: INR 2,406.04 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. Contractally reimburable 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.

(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 2020

	Contractual cash flows					
	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**More than 2 years**
Borrowings	6,635.16	6,746.55	-	2,818.01	1470.16	2458.38
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	1039.72
Other financial liabilities	4,117.15	4,117.15	1,443.90	1,194.30	560.93	918.02
	16,417.71	**16,529.10**	**5,602.05**	**4,162.95**	**2,347.98**	**4,416.12**

As at 31 March 2019

	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**More than 2 years**
Borrowings	6,804.74	6,804.74	3,163.06	-	1,561.29	2,080.39
Trade payables	3,446.42	3,446.42	3,446.42	-	-	-
Other financial liabilities	4,712.85	4,712.85	2,353.59	958.21	300.07	1,100.98
	14,964.01	**14,964.01**	**8,963.08**	**958.21**	**1,861.36**	**3,181.36**

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 2020

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

As at 31 March 2019

Financial assets/ (liabilities)	**USD**	**EURO**	**Total**
Trade receivables	126.12	-	126.12
Cash and cash equivalents	26.74	-	26.74
Borrowings (including interest accured)	(935.33)	-	(935.33)
Trade payables	(1,156.84)	(78.62)	(1,235.46)
Net assets / (liabilities)	**(1,939.31)**	**(78.62)**	**(2,017.93)**

(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**
As at 31 March 2020				
USD (1% movement)	(17.94)	17.94	(13.27)	13.27
EURO (1% movement)	(0.55)	0.55	(0.41)	0.41
As at 31 March 2019				
USD (1% movement)	(19.39)	19.39	(12.68)	12.68
EURO (1% movement)	(0.79)	0.79	(0.51)	0.51

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 2020	**As at 31 March 2019**
Fixed rate borrowings	-	-
Variable rate borrowings	7,639.79	8,736.90
	7,639.79	**8,736.90**

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**
As at 31 March 2020				
Variable rate instrument	(76.40)	76.40	(56.53)	56.53
Cash flow sensitivity (net)	**(76.40)**	**76.40**	**(56.53)**	**56.53**
As at 31 March 2019				
Variable rate instrument	(87.37)	87.37	(57.13)	57.13
Cash flow sensitivity (net)	**(87.37)**	**87.37**	**(57.13)**	**57.13**

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(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 2020	As at 31 March 2019
Total liabilities	7,604.76	8,717.11
Less : Cash and cash equivalents	(1,060.50)	(1,174.46)
Adjusted net debt	**6,544.26**	**7,542.65**
Total equity	19,094.36	23,084.40
Adjusted net debt to adjusted equity ratio	**0.34**	**0.33**

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 2020	Year ended 31 March 2019
Profit for the year, attributable to the equity holders	(3,862.86)	410.96
Weighted average number of equity shares	9,940,858	9,940,858
Basic earnings per share (In INR)	**(38.86)**	**4.13**

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	(3,862.86)	410.96
Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	9,940,858	9,940,858
Effect of conversion of compulsory convertible cumulative preference shares *	-	9,546,407
Effect of exercise of share options *	-	322,888
Weighted average number of equity shares (diluted) for the year	9,940,858	19,810,153
Diluted earnings per share (In INR)	**(38.86)**	**2.07**

* 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 for the FY 2019-20.

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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 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 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 2020, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at 31 March 2020
Payable in less than one year	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 2020
Lease expense – minimum lease payments	76.00

41 Contingent liabilities and commitments
(to the extent not provided for)

Contingent liabilities	As at 31 March 2020	As at 31 March 2019
Counter Guarantees issued to banks	45.97	52.12
Claims against the Company not acknowledged as debts		
Excise duty, service tax and customs duty, VAT matters (see Note (i) and (ii) below)	827.58	844.74
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.

	As at 31 March 2020	As at 31 March 2019
Commitments		
Estimated amount of contracts remaining to be executed on capital account	281.72	34.24

(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 M/s Nomura Asia Investment (MB) Pte. Ltd , Singapore
Key Management Personnel	Mr. V. Senthil Kumar Mr. P.Jayendra Mr. Arvind Ranganathan (until 31 May 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 2020	For the year ended 31 March 2019
Short term employee benefits	789.86	624.31
Post-employment defined benefits	*	*
Compensated absences	*	*
Total	**789.86**	**624.31**

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

Nature of transactions	Transaction value	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of goods		
Subsidiary Company		
Qube Cinema Inc, USA	261.27	36.30
	261.27	**36.30**
Sale of services		
Jointly controlled entity		
Justickets Private Limited	116.46	191.41
Entities in which relatives of KMP can exercise significant influence		
Digital Film Technologies Private Limited	217.33	144.70
	333.79	**336.11**
Other operating income		
Subsidiary Company		
Qube Cinema Inc, USA	25.14	37.35
	25.14	**37.35**
Vehicle hire charges		
Key Management Personnel		
Mr. V. Senthil Kumar	10.80	10.80
Mr. P.Jayendra	10.80	10.80
Mrs. Vee. Vijayalakshmi	3.60	3.60
Mrs. Meena Veerappan	7.80	7.80
Mrs. Sujatha Arvind	1.00	6.00
	34.00	**39.00**

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

42 Related parties (continued)

Nature of transactions	Balance outstanding	
	As at 31 March 2020	As at 31 March 2019
Reimbursement of expenses		
Subsidiary Company		
Qube Cinema Inc, USA	750.37	475.00
Jointly controlled entity		
Justickets Private Limited	150.79	168.50
	901.16	**643.50**
Loans		
Entities in which relatives of KMP can exercise significant influence		
Qube Digital Cinema Private Limited	20.00	20.00
Loss allowance	(20.00)	-
	-	**20.00**
Interest accrued on loan		
Entities in which relatives of KMP can exercise significant influence		
Qube Digital Cinema Private Limited	1.73	1.73
Loss allowance	(1.73)	-
	-	**1.73**
Outstanding receivables		
Jointly controlled entity		
Justickets Private Limited	710.31	579.20
Loss allowance	(710.31)	-
	-	**579.20**
Contract assets		
Subsidiary Company		
Qube Cinema Inc, USA	25.14	37.35
	25.14	**37.35**
Advance from customers		
Subsidiary Company		
Qube Cinema Inc, USA	39.61	-
Entities in which relatives of KMP can exercise significant influence		
Digital Film Technologies Private Limited	4.52	5.90
	44.13	**5.90**
Outstanding payables		
Subsidiary Company		
Qube Cinema Inc, USA	180.94	178.05
	180.94	**178.05**
Employee benefits payables		
Key Management Personnel		
Mr. V. Senthil Kumar	130.64	72.78
Mr. P.Jayendra	130.64	72.78
Mr. Arvind Ranganathan	25.28	42.00
Mr. Harsh Krishna Rohatgi	66.18	-
	352.74	**187.56**
Security deposits received		
Key Management Personnel		
Mr. V. Senthil Kumar	8.00	8.00
Mr. P.Jayendra	8.00	8.00
Mrs. Meena Veerappan	2.00	2.00
Mrs. Sujatha Arvind	-	8.00
	18.00	**26.00**
Contractually reimbursable expenses		
Jointly controlled entity		
Justickets Private Limited	469.33	322.14
Loss allowance	(469.33)	
	-	**322.14**
Investments		
Subsidiary Company		
Qube Cinema Inc, USA	1,493.66	1,493.66
Jointly controlled entity		
Justickets Private Limited	1,164.95	1,164.95
Less: Provision for diminution in value of investments	(1,164.95)	-
	1,493.66	**2,658.61**

(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 entities 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 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 31 March 2020	**Year ended 31 March 2019**
Employee Option plan		
- Equity-settled shared-based payments (Refer note 28)	-	6.04

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 2019	557.36
Less: Invoiced during the year	(557.36)
Add: Revenue recognised during the year	514.96
Closing balance 31 March 2020	**514.96**

(ii) Contract liabilities (Billing in advance of work completed)	**Amount**
Opening balance 1 April 2019	486.49
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(486.49)
Add: invoices raised for which no revenue is recognised during the year	596.25
Closing balance 31 March 2020	**596.25**

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)	33,814.03
Add: Discounts, rebates, refunds, credits, price concessions	270.01
Less: Contract assets adjustments	(514.96)
Contracted price with the customers	**33,569.08**

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 2020	**Year ended 31 March 2019**
India	32,763.00	37,538.23
Rest of the world	1,051.03	1,476.87
	33,814.03	**39,015.10**

B. Major Customers

Revenue from top customer of the Company is INR 3,580.54 lakhs which is more than 10% of the Company's total revenue. However, during the year 2018-19, 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 2020 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 2020**	**Year ended 31 March 2019**
(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.	-	-

47 As at 31 March 2020, 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 2019, 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 2020

50 The Company is primarily in the business of digital cinema distribution network and related activities. With outbreak of COVID-19 pandemic in India, a nationwide lockdown was announced since mid of March 2020. The operations of the Company are severely impacted due to economic uncertainty and disruption created by closure of cinema halls and 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 management of the Company has carried out a financial review of the COVID-19 impact on the business and financial risks based on information available in the public domain on the economic outlook, Governments measures and GDP growth estimates. Since cinemas have remained shut and the Company is in the business of monetizing in-cinema advertising inventory and providing digital cinema services to cinemas, the operations of the Company have remained shut since the mid of March 2020, severely impacting its revenues and profitability.

The management believes that COVID-19 will severely impact the business in the short-term but it does not anticipate material risk to its business prospects over the medium to long term. Management has carried out an assessment of the appropriateness of going-concern, impairment of assets and other related aspects as on the date of approval of these financial results. The Company will continue to monitor the impact on account of changes in future economic conditions. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these financial results. On account of COVID-19, the management has taken measures to mitigate any adverse impact on the business, which inter alia includes: a) Reduction in fixed overheads for the period of the lockdown, b) Reduction in salaries at various levels across the organization and c) discussing with existing lenders for extending existing line of credits.

Re-opening of the Company's operations fully depends on the reopening of cinemas. The Government vide its Order [Guidelines for Phased Re-opening (Unlock 1) [As per Ministry of Home Affairs (MHA) Order No. 40-3/2020-DM-1(A) dated 30th May 2020] has stated that Cinemas will be allowed to open in the third phase of re-opening but the date of cinemas reopening is uncertain at this point in time and will be decided based on the assessment of the situation. Given this uncertainty, these cost optimization measures will help the Company to conserve cash to sustain this phase until cinemas re-open.

Basis the cash flow projections for the next 12 months and financial and support letter from promotor investors, 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. Also, the Company has an existing line of credit and is in touch with banks for enhancing the credit limits. Accordingly, these financial statements are prepared on a going concern basis.

51 Subsequent events

There have been no material events since the end of the reporting period which would require disclosures or adjustments to these financial statements for the year ended 31 March 2020. As at the date of approval of these financial statements, the COVID-19 crisis is still un-folding, and there will be some uncertainty remaining around the accurate assessment of the full impact of COVID-19 crisis or any prediction regarding the future course of events that would arise due to the COVID-19 crisis.

As per our report attached

for **B S R & 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

Qube Cinema Technologies Pvt. Ltd. Chennai-4

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

P Jayendra
Wholetime Director
DIN : 00320286

Place: Chennai
Date: 04.08.2020

V Senthil Kumar
Wholetime Director
DIN : 00320535

Place: Chennai
Date: 04.08.2020

Sri Varshini
Company Secretary

Place: Chennai
Date: 04.08.2020

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Qube Cinema Technologies Private Limited

Consolidated Balance sheet as at 31 March 2020

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

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,790.37	16,455.77
Capital work-in-progress	5	247.04	149.20
Right-of-use assets	6	1,715.10	-
Intangible assets	7	1,344.27	1,739.55
Intangible asset under development	8	1,051.59	446.96
Equity accounted investee	9	-	-
Financial assets			
Trade receivables	10	427.13	514.03
Loans	11	335.70	336.23
Other financial assets	12	42.00	42.00
Deferred tax assets (net)	35	2,256.70	1,815.37
Income tax assets	13	1,615.54	750.51
Other assets	14	286.71	288.85
Total non-current assets		**25,112.15**	**22,538.47**
Current assets			
Inventories	15	3,333.32	4,267.78
Financial assets			
Trade receivables	10	6,520.95	9,233.53
Cash and cash equivalents	16	1,106.82	1,420.25
Bank balances other than cash and cash equivalents	17	1,831.58	1,231.58
Loans	11	59.52	83.34
Other financial assets	12	552.57	895.12
Other assets	14	2,322.75	2,518.32
Total current assets		**15,727.51**	**19,649.92**
Total assets		**40,839.66**	**42,188.39**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	994.09	994.09
Other equity			
Compulsory convertible cumulative preference shares classified as equity	18	744.36	744.36
Others (including items of other comprehensive income)	19	16,504.74	19,739.38
Total equity		**18,243.19**	**21,477.83**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	3,817.15	3,054.40
Lease liabilities	21	1,475.02	-
Other financial liabilities	22	1,488.95	1,410.39
Provisions	24	303.21	286.14
Other liabilities	23	372.47	311.65
Total non-current liabilities		**7,456.80**	**5,062.58**
Current liabilities			
Financial liabilities			
Other bank borrowings	20	2,818.01	3,750.34
Lease liabilities	21	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	4,292.26	3,547.65
Other financial liabilities	22	2,638.38	3,311.80
Provisions	24	83.14	13.70
Other liabilities	23	4,951.70	5,024.49
Total current liabilities		**15,139.67**	**15,647.98**
Total liabilities		**22,596.47**	**20,710.56**
Total equity and liabilities		**40,839.66**	**42,188.39**

Significant accounting policies 3

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

As per our report attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

V Senthil Kumar

Sri Varshini

P Jayendra	**V Senthil Kumar**	**Sri Varshini**
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date: 04.08.2020	Date: 04.08.2020	Date: 04.08.2020

Qube Cinema Technologies Private Limited

Consolidated Statement of profit and loss for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	26	35,996.64	40,678.99
Other income	27	429.78	114.06
Total revenue		**36,426.42**	**40,793.05**
Expenses			
Purchases of stock in trade	28	4,916.88	8,761.76
Changes in inventories of stock in trade	29	934.46	(1,093.23)
Employee benefits expense	30	7,926.25	7,529.29
Finance costs	31	1,170.34	766.71
Depreciation and amortisation expense	32	5,346.75	4,962.10
Other expenses	33	18,495.23	19,125.34
Total expenses		**38,789.91**	**40,051.97**
(Loss) / profit before exceptional items, share of net profit of investment accounted for using equity method and tax		**(2,363.49)**	**741.08**
Share of net loss of joint venture accounted for using the equity method		-	(220.66)
(Loss) / profit before exceptional items and tax		**(2,363.49)**	**520.42**
Exceptional items	34	1,179.64	-
(Loss) / profit before and tax		**(3,543.13)**	**520.42**
Income tax			
Current tax		17.86	628.50
Deferred tax benefit		(389.08)	(342.52)
Income tax expense	35	**(371.22)**	**285.98**
(Loss) / profit for the year		**(3,171.91)**	**234.44**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability/ (assets)		(179.43)	29.90
Income tax relating to items that will not be reclassified subsequently to profit or loss		52.25	(10.45)
Net other comprehensive income that will not be reclassified subsequently to profit or loss		**(127.18)**	**19.45**
Total comprehensive (loss) / income for the year		**(3,299.09)**	**253.89**
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating consolidated financial statements of foreign operations		64.45	58.78
Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		**64.45**	**58.78**
Total comprehensive (loss) / income for the year		**(3,234.64)**	**312.67**
Earnings per share:	39		
Basic earnings per share (INR)		(31.91)	2.36
Diluted earnings per share (INR)		(31.91)	1.18
Significant accounting policies	3		

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

As per our report attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

Qube Cinema Technologies Pvt. Ltd. Chennai-4

P Jayendra	V Senthil Kumar	Sri Varshini
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date: 04.08.2020	Date: 04.08.2020	Date: 04.08.2020

Qube Cinema Technologies Private Limited

Consolidated Statement of changes in equity for the year ended 31 March 2020

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

a. Equity share capital

	Note	Amount
Balance as at 1 April 2018		994.09
Changes in equity share capital during 2018-19	**18**	-
Balance as at 31 March 2019		**994.09**
Changes in equity share capital during 2019-20	**18**	-
Balance as at 31 March 2020		**994.09**

b. Other equity

	Compulsory convertible cummulative preference shares	Attributable to the owners of the Group								Total
		Reserves and surplus							Items of OCI	
		Capital redemption reserve	Securities Premium	Share options outstanding account	* Equity shares held by ESOP trust (including securities premium)	General reserve	Retained earnings	Exchange difference on translation of foreign operations	Remeasurement of defined benefit liability	
Balance at 1 April 2018	**744.36**	**131.19**	**7,994.89**	**167.44**	**(243.07)**	**14.90**	**11,379.28**	**(24.54)**	**-**	**19,420.09**
Total comprehensive income for the year ended 31 March 2018										
Profit for the year	-	-	-	-	-	-	234.44	-	-	234.44
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	58.78	19.45	78.23
Total comprehensive income	**-**	**-**	**-**	**-**		**-**	**234.44**	**58.78**	**19.45**	**312.67**
Transferred to retained earnings	-	-	-	-		-	19.45		(19.45)	-
Transactions with owners, recorded directly in equity										
Contributions to owners										
Share-based options	-	-	-	6.04	-	-	-	-	-	6.04
Share options exercised	-	-	0.39	-	-	-	-	-	-	0.39
Shares issued by trust	-	-	-	-	0.19	-	-	-	-	0.19
Balance at 31 March 2019	**744.36**	**131.19**	**7,995.28**	**173.48**	**(242.88)**	**14.90**	**11,633.17**	**34.24**	**-**	**19,739.38**
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										
Loss for the year	-	-	-	-	-	-	(3,171.91)	-	-	(3,171.91)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	64.45	(127.18)	(62.73)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(3,171.91)**	**64.45**	**(127.18)**	**(3,234.64)**
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**	**(242.88)**	**14.90**	**8,334.08**	**98.69**	**-**	**16,504.74**

* During the current year, the Company has changed presentaion for equity shares held by ESOP trust (including securities premium).

Significant accounting policies 3

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

As per our report attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

Qube Cinema Technologies Pvt. Ltd. Chennai-4

P Jayendra
Wholetime Director
DIN : 00320286
Place: Chennai
Date: 04.08.2020

V Senthil Kumar
Wholetime Director
DIN : 00320535
Place: Chennai
Date: 04.08.2020

Sri Varshini
Company Secretary
Place: Chennai
Date: 04.08.2020

Qube Cinema Technologies Private Limited

Consolidated statement of cash flows for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities			
(Loss) / profit before tax		(3,543.13)	520.43
Adjustments:			
Depreciation and amortisation expenses	32	5,346.75	4,962.10
Net gain on sale of property, plant and equipment	27	(121.62)	(33.32)
Bad debts written off	33	77.50	38.94
Allowance for doubtful debt	33	1,677.65	3.56
Finance costs	31	1,170.34	766.71
Interest income	27	(134.84)	(5.32)
Share of loss of equity acounted investees (net of income tax)	9	-	220.66
Equity-settled shared-based payments	30	-	6.04
Straighlined rent		-	33.84
Interest income on security deposit paid	27	(21.59)	(24.99)
Notional rental income on security deposit received	27	(144.19)	(13.56)
Unrealised loss / (gain) on foreign exchange (net)		91.26	46.97
		4,398.13	**6,522.06**
Working capital adjustments:			
Decrease / (increase) in inventories		950.41	(1,085.37)
Decrease in trade receivables		1,293.91	(167.28)
Decrease / (increase) in loans and other financial assets		437.14	(218.15)
Decrease / (increase)decrease in other assets		163.67	(810.29)
Increase in trade payable and other financial liabilities		771.44	600.85
Increase in provisions and other liabilities		(105.92)	1,108.65
Cash generated from operating activities		**7,908.78**	**5,950.47**
Income tax paid (net)		(882.04)	(991.85)
Net cash from operating activities (A)		**7,026.74**	**4,958.62**
Cash flows from investing activities			
Interest received		111.12	2.34
Acquisition of property, plant and equipment and capital work-in-progress		(4,035.73)	(3,633.41)
Expenditure on internally generated intangible assets		(604.63)	(81.25)
Proceeds from sale of property, plant and equipment		269.85	186.26
Investments in jointly controlled entity		-	(100.00)
Investments in bank deposits (net)		(600.00)	(981.96)
Net cash used in investing activities (B)		**(4,859.39)**	**(4,608.02)**
Cash flows from financing activities			
Proceeds from borrowings		1,701.72	2,811.96
Repayments of borrowings		(1,932.22)	(2,882.06)
Payment of transaction cost relating to the borrowings		(25.95)	-
Repayment of lease liabilities		(544.57)	-
Interest paid		(756.30)	(747.10)
Net cash used in financing activities (C)		**(1,557.32)**	**(817.20)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**610.03**	**(466.60)**
Cash and cash equivalents at the beginning of the year		169.91	590.44
Net foreign exchange difference		8.87	46.07
Cash and cash equivalents at the end of the year	14	**788.81**	**169.91**

Qube Cinema Technologies Private Limited

Consolidated statement of cash flows for the year ended 31 March 2020

(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 2020	As at 31 March 2019
Cash on hand	1.57	1.18
Bank balances	1,105.25	1,419.07
Bank overdrafts	(318.01)	(1,250.34)
Balances as per statement of cash flows	**788.81**	**169.91**

* Also 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

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

P Jayendra	**V Senthil Kumar**	**Sri Varshini**
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date: 04.08.2020	Date: 04.08.2020	Date: 04.08.2020

Qube Cinema Technologies Pvt. Ltd. Chennai-4

1 Background

Qube Cinema Technologies Private Limited (Formerly Real Image Media Technologies Private Limited) (" the Group") 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.

Tthe Group, 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 2020	As at 31 March 2019
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 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

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 4 August 2020.

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

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 2020 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 - Measurment of lease liablities 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 liabilities.

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 – 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.

3.2 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.

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

3 Significant accounting policies (continued)

3.5 Property, plant and equipment (continued)

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.

3.8 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.

3 Significant accounting policies (continued)

3.9 Employee benefits (continued)

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 is 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.

3.11 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 Significant accounting policies (continued)

3.12 Leases

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

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-ofuse 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-ofuse 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-ofuse 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.

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
- 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.

3 Significant accounting policies (continued)

3.14 Income tax (continued)

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

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications that are applicable for the Group from 1 April 2020.

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
Cost or deemed cost (gross carrying amount)								
Balance at 1 April 2018	251.64	24,098.26	430.26	315.80	526.30	160.87	92.36	25,875.49
Additions	-	3,534.13	97.28	6.24	3.19	1.82	-	3,642.66
Disposals	-	758.09	3.32	-	-	-	-	761.41
Exchange difference on translation of foreign operations	-	(19.23)	-	-	-	-	-	(19.23)
Balance at 31 March 2019	**251.64**	**26,855.07**	**524.22**	**322.04**	**529.49**	**162.69**	**92.36**	**28,737.51**
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
Balance at 31 March 2020	**251.64**	**30,258.07**	**575.73**	**327.91**	**531.52**	**162.69**	**92.27**	**32,199.83**
Accumulated depreciation								
Balance at 1 April 2018	106.55	7,657.17	201.31	125.48	174.41	53.24	34.79	8,352.95
Depreciation for the year	72.31	4,166.26	120.54	57.91	87.90	26.99	17.03	4,548.94
Disposals	-	596.64	2.80	-	-	-	-	599.44
Exchange difference on translation of foreign operations	-	(20.73)	-	0.02	-	-	-	(20.71)
Balance at 31 March 2019	**178.86**	**11,206.06**	**319.05**	**183.41**	**262.31**	**80.23**	**51.82**	**12,281.74**
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
Balance at 31 March 2020	**236.35**	**14,994.76**	**424.44**	**234.09**	**347.18**	**107.09**	**65.55**	**16,409.46**
Carrying amount (net)								
As at 31 March 2019	72.78	15,649.01	205.17	138.63	267.18	82.46	40.54	16,455.77
As at 31 March 2020	**15.29**	**15,263.31**	**151.29**	**93.82**	**184.34**	**55.60**	**26.72**	**15,790.37**

a) Security
As at 31 March 2020, properties with a carrying amount of INR 3,679.41 lakhs (31 March 2019: INR 4,055.21 lakhs) are subject to first charge to secure bank loans (see Note 20).

5 Capital work-in-progress

Particulars	Amount
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2018	64.71
Additions	3,791.86
Capitalised during the year	3,707.37
Balance at 31 March 2019	**149.20**
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**

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**
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**
Net block as at 31 March 2020	**1,715.10**

i) the Group has adopted Ind AS 116 effective 01 April 2019, using modified retrospective method. Accordingly previous period information has not been restated.

This has resulted in recognising a right-of-use asset at an amount equal to lease liability amounting to INR 1,994.80 lakhs, adjusted by the amount of prepaid lease payments amounting to INR 81.90 lakhs and accrued lease payments amounting to INR 102.10 as at 31 March 2019.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

ii) 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	Right to use intellectual property right #	Software *	Total
Cost or deemed cost (gross carrying amount)			
Balance as at 1 April 2018	450.15	101.04	551.19
Additions	-	2,102.73	2,102.73
Disposals	-	-	-
Amortised cost transferred to propery, plant and equipments and inventory	450.15	-	450.15
Exchange difference on translation of foreign operations	-	-	-
Balance as at 31 March 2019	**-**	**2,203.77**	**2,203.77**
Balance as at 1 April 2019	**-**	**2,203.77**	**2,203.77**
Additions	-	21.33	21.33
Disposals	-	-	-
Amortised cost transferred to propery, 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**
Accumulated amortisation and impairment losses			
Balance as at 1 April 2018		**51.06**	**51.06**
Amortisation for the year	-	413.16	413.16
Exchange difference on translation of foreign operations	-	-	-
Balance as at 31 March 2019	**-**	**464.22**	**464.22**
Balance as at 1 April 2019		**464.22**	**464.22**
Amortisation for the year	-	417.74	417.74
Exchange difference on translation of foreign operations	-	1.02	1.02
Balance as at 31 March 2020	**-**	**882.98**	**882.98**
Carrying amount (net)			
As at 31 March 2019	-	1,739.55	1,739.55
As at 31 March 2020	**-**	**1,344.27**	**1,344.27**

Company had purchased the license to develop Qube Xi Integrated media block units to equip the projectors. The license cost has been amortised based on the units developed in each year. License were fully utilised to develop integrated units during the previous financial year.

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

8 Intangible asset under development

Particulars	Amount
Cost or deemed cost (gross carrying amount)	
Balance at 1 April 2018	2,102.73
Additions	446.96
Capitalised during the year	2,102.73
Balance at 31 March 2019	**446.96**
Balance at 1 April 2019	446.96
Additions	604.63
Capitalised during the year	-
Balance at 31 March 2020	**1,051.59**

a) the Group is in the process of developing a web-based platform (an advertising marketplace) that is intended for the Group's use. As at 31 March 2020 cost incurred amounts to INR 294.63 lakhs.

b) the Group is in the process of developing a next-gen digital cinema server that are seen as the future of theatrical exhibition. As at 31 March 2020 cost incurred amounts to INR 756.96 lakhs.

9 Equity accounted investee	**As at 31 March 2020**	**As at 31 March 2019**
Interest in joint venture (Refer note below)	-	-
	-	-

Justickets Private Limited (Justickets) is a joint arrangement in which the Group has joint control and a 43.44% (31 March 2019 - 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 2020**	**As at 31 March 2019**
Non-current assets	373.48	675.13
Current assets (including cash and cash equivalents – 31 March 2020: INR 214.57 lakhs 31 March 2019: INR 224.01 lakhs)	426.60	437.09
Non-current liabilities	-	-
Current liabilities	(1,650.33)	(1,467.66)
	(850.25)	**(355.44)**
Reconciliation to Carrying amounts		
Operating net assets	(355.44)	94.91
Capital raised	-	100.00
Loss for the year	(494.81)	(550.35)
Other comprehensive income	-	-
Closing net assets	**(850.25)**	**(355.44)**
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 2020**	**Year ended 31 March 2019**
Revenue	669.57	800.83
Employee benefit expenses	(70.20)	(62.89)
Depreciation and amortisation	(139.06)	(163.27)
Finance costs	(24.05)	(8.24)
Other expenses	(931.07)	(1,116.78)
Profit/(Loss)	**(494.81)**	**(550.35)**
Other comprehensive income	-	-
Total comprehensive income	**(494.81)**	**(550.35)**
Group’s share of loss (restricted to investment value)	-	(220.66)
Group’s share of OCI	-	-
Group’s share of total comprehensive income	**-**	**(220.66)**

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

	As at 31 March 2020	As at 31 March 2019
10 Trade receivables		
Unsecured, considered good	6,948.08	9,747.56
Doubtful	2,430.17	1,216.24
	9,378.25	**10,963.80**
Allowance for doubtful debt	(2,430.17)	(1,216.24)
Net trade receivables	**6,948.08**	**9,747.56**
Non-current	427.13	514.03
Current	6,520.95	9,233.53
	6,948.08	**9,747.56**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	710.31	579.20
Allowance for doubtful debt #	(710.31)	-
	-	**579.20**

The Group 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 Group's exposure to credit and loss allowances related to trade receivables are disclosed in Note 35.

The Group, 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.

11 Loans		
(Unsecured, considered good)		
Security deposits	381.60	382.96
Loans to employees	13.62	16.61
Loans to related parties	20.00	20.00
	415.22	**419.57**
Loss allowance *	(20.00)	-
Net loans	**395.22**	**419.57**
Non-current	335.70	336.23
Current	59.52	83.34
	395.22	**419.57**

* 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		
Bank deposits under lien	42.00	42.00
Contractually reimbursable expenses	469.33	322.14
Unbilled revenue	514.96	557.36
Interest accrued on bank deposits	37.61	13.89
Interest accrued on loan to related parties	1.73	1.73
	1,065.63	**937.12**
Loss allowance *	(471.06)	-
Net other financial assets	**594.57**	**937.12**
Non-current	42.00	42.00
Current	552.57	895.12
	594.57	**937.12**

* 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)	1,615.54	750.51
	1,615.54	**750.51**
14 Other assets		
Advances to suppliers	376.19	487.76
Prepaid expenses	599.08	885.83
Excess of planned assets towards gratuity obligations	-	30.93
Balance with government authorities	1,634.19	1,402.65
	2,609.46	**2,807.17**
Non-current	286.71	288.85
Current	2,322.75	2,518.32
	2,609.46	**2,807.17**

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

15 Inventories

Stock in trade	3,333.32	4,267.78
	3,333.32	**4,267.78**

Due to outbreak of COVID-19, Management has performed impairment assessment of all inventory as at 31 March 2020. Management believes that the provision recorded is sufficient and adequate and the carrying amount of inventory reflects its recoverable value.

16 Cash and cash equivalents

Cash on hand	1.57	1.18
Bank balances	1,105.25	1,419.07
	1,106.82	**1,420.25**

17 Bank balances other than cash and cash equivalents

Bank deposits*	1,831.58	1,231.58
	1,831.58	**1,231.58**
* Of the above, Bank deposits under lien	231.58	231.58

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

	As at 31 March 2020	As at 31 March 2019
18 Equity share capital		
Authorised		
20,000,000 (31 March 2019: 20,000,000) equity shares of INR 10 each.	2,000.00	2,000.00
7,500,000 (31 March 2019 : 7,500,000) Compulsory convertible cumulative preference shares of INR 10 each.	750.00	750.00
Issued, subscribed and paid up		
9,940,858 (31 March 2019: 9,940,858) equity shares of INR 10	**994.09**	**994.09**
7,443,611 (31 March 2019: 7,443,611) Compulsory convertible cumulative preference shares of INR 10 each.	**744.36**	**744.36**

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement and at the end of the year	9,940,858	994.09	9,940,858	994.09
Compulsory convertible cumulative preference shares				
At the commencement and at the end of the year	7,443,611	744.36	7,443,611	744.36

a) Rights, preferences and restrictions attached to equity shares

the Group has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Group'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 Group.

On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, 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 Group 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 Group'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.

c) Employee stock options

Terms attached to stock options granted to employees are described in Note 40 regarding share-based payments.

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of equity shares	Number of shares	% of equity shares
Equity shares of INR 10 each fully paid, held by				
Real Image LLP	2,462,225	25%	2,462,225	25%
Street Edge Capital L.P.USA	1,597,302	16%	1,597,302	16%
RIMT Employees Trust	808,308	8%	808,308	8%
Nomura Asia Investment (MB) Pte Ltd	625,747	6%	625,747	6%
V. Senthil Kumar	553,100	6%	553,100	6%
Canara Bank	531,567	5%	531,567	5%
Meena Veerappan	506,800	5%	506,800	5%
	7,085,049	**71%**	**7,085,049**	**71%**
Compulsory convertible cummulative preference shares				
Nomura Asia Investment (MB) Pte Ltd - Series C	3,095,160	42%	3,095,160	42%
Intel (Capital) Mauritius Limited - Series A and Series C	2,768,569	37%	2,768,569	37%
CSI BD (Mauritius) - Series B	789,941	11%	789,941	11%
Payone Enterprises Pvt. Ltd - Series B	789,941	11%	789,941	11%
	7,443,611	**100%**	**7,443,611**	**100%**

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 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
-	-	-	-	-

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

	As at 31 March 2020	As at 31 March 2019
20 Borrowings		
Non-current borrowings		
Term loans		
Secured loans from bank (refer note (i) & (ii) below)	2,905.65	2,505.70
Unsecured loans from others	911.50	548.69
Total non-current borrowings	**3,817.15**	**3,054.40**
Current borrowings		
Bank overdraft	2,818.01	3,750.34
Current portion of term loans (refer note (i) & (ii) below)	969.60	1,912.38
	3,787.61	5,662.72
Less: Amount included under 'Other financial liabilities'	(969.60)	(1,912.38)
	2,818.01	**3,750.34**

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 2020	Carrying Amount as at 31 March 2019
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 2.10%	31-Mar-20	-	249.36
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 2.10%	03-Sep-19	-	235.45
Secured Loan from HDFC Bank Limited	INR	3 year MCLR + 1.80%	04-Nov-20	168.52	457.43
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.65%	25-Oct-22	857.25	1,189.09
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.20%	04-Jul-23	1,479.94	1,923.87
Secured Loan from HDFC Bank Limited	INR	1 year MCLR + 1.80%	07-Aug-24	1,173.70	-
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.7%	25-May-20	598.05	911.58
Unsecured Loan from Belfius Bank	USD	6 Month LIBOR + 1.6%	30-Jun-26	509.29	-
Cash credit	INR	1 year MCLR	On demand	2,818.01	3,750.34
				7,604.76	**8,717.12**

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 3,679.41 lakhs (31 March 2019 : 4,055.20 lakhs)

C. Reconciliation of movement of liabilities to cash flows arising from financing **Particulars**	As at 31 March 2020	As at 31 March 2019
Non-current borrowings	3,817.15	3,054.40
Current borrowings	969.60	1,912.38
Bank overdrafts	2,818.01	3,750.34
	7,604.76	**8,717.11**

Particulars	Bank overdraft	Term loans	Total
Balance as at 1 April 2018	**3,213.70**	**5,476.46**	**8,690.16**
Proceeds from loans and borrowings	-	2,811.96	2,811.96
Repayment of borrowings	-	(3,382.07)	(3,382.07)
Change in bank overdraft and working capital loan	536.63	-	536.63
Non-cash changes			
- Impact of effective interest amortisation	-	5.78	5.78
- Unrealised exchange loss on restatement of borrowings	-	54.65	54.65
Balance as at 31 March 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**

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 installments 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

As at 31 March 2020, the Company has failed to comply with adjusted tangible net woth and debt service coverage ratio as per above crtieria. However, the Company has obtained waiver of the breah of above covenants from banks.

21 Lease liabilities

Particulars	Buildings
Transition impact of Ind AS 116 (refer note 6 (i))	2,025.98
Additions	151.21
Deletions	-
Finance cost accrued during the period	190.12
Discharge of lease liabilities	544.56
Exchange difference on translation of foreign operations	8.45
Balance as at 31 March 2020	**1,831.20**
Non-current	1,475.02
Current	356.18

22 Other financial Liabilities

	As at 31 March 2020	As at 31 March 2019
Deposits received	3,062.61	2,732.35
Current maturities of long term borrowings	969.60	1,912.38
Interest accrued on borrowings	95.12	77.46
	4,127.33	**4,722.19**
Non-current	1,488.95	1,410.39
Current	2,638.38	3,311.80

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	598.36	486.49
Advance payments from customers	3,249.77	3,084.47
Employees benefits payable	802.12	622.29
Statutory dues payables	274.42	705.86
Deferred rent	-	103.61
Deferred revenue	399.50	333.42
	5,324.17	**5,336.14**
Non-current	372.47	311.65
Current	4,951.70	5,024.49

24 Provisions

	Non-current		Current	
Provision for employee benefits (see note 33)				
Liability for gratuity	71.02	-	55.02	-
Liability for compensated absences	220.17	178.60	28.12	13.70
Total provision for employee benefits	**291.19**	**178.60**	**83.14**	**13.70**
Other provisions				
Provision for tax	12.02	107.54	-	-
Total other provisions	**12.02**	**107.54**	**-**	**-**
Total provisions	**303.21**	**286.14**	**83.14**	**13.70**

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	4,292.26	3,547.65
	4,292.26	**3,547.65**

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

Total trade payables from related parties	#REF!	#REF!

Tthe Group's exposure to liquidity and currency risks related to the above trade payables are disclosed in Note 34.

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

		Year ended 31 March 2020	Year ended 31 March 2019
26	**Revenue from operations**		
	Sale of services		
	Advertisement income	9,750.68	13,086.25
	Virtual print fees	13,768.07	13,017.46
	Service income	2,485.97	2,041.88
	Lease rental income	1,764.62	1,505.37
	Other revenue	883.95	1,192.56
		28,653.29	**30,843.52**
	Sale of products		
	Sale of digital cinema equipments	7,343.35	9,835.47
	Total revenue from operations	**35,996.64**	**40,678.99**
27	**Other income**		
	Interest income on		
	Cash and cash equivalents	134.84	5.32
	Security deposit paid	21.59	24.99
	Insurance claim received	7.54	36.87
	Net gain on sale of property, plant and equipment	121.62	33.32
	Notional rental income on security deposit received	144.19	13.56
		429.78	**114.06**
28	**Purchases of stock in trade**		
	Cost of stock in trade consumed	5,851.34	7,668.53
	Less: Inventory of materials at the beginning of the year	4,267.78	3,174.55
	Add: Inventory of materials at the end of the year	3,333.32	4,267.78
	Purchases during the year	**4,916.88**	**8,761.76**

29 Changes in inventories of stock in trade

	Year ended 31 March 2020			Year ended 31 March 2019		
	Opening Inventory	**Closing Inventory**	**Increase in inventory**	**Opening Inventory**	**Closing Inventory**	**Decrease in inventory**
Stock in trade	4,267.78	3,333.32	934.46	3,174.55	4,267.78	(1,093.23)
	4,267.78	**3,333.32**	**934.46**	**3,174.55**	**4,267.78**	**(1,093.23)**

		Year ended 31 March 2020	Year ended 31 March 2019
30	**Employee benefits expense**		
	Salaries, wages and bonus	7,087.17	6,816.46
	Contribution to provident and other funds	334.55	486.14
	Expenses related to post-employment defined benefit plans	53.30	(147.74)
	Expenses related to compensated absences	83.06	9.30
	Equity-settled shared-based payments	-	6.04
	Staff welfare expenses	368.17	359.09
		7,926.25	**7,529.29**
31	**Finance costs**		
	Interest expense on financial liabilities measured at amortised cost	980.22	766.71
	Interest expenses on lease liability	190.12	-
		1,170.34	**766.71**
32	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	4,466.74	4,548.94
	Amortisation of intangible assets	417.74	413.16
	Depreciation expenses (ROU assets)	462.27	-
		5,346.75	**4,962.10**

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

		Year ended 31 March 2020	Year ended 31 March 2019
33	**Other expenses**		
	Advertisement revenue share	5,027.98	5,877.00
	Virtual print fee revenue share	4,006.62	3,762.73
	Freight and handling charges	1,782.71	1,422.56
	Digitising, censor, theatre advertisement and VSAT charges	1,293.25	1,397.27
	Consumption of packing material and spares	382.42	446.44
	Power and fuel	244.94	243.80
	Rent	98.69	639.00
	Repairs and maintenance		
	- Buildings	-	-
	- Plant & machinery	906.10	943.69
	- Others	674.31	528.41
	Service charges	282.82	131.87
	Insurance	120.55	264.81
	Rates and taxes	91.86	115.66
	Communication	405.13	491.68
	Traveling and conveyance	421.68	576.31
	Printing and stationery	28.13	34.94
	Software expenses	73.57	128.22
	Sales discount and commission	210.16	188.06
	Advertisement and business promotion	339.77	377.47
	Expenditure on corporate social responsibility (Refer Note (ii) below)	25.87	76.40
	Legal and professional fees (Refer Note (i) below)	1,076.59	933.42
	Bad debts written off	77.50	38.94
	Allowance for doubtful debt	498.01	3.56
	Bank charges	64.49	81.76
	Net loss on foreign currency transactions	278.77	314.04
	Miscellaneous expenses	83.31	107.30
		18,495.23	**19,125.34**
	(i) Payment to auditors (excluding tax)		
	As auditor		
	Statutory audit	19.00	19.00
	Reimbursement of expenses	1.97	1.93
		20.97	**20.93**
	(ii) Details of corporate social responsibility expenditure		
	(a) Amount required to be spent by the Group during the year	47.81	75.86
	(b) Amount spent during the year (in cash)		
	(i) Construction / acquisition of any assets		-
	(ii) On purposes other than (i) above	25.00	76.40
34	**Exceptional items**		
	Impairment of receivables from Justickets Pvt.Ltd (Jointly controlled entity) (refer note 10 & 12)	1,179.64	-
		1,179.64	-

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

	Year ended 31 March 2020	Year ended 31 March 2019
35 Income tax		
A. Amount recognised in statement of profit and loss		
Current tax		
Current period (a)	17.86	628.50
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	(389.08)	(342.52)
Tax expense for current period (a)+(b)	**(371.22)**	**285.98**

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit liability (assets)	(179.43)	52.25	(127.18)	29.90	(10.45)	19.45
	(179.43)	**52.25**	**(127.18)**	**29.90**	**(10.45)**	**19.45**

C. Reconciliation of effective tax rate

	Year ended 31 March 2020		Year ended 31 March 2019	
Profit before tax		(2,363.49)		741.08
Tax using the Company's domestic tax rate	29.120%	(688.25)	34.944%	258.96
Effect of non-deductible expenses	-13.41%	317.03	3.65%	27.02
Effective tax rate	**15.706%**	**(371.22)**	**38.590%**	**285.98**

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 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Property, plant and equipment	1,262.00	1,257.66	-	-	1,262.00	1,257.66
Provisions:						
Employee benefit provisions	141.14	123.77	-	-	141.14	123.77
Trade receivables	818.32	423.27	-	-	818.32	423.27
ROU asset and lease liability	51.84				51.84	
Other items	-	10.67	(16.60)	-	(16.60)	10.67
Deferred tax assets / (liabilities)	**2,273.30**	**1,815.37**	**(16.60)**	**-**	**2,256.70**	**1,815.37**
Offsetting of deferred tax assets and deferred tax liabilities	(16.60)	-	16.60	-	-	-
Net deferred tax assets / (liabilities)	**2,256.70**	**1,815.37**	**-**	**-**	**2,256.70**	**1,815.37**

Movement in temporary differences

	Balance as at 1 April 2018	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2019	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2020
Property, plant and equipment	877.33	380.33	-	1,257.66	4.34	-	1,262.00
Provisions:				-			
Employee benefit	170.62	(36.40)	(10.45)	123.77	(34.88)	52.25	141.14
Trade receivables	423.27	-	-	423.27	395.05	-	818.32
ROU asset and lease liabi	-	-	-	-	51.84	-	51.84
Borrowings	12.08	(1.41)	-	10.67	(27.27)	-	(16.60)
	1,483.30	**342.52**	**(10.45)**	**1,815.37**	**389.08**	**52.25**	**2,256.70**

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

36 Assets and liabilities relating to employee benefits

	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability / (asset) - Gratuity plan	-	(30.93)
Total Employee benefit asset (current)	-	**(30.93)**
Net defined benefit liability - Gratuity plan	126.04	-
Liability for compensated absences	248.29	192.30
Total employee benefit liabilities	**374.33**	**192.30**
Non-current	291.19	178.60
Current	83.14	13.70
	374.33	**192.30**

For details about the related employee benefit expenses, see Note 29.

the Group operates the following post-employment defined benefit plans.

the Group 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 Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

A. Funding

Plan is fully funded by the Group. 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 2020	Year ended 31 March 2019
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	518.42	494.03
Benefits paid	(117.41)	(47.95)
Current service cost	58.60	60.41
Interest cost	35.40	36.24
Past service cost	-	-
Actuarial (gains) losses recognised in other comprehensive income		
Changes in demographic assumptions	-	-
Changes in financial assumptions	84.59	0.68
Experience adjustments	97.62	(24.99)
Balance at the end of the year	**677.22**	**518.42**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	549.35	400.82
Contributions paid into the plan	75.75	155.83
Benefits paid	(117.41)	(47.95)
Interest income	40.70	35.06
Return on plan assets recognised in other comprehensive income	2.78	5.59
Balance at the end of the year	**551.18**	**549.35**
Net defined benefit liability/(asset)	**126.04**	**(30.93)**

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

36 Assets and liabilities relating to employee benefits (continued)

	Year ended 31 March 2020	Year ended 31 March 2019
C. i. Expense recognised in profit or loss		
Current service cost	58.60	60.41
Interest cost	35.40	36.24
Interest income	(40.70)	(35.06)
Past service cost	-	-
	53.30	**61.59**
ii. Remeasurement recognised in other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	182.21	(24.31)
Return on plan assets excluding interest income	(2.78)	(5.59)
	179.43	**(29.90)**

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 2020	Year ended 31 March 2019
Discount rate	6.67%	7.70%
Future salary growth	5%	5.00%
Attrition rate	5.00%	5.00%

ii. Sensitivity analysis

	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	634.04	724.95	485.88	554.28
Future salary growth (0.5% movement)	722.03	636.08	552.56	487.13
Attrition rate (5% movement)	678.11	676.35	519.56	517.29
Mortality (5% movement)	677.51	676.96	518.76	518.10

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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(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 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**

As at 31 March 2019

		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	419.57	-	419.57
Trade receivables	10	9,747.56	-	9,747.56
Cash and cash equivalents	16	1,420.25	-	1,420.25
Bank balances other than cash and cash equivalents	17	1,231.58	-	1,231.58
Other financial assets	12	937.12		937.12
		13,756.08	**-**	**13,756.08**
Financial liabilities not measured at fair value (refer note 1 below)				
Borrowings	20	-	6,804.74	6,804.74
Trade payables	25	-	3,547.65	3,547.65
Other financial liabilities	22	-	4,722.19	4,722.19
		-	**15,074.57**	**15,074.57**

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.

(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 Group'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 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 2020	**As at 31 March 2019**
Trade receivables	6,948.08	9,747.56
Loans	395.22	419.57
Cash and cash equivalents	1,106.82	1,420.25
Bank balances other than cash and cash equivalents	1,831.58	1,231.58
Other financial assets	594.57	937.12
	10,876.27	**13,756.08**

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 2020	**As at 31 March 2019**
Third party customers	6,948.08	9,168.36
Related parties	-	579.20

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

	As at 31 March 2020	**As at 31 March 2019**
India	6,541.38	9,621.44
Rest of the world	406.70	126.12

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 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
Total	**9,378.25**		**2,430.17**

As at 31 March 2019

	Gross carrying amount	Weighted-average loss rate	Loss allowance
1-240 days past due	7,930.98	0.06%	4.96
241-365 days past due	622.36	32.08%	199.68
More than 365 days past due	2,410.46	41.97%	1,011.60
Total	**10,963.80**		**1,216.24**

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

	31 March 2020	31 March 2019
Balances at 1 April	1,216.24	1,212.63
Provision for the year	1,206.57	3.56
Add: Effect of Exchange rate translation	7.36	0.05
Balance at 31 March	**2,430.17**	**1,216.24**

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 2,938.40 at 31 March 2020 (31 March 2019: INR 2,651.83 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. Contractally reimburable 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.

(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 2020

	Contractual cash flows					
	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	1470.16	2346.99
Trade payables	4,292.26	4,292.26	4,292.26	-	-	-
Lease liabilities	1,831.20	1,831.20	207.48	181.46	372.99	1069.27
Other financial liabilities	4,127.33	4,117.15	2,508.62	129.58	560.93	918.02
	16,885.95	**16,875.77**	**7,008.36**	**3,129.05**	**2,404.08**	**4,334.28**

As at 31 March 2019

	Carrying amount	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**More than 2 years**
Borrowings	6,804.74	8,096.56	4,454.88	-	1,561.29	2,080.39
Trade payables	3,547.65	3,547.65	3,547.65	-	-	-
Other financial liabilities	4,722.19	5,134.08	2,410.29	963.21	344.41	1,416.18
	15,074.58	**16,778.29**	**10,412.82**	**963.21**	**1,905.70**	**3,496.57**

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 2020

Financial assets/ (liabilities)	**USD**	**EURO**	**GBP**	**Total**
Trade receivables	406.70	-	-	406.70
Cash and cash equivalents	106.18	-	-	106.18
Borrowings (including interest accured)	(1,122.83)	-	-	(1,122.83)
Trade payables	(684.47)	(89.95)	(23.49)	(797.91)
Net assets / (liabilities)	**(1,294.42)**	**(89.95)**	**(23.49)**	**(1,407.86)**

As at 31 March 2019

Financial assets/ (liabilities)	**USD**	**EURO**	**EURO**	**Total**
Trade receivables	126.12	-	-	126.12
Cash and cash equivalents	26.74	-	-	26.74
Borrowings (including interest accured)	(935.33)	-	-	(935.33)
Trade payables	(978.79)	(48.37)	(21.15)	(1,048.31)
Net assets / (liabilities)	**(1,761.26)**	**(48.37)**	**(21.15)**	**(1,830.78)**

(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
As at 31 March 2020				
USD (1% movement)	(12.94)	12.94	(9.58)	9.58
EURO (1% movement)	(0.90)	0.90	(0.67)	0.67
As at 31 March 2019				
USD (1% movement)	(17.61)	17.61	(11.52)	11.52
EURO (1% movement)	(0.48)	0.48	(0.32)	0.32

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 2020	As at 31 March 2019
Fixed rate borrowings	-	-
Variable rate borrowings	7,639.79	8,736.90
	7,639.79	**8,736.90**

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
As at 31 March 2020				
Variable rate instrument	(76.40)	76.40	(56.53)	56.53
Cash flow sensitivity (net)	**(76.40)**	**76.40**	**(56.53)**	**56.53**
As at 31 March 2019				
Variable rate instrument	(87.37)	87.37	(57.13)	57.13
Cash flow sensitivity (net)	**(87.37)**	**87.37**	**(57.13)**	**57.13**

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(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 2020	As at 31 March 2019
Total liabilities	7,604.76	8,717.12
Less : Cash and cash equivalents	(1,105.25)	(1,419.07)
Adjusted net debt	**6,499.51**	**7,298.05**
Total equity	18,243.19	21,477.83
Adjusted net debt to adjusted equity ratio	**0.36**	**0.34**

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 2020	Year ended 31 March 2019
Profit for the year, attributable to the equity holders	(3,171.91)	234.44
Weighted average number of equity shares	9,940,858	9,940,858
Basic earnings per share (In INR)	**(31.91)**	**2.36**

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	(3,171.91)	234.44
Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	9,940,858	9,940,858
Effect of conversion of compulsory convertible cumulative preference shares *	-	9,546,407
Effect of exercise of share options *	-	322,888
Weighted average number of equity shares (diluted) for the year	9,940,858	19,810,153
Diluted earnings per share (In INR)	**(31.91)**	**1.18**

* The Group 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 for the FY 2019-20.

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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 2020, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at 31 March 2020
Payable in less than one year	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 2020
Lease expense – minimum lease payments	98.69

41 Contingent liabilities and commitments

(to the extent not provided for)

Contingent liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Counter Guarantees issued to banks	45.97	52.12
Claims against the Group not acknowledged as debts		
Excise duty, service tax and customs duty,VAT matters (see Note (i) and (ii) below)	827.58	844.74
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.

	As at 31 March 2020	**As at 31 March 2019**
Commitments		
Estimated amount of contracts remaining to be executed on capital account	281.72	34.24

(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 M/s Nomura Asia Investment (MB) Pte. Ltd , Singapore
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 2020	For the year ended 31 March 2019
Short term employee benefits	789.86	624.31
Post-employment defined benefits	*	*
Compensated absences	*	*
Total	**789.86**	**624.31**

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 2020	For the year ended 31 March 2019
Sale of services		
Jointly controlled entity		
Justickets Private Limited	116.46	191.41
Entities in which relatives of KMP can exercise significant influence		
Digital Film Technologies Private Limited	217.33	144.70
	333.79	**336.11**
Vehicle hire charges		
Key Management Personnel		
Mr. V. Senthil Kumar	10.80	10.80
Mr. P.Jayendra	10.80	10.80
Mrs. Vee. Vijayalakshmi	3.60	3.60
Mrs. Meena Veerappan	7.80	7.80
Mrs. Sujatha Arvind	1.00	6.00
	34.00	**39.00**

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

42 Related parties (continued)

Nature of transactions	Balance outstanding	
	As at 31 March 2020	As at 31 March 2019
Reimbursement of expenses		
Jointly controlled entity		
Justickets Private Limited	150.79	168.50
	150.79	**168.50**
Loans		
Entities in which relatives of KMP can exercise significant influence		
Qube Digital Cinema Private Limited	20.00	20.00
Loss allowance	(20.00)	-
	-	**20.00**
Interest accrued on loan		
Entities in which relatives of KMP can exercise significant influence		
Qube Digital Cinema Private Limited	1.73	1.73
Loss allowance	(1.73)	-
	-	**1.73**
Jointly controlled entity		
Justickets Private Limited	710.31	579.20
Loss allowance	(710.31)	-
	-	**579.20**
Advance from customers		
Entities in which relatives of KMP can exercise significant influence		
Digital Film Technologies Private Limited	4.52	5.90
	4.52	**5.90**
Employee benefits payables		
Key Management Personnel		
Mr. V. Senthil Kumar	130.64	72.78
Mr. P.Jayendra	130.64	72.78
Mr. Arvind Ranganathan	25.28	42.00
Harsh Krishna Rohatgi	66.18	-
	352.75	**187.56**
Security deposits receivable		
Key Management Personnel		
Mr. V. Senthil Kumar	8.00	8.00
Mr. P.Jayendra	8.00	8.00
Mrs. Meena Veerappan	2.00	2.00
Mrs. Sujatha Arvind	-	8.00
	18.00	**26.00**
Contractually reimbursable expenses		
Jointly controlled entity		
Justickets Private Limited	469.33	322.14
Loss allowance	(469.33)	-
	-	**322.14**

(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 entities 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 31 March 2020	**Year ended 31 March 2019**
Employee Option plan		
- Equity-settled shared-based payments (Refer note 28)	-	6.04

(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 2019	557.36
Less: Invoiced during the year	(557.36)
Add: Revenue recognised during the year	514.96
Closing balance 31 March 2020	**514.96**

Contract liabilities (Billing in advance of work completed)	Amount
Opening balance 1 April 2019	486.49
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(486.49)
Add: invoices raised for which no revenue is recognised during the year	598.36
Closing balance 31 March 2020	**598.36**

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)	35,996.64
Add: Discounts, rebates, refunds, credits, price concessions	270.01
Less: Unbilled revenue adjustments	(514.96)
Contracted price with the customers	**35,751.69**

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 2020	Year ended 31 March 2019
India	33,066.56	37,500.88
Rest of the world	2,930.08	3,178.11
	35,996.64	**40,678.99**

B. Major Customers

During the year 2019-20 and 2018-19, 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 2020	Year ended 31 March 2019
(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.	-	-

47 As at 31 March 2020, the Group 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 Group 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 2019, the Group 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 2020

50 The Group is primarily in the business of digital cinema distribution network and related activities. With outbreak of COVID-19 pandemic in India, a nationwide lockdown was announced since mid of March 2020. The operations of the Group are severely impacted due to economic uncertainty and disruption created by closure of cinema halls and 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 management of the Group has carried out a financial review of the COVID-19 impact on the business and financial risks based on information available in the public domain on the economic outlook, Governments measures and GDP growth estimates. Since cinemas have remained shut and the Group is in the business of monetizing in-cinema advertising inventory and providing digital cinema services to cinemas, the operations of the Group have remained shut since the mid of March 2020, severely impacting its revenues and profitability.

The management believes that COVID-19 will severely impact the business in the short-term but it does not anticipate material risk to its business prospects over the medium to long term. Management has carried out an assessment of the appropriateness of going-concern, impairment of assets and other related aspects as on the date of approval of these financial results. The Group will continue to monitor the impact on account of changes in future economic conditions. The outcome of the impact of the COVID-19 pandemic may differ from those estimated as on the date of approval of these financial results. On account of COVID-19, the management has taken measures to mitigate any adverse impact on the business, which inter alia includes: a) Reduction in fixed overheads for the period of the lockdown, b) Reduction in salaries at various levels across the organization and c) discussing with existing lenders for extending existing line of credits.

Re-opening of the Group's operations fully depends on the reopening of cinemas. The Government vide its Order [Guidelines for Phased Re-opening (Unlock 1) [As per Ministry of Home Affairs (MHA) Order No. 40-3/2020-DM-1(A) dated 30th May 2020] has stated that Cinemas will be allowed to open in the third phase of re-opening but the date of cinemas reopening is uncertain at this point in time and will be decided based on the assessment of the situation. Given this uncertainty, these cost optimization measures will help the Group to conserve cash to sustain this phase until cinemas re-open.

Basis the cash flow projections for the next 12 months and financial and support letter from promotor investors, 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. Also, the Group has an existing line of credit and is in touch with banks for enhancing the credit limits. Accordingly, these financial statements are prepared on a going concern basis.

51 Subsequent events

There have been no material events since the end of the reporting period which would require disclosures or adjustments to these financial statements for the year ended 31 March 2020. As at the date of approval of these financial statements, the COVID-19 crisis is still un-folding, and there will be some uncertainty remaining around the accurate assessment of the full impact of COVID-19 crisis or any prediction regarding the future course of events that would arise due to the COVID-19 crisis.

As per our report attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/ W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: 10.08.2020

Qube Cinema Technologies Pvt. Ltd. Chennai-4

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

V. Senthil Kumar

Sri Varshini

P Jayendra	**V Senthil Kumar**	**Sri Varshini**
Wholetime Director	*Wholetime Director*	*Company Secretary*
DIN : 00320286	DIN : 00320535	
Place: Chennai	Place: Chennai	Place: Chennai
Date: 04.08.2020	Date: 04.08.2020	Date: 04.08.2020

ENGAGEMENT LETTER

19-Aug-2020

QUBE CINEMA TECHNOLOGIES PVT. LTD.
CHENNAI

Kind attention of Mr. Suresh Gopal, VP- Finance

Dear Sir,

We write this letter **(“Letter”**) to confirm the terms of engagement of Venkat and Associates LLP, Chartered Accountants **(“Firm”)** to act for Qube Cinema Technologies Pvt. Ltd. **(“Company “or “Client”)** as their Internal Auditor in connection with review of *areas of operations* at Head Office in Chennai and its branches as identified by the Company for the period **October 2020 to June 2021**.

1. Firm’s Role

Our role in relation to the Engagement will be limited to the review of the following areas and to provide the services to the company stated in this letter.

Head Office	7 areas
IFC	5 key areas as decided by Management
Branches	1 branch

Specific coverage within these areas will be discussed with the management and mutually agreed upon from time to time. Our Reporting & Review Methodology is detailed in **ANNEXURE A** and detailed Internal Audit Schedule is given in **ANNEXURE B**.

As part of the internal audit calendar, Venkat and Associates LLP will also assist Qube Cinema Technologies Private Limited with **IFC Testing** for the purpose of satisfying Statutory and Board Requirements. To enable a smooth testing procedure, Venkat and Associates LLP requests Qube Cinemas to provide the auditors with their updated RCMs (Risk-Control Matrices) which will indicate the list of controls that Qube Cinemas deems necessary for testing. Samples for the control testing will be chosen as appropriate.

The **internal audit engagement** would, in general, involve

- Discussion with the company and the management on specific issues.
- Inclusive analysis of data to ascertain gaps in processes, patterns, inefficiencies and absence of controls.
- Reporting and discussion with the company and management for closure of the issue or arriving at an action plan.

We will, from time to time, discuss and seek validation of the company on the findings made and requirements. It is our understanding that we would have the access to the information/records/ documents required by us to pursue the analysis and review during the currency of this Engagement Letter.

The engagement is, however, neither express nor implied commitment by the Firm to ensure closure of issues identified and reported. It is also not a re-engineering exercise. The company is looking for analytical inputs that will enable them to reduce costs, improve efficiency and improve profits in various operational and financial areas and this exercise is aimed at securing inputs on the defined areas. Our audit reports may act as a deterrent but owing to the inherent limitations of the audit, there is an unavoidable risk that some material non-adherences & process lapses may still go unnoticed during the audit. Our Internal audit does not provide guarantee that all non-compliances and process non-adherences will be detected because of the factors such as non-availability of adequate documentation, time and the inherent limitations of internal controls.

Boundaries for the Assignment
The audit engagement will be carried out on-site and a significant part of the analysis may be carried out ex-our office. This exercise shall cover only Risk analysis and documentation of the findings. Possible enhancements to process will be recommended, but is not the primary objective of the exercise. The audit engagement will also specifically exclude any reconciliation work and mismatches if any between two or more sets of records compared will merely be reported.

Fee

- Our professional fee for the internal audit engagement per the plan will be **Rs. 39,000/- per month** plus applicable taxes.
- Audit fees will be invoiced monthly and shall be paid on or within 10 days from the date of receipt of invoice.
- Where applicable, our audit teams shall be accommodated at the respective locations during the audit dates and travel, stay, food, conveyance and other **out-of-pocket expenses will be billed at actuals** for any review carried out in locations outside the city limits of Chennai and Mumbai.
- Any increase in fee will be based on mutual discussions.

Requirements

We would require the following from Qube Cinema Technologies Pvt Ltd.:

- Access to all documents and files and the information without any restrictions
- Copies of existing manuals and Standard Operating Procedures
- Copies of Internal Inspection Reports, if any
- Updated As- Is Risk-Control Matrices for Controls to be Tested for Management as part of IFC
- One designated official of the client company to co-ordinate meetings and discussions with staff; and to clarify issues (as and when required)
- Co-operation from all concerned staff/auditees
- ID cards and other access rights to Qube Cinemas offices
- Permission to connect our laptops to the company's network
- Exclusive login ID for auditors

Period of Engagement

The arrangements set out in this Letter will have immediate effect to remain in place from **October 2020** until **June 2021** and may be extended by mutual consent.

Note*: Due to limitations owing to the COVID-19 pandemic, Qube Management expects the* ***commencement of internal audits only after the resumption of operations****, which is projected to be around October 2020.* ***Billing will be initiated from the month of commencement of audit work****. In case of any substantial delays in resumption, the* ***audit scope may also have to be accordingly revisited*** *in consultation with Management.*

2. Other Terms

a) Provision of Information

The company agrees to provide to us of all information concerning the business and in particular all the relevant information / data required for the validation, analysis, and compilation and all such further information as we reasonably request.

The company will ensure that any information supplied to us, will be true, fair, complete and accurate and not misleading. The company agrees that, if anything occurs within a reasonable time thereafter to render any such information untrue, unfair or misleading, the company will promptly notify us and take all such steps as we may reasonably require to correct any statement based on such information.

b) Confidentiality

Each of us (Firm & Company) undertake to keep confidential any confidential information (i.e., any information not in the public domain and not otherwise obtained from any other party without restriction on disclosure) concerning the business, affairs, directors or employees of the other that comes into its possession in the course of the provision of the services and not to use any such information for any purpose other than for which it was provided.

c) Authorisation

We are entitled to assume that any instructions, notices or requests (Whether in writing or not and however communicated to us) have been properly authorised by the company if they are given or purported to be given by individual or person who is or purports to be and is reasonably believed by us to be an employee or your authorized person.

d) **No Liability**

We shall not have any liability (whether direct or indirect in contract, tort, or otherwise) to the company for or in connection with any of the services provided by us to you except to the extent that the liability has arisen from our wilful default.

e) **Indemnity**

You agree with us fully to indemnify us and keep us so indemnified against:

(a) any and all claims, damages, demands or proceedings brought or made or alleged (or threatened to be brought or made or alleged) in any jurisdiction (whether or not successful, compromised or settled) (collectively “claims”) against us; and

(b) any losses, liabilities, costs, charges or expenses suffered or incurred by us (collectively “losses”) (including, without limitation, all losses (including legal fees) suffered or incurred in connection with investigating, responding to, preparing for or defending any claim, whether or not in connection with pending or threatened litigation to which we are a party, or in enforcing any rights under the Letter)

in connection with or arising directly from any services provided to the company or in respect of the transaction or matter to which such services relate provided that the company shall not be responsible for any such claims or losses if and to the extent that they result from our gross negligence or wilful default. This indemnity shall be in addition to any rights that we may have at common law or otherwise.

f) **Dispute Resolution**

Any dispute, controversy or claim arising out of, or in connection with, our services or the terms of business shall be referred to and finally resolved by arbitration as per the Indian Arbitration and Reconciliation Act, 1996 and rules there under in force at the time.

g) **Notices & Communications**

Any notice or consent to be given hereunder may be delivered in person by letter or be sent by facsimile transmission, telex or cable to the address of our registered office, for notices to us, and to the address last modified by you to us `for notices to you. Internal audit level communications will be as per the contact details provided in **ANNEXURE C.**

h) **Validation of contract provisions**

If any of these terms or the terms of the Letter shall be held to be invalid, illegal or unenforceable, such term or terms be deemed not to form part of this agreement without prejudice to the enforceability of the remaining terms of our agreement, provided always that if any such deletion substantially effects or alters the commercial basis of our agreement, the parties shall negotiate in good faith to amend and modify them as may be necessary or desirable in the circumstances.

i) **Relationship between the Parties**

The parties hereunder shall be independent contractors with each other for all purposes at all times.

j) **Termination**

Either of us may terminate the arrangements between us by giving the other written notice of 90 days which shall be effective upon receipt, or, if it is received on a day that is not a business day, then the next business day.

All accrued rights and liabilities of the parties under the Letter (including, without limitation our rights to receive fees and expenses) shall survive and remain in full force and effect, notwithstanding any termination or expiry of these terms of business.

k) **Governing law**
These terms of business are governed by the laws of India and the parties irrevocably submit to the jurisdiction of the courts of Chennai, India.

Yours truly
For and on behalf of VENKAT AND ASSOCIATES LLP, CHARTERED ACCOUNTANTS

SREENATH A
PARTNER, VENKAT AND ASSOCIATES LLP ("FIRM")

Agreed and accepted
For and on behalf of QUBE CINEMA TECHNOLOGIES PVT. LTD.
("Company")

(Duly authorised by the Board of the company)

Date:

ENCLOSURES TO AND FORMING PART OF THIS AGREEMENT:
1. **ANNEXURE A –**Reporting and Review Methodology
2. **ANNEXURE B –**Internal Audit Schedule for 2020-21
3. **ANNEXURE C-** Contact and Other Details of the parties

Annexures to Internal Audit Engagement Letter for 2020-21

<u>ANNEXURE A:</u> Reporting & Review Methodology

<u>On completion of the audit assignment, the reports will be issued highlighting the following:</u>

1. The audit/review scope and extent
2. All exceptions and deviations noticed.
3. Control weaknesses observed during the course of audit.
4. Recommendations for process rectification and/or improvements.
5. Unit's responses and Management comments.
6. Assurances (for areas where processes and controls were found to be satisfactory)

At the end of each quarter, a **presentation** will be made by the auditors to the Senior Management of Qube Cinema Technologies Pvt Ltd. on the key findings from audits conducted in that quarter.

<u>ANNEXURE B:</u> Detailed Internal Audit Schedule- October 2020 to June 2021

S. No	Function	Description
1	**Inventory and Sale of Equipment**	Process Review, Purchase and Sale Returns, Sale of Equipment, Physical verification of Inventory at Chennai Warehouse, Warranty/ AMCs
2	**Human Resources**	A walk through of the payroll process, review of deductions & settlements, review of recruitment & termination process, verification of payroll statements & scrutiny of extraordinary payments
3	**Statutory & Secretarial Compliance**	Verification of records required to be maintained under respective legislations, reconciliation of returns & remittances (both DT & IDT), review of secretarial records and Labour Law compliances.
4	**Purchases**	Vendor Selection, Vendor Creation, Requisitions, Purchase Orders, Review of Procurement Plan, Procurement Budgets, Verification of all the related documents & controls
5	**QCN and Ad Revenue Share**	To verify the agreements between clients and Qube Cinema and to verify payments/ sharing with theatres for screening of advertisements
6	**Revenue Audit**	QUBE- Virtual Print Fee (VPF), Mastering and RTU Billing
7	**Finance, Accounts and Treasury**	Covering Cash & Bank Payments, Receipts, Insurance, Loans, GL Review-Scrutiny of ledger accounts, treatment of extraordinary items in the books, & review of long pending dues
8	**IFC Testing**	IFC Testing for 5 Critical Areas as per the List of Controls and Key areas provided by Qube Cinema
9	**Branch (Hyderabad OR Mumbai)**	Branch Cash Receipts, Deposits, Travel Claims, Debtor and Creditor Analysis, Inventory Management, Attendance and Leave Records, Fixed Assets, Statutory Compliances

ANNEXURE C: Contact & Other Details

QUBE CINEMA TECHNOLOGIES PVT LTD.

Particulars	Name	E-Mail	Mobile Contact Number
VP- FINANCE	Suresh Gopal	Suresh.Gopal@qubecinema.com	+91 96001 55553

VENKAT AND ASSOCIATES LLP

Particulars	Name	E-Mail	Mobile Contact Number
Escalations	Venkatakrishnan	venkat@venkatassociates.com	+91-98400 67188
Reviews	Sreenath	sreenath@venkatassociates.com	+91-98418 64264
Audits	Aparaajit V	aparaajit@venkatassociates.com	+91-98846 35988