

# Nazara Technologies Limited

(Formerly known as Nazara Technologies Private Limited)



August 28, 2021

**Head, Listing Compliance Department  
BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001.

**Scrip Code: 543280**

**Head Listing Compliance Department  
National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1. G Block,  
Bandra -Kurla Complex, Bandra (East),  
Mumbai- 400051.

**Scrip Symbol: NAZARA**

Dear Sirs/Madam,

**Sub: Annual Report of the Company for the Financial Year ended March 31, 2021 along with the Notice convening the 22<sup>nd</sup> Annual General Meeting ("AGM")**

In furtherance to our letter dated August 21, 2021 and pursuant to Regulation 30 and 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Annual Report for the year ended March 31, 2021 including Notice of the 22<sup>nd</sup> Annual General Meeting of Nazara Technologies Limited ('the Company') to be held on Monday, September 20, 2021 at 12.00 Noon through Video Conference/ Other Audio- Visual Means (OAVM).

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report of the Company for the financial year ended March 31, 2021 and the Notice of the 22<sup>nd</sup> AGM has been dispatched to all the members of the Company whose email addresses are registered with the Company or Registrar and Share Transfer Agent of the Company or Depository Participant(s).

The Annual Report of the Company for the Financial Year ended March 31, 2021 and the Notice convening the 22<sup>nd</sup> AGM of the Company are available on the website of the Company at [www.nazara.com](http://www.nazara.com).

You are requested to take the above information on record.

Thanking You,

Yours Faithfully,

For **Nazara Technologies Limited**

**Rakesh Shah**  
**Chief Financial Officer**



India | Middle East | Africa | Europe

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# BUILDING GLOBAL GAMING IPS FROM INDIA

22<sup>nd</sup> ANNUAL REPORT  
2020-21





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### INVESTOR INFORMATION

Market Capitalisation as at March 31, 2021 on BSE	: ₹ 4,461.19 Crores
CIN	: U72900MH1999PLC122970
BSE Code	: 543280
NSE Symbol	: NAZARA
Bloomberg Code	: NAZARA:IN
AGM Date	: September 20, 2021
AGM Venue	: Video Conferencing (VC) / Other Audio Visual Means (OAVM)

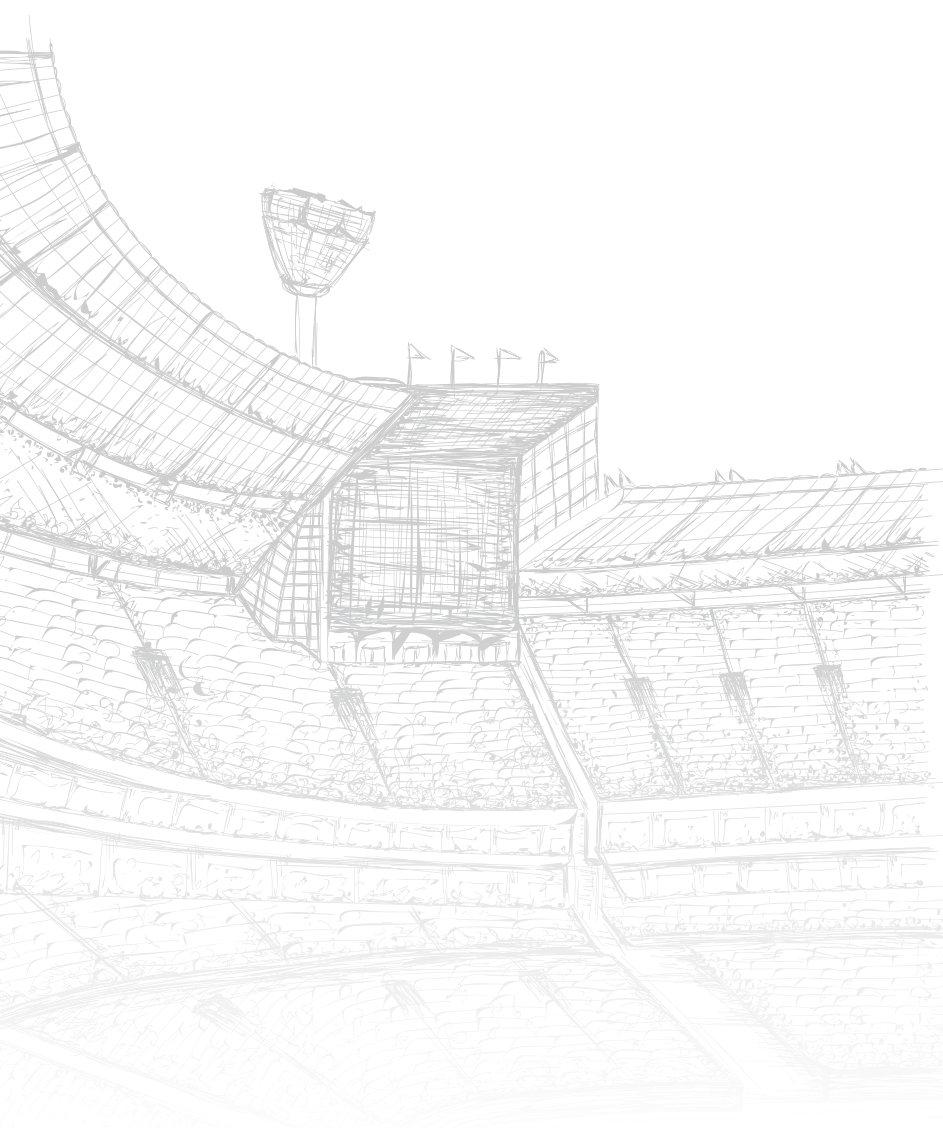
#### Disclaimer

*This document contains statements about expected future events and financials of Nazara Technologies Ltd., which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.*

Please find our online version at  
[https://corp.nazara.com/?page\\_id=5554](https://corp.nazara.com/?page_id=5554)

Or simply scan to download






## India is at the cusp of a **GAMING REVOLUTION.**



Nazara Technologies Ltd. is leading from the front in driving gaming excellence and developing engaging and entertaining content. **We are stepping up to leverage the prevailing opportunities to build in India for India**, as well as for the world.

Today, we have successfully built our business model with **differentiated offerings and developed unique IPs** that have created **a positive impact on our targeted stakeholders** across the world.

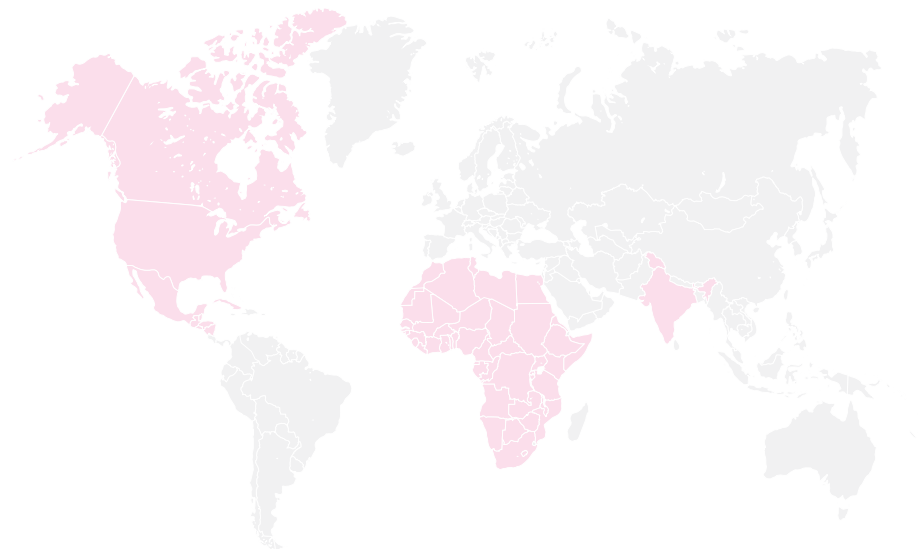
This being our first Annual Report post listing, we would take this opportunity to present our uniqueness and key strategic growth drivers going ahead. 

*Read on...*



## Nazara - An **OVERVIEW**

Nazara Technologies is a **leading India-based diversified gaming and sports media platform** with a presence in India and across emerging and **developed global markets such as Africa and North America**, with offerings across the **interactive gaming, esports and gamified early learning ecosystems**. Our content is developed in-house for the Indian as well as global audience, allowing us to achieve scale.





We own some of the most recognisable market leading IPs:

## MOBILE GAMES



We were among the first entrants in the Indian market in esports (through **Nodwin**) and cricket simulation (through **Nextwave**). Amongst the few companies that have championed the case for esports in India, we have established ourselves as a pioneer having achieved market-first position in India across esports and sports simulation mobile games. Our strong relationships with global gaming publishers and platforms, including market leaders such as ESL and Valve Corporation, have enabled us to achieve this status.

## ESPORTS AND ESPORTS MEDIA



### Leveraging capabilities and creating market leading IPs

We have successfully leveraged our capabilities for in-house content creation, game engine development and propriety technology stack development, ability to deliver positive Life Time Value (LTV) to Consumer Acquisition Cost (CAC) ratios across offerings and our relationships with telecom operators, app stores and other participants in gaming ecosystems.

We have leveraged our capabilities to create market leading IPs. Through IP-led cricket

## GAMIFIED EARLY LEARNING



games such as WCC, WCC 2, Beach Cricket and Bat Attack Cricket, we now command the greatest mindshare in the mobile cricket segment. Besides, our other iconic IP, **Kiddopia** remains one of the top downloaded gamified early learning apps in the United States.

### Capital Efficiency and Sustainable Growth

Ours is a debt-free Company, with a focus on EBITDA and free cash flows. We have built a Company that has historically been EBITDA positive and generated sufficient cash flows from our operations. As a result, our cash

## SKILL-BASED, FANTASY AND TRIVIA GAMES

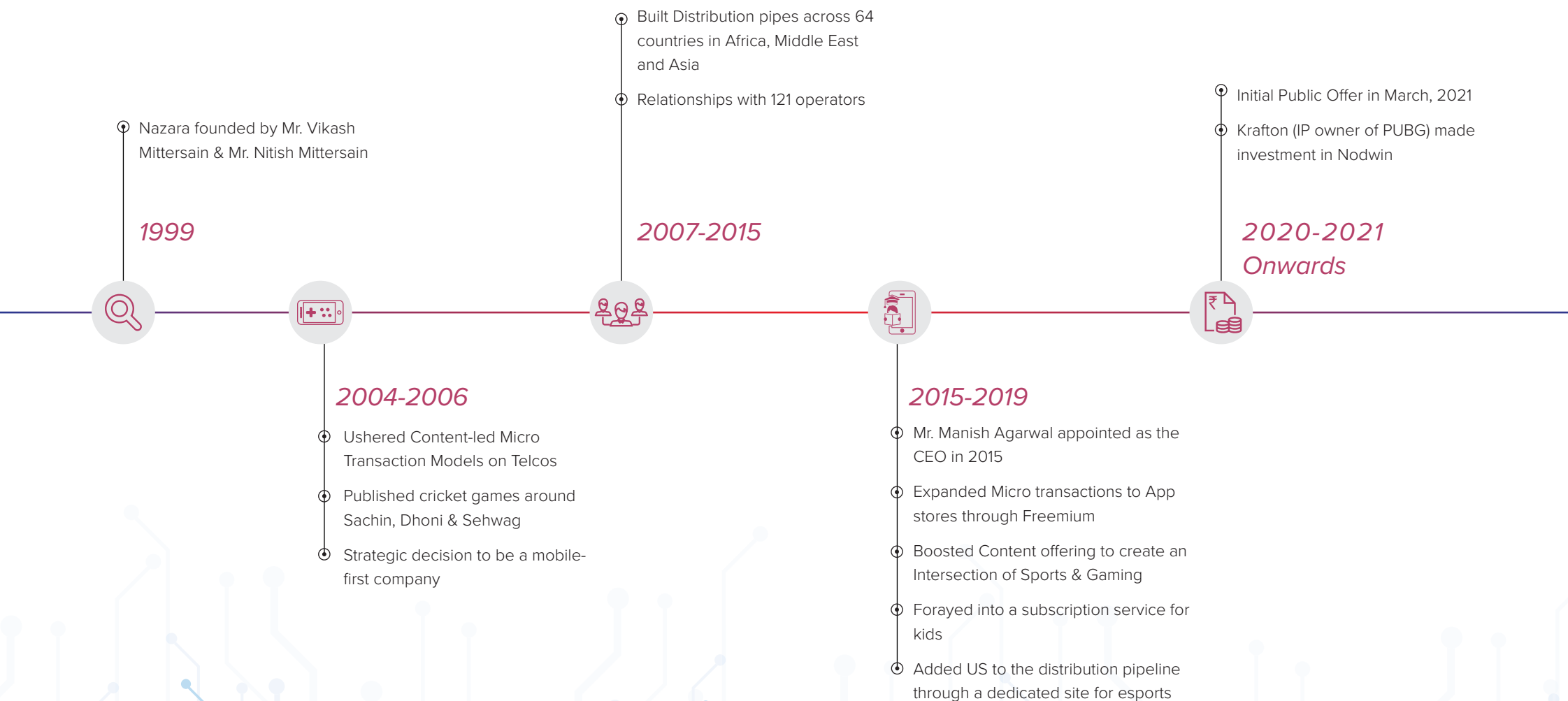


and bank balance aggregated to ₹ 4,784 million as at March 31, 2021. Despite having raised primary funds to the tune of ₹ 1,891.6 million, since inception, we have achieved an exponential growth and scale, owing to our efficient capital deployment.

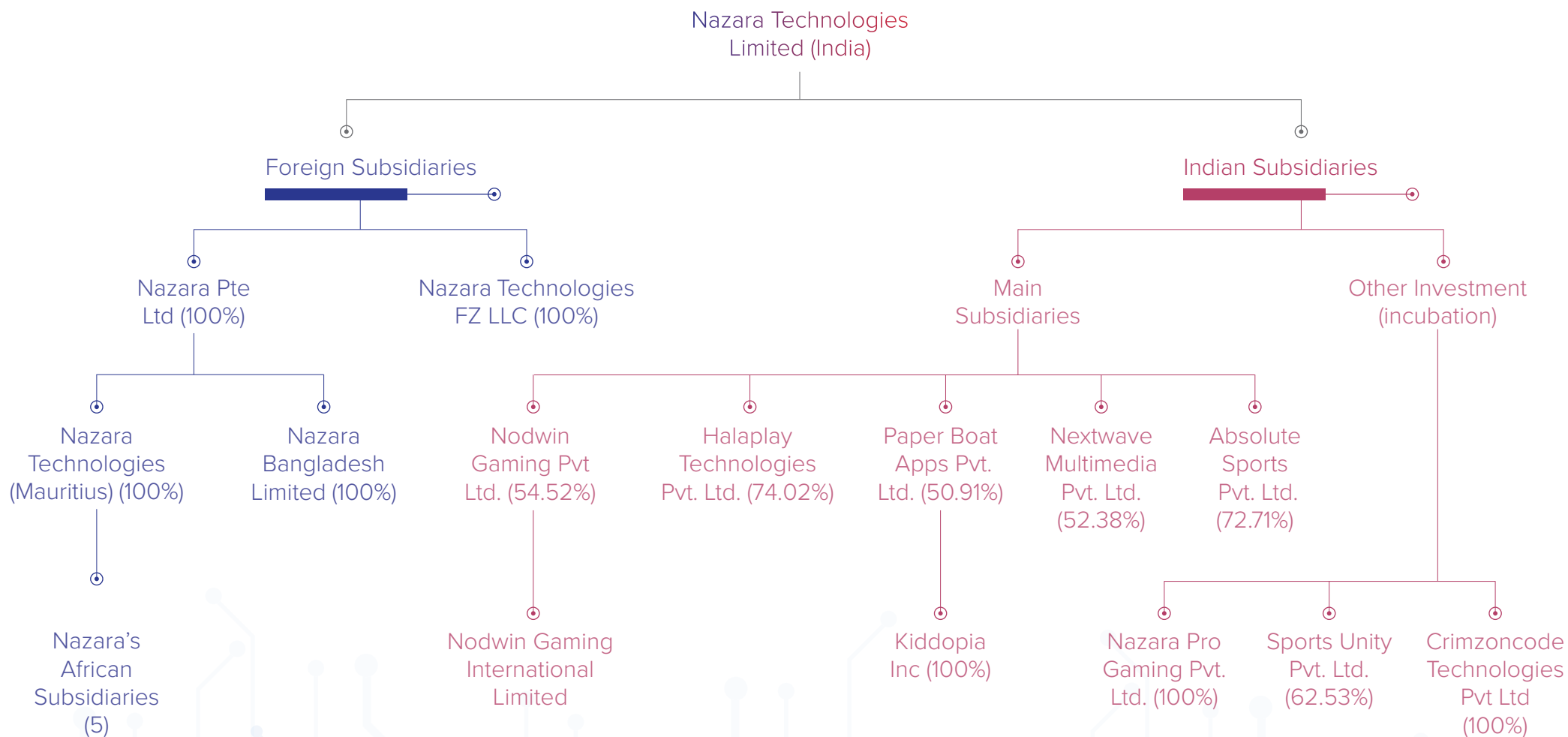
₹ **4,784** million

Cash and bank balance (including liquid investment) as on March 31, 2021

# Our Journey























# Our Corporate Structure\*



\*This Corporate Structure is as on March 31, 2021



# Business Snapshot

Select Offerings	Gamified Early Learning 39% of revenue	esports 37% of revenue	Freemium 4% of revenue
	 	   	      WCC3 Google Play Store    WCC3 Apple App Store
Overview	<b>Immersive, self-directed learning experience</b> with content designed and developed inhouse	<b>#1 player</b> in the fast growing Indian esports segment and leading sports news destination	<b>Casual to mid core</b> free to play sports simulation and children's games
Target Demographics	 Children aged 2-7 years	 esports and sports fans  Sports spectators	 Players aged 15-35 years
Revenue Model	 Subscription-based	 Media rights & Brand Sponsorships  Advertisements through ad networks and programmatic demand channels	 In app purchases & Advertisements

## Telco Subscription

17% of revenue



- ⇒ GAMES HUB
- ⇒ GAMES CLUB
- ⇒ GAMES LOUNGE

## Skill-based, fantasy and trivia real money gaming

3% of revenue



**QUNAMI**

**HALAPLAY**

**Bouquet of mobile games** offered as value added services to telco subscribers

- ⇒ Mass mobile internet users
- ⇒ First time mobile gamers

- ⇒ Partnerships with telecom operators

**Strategic presence in real money gaming** and sports fantasy gaming

- ⇒ Youngsters
- ⇒ Sports Fans

- ⇒ Platform fee collected from skill games played on the platform

# Opportunities Galore

BB The gaming industry is one of the largest and fastest growing segments within the media and entertainment sector. The recent past has witnessed the growth of gaming through competitive, online engagements such as esports – a segment that has gained significant traction globally and has been responsible for bringing the gaming sector to the mainstream media and entertainment industry. DD

- ⇒ Mobile gaming is expected to be a key driving force behind the projected growth of the overall gaming industry, as it is one of the most sought after and a convenient way for users to engage in gaming activities.
- ⇒ Another key segment within the gaming industry that has emerged strongly is sports simulation. The emergence of sports simulation games has blurred out the lines between traditional sports and virtual sports, with simulated games rapidly gaining the attention of fans of traditional sports such as football, cricket and basketball.
- ⇒ The gaming industry has also expanded its reach and application to other industry verticals. A key vertical is the education sector, where the infusion of gaming along with learning has led to the emergence of the gamified early learning segment where a combination of education and gaming is used to provide a novel way of learning.
- ⇒ Finally, with growing interest in gaming and a rapidly expanding ecosystem of professional gamers and viewers, esports is expected to follow the same path as traditional sports and emerge as a worthy alternative to sports fans.



## An Appealing **MARKET** **OPPORTUNITY!**

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“ The gaming industry is undergoing fast transformation. There has been a widespread change in the way the games are evolving into an entertainment medium. There has been an increasing user base as well as higher engagement time. Here are some of the interesting trends that make our story more exciting! ”



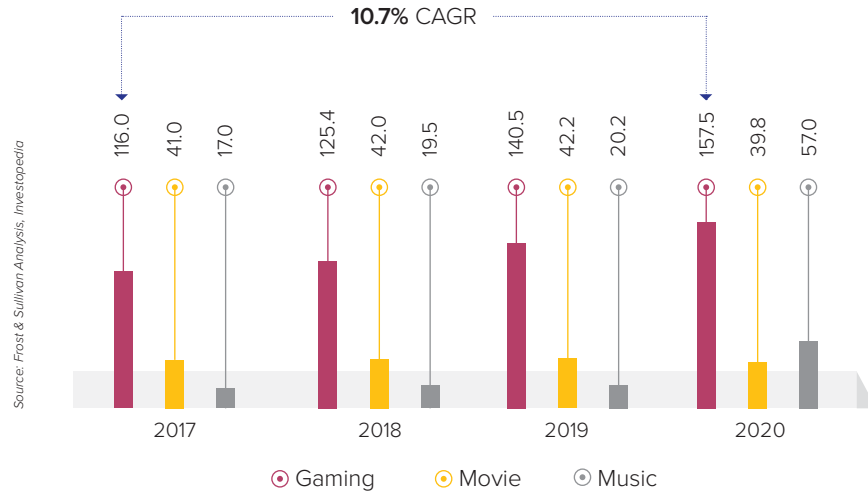
#Trend

# 1 Gaming – emerging as the new leader in the M&E Sector



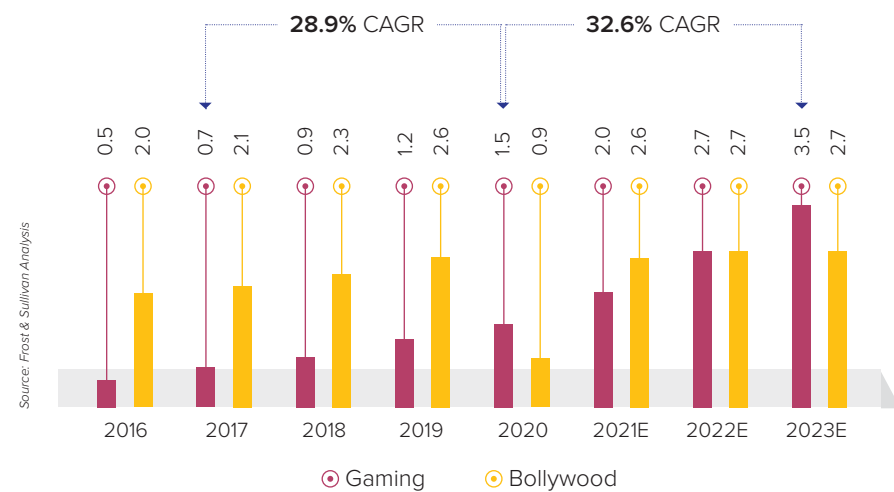
The global gaming industry is larger than music and movies

Global gaming industry Compared with Movies & Music 2017-2020 (in US\$ Bn)



The Indian gaming industry is also witnessing higher engagement as compared with Bollywood

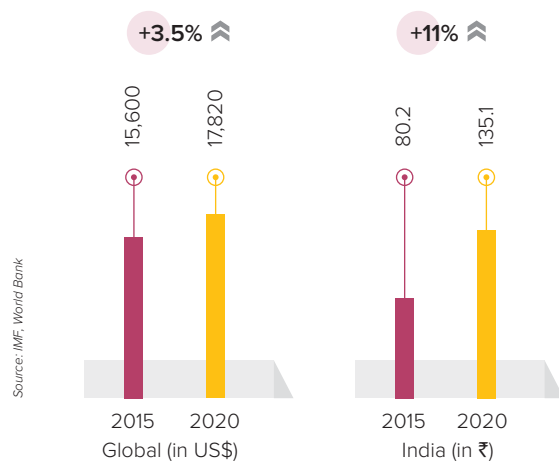
Indian Gaming Industry compared with Bollywood 2016-2023 (in US\$ Bn)



## #Trend 2 Favourable Macro Trends

The gaming ecosystem is positive impacted through the encouraging macro trends

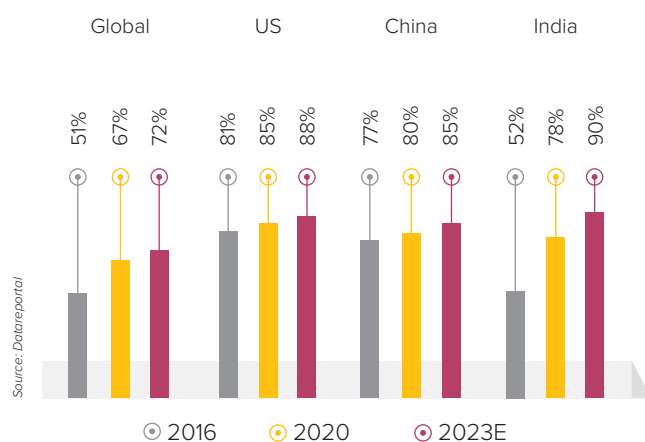
### ⇒ Per Capita Income Growth



#### I M P A C T

- ⇒ India is one of the fastest growing economies globally
- ⇒ Rising income levels and disposable income are directly correlated with increase in gaming spends

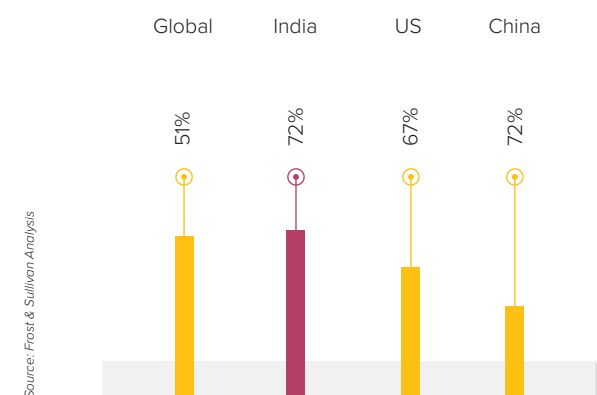
### ⇒ Smartphone User Penetration



#### I M P A C T

- ⇒ The increase in the smartphone penetration is directly correlated with the increase in the number of mobile gamers
- ⇒ As smartphones become cheaper and cost of mobile data decreases, the mobile penetration increases and consequentially more people have access to mobile games

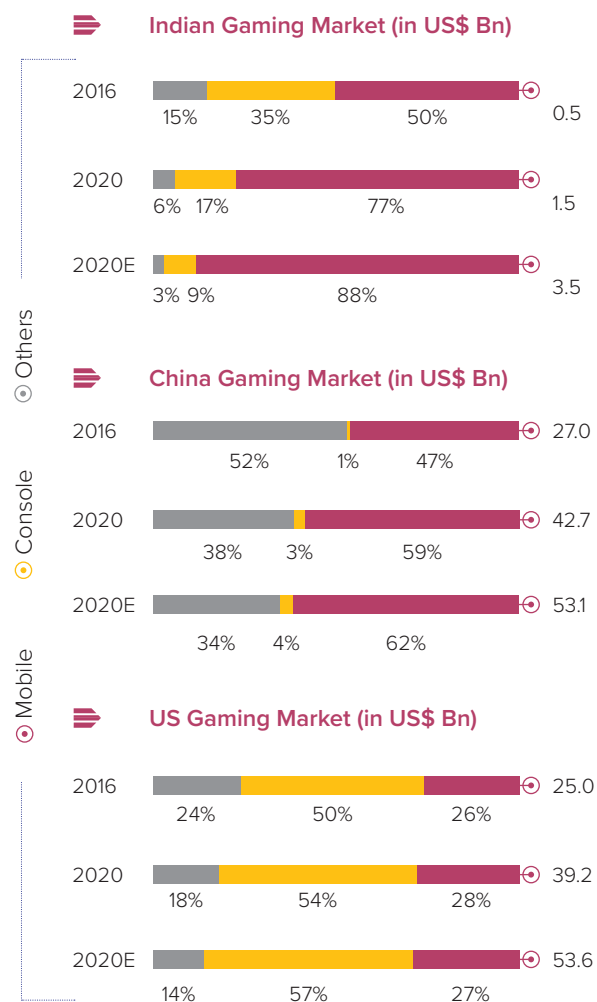
### ⇒ Gen Z and Millennial Population



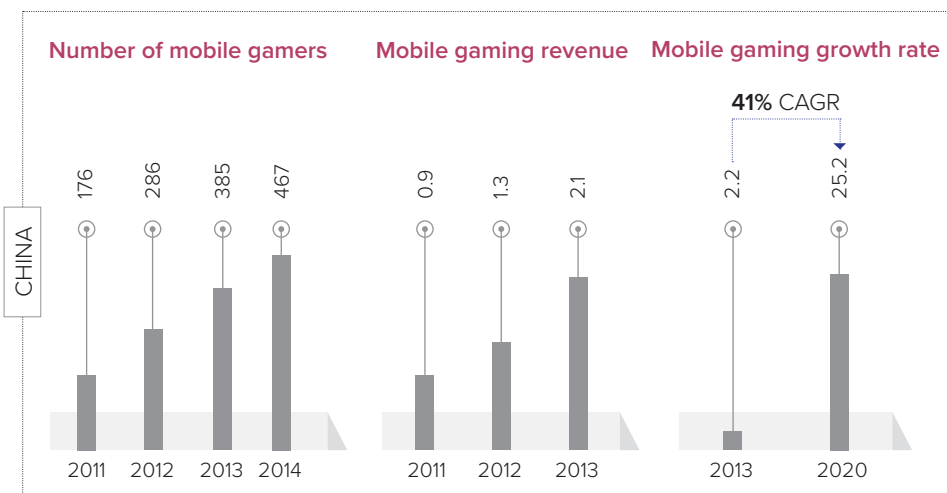
#### I M P A C T

- ⇒ The digitally matured Gen Z population engages in gaming more than the millennial generation or generation X
- ⇒ India provides a fertile ground for growth – fast growing gaming market and large Gen Z and millennial population

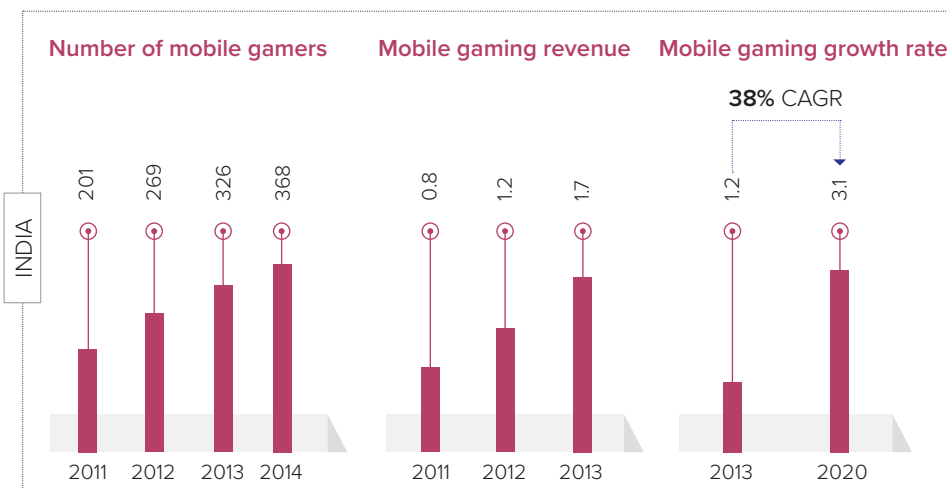
## #Trend 3 Mobile gaming in India is on the rise



The Indian mobile gaming segment is witnessing a strong growth over the past few years. It is expected to replicate China's historical growth and follow an equivalent trajectory.



Indian mobile gaming market is currently where the market in China was 8-10 years ago



## How will Nazara benefit?

The tremendous increase in the size of the gaming industry will be predominantly driven by the proclivity of the Indian population to adopt gaming as their primary source of entertainment, eventually benefitting players like us.

Our mobile game offerings have gained significant traction owing to key drivers such as access to and ownership of premium localised IP and content, constant enhancement of in-app purchases and features for better monetisation opportunities, and leverage of existing distribution and advertisement networks.

60% of the gaming population in India, which is in the age group of 18 to 24 years, have lower disposable incomes. The larger untapped market in the next segment of age group 25 to 40 years is still untapped and can create a great addition as potential consumers of Nazara's offerings as they have higher disposable incomes.

Besides, with smartphone penetration, advanced technologies and reduced data prices, there has been considerable increase in the mid and hard core gamer population which can also translate into Nazara's end users.



# Investment Case



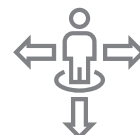
**1** Benefits from the growing Indian gaming market, and India growth story, with limited regulatory risk

Indian gaming market is set to witness a **CAGR of 32.6%** and touch **US\$ 3.53 billion by 2023**



**2** Portfolio of premium intellectual property and content across regions and businesses

Owens and has exclusive access to iconic IPs such as World Cricket Championship (WCC), Kiddopia, Halaplay, Qunami and others.



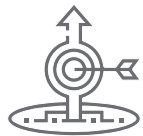
**3** Leadership position in a diversified and scalable business

Dominating the Indian esports market with over **80%** market share and cricket simulation game over **70%** market share. Nazara is one of the fastest growing global entertainment companies in India with leading IPs like Kiddopia, Paperboat under its belt.



**4** Large and engaged community of users, with attractive monetisation opportunities

Highly attractive and large user base with **62.59 million** Average MAUs for FY 2020-21, a growth of **56% Y-o-Y**



## 5 Astute capital deployment mindset with a focus on profitable growth

Focus on growing a profitable business, emphasising self-sustainability over external investments



## 6 Rapidly scaled growth through strategic acquisitions and investments

Gained diversified cohorts of gamers and entered new geographies in a cost-effective manner



## 7 Strong leadership team backed by marquee investors

Visionary management team instrumental in achieving market leading positions across business offerings



## Chairman and Managing ***DIRECTOR'S MESSAGE***



“ I see India’s gaming industry as more vibrant than ever. Being the only listed Company in the gaming space, our strategies and growth agenda inspire us to embrace the underlying opportunities and build a sustainable future for the organisation ”



## Dear Shareholders,

It was an intense year characterised by an unending fight against the global pandemic. We would like to express our deepest sympathies to all those affected and pray for the earliest possible recovery for all who are suffering. We are navigating these challenges with our highest priority focused on the well-being of our employees, customers, business partners and communities we serve.

The world has embraced new ways of learning, working, living, socialising and playing. In the midst of this unprecedented crisis, entertainment through gaming has been an unrecognised 'essential' category. It has been historically observed, that humans have sought daily refreshment and enjoyment from entertainment. Be it in the form of movies, soap operas or more importantly gaming! If people's hearts are not healthy and content, they will be unable to overcome the overwhelming feeling of being locked up that pervades society.

I am proud to lead a Company that can create such a wonderful gaming entertainment

that keeps the community engaged and allows them to de-stress. While on one hand, we witnessed the rapid acceleration of digitalisation across all aspects of life, we further observed addition of large and engaged community of online gamers, on the other. People who were stuck at home sought alternative means of entertainment – in the form of gaming. The fast perception of the gaming segment as a prime source of entertainment, has led to the industry becoming resistant to recessionary slowdowns and is expected to sustain in the future.

For us, this IPO is a milestone in the gaming industry in India. Our constant endeavours towards creating an addictive and engaging gaming platform will allow us to pursue our vision of making India as one of the top-three gaming nations of the world.

We wish to particularly acknowledge and thank the Board and Senior Management for their commitment, focus and leadership throughout the period. We also reiterate our gratitude to our employees, whose compassion and care for each other, along with their absolute determination to deliver on commitments and willingness to adapt and innovate has been vital to getting the business to where it is today.

We have entered the new fiscal with excellent operational momentum, a proven strategy, strong team engagement and belief of a

sustainable growth for the benefit of our shareholders and all stakeholders. With strong cash balance and synergies within the group, we will continue to expand our customer-engaging offerings and further consolidate our leadership. The journey for Nazara has just begun, and we are ready to accelerate.

Thank you for your ongoing interest and support.

Yours sincerely,

**Vikash Mittersain**

*Chairman and Managing Director*

## Founder and Joint Managing ***DIRECTOR'S MESSAGE***



“ Nazara’s foundation was a dream. The one that aspires to see India become a large gaming nation in the years to come while we actively play our part in pursuing the goal. Today, we, as India’s first gaming company to go public earlier this year, have heralded what I’d like to call the ‘Decade of Gaming’ for India. ”

## Dear Shareholders,

I believe the coming years would see gaming generate more revenues than all other entertainment industries in our country. The opportunity landscape in this segment has strong tailwinds. It is aptly supported by the increasing penetration of affordable smartphones with one of the world's lowest data costs and efficient digital micropayment infrastructure. The fact that these phones double up as excellent gaming devices are a huge plus for the industry and thereby for Nazara as well. Together, the untapped opportunities and supporting factors make this an excellent time for us to benefit from. We are well placed to grow our business while delivering timely entertainment to millions of consumers.

I have seen the positive impact of gaming, especially on mobile phones, on our society across demographics first-hand. On one hand, we have products like 'Kiddopia' for a 3-year-old child, delivering learning in an entertaining format. On the other hand, we have an 88-year-old grandmother who plays word games on her mobile phone to be mentally active and beat loneliness. Hence, gaming offers something for everyone across age brackets.

Coming to our growth strategy, we believe that our 'Friends of Nazara' ecosystem is the ideal approach for Nazara to expand into multiple verticals of gaming quickly. It can help us bring our unique DNA to drive growth and market leadership in our businesses.

We expect this strategy to build a diversified & profitable platform that is resilient and can withstand disruptions caused by changing technology and consumer preferences seen in our industry. Our derisked model places us well to benefit from the many opportunities coming our way as the gaming industry scales up in our country.

We have already demonstrated success through the 'Friends of Nazara' ecosystem via Nodwin Gaming & Sports Keeda in esports and Paperboat Apps in Gamified Learning space. These areas have experienced rapid and multi-fold growth after our investments.

Going ahead, we will continue adding more 'Friends' to our network. Our strategy for the this network rests on three key pillars:

- ⇒ Acquiring majority stakes, while also leaving sufficient equity in the hands of

founders and management team, thereby continue motivating and incentivising them

- ⇒ Issuing Nazara equity to the same teams to align them with our Company's overall growth

- ⇒ Leaving near 100% operational control with the original team so they can continue building market domination in their respective categories as we work on value addition through our experience, network and synergies within the Nazara ecosystem

This structure gives us the ability to build an extraordinarily passionate and capable 'A' team for Nazara. It comprises passionate founders and capable managements. We believe a strong management team will be the cornerstone of success for any company in our business, and we will always enjoy a differentiated approach towards the same.

Our core DNA remains the same, but we intend to focus on:

- ⇒ Tangible, cash flow drive business that drives profitable growth

- ⇒ No debt on our books

- ⇒ Strong commitment towards corporate governance and transparency

- ⇒ Focus on LTV/CAC economics instead of chasing vanity metrics

As stated earlier, we will continue driving growth without incurring a large burn to achieve it. At the same time, we will also prioritise growth over margin optimisation for the foreseeable future. We believe achieving and sustaining market leadership in the verticals we operate, will always be critical for our long-term success.

On a concluding note, I would like to thank you for your support and confidence in Nazara. From where we stand today, I can assure you that we will approach all the opportunities and the work at hand with positive intent and maximum effort. The road, hereon, only leads forward towards growth and expansion.

With Warm Regards,

**Nitish Mittersain**

*Founder & Joint Managing Director*

# Chief Executive **OFFICER'S MESSAGE**



At Nazara, we have successfully built India's leading and only listed diversified gaming, gamified learning and sports media Company.

## Dear Shareholders,

I would like to start with a simple quote

*"I could either watch it happen or be part of it"* – **Elon Musk**

Our Company — and our world — is seeing an amazing shift in the entertainment space with gaming and esports disrupting the traditional modes of entertainment. The unprecedented impact of COVID-19 has disrupted consumer behaviours across all age groups around the globe. This has resulted in unparalleled spurt in entrepreneurial activities and birth of new ideas and gaming. Gamification has permeated every aspect of digital consumer behaviour.

We are at the cusp where web 3.0 is looking at redefining the traditional business models and how web changed the behaviours 20-30 years back. We are privileged to be seeing and getting a chance to build new business models and shape consumer behaviours in the next couple of decades.

The excitement of myriad possibilities fills me with passion to shape the future and this gives me the energy to make things happen. However, while we at Nazara wish to soar, we are very cognisant of the famous quote of the Oracle of Omaha: "It takes 20 years to build a reputation and five minutes to ruin it." Hence, we always have this at

the back of our mind and we evaluate all actions of ours to ensure that we are making informed decisions.

At Nazara, we have successfully built India's leading and only listed diversified gaming, gamified learning and sports media Company. Our growth prospects are driven by interesting macro trends, which keep us upbeat. Some of the notable trends include:

1. The global gaming industry has witnessed 10.7% CAGR between FY 2017-20 and has surpassed other forms of entertainment, such as movies and music.
2. The Indian gaming industry has witnessed 28.9% CAGR in the same period. The industry is gaining significant importance, as a mode of entertainment for the Indian population, and it is expected to witness 32.5% CAGR by CY 2023.
3. Mobile penetration has increased from 52% in CY 2016 to 78% in CY 2020, and it is further expected to touch 90% by CY 2023 owing to lower data prices and cheaper smartphones, consequently driving the number of mobile gamers along with it.
4. UPI penetration has increased from 7.2 million in April 2017 to 2,731.7 million in March 2021 (in volume terms), and it has positively



impacted growth of micro transaction in gaming (ital the source: <https://www.npci.org.in/what-we-do/upi/product-statistics>).

5. The digitally empowered Gen Z and millennial population comprise 65% of India's population. The gaming engagement of this generation is much higher than the generation X. This provides a healthy ground for the growth of the gaming industry in India.
6. Onset of behaviour of purchasing virtual items within the game has started to witness scale - total transaction value of in-app items purchased within games in FY 2020-21 has considerably increased over time.
7. "Games as new hangouts" is leading the growth of the time spent on gaming per day and gaming captures major chunk of the overall time spent by an internet consumer in India.

The number of gaming companies in India has risen over time and we believe many Indian game development studios will be able to build global brands, while operating from India in the coming years.

At Nazara, we are well placed to benefit from these trends by:

- Leveraging the future growth of large addressable mid-core and hard-core gamers in India, and other emerging markets, which will drive growth of esports viewership and IAP within free-to-play mobile games
- Building global brands from India on the back of the burgeoning local talent pool across gamified learning and freemium
- Becoming go-to partners for global game publishers, brands and content platforms, who want to engage with local gamers

➤ Adding more leadership teams to 'Friends of Nazara' network to build strong ecosystem play across gaming, adjacencies to gaming (gamified learning, esports) and adjuncts to gaming (ad tech, content creation, production tech, gaming tech, and others)

➤ Augmenting local community connect through our own IPs and on-ground activation for building hyper local heroes

I'm pleased to share that we reported consolidated revenues of ₹ 4,542 million in FY 2020-21, growing by 84% over FY 2019-20 (₹ 2,475 million). Gamified learning and esports segments grew by 819% and 102%, respectively, demonstrating strong growth momentum in FY 2020-21. Gamified learning business contributes to 39% of total revenues. This business grew by 819% year-on-year and posted ₹ 1,758 million in FY 2020-21. However, just to also baseline on apple-to-apple comparison, in FY 2019-20 the consolidation was done only for three months. Hence, if we were to look at apple-to-apple comparison, Paper Boat apps, the company which operates Kiddopia, grew by 202%, clocking a revenue of ₹ 1,758 million in FY 2020-21 versus ₹ 582 million in FY 2019-20.

As a segment, the growth is higher because of the three months of consolidation. Gamified learning and esports have also laid foundation for predictable growth on account of proven user engagement and retention KPIs in gamified learning and multiyear media licensing and game publisher agreements in case of esports. EBITDA (including share of non-controlling interest for FY 2020-21) witnessed 508% growth over FY 2019-20 with margins increasing from 3.7% to 12.7%. As Nazara is operating in high-growth business segments such as gaming, gamified learning and esports, we will continue to drive

profitable growth, while prioritising growth over profit maximisation at this stage so that we can achieve and maintain market leadership in the segments we operate in. We develop all the content inhouse for both Indian as well as global audiences. As a result, we have achieved 62 million MAU and delivered a growth in FY 2020-21, across all our segments.

In the US markets, we have successfully established a very strong LTV-CAC equation, which further gives us the freedom to acquire subscribers and keep increasing the userbase and footprint in this geography. We have been strategically expanding our geographical presence across business segments and our revenue is split across India (41%), North America (42%) and MEA & South Asia contributing to the rest of the revenues.

We have built capacities and capabilities across our high growth large addressable audience segments spread across different geographies via our track record of making one key acquisition every year, since 2017 and demonstrated track record of scaling the companies significantly on all aspects post acquisition.

We grew 84% in our revenues to touch ₹ 454 Crores or ₹ 4,542 million in FY 2020-21. The growth is commendable because it is coming on top of very positive unit economics, predictable growth in gamified learning, and very strong performance of media rights licensing business in esports. That really kind of sets up a very strong platform for us to really grow from here and that is what has resulted into a strong cash flow generation from operations. Prudent financial management is in our DNA, which is clearly evident owing to ₹ 4,784 million cash and bank balance (including liquid investments) and zero debt on the balance sheet. Moreover, the

business added ₹ 674 million cash in FY 2020-21 from its own operations.

We are pleased to inform that all our key growth segments are profitable and we don't see major capex being spent in our current business portfolio to drive organic growth. Our capital allocation will be primarily towards M&A, going forward. Our M&A strategy is anchored on evolving 'Friends of Nazara' network into an ecosystem play across India and other emerging markets encompassing core gaming IPs in freemium, and skill-based real money gaming and adjacencies to gaming such as esports, gamified learning and complements to gaming like ad tech, content creation, influencer network, game marketing agency and others, operating across emerging markets.

We are very pleased to inform that the Nazara Group has expanded in FY 2020-21 and we have been able to form the best A-Team in gaming ecosystem in India, which has the capability to build and shape the trajectory for the golden decade of gaming in the coming years across the emerging markets.

On a concluding note, I would like to extend a warm thank you to our Board of Directors for their continued support. I would also like to acknowledge the investors, customers and the Nazara Team for their continued trust and belief in us. I am excited about the new fiscal, as we are in a good position to continue executing our strategy and maintain our market leadership position in the years to come. This is just the beginning of a wonderful decade of gaming going ahead.

Yours Sincerely,

**Manish Agarwal**  
Chief Executive Officer

# Forward **FOCUSED!**

Our strategies are designed to respond to the current and expected future operating environments of the gaming industry that could potentially strengthen our value creation.

## #Strategy 1



### Global expansion leveraging the existing distribution network

We will continue to invest in indigenous talent, including local game developers and small game studios and increase the gamut of services provided by us to our gamers in the emerging markets. We will also deepen our presence in existing geographies by offering mobile games and content in vernacular languages and capturing the next segment

of mobile gamers arising from the increased internet penetration in our existing markets. In the gamified early learning space, we will continually develop new content to further tap into the large US market and to expand into Spanish, French and German speaking geographies, by developing local and relatable content for each region.

In esports, we will continue to deepen our existing relationships with brand and publishing partners and also establish new relationships for more content and event and format IPs, as well as explore synergistic opportunities for content creation through our esports offerings to esports media platform partners.

## #Strategy 2



### Pursue more strategic acquisitions

We will continue to pursue strategic investment and acquisition opportunities in underserved markets and geographies that complement our existing operations.

However, we will be very selective about the investee companies by considering factors like large TAM, strong local moat, clear use cases and low-risk growth capital. Besides,

we will also take into consideration certain critical aspects like leadership visibility in the addressable verticals, synergies with existing offerings and alignment with our vision and principles.

## #Strategy 3



## Continue to build capabilities

While our existing management leads us ably in achieving our growth and expansion goals, we will continue to hire more people in key leadership roles to build capacities

and capabilities. We will continue to identify and groom the right talent, including game developers, animators, technology stack engineers, game designers, UI/UX specialists,

M&A specialists, HR business partners and marketeers, which shall continue to be a key area of investment for us.

## #Strategy 4



## Build on leading market position and growth opportunity in India

We shall build on our leadership position to leverage India's strong growth potential by strengthening relationships with mobile gamers, sports fans and partners.

We shall continue to collaborate with leading mobile app stores and enhance app store promotion and user recommendations.

We will also adapt the latest advertising trends social media, internet video and live streaming based campaigns.

## #Strategy 5



## Build the existing technology stack to enhance existing platform

We will continue to build the existing technology stack to further enhance the existing platform through innovation and efficient optimisation of the technical

infrastructure. We shall continue to invest in the infrastructure upgradation and further extend our technological leadership. We would also expand our domain expertise by

identifying high growth sectors and recruiting industry experts to add value and gain market credibility.

# ESG REVIEW

Being an entity in the gaming and sports media space, our environmental, social and governance review provides a window into how we are approaching our key responsibilities beyond the business needs. The section aims to capture how are we fulfilling our purpose, while remaining true to our responsibilities and applying those values across the organisational fabric.



## ENVIRONMENT

At Nazara, we believe in symbiotic relationship and co-existence with environment for a sustainable growth. We have consistently undertaken steps to reduce environmental footprints directly, as well as indirectly.

### Key initiatives under the ambit of environment entail:

#### Energy Efficiency



In order to reduce energy consumption, regular lights have been replaced with LEDs and also energy efficient air conditioners have been used at our offices. To offset the release of GHGs, we are regularly carrying out tree plantation drives periodically.

Since the Company provides major digital media platform for gaming, learning and esports, we have cloud servers for data storage. This enables us to not only conserve energy, but also significantly helps in mitigating obnoxious emissions and improving air quality in our small way.

#### Water Management



We have automatic water dispensers installed for drinking at our offices, which help regulate the quantity of water flow. In lavatories and cafeteria for staff, taps have sensors to ensure no water wastage and overflow. A dedicated team regularly monitors and keeps check on water consumption and usage such that proper mechanisms are developed that helps in water re-cycling and conservation.

#### Waste Management



There is concerted effort on reducing plastic waste and use of paper which can be recycled. We have consciously replaced usage of pet plastic bottles for drinking water and other purposes. In order to educate and promote waste management processes across the organisation, visual aids at relevant locations about the ill effects of plastic use and benefits of recycling. Dos and Don'ts for waste disposal have been put up at several places in the organisation to keep people vigilant from digression. Waste paper shredder is used so that the waste generated can be used for recycling. There are Bio-degradable and Non-biodegradable bins separately for wet and dry wastes.



## SOCIAL

At Nazara, we are committed to social well-being and believe in a culture that embraces and respects diversity of people.

**Our key social prerogatives across the key stakeholder groups include:**

### Customer focussed



We are the largest Indian gamified and esports social media platform. Our product offerings cater a multitude of audiences. Hence through constant simulations, evaluations and testing of our offerings to be true to end users interest and engagement is indispensable for us. We believe in building and maintaining strong relationships within the gaming ecosystem.

### Employee-centricity



The Company lays utmost emphasis on healthy and conducive working atmosphere.

The Board of the Company has outlined policies to embrace diversity and gender equality. At Nazara, good conduct and ethical working is of prime importance. There is zero-tolerance for sexual harassment at workplace and policy for Prevention of Sexual Harassment (POSH) is well defined. We have an inclusive approach to people of all sex, caste and creed. Health and safety of people is ensured and medical assistance is provided to employees and their family members.

### Communities



We have always risen to community interest and welfare. At demanding times, we have

gone the extra mile to reach out to local welfare organisations and foundations to support basic needs and necessities. As Covid-19 disrupted the markets and economies around the globe, Nazara extended a helping hand by distributing food and first aids. We helped in spreading awareness of adopting Covid appropriate behaviour in best possible ways.

### Investors



At Nazara, we are devoted towards establishing an effective two-way communication with

our investors and shareholders at large in order to enhance transparency and proper disclosures to stakeholders. The Investor Relations team is committed to maintaining interactive and informed communications. Any major concern or issue is proactively handled in timely and accurate manner. All Investor Relations and Corporate Governance matters are divulged on the Company's website regularly.

## GOVERNANCE

At Nazara, we strive to maintain high standards of ethical business conduct and compliance of all laws and regulations. The Board of Directors and Management Team promotes sound and well-established corporate governance practices in the interest of its shareholders and other stakeholders including customers, suppliers, employees and the general public. The Company regularly reviews its Governance policies, such that it operates within the periphery of international and local jurisdictions and legal structure.

# Board of ***DIRECTORS***



**Vikash Mittersain**  
Chairman & Managing  
Director

C M K



**Nitish Mittersain**  
Joint Managing  
Director

M M C K



**Sasha Mirchandani**  
Non-Executive,  
Independent Director

C M



**Shobha Jagtiani**  
Non-Executive,  
Independent Director

M M M C



**Probir Roy**  
Non-Executive,  
Independent Director

M C M M



**Kuldeep Jain**  
Non-Executive,  
Independent Director

M M



**Mr. Rajiv Ambrish Agarwal**  
Non-Executive  
Director

● Audit Committee  
● Risk Management Committee

● Stakeholders' Relationship Committee  
● Corporate Social Responsibility Committee

● Nomination, Remuneration & Compensation Committee  
● Key Managerial personnel

**M** - Member  
**C** - Chairman

**Vikash Mittersain***Chairman & Managing Director*

Vikash Mittersain has been associated as Director of the Company since its incorporation. He holds a diploma in industrial electronics from Walchand College of Engineering, Sangli. He has several years of experience in multiple business sectors. He is also the Founder and President of India Business Group (Chamber of Commerce).

**Nitish Mittersain***Joint Managing Director*

Nitish Mittersain holds a Bachelor of Commerce degree from the University of Mumbai. He founded our Company in 1999 and has been associated in the promotion of our Company for more than two decades. He is also a Trustee of the Dr. B. K. Goyal Heart Foundation and India Business Group (Chamber of Commerce).

**Sasha Mirchandani***Non-Executive, Independent Director*

Sasha Mirchandani has been associated with our Company since January 4, 2018. He holds a Bachelor of Science degree in Business Administration from Strayer University. He has more than a decade's experience as an angel investor. He is the Co-founder of Mumbai Angel Venture Mentors. He is also a Director of Kae Capital Management Private Limited. In the past, he has also worked at Blue Run Ventures and MIRC Electronics Limited. He has been appointed on the Board of Governors of the Universal Business School and is a Member at the Young Presidents

Organisation, Mumbai. He was also the president of Entrepreneurs Organisation, Mumbai and a Charter Member at TiE, Mumbai

**Shobha Jagtiani***Non-Executive, Independent Director*

Shobha Jagtiani has been associated with our Company since January 4, 2018. She holds Bachelor of Arts degree and Bachelor of Laws degree from the University of Bombay. She has more than 45 years of experience as a lawyer and is a member of the ITAT Bar Association. She is currently a partner at D.M Harish & Co.

**Probir Roy***Non-Executive, Independent Director*

Probir Roy has been associated with our Company since January 4, 2018. He holds a Bachelor's degree in Economics and Statistics from St. Xavier's College from the University of Mumbai. He also holds a Post-Graduate Diploma in Energy Economics from the University of Surrey. He has more than a decade's experience in the field of Information Technology and Communications. He was a Director of Corusant Tec. Private Limited. He was the Vice-Chairman of the Technical Committee of Internet Research of the Media Research Users Council. He is a Co-Founder of Paymate India Private Limited. He has held several senior positions including the post of Vice President, MIS and communications – India at Star TV, News Television (India) Limited. He was the Chief Technology Officer and Chief Operating Officer of Euro

RSCG Advertising Private Limited. He was also the head EDP and information systems of Nuclear Power Corporation. He is a special invitee to the Board of Directors of Business Correspondents Federation of India and chairs their Pricing Study Committee. He is currently a Senior Advisor at the World Association of Small and Medium Enterprises and a recipient of the 'Certificate of Recognition' from the Forum of Industry and Academic Knowledge. He has been awarded the 'FIAS Maven 2020' and 'FIAS Intellectual Explorer Award' by the Forum of Industry and Academic Knowledge Sharing in 2020.

**Kuldeep Jain***Non-Executive, Independent Director*

Kuldeep Jain has been associated as Director of the Company since August 20, 2013. He holds a Post Graduate Diploma in Management from The Indian Institute of Management, Ahmedabad. He is an associate of the Institute of Chartered Accountants of India. He has over a decade's experience in a global consulting firm and was a partner at McKinsey & Company, Inc. He is currently the Managing Director of Clean Max Enviro Energy Solutions Private Limited.

**Mr. Rajiv Ambrish Agarwal***Non-Executive Director*

Rajiv Agarwal is a Non-Executive Director of our Company. He holds a Bachelor's degree in Technology (Chemical Engineering) from Banaras Hindu University. He has been associated with RaRe Enterprises since 2006. His focus is on growing RaRe Enterprises'

strategic investments in diverse sectors. He has experience and deep understanding of B2B and B2C businesses spanning consumer, education, digital entertainment, media, financial services, payments, auto components, and oil drilling which form a part of RaRe Enterprises' PE portfolio. He is a Nominee Director on Board of Aptech Limited, Alchemy Capital Management Private Limited, Concord Biotech Limited, Hungama Digital Entertainment Private Limited, Fullife Healthcare Private Limited and Cinestaan Entertainment Private Limited.

**Mr. Karan Bhagat***Non-Executive Director*

Karan Bhagat was a Non-Executive Director of our Company. He holds a Bachelor's degree in Commerce from the University of Calcutta and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. He is the Founder, Managing Director and Chief Executive Officer of IIFL Wealth Management Limited. He joined IIFL Holdings Limited (formerly India Infoline) to set up IIFL Investment Managers in 2008. He was also associated with Kotak Securities Limited and Kotak Mahindra Bank Limited in the past. Karan has more than 16 years of experience in the financial services industry. He featured in Fortune India's '40 under 40' list in 2016 and 2017. He has received the URS Asia One Global Indian of the Year award in 2018.

He resigned from Board of Directors of the Company w.e.f. May 05, 2021.

# Senior *MANAGEMENT TEAM*



**Manish Agarwal**

Chief Executive Officer, KMP



Associated with Nazara Technologies since 2015. He holds BTech from REC, Warangal and PGDM, IIMA. He has over 20 years of experience in various fields including the gaming space and marketing.



**Other Experiences:**

In the past he has held several leadership positions with Reliance Games, Zapak Mobile Games Private Limited and Zapak Digital Entertainment Limited, UTV Software Communications Limited, Rediff.com India Limited and Hindustan Unilever Limited. His association with our Company has been instrumental in creating the business besides driving investments and M&A.



**Rakesh Shah**

Chief Financial Officer, KMP



Associated with Nazara Technologies since 2010. He holds BCom from Bombay University and qualified CA and CMA. He has over 24 years of experience in financial, administration and management accounting.



**Other Experiences:**

In the past he has been associated with Yahoo India Private Limited, ANZ International, Electronic Data Systems, Vinmar International India Private Limited, Mazda Colors Limited



**James Savio Saldanha**

CEO, Nazara Technologies FZ-LLC, (Middle East and Africa)



Associated with Nazara Technologies FZ-LLC for over 10 years



**Other Experiences:**

More than 10 years of experience in media and mobile entertainment and has been associated with Arvato Mobile Middle East FZ-LLC, Channel [V] and City 7 TV (Arab Venture Corporation)



**Anshu Dhanuka**

Co-founder & Chief Product Officer, Paper Boat Apps Private Limited



Co-founded Paper Boat Apps Private Limited in 2013



**Other Experiences:**

Walnut Labs Private Limited (involved in the business of developing solutions for computer software and hardware.)



**Anupam Dhanuka**

Co-founder and Chief Executive Officer, Paper Boat Apps Private Limited



Co-founded Paper Boat Apps Private Limited in 2013



**Other Experiences:**

Walnut Labs Private Limited (involved in the business of developing solutions for computer software and hardware.)





#### Porush Jain

Founder and Chief Executive Officer-, Absolute Sports Private Limited



Founded Absolute Sports Private Limited in 2010



#### Other Experiences:

Has experience in various fields including content strategy, coding, marketing and sales



#### Pratik Shah

Additional Director, HalaPlay Technologies Private Limited



Co-founder of Mastermind Sports Limited



In 2011, co-founded Pingaala Technologies LLP



In 2013, founded Zootr Sports Private Limited



#### Jayashree Poochi Ramaswamy

Co-founder and Chief Operations Officer, Next Wave Multimedia Private Limited



25+ years of experience in various fields including digital media and gaming.



#### Rajendran Poochi Ramasamy

Co-founder & Chief Executive Officer, Next Wave Multimedia Private Limited



Co-founded Next Wave Multimedia Private Limited in 1995



Created 200 games for brands, OEM app stores



Created many digital campaigns for Fortune 100 companies in Europe covering web and mobile applications.



#### Akshat Rathee

Co-founder & Managing Director, Nodwin Gaming Private Limited



Co-founded Nodwin Gaming Private Limited in 2014



#### Other Experiences:

Associated with PGM Entertainment, Ernst & Young prior to co-founding Nodwin Gaming Private Limited

# Corporate INFORMATION

## ⇒ BOARD OF DIRECTORS

### Mr. Vikash Mittersain

Chairman & Managing Director  
DIN: 00156740

### Mr. Nitish Mittersain

Joint Managing Director  
DIN: 02347434

### Mr. Rajiv Ambrish Agarwal

Non-Executive Director  
DIN: 00379990

### Mr. Kuldeep Jain

Non-Executive Independent Director  
DIN: 02683041

### Mr. Sasha Mirchandani

Non-Executive & Independent Director  
DIN: 01179921

### Ms. Shobha Jagtiani

Non-Executive & Independent Director  
DIN: 00027558

### Mr. Probir Roy

Non-Executive & Independent Director  
DIN: 00111961

### Mr. Karan Bhagat

Non-Executive Director  
DIN: 03247753

*(Ceased to be Director w.e.f. 05/05/2021)*

## ⇒ KEY MANAGERIAL PERSONNEL

### Mr. Manish Agarwal

Chief Executive Officer (CEO)

### Mr. Rakesh Shah

Chief Financial Officer (CFO)

### Ms. Pratibha Mishra

Company Secretary and Compliance Officer (CS)  
*(Resigned w.e.f 09/07/2021)*

## ⇒ STATUTORY AUDITORS

Walker Chandiok & Co LLP

Chartered Accountants

11th Floor, Tower II ,

One International Centre,

SB Marg, Prabhadevi (W),

Mumbai, Maharashtra 400013

## ⇒ INTERNAL AUDITORS

M/s. R. Jaitlia & Co,

Chartered Accountants

605, Manish Chambers,

Sonawala Road, Opp. Hotel Karan Palace,

Goregoan (East), Mumbai -63

## ⇒ SECRETARIAL AUDITORS

M/s. Manish Ghia & Associates,

Company Secretaries

04, Chandan Niwas,

1<sup>st</sup> Floor, Mathuradas VasANJI Road,

behind Andheri Gymkhana,

Andheri (East), Mumbai - 400069

## ⇒ BANKERS

Standard Chartered Bank

State Bank of India

ICICI Bank

## ⇒ REGISTERED & CORPORATE OFFICE

51-55, Maker Chambers 3,

Nariman Point, Mumbai – 400 021

Tel: +91-22-40330800

Fax: +91-22-22810606

Email: [info@nazara.com](mailto:info@nazara.com)

Website: [www.nazara.com](http://www.nazara.com)

## ⇒ REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

C-101, 247, Park L.B.S. Marg, Vikhroli (West),

Mumbai – 400083

Tel: +91-22-49186000

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

# Management Discussion and Analysis

*India is all set to become the leader in gaming industry due to increased traction into gaming and edutainment among rising millennials and Gen Z population*

The gaming industry in India is currently valued at US\$ 1.5 billion<sup>1</sup> and is expected to grow at a CAGR of 31% to US\$ 3.5 billion<sup>2</sup> by 2023. Covid 19 outbreak had brought the world to a standstill and rendered year 2020 as the most uneventful year for physical games. The rising millennials and Gen Z population of the Country brought the online gaming world to life. Bolstered by a positive investment climate, increased Government spending, and weak commodity cycle, India enjoys the status of being one of the fastest growing emerging economies. India is poised to serve as a lucrative avenue for the gaming industry.

Indian gaming industry is projected to grow over 31.7% year on year ('YoY') due to the growth of digital infrastructure and significant rise in quality and engaging of gaming content. By 2024, the gaming industry in India is set to be valued at US\$ 3,544 million<sup>3</sup>. India's online gaming industry has already attracted over US\$ 350 million<sup>4</sup> in investments from venture capital firms between 2014 and 2020. In India, the average revenue per gamer has increased from US\$ 2.3 in 2016 to US\$ 8.8<sup>5</sup> in 2020. The penetration of gaming in India has also doubled from 15% in 2016 to 30% in 2020<sup>6</sup>. The rise in online gaming activity propelled by the growth in the number of gamers by almost ten times in the last decade, also led to comparable growth in game developing companies over the same period. The proliferation of cheap smartphones, high-speed internet and reduction in data prices are the key drivers for this rapid growth. The mobile gaming segment in the Indian gaming industry is the largest in terms of revenue. This segment was valued at US\$ 272 million<sup>7</sup> in 2016 and is estimated to be about US\$ 1.2 billion<sup>8</sup> in 2020 growing at a CAGR of 39.6%<sup>9</sup>. The mobile gaming segment is expected to reach a market size of US\$ 3.1 billion<sup>10</sup> by 2023.

The global mobile games market generated US\$ 40.9 billion in 2016, around US\$ 9.4 billion or 30% more than in 2015<sup>11</sup>. Almost all these revenues come from free-to-play and freemium games, which can be downloaded and played for free but allow gamers to spend money in the game to enhance the experience. The mobile gaming market is expected to reach a value of US\$ 116 billion by 2023, growing at a CAGR of 15% YoY<sup>12</sup>.

India offers a significant opportunity for mobile gaming publishers and investors, as it is poised for stellar growth in the coming years. The growth rate of mobile gaming in India

stands at an extremely healthy CAGR of 39.6%<sup>13</sup> as compared to the growth rates in China and the US, which stood at 14.6%<sup>14</sup> and 12.2%<sup>15</sup>. The global growth rate of the mobile gaming market is only one third of India's, measuring at 13.3%<sup>16</sup>. Growth in the Indian mobile gaming market will be predominantly characterised by the rising adoption of smartphones, drop in data prices, increased internet penetration, high internet speeds etc.

## About Nazara Technologies

Nazara is an India based diversified gaming and sports media platform with a presence in India and across emerging and developed global markets such as Africa and North America, with offerings across the interactive gaming, esports and gamified early learning ecosystems. The Company owns some of the most recognisable IP, including World Cricket Championship (WCC) and CarromClash in mobile games, Kiddopia in gamified early learning, NODWIN and Sportskeeda in esports and esports media, and Halaplay and Qunami in skill based, fantasy and trivia games.

Only Diversified Player in India	IP Owned Assets
<ul style="list-style-type: none"> <li><b>Across Geography:</b> Developed and Emerging Markets</li> <li><b>Business Model:</b> Advertising, Subscription, Media Rights, In-App purchases, Brand Sponsorships</li> <li><b>Across Business Segments:</b> esports, Sports Simulation, Early Learners and Skill based Fantasy among others</li> </ul>	<ul style="list-style-type: none"> <li>Only player in India with owned IP across categories</li> <li>100% inhouse content creation</li> <li>Makes its own Software / Game engines</li> </ul>
Global Distribution Network	Capital Efficient & Sustainable Growth
<ul style="list-style-type: none"> <li>Distribution pipelines / network with 52 telcos in 58 countries including Africa, Middle East, South Asia</li> <li>App store relationships with Apple and Google</li> </ul>	<ul style="list-style-type: none"> <li>Debt Free, has a track record of Positive EBITDA, Net Profit generation and Positive Cash Flows over 10+ years</li> <li>Since inception right upto March 2021, raised primary funds to the tune of ₹ 1,891.6 million. As a result, we have historically been EBITDA positive</li> </ul>

<sup>1</sup> Source: Frost and Sullivan

<sup>2</sup> Source: Frost and Sullivan

<sup>3</sup> Source: FICCI, IBEF

<sup>4</sup> Source: FICCI, IBEF

<sup>5</sup> Source: Frost and Sullivan

<sup>6</sup> Source: Frost and Sullivan

<sup>7</sup> Source: Frost and Sullivan

<sup>8</sup> Source: Frost and Sullivan

<sup>9</sup> Source: Frost and Sullivan

<sup>10</sup> Source: Frost and Sullivan

<sup>11</sup> Source: Frost and Sullivan

<sup>12</sup> Source Frost and Sullivan

<sup>13</sup> Source Frost and Sullivan

<sup>14</sup> Source Frost and Sullivan

<sup>15</sup> Source Frost and Sullivan

<sup>16</sup> Source Frost and Sullivan

All Figures have been rounded off to one place of decimal

## Management Discussion and Analysis (Contd.)

### Business Overview of Nazara:

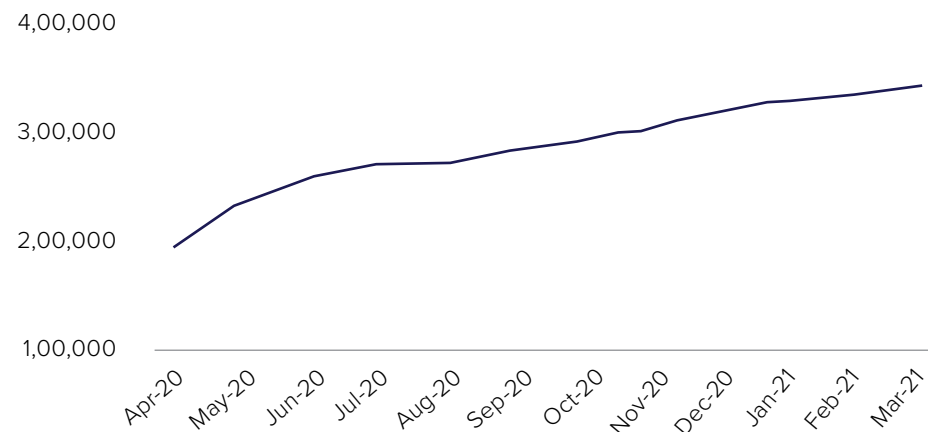
As of March 31, 2021, Nazara has diverse business segments with revenue generation happening across gamified early learning, esports, freemium and telco subscription.

S. No.	Business Segment	Business Model	Content IP Ownership	IP Name	% Revenue Contribution FY 2020-21
1	Gamified Early learning	Gamified App for 2-7 year old kids with subscription paid by parents	Yes	Kiddopia	39%
2	esports	Premium exclusive content / (Media rights licensing) & brand sponsorships (ads shown on the platform)	Yes	Nodwin, Sportskeeda	37%
3	Freemium	Ads & virtual items purchased within the games	Yes	WCC	4%
4	Telco Subscription	Players subscribing to curated game packs and payment collected through telecom operator channel	No	-	17%
5	Skill based Real Money Gaming	Platform fee collected from the skill games played on the platform	Yes	Halaplay, Qunami	3%

### Segment wise commentary on business performance:

- Gamified Early Learning:** Kiddopia had 340,282 paying subscribers as of March 2021 which is a 121.4% increase in number of paying subscribers as compared to March 2020 (1,53,698).

### Paying subscribers Kiddopia



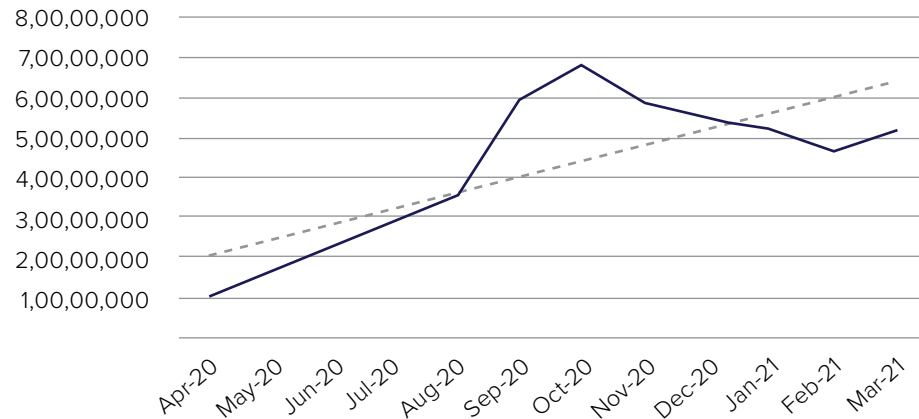
LTV (Lifetime Value) - CAC (Consumer Acquisition Cost) Parameters: Cost per trial has stayed range bound between US\$ 22 to US\$ 26 in last 12 months and activation ratio from free trial to subscription has also remained around 70%. Monthly ARPU of the user has been around 6.3 - 6.4 US\$ and monthly churn is range bound between 4% - 6% across the months in FY 2020-21.

- Esports:** Esports revenues comprise of media rights licensing of own content, brands sponsorships for offline and online events, licensing fee received from game publishers for community activation and programmatic inventory selling on Sportskeeda. esports is disrupting traditional sports worldwide and is an outcome of sports and gaming intersecting to create fast paced spectator entertainment content.
  - Sportskeeda witnessed 487% growth in MAU in FY 2020-21. During peak cricket season (October 2020), Sportskeeda recorded 68.4 million MAU up from 10.5 million MAU in April 2020. Sportskeeda has emerged as a leading esports news and content destination in India.



## Management Discussion and Analysis (Contd.)

**MAU Sportskeeda**

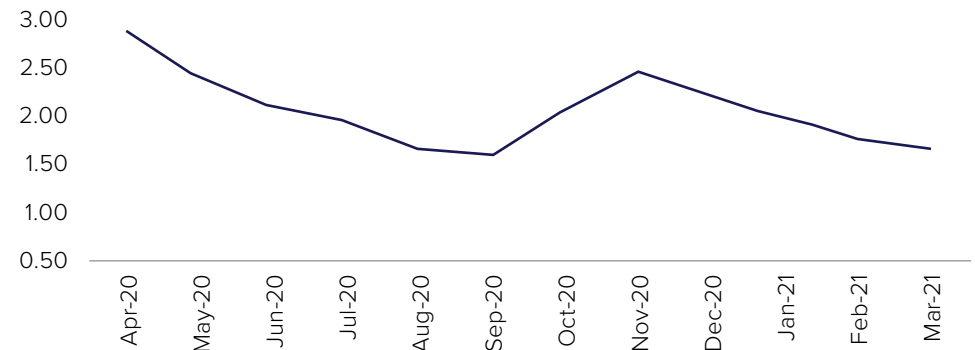


2.2. Nodwin continued revenue growth momentum with 74% growth in FY 2020-21 over FY 2019-20. Media rights contributed to majority of the revenues in FY 2020-21 and game publishers formed second largest source of revenue wherein Nodwin partnered with them for grass route community tournaments across India. Nodwin also expanded into South Asia in FY 2020-21. Nodwin continues to be the dominant player in esports in India with its marquee IPs like ESL India premiership, Dew Arena etc.

3. **Free to Download (Freemium):** WCC (World Cricket Championship) is the world's largest cricket simulation game franchise on mobile and is played for ~46 minutes/ day. Nextwave Games are played by over 12 million monthly active users. The Game has a very strong franchise among the midcore gamers who love virtual sports simulation genre and gets over 100,000 downloads every day organically and without any marketing spends. WCC revenues were flat in FY 2020-21 on account of drop in advertising rates in India due to COVID. We expect growth in WCC to come from in app purchases of virtual goods and WCC3 -the latest version of the game launched in July has been designed for enhancing in-app purchase conversion rates.

- 3.1. Scale of Daily Active Users (DAUs) of world cricket championship (WCC) is stable with few spikes seen during first phase of lockdown in April 20 and during IPL 2020.

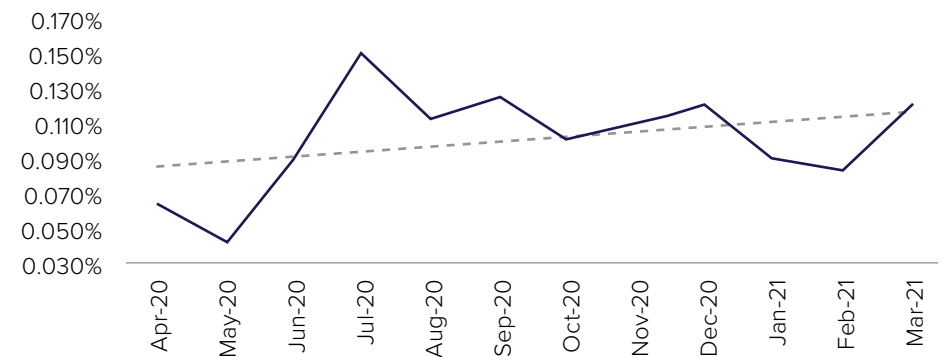
**DAU (Mil) Nextwave Games**



**DAU (in million)**

- 3.2. Tangible progress has been made on % conversion ratio (daily paying to daily active users (DPU/ DAU)) in FY 2020-21 via launch of WCC3. The % conversion in WCC3 has increased multi-fold to 0.08% - 0.10% as compared to 0.01% in WCC2. % Conversion in WCC3 is expected to increase further in FY 2021-22 through new product updates.

**% IAP Conversion WCC3**



**% IAP Conversion**

## Management Discussion and Analysis (Contd.)

Once positive LTV/CAC equation is achieved, the Company will invest aggressively in user acquisition to scale up its user base on WCC and drive profitable growth.

4. **Telecom operator driven Subscription business** declined by 8% in FY 2020-21 over FY 2019-20 primarily due to decline in India revenues in H2 FY 2020-21. Nazara has acquired rights to distribute a library of premium Disney and Star Wars games based on iconic stories and characters including Star Wars, Frozen, Big Hero 6, Cars, Duck Tales, Finding Dory, Toy Story and many others in 100 countries for three years. These premium games will be distributed through Nazara's network of telecom operators to their customer base. Under this agreement with Disney, Nazara is the only third party distributor that Disney has granted the right to create and operate Disney themed storefronts for premium Disney and Star Wars games on these telco channels.
5. **Sports Fantasy (Skill based Real Money Gaming):** Sports fantasy witnessed disruption in FY 2020-21 on account of lack of live matches in first half of FY 2020-21 and regulatory turbulence triggered by legislative ordinances passed in few of the large states banning real money gaming operations. The lack of stability in the regulatory framework lead to Nazara taking strategically cautious approach in this vertical till further clarity emerges. We have therefore pivoted to a product driven growth strategy versus an aggressive customer acquisition spends led strategy and the team is focused on enhancing existing as well as bringing new product features to differentiate ourselves in this segment.

### Financial Highlights: (Consolidated)

#### Financial performance as a measure of operational performance:

##### A. Revenue Performance: Snapshot

Nazara Technologies delivered a consolidated total operational revenue of ₹ 4,542 million in FY 2020-21, which is 84% growth over ₹ 2,475 million recorded in FY 2019-20. Gamified early learning and esports segments have not only demonstrated strong growth momentum in FY 2020-21, but have also laid foundation for predictable growth on account of proven user engagement and retention KPIs in gamified early learning and multiyear media licensing and game publisher agreements in case of esports.

Segment wise revenue breakup is as follows:

(in ₹ million)			
Revenue from operations	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Gamified Early Learning	1,758.4	191.3*	819%
esports	1,700.6	841.6*	102%
Freemium	195.2	197.8	(1%)
Telco Subscription	749.4	818	(8%)
Real Money Gaming	138.5	426.4	(68%)
<b>Total Operational Revenue</b>	<b>4,542.1</b>	<b>2,475.1</b>	<b>83.5%</b>
Other Income	143.3	154.6	(7.3%)
<b>Total Revenue</b>	<b>4,685.3</b>	<b>2,629.7</b>	<b>78.2%</b>

\*included from date of acquisition in the consolidated financial statement for FY 2019-20. Proforma revenue of Gamified Early Learning segment for FY 2019-20 is ₹ 582 million and for esports segment is ₹ 923 million.

#### Year on Year Segment wise Revenue Performance Analysis:

**Gamified Early Learning :** Paper Boat: Our gamified early learning app 'Kiddopia' had 340,282 paying subscribers as of March 2021 which is a 121.4% increase in number of paying subscribers as compared to March 2020, which is resulting in increased revenue for FY 2020-21. Further, Nazara has acquired Paperboat in January 2020 due to which in FY 2019-20 only 3 months numbers were reported.

#### eSport :

**Nodwin:** Media rights contributed to majority of the revenues in FY 2020-21. Company has entered into a deal of supply of content to Viacom in FY 2019-20. Revenue from Viacom alone has increased by approx. ₹ 47.2 Crores in FY 2020-21 as in FY 2019-20 the contract was only for 4 months. Further, Company has added some new events which helped in increased revenue.

**SportsKeeda:** Sportskeeda witnessed 487% growth in MAU in FY 2020-21. During peak cricket season (October 2020), Sportskeeda recorded 68.4 million MAU up from 10.5 million MAU in April 2020. There was an overall growth in Esports and WWE Section as well as IPL in September 2020. Further, Nazara has acquired SportsKeeda in September 2019 due to which in FY 2019-20 only 6 months numbers were reported.

## Management Discussion and Analysis (Contd.)

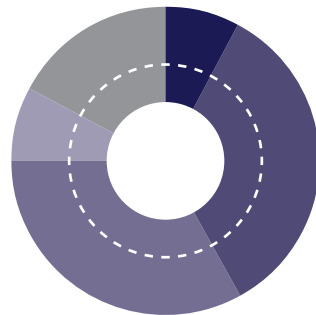
**Freemium:** Freemium segment primarily consist of free to download app World Cricket Championship (WCC) owned by our subsidiary Next Wave. WCC revenues were flat in FY 2020-21 on account of drop in advertising rates in India due to COVID. We expect growth in WCC to come from in app purchases of virtual goods and WCC3 – the latest version of the game launched in July has been designed for enhancing in-app purchase conversion rates.

**Telco Subscription:** Telecom operator driven Subscription business declined by 8% in FY 2020-21 over FY 2019-20 primarily due to decline in India revenues in H2 FY 2020-21. Subscription business in African countries (Kenya and Nigeria) and Nepal have been impacted due to new regulatory process implemented therein.

**Real Money Gaming:** Sports fantasy witnessed disruption in FY 2020-21 on account of lack of live matches in H1 FY 2020-21 and regulatory turbulence triggered by legislative ordinances passed in few of the large states banning real money gaming operations.

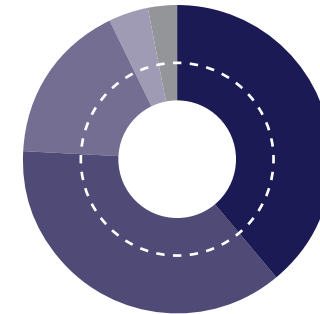
The trend of increase in contribution of gamified learning and esports and reduction of telco subscription continues in FY 2020-21 overall revenue mix as shown below.

**Segmental revenue break-up  
(FY 2019-20) (₹ in million)**



● Gamified Early Learning	<b>191.3, 8%</b>
● esports	<b>841.6, 34%</b>
● Telco Subscription	<b>818, 33%</b>
● Freemium	<b>197.8, 8%</b>
● Real Money Gaming	<b>426.4, 17%</b>

**Segmental revenue break-up  
(FY 2020-21) (₹ in million)**



● Gamified Early Learning	<b>1,758.4, 39%</b>
● esports	<b>1,700.6, 37%</b>
● Telco Subscription	<b>749.4, 17%</b>
● Freemium	<b>195.2, 4%</b>
● Real Money Gaming	<b>138.5, 3%</b>

### Quarter Segment wise Revenue Performance: Snapshot

(in ₹ million)

Revenue from operations	For the Quarter ended March 31, 2021	For the Quarter ended March 31, 2020	% Change
Gamified Early Learning	506.1	191.3	165%
esports	485.8	397.9	22%
Freemium	43.3	40.3	7%
Telco Subscription	178.3	180.9	(1%)
Real Money Gaming	20.3	60.3	(66%)
Total Operational Revenue	1,233.8	870.8	42%
Other Income	21.9	64.2	(66%)
Total Revenue	1,255.8	934.9	34.31%

## Management Discussion and Analysis (Contd.)

### Quarter on Quarter Segment wise Revenue Performance Analysis:

**Gamified Early Learning:** Paying subscribers have increased from 1,53,698 in March 2020 to 3,40,282 in March 2021 recording a 121.4% increase and balance growth from higher retained user base from high advertisement spending in Q4 FY 2019-20 and Q4 FY 2020-21

**esports:** Growth lead by 290% YOY increase (₹ 64.3 million increase in revenue in SportsKeeda – ₹ 86.4 million in Q4 2020-21 compared to ₹ 22.2 million in Q4 2019-20); Nodwin revenue increased by 6% in Q4 2020-21 against Q4 2019-20 as Q4 is a low revenue quarter for Nodwin on account of no IP tournaments quarter because of examinations going on.

**Freemium:** Marginal Y-o-Y growth in revenue inspite of 25% drop in Average DAU in Q4 2020-21 of 1.8 million against Q4 2019-20 totalling to 2.2 million on account of pre IPL month in 2020; Revenue decline did not happen because of increase in Advertisement ARPDAU from ₹ 0.11 to ₹ 0.14 and IAP ARPDAU from ₹ 0.02 to ₹ 0.03; IAP contribution to revenue increased from 15% to 17% in Q4 2020-21.

**Telco Subscription:** Telco subscription business has not declined Y-o-Y

**Real Money Gaming:** Real Money gaming revenues declined in Q4 2020-21 on account of postponement of IPL from April - May time period to later in the year and also reduction in advertising and bonus offered to the players budgets in line with stated direction of break-even EBITDA being primary goal in FY 2020-21.

### B. Expenses: Snapshot

#### Operating Costs

##### 1. Advertising and promotion

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Advertising and promotion	2,264.6	1,329.3	70%

Advertising and promotion expenses constitute 55.4% of total operational cost in FY 2020-21. Increase in Advertisement cost in FY 2020-21 was mainly driven by gamified early learning and esports event category. The advertisement expenses increased by ₹ 886 million and ₹ 531 million respectively, from gamified early learning and esports. Whereas, the revenue from the respective sectors has increased by ₹ 1,567 million and ₹ 859 million respectively. The monthly paying subscriber base increased from 1,53,698 in March 2020 to 3,40,282 in March 2021. In the esports category, advertisement majorly started from December 2019, hence only 4 months expenses were there in FY 2019-20 wherein FY 2020-21 factors in

for a full 12 months cost.

##### 2. Commission

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Commission	501.1	71.3	602%

Commission expenses are mainly incurred in our Kiddopia app and for IAP purchases in WCC3 which are ~28% of revenue. This has increased in proportion to the increase in revenue in this segment. These include the App store and Google Play commission paid for Kiddopia. An increase of ₹ 439 million, has been recorded on account of this payment, which has resulted in the increase

##### 3. Other Expenses

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Other expenses	312.6	305.4	2%

With the constant watch on its cost, group has been able to maintain its cost in other expenses despite increased business operations and significant growth in revenue.

##### 4. Content, event and web server

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Content, event and web server	524.4	506.9	3%

Content, event and web server contribute to 12.8 % of the total operating expenses in FY 2020-21. Nazara has acquired the rights to distribute a library of premium Disney and Star Wars games based on iconic stories and characters in FY 2020-21, which has resulted in increase in cost. The expenses in our esports category reduced due to restrictions on on-ground event. This all resulted in flattish content and event cost.

## Management Discussion and Analysis (Contd.)

### 5. Employee Benefits

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Employee Benefits	486.9	318.8	53%

Employee Benefits contributed to 11.9% of the total operating expense in FY 2020-21. The employee cost has witnessed an increase due to increase in overall operations of the group. Further, costs for Paper Boat and Absolute Sports were only for 3 months and 6 months in FY 2019-20, respectively, due to which FY 2019-20 had lower numbers.

### Non-operating Costs

#### a. Impairment Losses

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Impairment losses	41	-	100%

#### Company wise break up of Impairment Losses:

	(in ₹ million)	
Particulars	For the year ended March 31, 2021	
Goodwill impairment in Crimzoncode Technologies Private Limited	3.3	
Intangible Assets under development written off in Absolute Sports	5.8	
Impairment loss for the investment in		
- Mastermind Sports Limited	5.8	
- Moonglabs Technologies Private Limited	2.2	
- Sports Unity Private Limited	6.1	
- Instasportz Consultancy Private Limited	10.0	
- Khichadi Technologies Private Limited	7.5	
Others	0.3	
<b>Total</b>	<b>41</b>	

The Group has small investments in some associate companies. These are very early-stage incubation bets taken by the Company and some of these bets have not materialised as is the nature of very early-stage incubations. Some of these incubations

have not been able to find product market fit at scale and hence are reporting losses in their books. Looking at these facts, group has booked part of investment as impairment loss.

With the constant watch on its expenses, the group has been able to maintain its cost in other expenses despite increased business operations and significant growth in revenue.

#### b. Finance costs

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Finance costs	9.0	12.4	(27)%

#### c. Depreciation and amortisation

	(in ₹ million)		
	For the year ended March 31, 2021	For the year ended March 31, 2020	% Change
Depreciation and amortisation	354.8	263.2	35%

During last 3-4 years, Group has done multiple acquisitions which has resulted into acquisition of intangible assets including Goodwill, Brand etc. Goodwill is not amortised but checked for impairment on yearly basis. Brand is amortised over 10 years, License is amortised over the life; rest of the intangible assets are amortised over 6 years. Acquisition of Paper Boat and Absolute was done during FY 2019-20, hence amortisation related to intangibles of these business was not for full year in FY 2019-20 due to which FY 2020-21 is showing higher cost. Depreciation and amortisation on ROU assets and PPE have increased by ₹ 11.8million and Intangible Assets have increased by ₹ 79.8 million.

#### Consolidated EBITDA Performance: Snapshot

EBITDA including share of non-controlling interest for FY 2020-21 was recorded at ₹ 596 million, witnessing a 508% growth over ₹ 97.9 million recorded in FY 2019-20.

Subsequently, there was an increase in the EBITDA Margins too, rising from 4% in FY 2019-20 to 13% in FY 2020-21, witnessing a 9% increase.

	(in ₹ million)			
Particulars	FY 2020-21	FY 2020-21	FY 2019-20	FY 2019-20
EBITDA	595.7	12.71%	97.9	3.72%



## Management Discussion and Analysis (Contd.)

### Segment wise EBITDA Performance: Snapshot

(in ₹ million)

Particulars	FY 2020-21	FY 2020-21	FY 2019-20	FY 2019-20
Gamified Early Learning	125.7	7.1%	(34.6)	(18.1)%
esports	304.8	17.9%	74.8	8.9%
Freemium	41.3	21.2%	66.1	33.4%
Telco Subscription	137.3	18.3%	205.8	25.2%
Real money gaming	(57.5)	(41.5)%	(347.2)	(81.4)%
Unallocated	44.	-	133.1	-

### Year on Year Segment wise EBITDA Performance Analysis:

**Gamified Early Learning:** Reduction in advertisement spends resulted in higher EBITDA, recording a growth to touch ₹ 126 million from ₹ (35) million earlier.

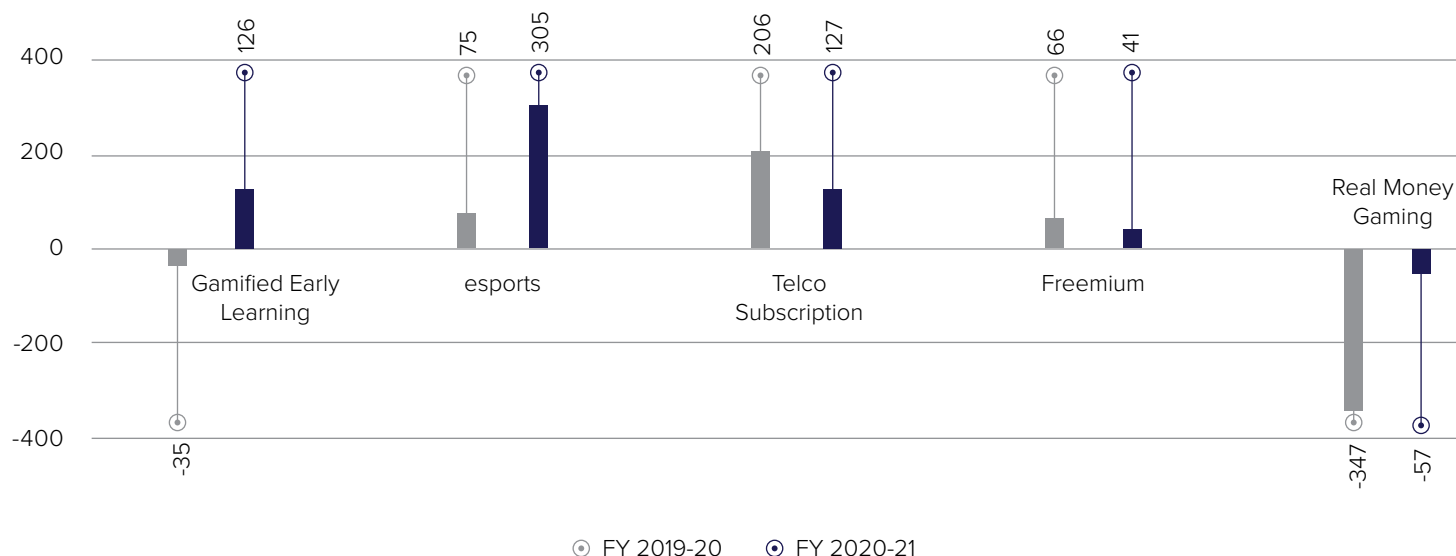
**eSport:** Better EBITDA recorded, growing from ₹ 75 million in FY 2019-20 to ₹ 305 million in FY 2020-21, having improved due to low variable costs

**Freemium:** There was a dip in EBITDA to ₹ 41 million in FY 2020-21 from ₹ 66 million in FY 2019-20, mainly due to lack of capitalisation of employee cost in the current year.

**Telco Subscription:** The declining trend of revenues and margins in Nazara India and African entities led to a drop in the Telco subscription EBITDA from ₹ 206 in FY 2019-20 to ₹ 137 million in FY 2020-21. While there is growth in revenue from APAC region.

**Real Money Gaming:** Lower activity levels led to improvement in EBITDA from ₹ (347) million in FY 2019-20 to ₹ (57) million in FY 2020-21 as variable costs witnessed a reduction.

Segmental EBITDA (in ₹ million)



○ FY 2019-20    ● FY 2020-21

## Management Discussion and Analysis (Contd.)

As Nazara is operating in high growth business segments such as gaming, gamified early learning and esports, we will continue to drive profitable growth and maintain market leadership in the segments we operate in.

### Quarter Consolidated EBITDA Performance: Snapshot

(in ₹ million)

Particulars	Quarter ended March 2021	Quarter ended March 2021	Quarter ended March 2020	Quarter ended March 2020
EBITDA	139.7	11.1%	68.9	7.4%

Increase in EBITDA margin on account positive margins in Paper Boat Apps and SportsKeeda in Q4 2020-21 as against negative margins in Q4 2019-20 and increased margin in Nodwin from 6.5% to 9.8% in Q4 2020-21

### Quarter Segment wise EBITDA Performance: Snapshot

(in ₹ million)

Particulars	Quarter ended March 2021	Quarter ended March 2021	Quarter ended March 2020	Quarter ended March 2020
Gamified Early Learning	81.8	16.2%	(34.3)	(17.9)%
esports	63.3	13.0%	16.1	4.0%
Freemium	7.3	16.9%	3.0	7.5%
Telco Subscription	2	1.1%	60.5	33.4%
Real money gaming	(9)	(44.3)%	(25.9)	(43.1)%
Unallocated	(5.7)		49.5	
<b>Total</b>	<b>139.7</b>	<b>11.1%</b>	<b>68.9</b>	<b>7.4%</b>

### Company wise Financial Reporting:

(in ₹ million)

Revenue	Nature of Relationship	For the year ended March 31, 2021	For the year ended March 31, 2020	% YoY Growth
Nodwin Gaming Private Limited	Material Subsidiary Company	1,356.9	780.5	74%
Paper Boat Apps Private Limited (consolidated)	Material Subsidiary Company	1,758.4	581.6	202%
Next wave Multimedia Private Limited	Subsidiary Company	166.5	136.8	22%
Absolute Sports Private Limited	Subsidiary Company	343.2	142.2	141%
Halaplay Technologies Private Limited	Material Subsidiary Company	124.1	396.8	(69)%

EBITDA	For the year ended March 31, 2021	For the year ended March 31, 2020
Paper Boat Apps Private Limited (consolidated)	125.9	(32.6)
Nodwin Gaming Private Limited	131.6	86.8
Absolute Sports Private Limited	167.4	13.5
Next wave Multimedia Private Limited	39.9	46.0
Halaplay Technologies Private Limited	24.1	(307.6)

## Management Discussion and Analysis (Contd.)

### Cash Flow Analysis: Snapshot

During the year Company has generated ₹ 674.1 million from operating activities and ₹ 2,170.7 million from financing activities (₹ 1,000 million and ₹ 1,101 million invested by IGL and Krafton respectively). Total investment made by the Company during the year amounted to ₹ 2,675.3 million. Hence net increase in cash and cash equivalents during the year amounted to ₹ 169.5 million.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	Reasons for change
Net cash generated from / (used in) operating activities	674.1	(22.1)	<p>Increase in revenue throughout from various segments combined with operating leverage benefits led to increase in PBT to ₹ 167.0 million in FY 2020-21.</p> <p>Adjustment for Non-cash items and others stood at ₹ 360.2 million on account of increased depreciation.</p> <p>The Company has improved its Working capital position as at Mar-21 which led to inflow from working capital of ₹ 306.5 million</p> <p>Accordingly, OCF before tax stood at ₹ 833.7 million and post payment of taxes of ₹ 159.6 million stood at ₹ 674.1 million a multifold improvement from ₹ (22.1) million in FY 2019-20</p>
Cash generated from / (used in) Investing activities	(2,675.3)	89	<p>Cash flow from investing activities stood at ₹ (2675.3) million led primarily by investing excess cash in liquid funds to the tune of ₹ 640.6 million and investment in Bank FDs to the tune of ₹ 1189.5 million. Further there is an adjustment of ₹ 535.6 million pertaining to restricted cash related to selling shareholders on account of IPO concluded in March 2021.</p>

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	Reasons for change
Cash generated from financing activities	2,170.7	33.7	<p>Cash Flow from financing activities stood at ₹ 2,170.71 million primarily led by</p> <ul style="list-style-type: none"> <li>Investment made by IGL of ₹ 1,000 million</li> <li>₹ 117.44 million related to ESOP scheme and others</li> <li>Investment made by Krafton (PUBG) of ₹ 1,101 million in one of the key subsidiaries.</li> </ul>

Accordingly, there was a net increase in Cash and Cash equivalents of ₹ 143.2million for FY 2020-21 after adjusting for exchange rate changes in cash balances. Coupled with previous year opening balance of ₹ 720.9 million the total cash and cash equivalents at the end of year stood at ₹ 864.1million. This coupled with other bank balances resulted in cash availability of ₹ 2323.9million. Therefore the Company had ₹ 3,187.9 million cash and bank balance at the end of March 31, 2021.

### Cash and Cash Equivalents:

The Company has added ₹ 2,550.3 million to cash and near cash reserves during the year under review, aggregating to ₹ 4,783.9 million of total cash and near cash reserves as of March 31, 2021 as compared to ₹ 2,233.6 million as of March 31, 2020. The Company and all its subsidiaries continue to remain debt free from external borrowings. The break-up of cash additions during the year from key sources is as follows:

- Cash added from operations
- Investment from IGL & exercising of options
- Investment by Krafton into Nodwin

### Net worth & EPS

The Company's net worth has improved to ₹ 6,581.8 million in FY 2020-21 from ₹ 5,010.7 million and basic EPS has increased from ₹ (0.8) per share in FY 2019-20 to ₹ 3.2 per share in FY 2020-21.

## Management Discussion and Analysis (Contd.)

### Statement of Key Ratios

Types of Ratio	Explanation of Ratios	FY 2020-21	FY 2019-20	% Change	Explanation for Change
Interest Coverage Ratio (Times)	The Interest Coverage Ratio is a Debt and Profitability ratio used to determine how easily a Company can pay Interest on its Outstanding Debt.	NA	NA	NA	The Company does not have any loan facilities
Current Ratio (Times)	The Current Ratio is a Liquidity ratio that measures a Company's ability to pay Short-term obligations or those due within one year, calculated by dividing the Current Assets by Current Liabilities.	3.2	2.6	23.1%	Cash and Bank balance significantly increases due to primary investments in the Company and one of its subsidiaries, due to which current ratio also witnessed an increase.
Debt Equity Ratio (Times)	The Debt Equity Ratio is used to evaluate a Company's Financial leverage. It is a measure of the degree to which a Company is financing its operations through Debt versus Wholly owned funds. It is calculated by dividing a Company's Total Borrowings (i.e., Long-term Debt, Short-Term Debt and Current Maturities of Long-Term debt) by its Shareholders Equity.	NA	NA	NA	The Company does not have any loan facilities
Debtors Turnover (Days)	Debtor's Turnover Ratio is an accounting measure used to determine how effective a Company is in extending Credit as well as collecting Debts.	6.6	3.6	83.3%	The group has been able to maintain its debtors' level at ₹ 68 Crores in both years, wherein sales have improved by 84%, which has resulted in higher debtor turnover ratio.
Operating Profit Margin (%)	Operating Profit Margin is the Profitability ratio which is used to determine the percentage of the Profit which a Company generates from its Operations before deducting the taxes, depreciation, impairment and interest.	12.7%	3.7%	241%	Increase in sales and optimisation of cost led to higher operating margins, which was mainly led by Paperboat.
Net Profit Margin (%)	Net Profit Margin is the percentage of Revenue left after all Expenses have been deducted from Total Income.	2.9%	(10.2)%	128.6%	With improved sales performance, the Company has been able to achieve higher profit margins.
Return on Net Worth (%)	Return on Net Worth (RoNW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing Total Comprehensive Income for the year by Average Net Worth for the year.	2.1%	(5.3)%	139.6%	With improved profitability, Return on Net Worth also increased.

## Management Discussion and Analysis (Contd.)

### Commentary on Key Growth drivers & Investment - Performance Snapshot:

Pls note: The revenue and EBITDA numbers are at the operating Company level for the respective financial year and will not match with the Nazara consolidated numbers as time period of consolidation of revenue and % holding of will lead to difference in revenue as well as EBITDA in Company's SFS and Nazara CFS.

1. **Paper Boat apps (IP: Kiddopia):** Nazara acquired majority in early learning app Kiddopia in January 2020. Kiddopia is aimed at 2-7 year old kids and is very popular in North America with majority of its revenue coming from USA. Kiddopia has shown 3x growth in FY 2020-21 in terms of revenues and has very strong unit economics. Long term retention makes it very high EBITDA margin at steady state of user acquisition spends and offers high growth annuity business with high EBITDA margins. Our gamified early learning app 'Kiddopia' had 340,282 paying subscribers as of March 2021 which is a 121.4% increase in number of paying subscribers as compared to March 2020, which is resulting in increased revenue for FY 2020-21. Further, Nazara has acquired Paper Boat in January 2020 due to which in FY 2019-20 only 3 months numbers were reported.

#### Key Drivers:

- Continually develop new content for children aged 2-7 years to further tap into the large US market
- US alone huge enough to absorb Nazara's marketing spend and gain market share
  - o Americans fork out US\$ 76 billion for early child care and education, such as preschool programs
  - o Game based learning is a key growth driver
  - o Majority of teachers support gamification initiatives to develop skills

### Robust retention rates with strong unit economics

	(in ₹ million)		
In ₹ million	FY 2018-19	FY 2019-20	FY 2020-21
Revenue	182.5	581.6	1,758.4
EBITDA	(19.9)	(32.6)	125.9

2. **Esports (Nodwin/ Sportskeeda):** Overall esports media grew by 102% in FY 2020-21 over FY 2019-20 and expected to surge in FY 2021-22 over FY 2020-21 due to momentum in the business. Esports revenues comprises of media rights licensing of own content, brands sponsorships for the offline and online events, licensing fee received from game publisher for the community activation and programmatic inventory selling on SportsKeeda. Esports is disrupting traditional sports worldwide and is an outcome of sports and gaming intersecting to create a fast paces high thrill spectator entertainment content. SportsKeeda registered average 59.0 million visits per month in FY 2020-21 which is 25% growth over FY 2019-20.

#### Key Drivers:

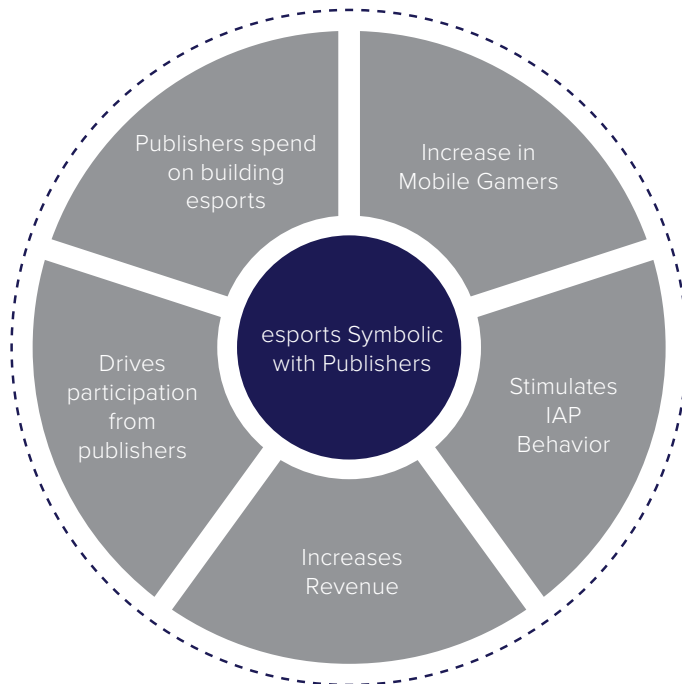
- Exclusive rights and ownership of live stream and on-demand premium esports content for streaming on YouTube, Facebook, Hotstar etc.
  - Only Company in India to have rights over IP and assets across grass root, regional, national and international esports.
  - This structure enables a Grassroot player to break into the International circuit
- Grassroots/Regional IPs National IPS International IPs**
- Nazara builds and owns tech infrastructure on which global games run locally
  - Increasing contribution of media rights to esports revenues, amplified by growing number of global and local OTT platforms.



## Management Discussion and Analysis (Contd.)

### Virtuous cycles drive esports

#### IAP Driven Revenues



#### Live Stream Viewers



2.1. **Nodwin** is into esports content business and dominates the esports business in India across esports content on OTT platforms, large scale esports IP, partnerships with global game publishers and brand sponsorships across endemic and nonendemic brands. Media rights licensing business contributes to majority of the overall revenues and Nodwin is now top 5 global esports company in terms of revenue scale and is leading mobile esports across the world. Media rights contributed to majority of the revenues in FY 2020-21. Company has entered into a

deal of supply of content to Viacom in FY 2019-20. Revenue from Viacom alone has increased by approx. ₹ 47.2 crores in FY 2020-21 as in FY 2019-20 the contract was only for 4 months. Further, company has added some new events which helped in increased revenue.

In ₹ million	FY 2018-19	FY 2019-20	FY 2020-21
Revenue	495.2	780.5	1356.9
EBITDA	36.2	86.7	131.6

## Management Discussion and Analysis (Contd.)

2.2. **Sportskeeda** is leading multi sports/ esports news destination with over 38.2 million monthly active users and 59.0 million website visits per month to read the content across WWE, esports, cricket, soccer, basketball and it is the largest multi-Sports news site in India. Sportskeeda witnessed 487% growth in MAU in FY 2020-21. During peak cricket season (October 2020), Sportskeeda recorded 68.4 million MAU up from 10.5 million MAU in April 2020. There was an overall growth in esports and WWE Section as well as IPL in September 2020. Further, Nazara has acquired SportsKeeda in September 2019 due to which in FY 2019-20 only 6 months numbers were reported.

In ₹ million	FY 2018-19	FY 2019-20	FY 2020-21
Revenue	154	142.2	343.2
EBITDA	8.3	13.5	167.4

3. **Next Wave (IP: World Cricket Championship): WCC** is the most downloaded cricket game. World's largest cricket simulation game on mobile played for 46 minutes per day by over 12 million monthly active users. The game is a cult among mid core gamers who love virtual sports simulation genre. Release of WCC3 – the beta version of new cricket title was launched in May 2020. and is designed to drive IAPs – to contribute to revenue growth. Conversion rate is up 10.0x on WCC3, compared to WCC2 (previous title). The Company expects this number to reach 1.0% by 2025. Multi player, game progression and enhanced game economy along with other features are already moving IAP in the right direction. IAP Revenue/ Day is up 3.8x (\$). Freemium segment primarily consists of free to download app World Cricket Championship owned by our subsidiary Next Wave. WCC revenues were flat in FY 2020-21 on account of drop in advertising rates in India due to COVID. We expect growth in WCC to come from in app purchases of virtual goods and WCC3 – the latest version of the game launched in July has been designed for enhancing in-app purchase conversion rates.

### Key Drivers:

- Monetisation via in-app purchases of virtual goods
- Increasing revenues from sale of virtual items within the game
- Surge in IAP will be Driven by Growth of Mid and Hard Core Gamers and Higher ARPPU

	2018	2020	2025
Hard core Gamers	5 million	10 million	30 million
Mid core Gamers	15 million	35 million	100 million
Casual Gamers	100 million	250 million +	500 million +

- Underlying Consumer Behavior –Catalyst in Growth of Mid and Hard core Gamers & ARPPU
  - o Games are new social community for Millennials & Gen Z
  - o Shorter Matches -Quick results -Instant Fun & Fame
  - o Fewer games -longer shelf life -more time spent per day
  - o Play -Compete -Watch fuelling “cult status”
  - o Competitive spirit key driver of IAP and inherent part of Sports Simulation/ Mobile Battle Arena Shooting (MOBA)
- Huge opportunity in cricket crazy India - Cricket draws 93% of sports viewers in India, Nextwave's cricket IP is similar to what FIFA (owned by EA) is to football.

In ₹ million	FY 2018-19	FY 2019-20	FY 2020-21
Revenue	150.9	136.8	166.5
EBITDA	61.6	46.0	39.9

## Management Discussion and Analysis (Contd.)

4. **Halaplay (Skill based Real Money Gaming):** Due to potential regulatory risks, the Company has modified its aggressive user acquisition led approach to this vertical towards a more conservative, profitability led growth model. Strategically cautious entry in to real money gaming in light of regulatory uncertainty in India. Sports fantasy witnessed disruption in FY 2020-21 on account of lack of live matches in first half of FY 2020-21 and regulatory turbulence triggered by legislative ordinances passed in few of the large states banning real money gaming operations.

### Key Drivers:

- Between 2018 and 2020, Online Fantasy Sports (OFS) revenue registered a 9.4x growth
- While COVID-19 is likely to slow down the rapid growth in user base and engagement (due to lack of live sports)
  - Fundamentals of the business remain robust
- Growth of sports, coupled with digitisation, is gradually making India a prime market
  - While cricket remains the favourite sport, Indians have started following football, kabaddi, basketball, hockey etc
  - 50% traffic is from Tier 2 and Tier 3 cities

In ₹ million	FY 2018-19	FY 2019-20	FY 2020-21
Revenue	223.5	396.8	124.1
EBITDA	(276.4)	(307.6)	24.1

### Details of the Investments made by Nazara as on March 31, 2021

M&A has been integral part of Nazara's growth journey and Nazara has been one of the most aggressive investors in the gaming ecosystem in India. "Friends of Nazara" network which was a concept 4 years back is now a reality and a proven concept with demonstrated growth of Nodwin, Paperboat apps, Absolute Sports (Sportskeeda) and Next wave waiting in the wings to break the revenue and user scale orbit.

### Investments made by Nazara Group as on March 31, 2021

Name of the Party	Amount (in ₹ million)		
	Cash Consideration	Share Swap and ESOP	Nazara's Holding (%)
Next Wave Multimedia Private Limited	300.3	227.9	52.4
Nodwin Gaming Private Limited	505.3	414.3	54.5
Halaplay Technologies Private Limited	491.9	146.3	74.0
Crimzoncode Technologies Private Limited	16.9	13.1	100.0
Khichadi Technologies Private Limited	7.5	-	16.7
Sports Unity Private Limited	60.9	-	62.5
Absolute Sports Private Limited	95.0	343.4	72.7
Paper Boat Apps Private Limited	400.1	435.0	50.9
Nazara Technologies FZ LLC	0.6	-	100.0
Nazara Pro Gaming Private Limited	0.1	-	100.0
Nazara Pte. Limited	0.1	-	100.0
Instasportz Consultancy Private Limited	10.0	-	10.5
Moong Labs Technologies Private Limited	10.0	-	24.4
Mastermind Sports Limited	27.5	-	26.0
Hashcube	23.2	-	12.4
Mutual Funds and Bonds	1,060.4	-	NA
<b>Total</b>	<b>3,009.6</b>	<b>1,580.1</b>	<b>-</b>

Nazara will continue to pursue aggressive M&A within and outside India and will be looking to fill white spaces in its portfolio within Gamified learning, esports, freemium and real money gaming

## Management Discussion and Analysis (Contd.)

- ✓ Opportunities in demographics across the globe: Acquire IPs catering to young males; female gamers, 7-12 kids
- ✓ Leadership opportunities in geographies: Expansion into South Asia, South East Asia and MEA for freemium and esports; Scout for publishing partners in China for local app store distribution
- ✓ Capability & Capacity building to create strong enabling ecosystem within Nazara network to further grow gamified learning, esports, freemium and real money gaming

### Outlook

The gaming market is witnessing an accelerated growth worldwide. The gaming industry has evolved immensely and changes are yet to come. With the increase in the number of players in India, a convenient gaming culture is to set in. Availability of smartphones and affordable technology, rising disposable income, the Industry is in its growth launchpad and gradual penetration to untapped market will fuel the growth and the Industry can make valuable contribution to the economy.

Nazara is looking forward to:

- ✓ Build on Nazara's leading market position and growth opportunity in India
- ✓ Enhance existing offerings and increase monetisation opportunities
- ✓ Pursue strategic investment and acquisition opportunities
- ✓ Further build the existing technology stack to enhance existing platform

### Risks and Mitigation

#### Financial Risk

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks as summarised below:

1. **Market Risk** - Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk

comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, mutual funds and debt investments.

The sensitivity analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

- 1.1. **Equity/ Investment price risk** - The Company has made several strategic investments (including unlisted subsidiaries, associates and other investee companies). Some of these are startups (early stage) companies and others in their growth phase.

The Company manages the equity price risk through diversification and invests across several gaming companies. The Company's Board of Directors review and pre-approve all such decision to invest. In addition, at the reporting date, the exposure to unlisted equity securities in non-current and current investments are periodically reviewed and evaluated by the Board. In specific, the Board review and evaluates the unobservable inputs (i.e. long-term growth rates and weighted average cost of capital), cash flow projections for 5-year period, actual performance when compared to cash flow projections approved by respectively entities Board of Directors, and sensitivity performed by an independent external valuation expert.

- 1.2. **Foreign currency risk** - Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company did not enter into any derivative instruments for hedge or speculation

2. **Credit risk** - Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities.

It assesses and manage credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different

## Management Discussion and Analysis (Contd.)

characteristics. Based on the assumptions, inputs and factors specific to the class of financial assets, the following credit ratings are assigned to each class of financial assets:

- (i) Low credit Risk;
- (ii) Moderate credit Risk; and
- (iii) High Credit Risk.

Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to whom credit terms is granted in the normal course of business.

3. Liquidity Risk - Liquidity risk is the risk that the Company will not be able to settle or meet its obligations, as they fall due. Company's Policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet our operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. The management monitors net liquidity position through rolling forecasts on the basis of expected cash flows.

### Operational Risk

- The Company's ability to acquire users at optimal cost and maintain LTV/ CAC in gamified learning business can get impacted by time-to-time changes done by the distribution platforms such as Apple and Google. Company works extensively with multiple partners to be abreast of any such changes in advance and also has capable in-house team which is able to find new normal much before their peer groups.
- The Company's ability to maintain high growth of esports revenue in India is mainly dependent on the increase in the revenue scale of the mobile gaming market in India (non real money gaming) which will lead to entry of more global gaming publishers in India and accelerated investment in esports by the game publishers. Company being market leader and most trusted esports partner among global publishers continues to engage and evangelise the Indian Market to game publishers, brands etc.
- The Company's ability to grow revenue in scale in freemium via in app purchase of virtual items within the game is very dependent on the habit of the Indian gamers

to convert from playing to paying gamers and also the supply side of the game designers which can create game designs to stimulate micro transaction within the game.

- The Company's ability to grow sports media business is very dependent on the time to time change in data privacy policies introduced by the app stores, governments and large global ad networks such as FB and Google.
- The Company's ability to grow real money gaming business is exposed to dynamic legal and regulatory risks such as changes in direct tax regimes Supreme court and High court view a game qualifying as game of skill or game of chance, Indian state's taking anti online real money gaming decisions driven by inherent social optics of associating this with vice. Company works actively with other real money gaming industry leaders and Govt bodies to educate different stakeholders on game of skill Vs chance.
- The gaming industry is hugely data-driven and exposed to cyber security breaches, unwarranted malware and phishing attacks. Indiscrete and unauthorised disclosure of confidential customer information and data compromise not only results in reputation and brand damage, but also has a long impending financial stress due to severing of contracts. The Company has put in place sufficient and adequate IT controls for monitoring and continuous check on such malpractices. Also, firewalls and Anti-viruses protect the data privacy and reduce such risks significantly.
- The key growth propellers of the gaming industry is in secure IPs and exclusive media rights. Infringement of IP rights over titles of games and content or of acquired IPs or owned IPs brings financial losses and long drawn claims and litigations and unfavourable atmosphere in operations of the industry. Company has sufficient and adequate provisions made in this regard. It has a registration for protection of Intellectual Property rights with Office of the Controller General of Patents, Designs & Trademarks under Department for Promotion of Industry and Internal Trade, Government of India, in place.

### Internal Control Systems and Adequacy

Effective internal controls are necessary for preparing reliable financial reports and avoid fraud. The Company has in place adequate internal financial control systems commensurate with the size of its operations. Internal control systems comprising policies and procedures are designed to ensure sound management of Company's operations, safe keeping of its assets, prevention and detection of frauds and errors.



## Management Discussion and Analysis (Contd.)

Further, it also helps ensure optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed by the Audit Committee to maintain the highest standards of Internal Control. During the year under review, no material or serious observation was received from the Auditors of the Company, citing inefficiency or inadequacy of such controls. An extensive internal audit was carried out by M/s. R. Jaitlia and Co., Chartered Accountants. Post audit reviews were also carried out to ensure follow up on the observations made.

The Company's Board of Directors is responsible for ensuring relevant internal controls in the preparation and presentation of Financial Statements.

### Human Resources

The Company has adopted a 'People's Policy' which sets out relevant provisions applicable to all the employees of your Company. This is in regard to equal opportunity, code of business conduct, working hours, probation, internal transfers, promotions, misconduct and sexual harassment, leave, exit, business travel and whistle blower matters.

The Company also has a 'Policy on Prevention of Sexual Harassment', adopted on August 23, 2014. There is an Internal Complaints' Committee formed to redress sexual harassment complaints. The composition of the Board is subject to the 'Policy on Board Diversity' of your Company, updated as on March 10, 2021. The 'Nomination and Remuneration Policy', updated as on March 10, 2021, is applicable to Executive and Non-executive Directors, Key Managerial Personnel and Senior Management Personnel.

The business of the Company is people-driven. And hence, the success of your Company depends upon its ability to attract, develop, motivate, retain and effectively utilise highly skilled professionals across businesses. The Company is also dependent

upon game developers and experts in the gaming industry who curate mobile games and develop/provide gaming platforms. Increased hiring by technology-led companies and increasing worldwide competition for skilled gaming professionals is likely to lead to a shortage in the availability of suitable personnel.

The attrition rate of Company for FY 2020-21 stood at 15%. Members of the workforce are the strongest attributes and your Company maintains people-centric policies and practices. Identification of the right talent, including game developers, animators, technology stack engineers, game designers, UI/UX specialists, M&A specialists, HR business partners and marketeers, continue being a key area of investment for your Company. Nazara will continue striving to provide a positive, friendly, safe and collaborative working environment. The Company will continually invest in structured training and upskilling programmes. Thus promote a culture of entrepreneurship, meritocracy and diversity.

### Cautionary Statement

Statements in the Management Discussion and Analysis describing Company's objectives, projections, estimates, expectations, and others may constitute 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ from those expected or implied. Several factors that could significantly impact Company's operations include economic conditions affecting demand, supply and price conditions in the markets, changes in technology, changes in the government regulations, tax laws and other statutes, climatic conditions, and such incidental factors over which the Company does not have any direct control. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

# Boards' Report

Dear Members,

The Board of Directors are pleased to present the 22nd Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2021.

## Financial Results:

Summary of the operations of the Company on standalone and consolidated basis for the financial year ended March 31, 2021 is as follows:

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operations	329.34	461.21	4,542.07	2,475.09
Total Expenditure	427.88	422.79	4,494.49	2,807.32
Profit before tax & exceptional item	(8.47)	104.73	167.03	(195.79)
Net Profit/Loss Before tax	(8.47)	104.73	167.03	(195.79)
Profit/ (Loss) for the year	8.21	69.65	136.36	(267.76)
Equity Share Capital	121.81	111.99	121.81	111.99
Other Equity	4,577.38	3,315.82	6,459.95	4,898.68
Net Block	9.62	50.86	2,985.99	3,330.85
Net Current Assets	2,212.34	526.95	6,812.42	3,796.87
Cash and Cash Equivalents (including bank balances)	561.88	39.04	3,723.52	1,867.04
Earnings/(Loss) per Share				
(Basic)(in ₹)	0.28	2.51	3.20	(0.77)
(Diluted)(in ₹)	0.28	2.46	3.08	(0.77)

## Business Overview:

The Company is a leading India based diversified gaming and sports media platform with a presence in India and across emerging and developed global markets such as Africa and North America, with offerings across the interactive gaming, e-Sports and gamified early learning eco-systems. The Company owns some of the most recognisable IP, including World Cricket Championship (WCC) and Carromclash in mobile games, Kiddopia in gamified early learning, Nodwin and Sportskeeda in esports and esports media, and Halaplay and Qunami in skill based fantasy and trivia games.

During the year under review, on Standalone basis the Company has registered turnover of ₹ 329.34 million as against ₹ 461.21 million in the previous year. The other income stood at ₹ 90.07 million as against ₹ 66.31 million in the previous year. The total expenditure stood at ₹ 427.88 million as against ₹ 422.79 million in the previous year. Your Company had registered a total profit of ₹ 1.69 million for the financial year ended on March 31, 2021 as against ₹ 84.21 million in the previous year.

On consolidated basis, our revenue from operations stood at ₹ 4,542.07 million for FY 2020-21 as against ₹ 2,475.09 million for FY 2019-20. On Consolidated basis, the Company has registered a profit of ₹ 136.36 million for the FY 2020-21.

The operating and financial performance of your Company has been covered in the Management Discussion and Analysis Report which forms part of the Annual Report.

## Update on Covid-19 Impact and our Initiatives:

The black swan event of the COVID-19 pandemic has severely disrupted life and business alike around the world. Emergency measures, quarantines, and travel bans are the new norm for most of the major economies, including India. The spread of COVID-19 has caused us to modify our business practices including employee travel, employee work locations and cancellation of physical participation in meetings, events and conferences.

Business continuity, accessibility, and availability have emerged as top priorities for organisations of all sizes across every vertical. This has presented itself as a clear and present opportunity for Nazara Technologies Limited. From business perspective, the Company is buoyed with the resilience of digital and interactive gaming, esports, learning app market in these challenging times and are confident of its ability to maintain Group's market position as a leading gaming and esports organisation. This included launching of several new games and products which are received positive response from the users/ subscribers.

The principal risks that the Company could be impacted includes uncertainty around new business, customer renewals, price risk, product and technology risk etc. that might arise due to adverse market conditions on account of COVID 19 pandemic. The Company has been quite frugal in its financial matters and prudent in its investment decisions, while monitoring the evolving market conditions closely, to ensure its own continuity and mitigating the risk impacting its business segment.

## Initial Public Offering:

The Directors are pleased to inform that the Company's Initial Public Offering (IPO) by way of Offer for Sale of 52,94,392 equity shares of ₹ 4/- each at a price of ₹ 1101/- per share have

## Boards' Report (Contd.)

received extra-ordinary response from the investors. The issue opened on March 17, 2021 and closed on March 19, 2021. The credit of 52,94,392 equity shares of ₹ 4/- each allotted under the said IPO was made on March 25, 2021. There was no change in the paid up equity share capital of the Company as the issue was for Offer for Sale.

The trading on equity shares commenced on BSE Limited and National Stock Exchange of India Limited on March 30, 2021. The success of the IPO reflects the trust, faith and confidence that the investors, customers, business partners and markets have reposed in the Company.

### Dividend:

In order to conserve the resources for the future business requirements of the Company, your Directors have decided not to recommend any dividend for the financial year ended March 31, 2021.

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Board of Directors of the Company at its meeting held on March 10, 2021 has formulated and adopted a 'Dividend Distribution Policy'. The Policy is attached herewith and marked as **Annexure 1** and is also available on the Company's website at <https://corp.nazara.com/wp-content/uploads/2021/03/Dividend-Distribution-Policy.pdf>.

### Transfer to Reserves:

The Company did not transfer any amount to the general reserves account of the Company during the year under review.

### Subsidiaries & Associates:

The Company has a total of 19 subsidiaries as of March 31, 2021 comprising of 10 direct subsidiaries and 9 step down subsidiaries namely as follows:

#### A. Direct Subsidiaries:

- i. Absolute Sports Private Limited
- ii. Nazara Technologies FZ LLC
- iii. Nazara Pte. Limited
- iv. Nazara Pro Gaming Private Limited
- v. Next Wave Multimedia Private Limited
- vi. Nodwin Gaming Private Limited
- vii. Sports Unity Private Limited
- viii. Paper Boat Apps Private Limited

- ix. Crimzoncode Technologies Private Limited
- x. Halaplay Technologies Private Limited

#### B. Step Down Subsidiaries:

- i. Nazara Technologies
- ii. NZ Mobile Nigeria Limited
- iii. Nazara Zambia Limited
- iv. NZ Mobile Kenya Limited
- v. Nazara Uganda Limited
- vi. Nazara Bangladesh Limited
- vii. NZ World Kenya Limited
- viii. Kiddopia INC.
- ix. Nodwin Gaming International Limited

#### C. Associates

- i. Mastermind Sports Limited
- ii. Moong Labs Technologies Private Limited

Pursuant to the SEBI LODR, the Company has formulated a policy for determining its 'material subsidiaries'. The said policy is uploaded on the website of the Company at <https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Material-Subsidiaries.pdf>.

Your Company had five material unlisted subsidiaries in India and overseas during the year under review.

Further, in accordance with the Section 129(3) of the Companies Act, 2013 ("Act") read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing the salient features of the financial statement of the subsidiaries /Associates of the Company in the prescribed format AOC-1 is attached to the financial statements of the Company. The said form also highlights the financial performance of each of the subsidiaries/associates/joint venture of the Company as per the Act included in the Consolidated Financial Statements pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

Further, pursuant to the provisions of Section 136 of the Act, the Standalone Financial Statement of the Company, Consolidated Financial Statement along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at [www.nazara.com](http://www.nazara.com)

## Boards' Report (Contd.)

### Consolidated Financial Statements:

Your directors have pleasure in attaching the audited consolidated financial statements pursuant to Section 129 (3) of the Act and Regulation 34 of SEBI LODR. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act.

### Share Capital:

The paid-up share capital of the Company as on March 31, 2021 is ₹ 12,18,11,344/- divided into 3,04,52,836 equity shares of ₹ 4/- each.

During the year under review, the Company has re-classified the authorized share capital of the Company of the Company from ₹ 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 3,43,71,990 (Three Crore Forty Three Lakhs Seventy One Thousand Nine Hundred and Ninety) Equity shares of ₹ 4/- (Rupees Four only) each and 12,51,204 (Twelve Lakhs Fifty One Thousand Two Hundred and Four) Preference shares of ₹ 10/- (Rupees Ten only) each into 3,75,00,000 (Three Crore Seventy Five Lakhs) Equity Shares of ₹ 4/- (Rupees Four only) each. Consequently, the Company amended capital clause of Memorandum of Association and Articles of Association of the Company

Further, during the year under review, your Company has made following allotments on preferential basis /equity shares pursuant to exercise of options under ESOP Schemes:

- a. 4,12,088 Equity shares of ₹ 4/- each at a premium of ₹ 724/- aggregating to ₹ 300 million to Ms. Anshu Dhanuka and Mr. Anupam Dhanuka, Founders of the Paper Boat Apps Private Limited on private placement basis for consideration other than cash (i.e by way of swap of 3818 Equity shares of Paper Boat Apps Private Limited with the Equity shares of the Company on January 17, 2020) being discharge of part payment of the purchase consideration, by way of circular resolution passed by the Board of Directors on May 06, 2020;
- b. 2,01,020 Equity shares of ₹ 4/- each at a premium of ₹ 724/- aggregating to ₹ 146 million to KAE Capital Fund II and Kalysta Capital Fund II (Mauritius), shareholders of the Halaplay Technologies Private Limited on private placement basis for consideration other than cash (i.e by way of swap of 20 equity shares of ₹ 100/- each and 26,065 Compulsory Convertible Preference Shares of ₹ 100/- each of Halaplay Technologies Private Limited with the equity shares of the Company) by way of circular resolution passed by the Board of Directors on June 22, 2020;
- c. 89,625 and 69,324 Options of ₹ 4/- each were allotted at an exercise price of ₹ 234.32/- and ₹ 282.91/- respectively upon exercise of option to the eligible employees of the

Company under Nazara Technologies ESOP 2016 and Nazara Technologies ESOP 2017 respectively by way of resolution passed at the meeting of the Nomination, Remuneration & Compensation Committee of the Company held on December 28, 2020;

- d. 1,85,440 Equity shares of ₹ 4/- each at a premium of ₹ 724/- aggregating to ₹ 135 million to Ms. Anshu Dhanuka and Mr. Anupam Dhanuka, Founders of the Paper Boat Apps Private Limited on private placement basis for consideration other than cash (i.e by way of swap of 3,818 Equity shares of Paper Boat Apps Private Limited with the Equity shares of the Company on January 17, 2020) being discharge of balance payment of the purchase consideration, by way of Board meeting held on December 31, 2020;
- e. 84,162 Options of ₹ 4/- each were allotted at an exercise price of ₹ 282.91/- upon exercise of option to the eligible employees of the Company under Nazara Technologies ESOP 2017 by way of circular resolution passed by the Nomination, Remuneration & Compensation Committee of the Company on January 30, 2021;
- f. 11,60,093 Equity shares of ₹ 4/- each at a premium ₹ 858/- for cash aggregating to ₹ 100 million to Instant Growth Limited, on private placement basis by way of resolution passed in the Board meeting held on February 04, 2021;
- g. 1,43,421 Options and 1,11,000 Options of ₹ 4/- each were allotted at an exercise price of ₹ 234.32/- and ₹ 282.91/- respectively upon exercise of option to the eligible employees of the Company under Nazara Technologies ESOP 2016 and Nazara Technologies ESOP 2017 by way of resolution passed at the meeting of the Nomination, Remuneration & Compensation Committee of the Company held on March 02, 2021.

### Employee Stock Options:

The Nomination, Remuneration and Compensation Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plan of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"). During the year under review, there was no change in the ESOP scheme of the Company.

The Company has three operative Employee Stock Option Schemes i.e. Nazara Technologies Employee Stock Option Plan 2016 ("ESOP 2016"), Nazara Technologies Employee Stock Option Plan 2017 ("ESOP 2017") Nazara Technologies Employee Stock Option 2020 ("ESOP 2020") with an objective to reward the Eligible Employees for their performance in the Company and to share the wealth created by the Company with them.

The Board of Directors, on the recommendation of Nomination, Remuneration and Compensation in its meeting held on November 23, 2020 and pursuant to approval of

## Boards' Report (Contd.)

members of the Company at the 21st Annual General Meeting held on December 30, 2020 adopted "Nazara Technologies Employee Stock Option 2020 in order to retain and motivate the employees of the Company and granted 1,47,955 Stock options to Mr. Manish Agarwal, Chief Executive Officer of the Company in the Board meeting held on December 31, 2020 which are convertible into equivalent no. of Equity shares of ₹ 4/- each.

The above Schemes are in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). The Company has obtained certificates from the Auditors of the Company stating that the Schemes have been implemented in accordance with the SBEB Regulations and the resolutions passed by the members.

The certificates are available for inspection by members in electronic mode. The details as required to be disclosed under the SBEB Regulations can be accessed at [www.nazara.com](http://www.nazara.com)

### Articles of Association:

During the year under review, the shareholders of the Company at their Extra-Ordinary General Meeting held on January 19, 2021 adopted and approved a new set of Articles of Association pursuant to the Initial Public Offering and Termination Agreement dated December 24, 2020 entered by the Company with Westbridge Ventures II Investment Holdings, Promoters of the Company and others.

### Public Deposits

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 (the Act) read with Companies (Acceptance of Deposits) Rules, 2014. As on March 31, 2021, there were no deposits lying unpaid or unclaimed.

### Particulars of Loans, Guarantees or Investments:

The particulars of loans given, guarantees given, investments made and securities provided by the Company during the year under review, are in compliance with the provisions of Section 186 of the Act and the Rules made thereunder and details are given in the Notes to the Standalone Financial Statements forming part of the Annual Report. All the loans given by the Company to the bodies corporate are towards business purpose.

### Particulars of Contracts or Arrangements with related parties referred to in section 188(1) of the Companies Act, 2013:

All the transactions with related parties were in the ordinary course of the business and on the arm's length basis and are reported in the Notes to the Standalone Financial Statements. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Act in Form AOC-2 is not applicable.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at <https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Related-Party-Transactions.pdf>.

### Directors

During the year under review, Mr. Rajiv Ambrish Agarwal and Mr. Karan Bhagat were appointed as Non- Executive Directors on the Board of Directors of the Company w.e.f. June 22, 2020 and November 23, 2020. Further, the designation of Mr. Kuldeep Jain has been changed from Non- Executive Director to Non-Executive Independent Director respectively of the Company w.e.f November 23, 2020.

As on March 31, 2021, the Board of Directors of your Company comprises of Eight (8) Directors consisting of a Managing Director, a Joint Managing Director and Six (6) Non-Executive Directors, out of which Four (4) are Independent Directors including one Woman Director. The constitution of the Board of the Company is in accordance with Section 149 of the Act, and Regulation 17 of SEBI LODR.

Subsequent to the financial year ended March 31, 2021, Mr. Karan Bhagat, Non-Executive Director resigned w.e.f May 05, 2021 under section 168 and other applicable provisions of Act, and rules made thereunder, SEBI LODR. The Board placed on record its high degree of appreciation for the valuable and excellent contribution made by him during his tenure as a Director in the Company.

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Act.

Pursuant to the provisions of Section 152 (6) of the Act, Mr. Rajiv Ambrish Agarwal (DIN: 00379990), Non-Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. In compliance with Regulation 26(4) and 36(3) of SEBI LODR, the brief resume, expertise and other details of the Directors proposed to be reappointed are given in the Notice convening the AGM.

Accordingly, the matter for re-appointment of Mr. Rajiv Ambrish Agarwal has been placed before the shareholders for their approval and forms a part of the Notice of the AGM.

### Declaration of independence:

The Company has received declarations from the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act, and, under Regulation 16 of SEBI LODR. Also, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings



## Boards' Report (Contd.)

of the Company. The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Director of the Company and the Board is satisfied of the integrity, expertise, and experience [including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder] of Independent Director on the Board.

### Formal Annual Evaluation

The Nomination, Remuneration and Compensation Committee of the Company has laid down the criteria for performance evaluation of the Board and individual directors including the Independent Directors and Chairperson covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board Culture, execution and performance of specific duties, obligations and governance. It includes circulation of evaluation forms separately for evaluation of the Board, its Committees, Independent Directors / Non-Executive Directors / Executive Directors and the Chairman of your Company. In a separate meeting of independent directors which was held on May 27, 2021, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board reviewed and analyzed the responses to the evaluation forms and accordingly completed the Board evaluation process for FY 2020-21 and expressed their satisfaction with the evaluation process.

### Key Managerial Personnel:

During the year under review, Mr. Turabhhai Chimthanwala, Company Secretary (CS) of the Company resigned w.e.f December 31, 2020 and Ms. Pratibha Mishra, was appointed as Company Secretary & Compliance Officer with effect from January 01, 2021.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are:

- Mr. Vikash Mittersain, Chairman & Managing Director
- Mr. Nitish Mittersain, Joint Managing Director
- Mr. Manish Agarwal, Chief Executive Officer
- Mr. Rakesh Shah, Chief Financial Officer
- Ms. Pratibha Mishra, Company Secretary & Compliance Officer

### Number of Meetings of Board of Directors:

Twelve(12) meetings of the Board of Directors of the Company were held during the year

under review. Detailed information of the meetings of the Board is included in the Report on Corporate Governance, which forms part of this Report. The intervening gap between two consecutive meetings was within the period prescribed under the Act, Secretarial Standards on Board Meetings and SEBI LODR as amended from time to time.

### Committees of the Board

#### a) Audit Committee

The Audit Committee comprises of Mr. Sasha Mirchandani, Mr. Probir Roy, Ms. Shobha Jagtiani and Mr. Nitish Mittersain as its Members. The Committee comprises of 2/3<sup>rd</sup> of Independent Directors with Mr. Sasha Mirchandani being the Chairman. The CFO of your Company is the permanent invitee. 5 (Five) Audit Committee Meetings were held during the year under review.

Further details relating to the Audit Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

#### b) Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee comprises of Mr. Probir Roy, Ms. Shobha Jagtiani and Mr. Kuldeep Jain as its members. 5 (Five) meetings of the Nomination, Remuneration and Compensation Committee were held during the period under review. Further details relating to the Nomination, Remuneration and Compensation Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

#### c) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Mr. Probir Roy, Ms. Shobha Jagtiani, Mr. Nitish Mittersain and Mr. Vikash Mittersain as its members. 2(Two) meeting of the Corporate Social Responsibility Committee were held during the period under review. Further details relating to the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

#### d) Stakeholders Relationship Committee

Stakeholders' Relationship Committee looks into matters relating to transfer/transmission of securities; non-receipt of dividends; non-receipt of annual report etc. 1(One) meeting of the Stakeholders' Relationship Committee was held during the period under review. Further details pertaining to Stakeholders Relationship Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

#### e) Risk Management Committee

Pursuant to provisions of Regulation 21 of the SEBI LODR, the Risk Management

## Boards' Report (Contd.)

Committee of Company was constituted on April 22, 2021 for inter alia evaluating and monitoring key risks including strategic, operational, financial, cyber security and compliance risks & framing, implementing, monitoring and reviewing Risk Management plan, policies, systems and framework of the Company.

The Committee comprises of four members out of which two are independent directors:

- Mr. Nitish Mittersain - Chairman
- Mr. Kuldeep Jain
- Mr. Sasha Mirchandani
- Mr. Rakesh Shah

Since your Company is part of top 500 listed entities on the basis of market capitalisation and the provisions of Regulation 21 of the SEBI Listing Regulations were applicable to your Company from April 01, 2020, the Risk Management Committee was constituted by the Board at its meeting held on April 22, 2021. Hence, there were no meetings of the Committee held during the year under review.

### **Company's Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel**

The Nomination and Remuneration Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178, is placed on the website of the Company and can be accessible at <http://3.6.115.102/wordpress/wp-content/uploads/2019/12/2.-Nomination-and-Remuneration-Policy.pdf>

### **Compliance with secretarial standards on board and general meetings:**

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and the Company complies with all the applicable provisions of the same during the year under review.

### **Internal Financial Control Systems and their Adequacy:**

Your Company has in place adequate internal financial control system commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its assets, prevention and detection of frauds and errors, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed by the Audit Committee to maintain the highest standards of Internal Control. During the year under review, no material or serious observation has been received from the

Auditors of your Company citing inefficiency or inadequacy of such controls. An extensive internal audit is carried out by M/s. R. Jaitlia and Co., Chartered Accountants and post audit reviews are also carried out to ensure follow up on the observations made.

### **Business Responsibility Report:**

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report forms part of this Report. The Business Responsibility Policy approved by the Board is available on the Company's website and can be accessed at <https://corp.nazara.com/wp-content/uploads/2021/06/Business-Responsibility-Policy.pdf> \_

### **Corporate Governance:**

Your Company is fully committed to follow good Corporate Governance practices and maintain the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

The report on Corporate Governance, as stipulated under Regulation 34 of SEBI LODR forms part of an integral part of this Annual Report. The Report on Corporate Governance also contains certain disclosures required under the Act.

A Certificate from Manish Ghia & Associates, Secretarial Auditors of the Company confirming compliance to the conditions of Corporate Governance as stipulated under SEBI LODR, is annexed to this Report.

### **Management Discussion and Analysis:**

As per Regulation 34 of SEBI LODR, a separate section on Management Discussion and Analysis Report highlighting the business of your Company forms part of Annual Report It, inter-alia, provides details about the economy, business performance review of the Company's various businesses and other material developments during FY 2020-21.

### **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

### **Maintenance of Cost Records:**

During the period under review, provisions of Rule 8(5)(ix) of The Companies (Accounts) Rules, 2014 read with Section 148(1) and rule 3 and 4 of The Companies (Cost Records and Audit) Rules, 2014 are not applicable on the Company.

## Boards' Report (Contd.)

### Auditors & Reports

#### Statutory Auditors:

M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No.001076N/N500013) were appointed as Statutory Auditors of your Company at the 20th Annual General Meeting for a term of five consecutive years from the conclusion of 20th Annual General Meeting of Company till the conclusion of its 25th Annual General Meeting. The Company has received their eligibility certificate confirming that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimers. Notes to Accounts are self-explanatory and do not call for any further comments.

#### Secretarial Auditor:

Pursuant to Section 204 of the Act, your Company had appointed M/s. Manish Ghia & Associates, Company Secretaries, as its Secretarial Auditors to undertake the Secretarial Audit of your Company for the financial year ended March 31, 2021. The Secretarial Audit Report in the prescribed Form No. MR-3 is attached as **Annexure 2**.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in its Report.

Paper Boat Apps Private Limited, Halaplay Technologies Private Limited and Nodwin Gaming Private Limited are the Indian material unlisted subsidiaries of the Company for the financial year ended March 31, 2021. In terms of Regulation 24A of SEBI LODR read with Section 204 of the Companies Act, 2013, Secretarial Audit of the above-mentioned subsidiaries has been conducted for FY 2020-21 by Practicing Company Secretaries and the said report has been annexed as **Annexure 2** to this Report. None of the said Audit Reports contain any qualification, reservation or adverse remark or disclaimer.

#### Reporting of Frauds by Auditors:

During the year under review, neither the statutory auditors or Secretarial Auditor have reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in the Board's Report.

#### Annual Return:

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at [www.nazara.com](http://www.nazara.com)

#### Internal Auditors:

Pursuant to the provisions of Section 138 of the Act, and The Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, M/s. R. Jaitlia and Co., Chartered Accountants were re-appointed by the Board of Directors to conduct internal audit of the Company.

#### Code for Prevention of Insider Trading

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives and a Code of Fair Disclosure to formulate a framework and policy for disclosure of events and occurrences that could impact price discovery in the market for its securities as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Fair Disclosure has been made available on the Company's website at [www.nazara.com](http://www.nazara.com) and can be accessed at <https://corp.nazara.com/wp-content/uploads/2021/07/Nazara-Code-of-Fair-Disclosure-and-Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf>

#### Vigil Mechanism/Whistle Blower Policy:

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI LODR, to report concerns about unethical behavior.

The policy is to provide a mechanism, which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statement and reports, and so on. The employees of the Company have the right/ option to report their concern/ grievance to the Chairperson of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

Under the Whistle Blower Policy, confidentiality of those reporting violation(s) is protected and they shall not be subject to any discriminatory practices. This policy is uploaded on the Company's website at [www.nazara.com](http://www.nazara.com) and can be accessed at <https://corp.nazara.com/wp-content/uploads/2021/03/Whistle-Blower-Policy.pdf>.

#### Corporate Social Responsibility (CSR)

The revised CSR Policy, formulated by the Corporate Social Responsibility Committee (CSR) on May 27, 2021 and approved by the Board of Directors on May 28, 2021 is also available on the Company's website at [www.nazara.com](http://www.nazara.com) and can be accessed at <https://corp.nazara.com/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>

## Boards' Report (Contd.)

During the year, the Company spent ₹ 3.4 millions (2% of the average net profits of last three financial years) on CSR activities.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is forming part of this report.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure 3** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014

### **Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in any office through various interventions and practices. The Company endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has zero tolerance approach for sexual harassment at workplace. There is an Internal Committee ("IC") which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

The details of complaints pertaining to sexual harassment that were filed, disposed of and pending during the financial year are provided in the Report of Corporate Governance.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo:**

The Company consciously makes all efforts to conserve energy across its operations. In terms of the provisions of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules 2014, the report on conservation of energy, technology absorption, foreign exchange earnings and outgo forms part of this report as **Annexure 4**.

### **Particulars of Employees**

Disclosure pertaining to remuneration and other details as required under Section 197 (12) of the Act, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Annual Report as **Annexure 5**.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary at [investors@nazara.com](mailto:investors@nazara.com).

### **Risk Management:**

The Company has devised and adopted a Risk Management Policy and implemented a mechanism for risk assessment and management. The policy provides for identification of possible risks associated with the business of the Company, assessment of the same at regular intervals and taking appropriate measures and controls to manage, mitigate and handle them. The key categories of risk jotted down in the policy are strategic risks, financial risks, operational risks and such other risk that may potentially affect the working of the Company. A copy of the risk management policy is placed on the Company's website [www.nazara.com](http://www.nazara.com) and can be accessed at <http://3.6.115.102/wordpress/wp-content/uploads/2019/12/6.Risk-Managementt-Policy.pdf>.

As the equity shares of the Company got listed on National Stock Exchange of India Limited and BSE Limited on March 30, 2021 and is forming part of the top 500 listed entities determined on the basis of market capitalisation, as at the end of the immediate previous financial year i.e. March 31, 2021, Regulation 21 of the SEBI LODR with respect to Risk Management Committee has become applicable to the Company. Accordingly, the Board of Directors have constituted Risk Management Committee for monitoring and reviewing of the risk assessment, mitigation and risk management plan from time to time.

### **Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of the report:**

There have been no other material changes and commitments that occurred after the close of financial year till the date of report, which may affect the financial position of the Company, except as stated in this report.

### **Directors' Responsibility Statement: -**

Pursuant to the requirement under Section 134(3)(c) of the Act, the Directors hereby confirm and state that:

- in the preparation of the annual financial statements for the financial year ended March 31, 2021, the applicable accounting standards had been followed and no material departures have been made for the same;

## Boards' Report (Contd.)

- b) they have 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 ended on March 31, 2021 and of the profit and loss and cash flow of the Company for the period ended March 31, 2021;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the year ended March 31, 2021 on a going concern basis;
- e) they have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **The details of application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 ("IBC") during the year along with its status as at the end of Financial year.**

There was no application made or any proceeding pending under IBC during the year under review.

### **The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:**

There was no one time settlement during the period under review.

#### **Cautionary Statement:**

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in a separate Section in this Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

#### **Acknowledgement:**

Your Directors would like to express their gratitude to the shareholders for reposing unstinted trust and confidence in the management of the Company and will also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended by our users, bankers, customers, Government & Non-Government Agencies & various other stakeholders.

The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

Place : Mumbai  
Date : May 28, 2021

**Vikash Mittersain**  
Chairman & Managing Director  
DIN: 00156740

By order of the Board of Directors  
For **Nazara Technologies Limited**

**Nitish Mittersain**  
Joint Managing Director  
DIN: 02347434



# Annexure - 1

## DIVIDEND DISTRIBUTION POLICY

### 1. Introduction:

- a. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), as amended, Nazara Technologies Limited (the **"Company"**) has decided to formulate its Dividend Distribution Policy (**"Policy"**). Accordingly, the Board of Directors of the Company (the **"Board"**) has approved this Policy for the Company at its meeting held on March 10, 2021 being effective from March 10, 2021
- b. The objective of this Policy is to provide the dividend distribution framework to the stakeholders of the Company. This Policy is aimed to lay down the circumstances, parameters, external and internal factors including financial parameters that shall be considered while declaring dividend and intends to assist investors and stakeholders for their investing decisions. The Board may in extraordinary circumstances, deviate from the parameters listed in this Policy.
- c. The Board shall recommend dividend in compliance with this Policy, the provisions of Companies Act 2013 and rules framed thereunder, as amended, ("Companies Act") and other applicable provisions.

### 2. Parameters to be considered while declaring Dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will consider various financial parameters and internal and external factors, including but not limited to the following before making any recommendations for dividends;

- a. Distributable surplus available as per the Act and Regulations.
- b. Funds required for any acquisitions that the Board of Directors may approve
- c. Stability of earnings of the Company and subsidiaries/associate companies/other ventures.
- d. Cash flow of the Company and subsidiaries/associate companies/other ventures from operations
- e. Future organic and inorganic growth plans and reinvestment opportunities (including investment requirements for the Company in its subsidiaries and

associate companies) and other capital expenditure requirements of the Company and subsidiaries/other ventures.

- f. Industry outlook and stage of business cycle for underlying business.
- g. Leverage profile
- h. Compliance with covenants contained in any agreement entered into by the Company with its lenders, customers or other parties, as applicable.
- i. Funding and liquidity considerations and the requirement of funds to service any outstanding loans/facilities.
- j. Macroeconomic and business conditions including the overall economic environment, changes in government policies, industry rulings & regulatory provisions on an Indian as well as global level.
- k. Absorbing unfavourable market condition, meeting unforeseen contingent liabilities and other circumstances
- l. Cost of external financing
- m. Past dividend trends
- n. Buyback of shares or any such alternate profit distribution measure.
- o. Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution
- p. Any other contingency plans.
- q. Any other relevant factors that the Board may deem fit to consider before declaring dividend.

### 3. Parameters that shall be adopted with regard to various classes of shares

The Company has only one class of shares viz. equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. Parameters for dividend payment in respect of any other class of shares, if issued, will be as per respective terms of issue in accordance with the articles of association of the Company and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

## Annexure - 1 (Contd.)

### 4. Circumstances under which the shareholders may or may not expect Dividend:

The Company shall not recommend dividend if it is of the opinion that it is financially not prudent to do so. The Company may declare dividends in future unless the Company is restrained due to insufficient profits or due to any of the internal or external factors listed above.

Further, though the Company endeavors to declare the dividend to the shareholders, the management may propose lower dividend or may propose not to recommend dividend after analysis of various financial parameters, cash flow position and funds required for future growth and capital expenditure or in case of a proposal to utilise surplus profit for buy-back of existing share capital.

The Board may in compliance with applicable law declare one or more interim dividends during a financial year and recommend such interim dividend for the confirmation of its shareholders at the subsequent annual general meeting.

### 5. Procedure for deciding quantum of dividend

- a. The Chief Financial Officer (“CFO”) after considering the parameters mentioned above and in consultation with the Managing Director (“MD”)/ Chief Executive Officer/Manager may propose the rate of final dividend to be recommended by the Board to Shareholders or the rate of interim dividend to be declared by the Board.
- b. The Board upon perusing the rationale for such pay-out may recommend the final dividend or declare the interim dividend.
- c. The final dividend recommended by the Board is subject to approval/declaration by the shareholders in the ensuing general meeting.
- d. The interim dividend approved by the Board requires confirmation by the shareholders in the ensuing general meeting.
- e. In case of inadequacy of profits in any financial year, the Board may consider recommendation of final dividend out of accumulated profits as may be permitted under the applicable laws and regulations from time to time.

### 6. General:

- a. The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy and as per the provisions of Companies Act. Further, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded while computing the profits for the purpose of declaration of dividend.
- b. Subject to compliance with applicable law, the Company’s retained earnings, if any will be used for the Company’s growth plans, issuance of bonus shares, capital adequacy/liquidity requirements, debt repayments, and other contingencies and/or for any of the purposes specified in paragraph 2 above.
- c. If the Board decides to deviate from this Policy, the rationale for the same will be suitably disclosed.

### 7. Review/Modification of the Policy:

The Board reserves the right to amend, modify or review this Policy along with the rationale for the same in whole or in part, at any point of time, as may be deemed necessary in accordance with the amendment of the Companies Act and the Regulations, and any other regulations, guidelines/clarifications as may be issued from time to time by relevant statutory and regulatory authority.

### 8. Disclosure:

The Company shall make appropriate disclosures as required under the Listing Regulations.

### 9. Disclaimer:

This document does not solicit investments in the Company’s securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company’s shares.

# Annexure - 2

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Nazara Technologies Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nazara Technologies Limited** (U72900MH1999PLC122970) and having its registered office at 51-57, Maker Chambers 3, Nariman Point, Mumbai - 400021 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(became applicable to the Company w.e.f. March 30, 2021);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(became applicable to the Company w.e.f. March 30, 2021);**
- (vi) There are no laws that are specifically applicable to the company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

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

## Annexure - 2 (Contd.)

### We further report that

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

All the Board Meetings of the company during the year under review were held at shorter notice with the consent of the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards, guidelines and directions.

**We further report that** during the audit period:

1. pursuant to an Initial Public Offering (made by way of an Offer for Sale by selling shareholders) of 52,94,392 Equity Shares of ₹ 4/- each, for cash at a price of ₹ 1101/- (a Discount of ₹ 110 was offered to eligible employees bidding in the employee reservation portion) per share, vide Red Herring Prospectus and Prospectus dated March 10, 2021 and March 22, 2021 respectively, the Equity Shares of the company were listed and admitted to dealings at BSE Limited and National Stock Exchange of India Limited on March 30, 2021;
2. the company reclassified and altered the Capital Clause of Memorandum of Association vide ordinary resolution and altered the relevant article relating to capital in the Articles of Association vide special resolution, both passed in the Extra Ordinary General Meeting held on April 28, 2020;
3. allotted on May 06, 2020, 4,12,088 Equity Shares of ₹ 4/- each at a premium of ₹ 724/- aggregating to ₹ 30,00,00,064/- for consideration other than cash (being discharge of part payment of the purchase consideration for acquisition/swap of 3,818 Equity Shares of ₹ 10/- each of Paper Boat Apps Private Limited) on private placement basis to the promoters of Paper Boat Apps Private Limited;
4. the Board of Directors at its meeting held on October 10, 2020 and members of the Company vide Special Resolution passed in the 21st Annual general Meeting held on

December 30, 2020 approved the issue of 1,85,440 Equity Shares of ₹ 4/- each at a premium of ₹ 724/- aggregating to 13,50,00,320/- for consideration other than cash on private placement basis towards discharge of the balance purchase consideration for swap of 3,818 equity shares held in Paper Boat Apps Private Limited; further, the said shares were allotted on December 31, 2020.

5. the company vide Special Resolution passed in the Extra Ordinary General Meeting held on April 28, 2020 approved the issue of 2,01,020 (Two Lakhs One Thousand and Twenty) Equity Shares of ₹ 4/- each at a premium of ₹ 724/- aggregating to ₹ 14,63,42,560/- for consideration other than cash (i.e., for swap of 20 equity shares of ₹ 100/- each and 26,065 Compulsory Convertible Preference Shares of ₹ 100/- each of Halaplay Technologies Private) on private placement basis to KAE Capital fund II and Kalyasta Capital Fund II (Mauritius); further, the said shares were allotted on June 22, 2020;
6. the company pursuant to the approval of board of directors vide resolution passed at the meeting held on September 16, 2020 acquired a further 40,002 Equity Shares of ₹ 1/- each in Halaplay Technologies Private Limited (subsidiary of the company) from other shareholders and its erstwhile promoters for an amount of ₹ 8,40,04,200/-; further the company also subscribed to 3,337 Equity Shares of ₹ 100/- each at a premium of ₹ 4395/- per share through preferential allotment;
7. the company pursuant to the approval of board of directors vide resolution passed at the meeting held on:
  - June 22, 2020, acquired 277 Equity Shares of ₹ 10/- each in Nodwin Gaming Private Limited (subsidiary of the company) on September 10, 2020 for an amount aggregating to ₹ 4,99,79,110/-; and
  - December 18, 2020, acquired 554 Equity Shares of ₹ 10/- each in Nodwin Gaming Private Limited (subsidiary of the company) on February 4, 2021 for an amount aggregating to ₹ 9,99,58,220/-.
8. adopted new set of Articles of Association vide special resolution passed in the Extra Ordinary General meeting held on January 19, 2021.
9. the board of directors at its meeting held on January 4, 2021 and the members of the Company vide special resolution passed in the Extra Ordinary General meeting held on February 01, 2021 approved the issue of 11,60,093 Equity Shares of face value of ₹ 4/- each at a premium of ₹ 858/- aggregating to ₹ 100,00,00,166/- to Instant Growth Limited,

## Annexure - 2 (Contd.)

- for cash consideration on private placement basis; further, the said shares were allotted on February 04, 2021.
10. allotted on December 28, 2020, 1,58,949 Equity Shares of ₹ 4/- each pursuant to options exercised by option holders under 'Nazara Technologies ESOP 2016' and 'Nazara Technologies ESOP 2017';
  11. allotted on January 30, 2021, 84,162 Equity Shares of ₹ 4/- each pursuant to options exercised by option holders under Nazara Technologies ESOP 2017.
  12. allotted on March 2, 2021, 254,421 Equity Shares of ₹ 4/- each pursuant to options exercised by option holders under the Nazara Technologies ESOP 2016 and Nazara Technologies ESOP 2017.
  13. the board of directors at its meeting held on December 23, 2020, has approved the 'Nazara Technologies Employee Stock Option Plan, 2020' for the permanent employees of the Company. Further the same has also been approved by the Members of the

Company vide Special Resolution passed in Annual General meeting dated December 30, 2020.

14. the board of directors at its meeting held on December 31, 2020, approved the grant of 1,47,955 options at an exercise price of ₹ 728/- per option to Mr. Manish Agarwal, Chief Executive Officer of the Company under 'Nazara Technologies Employee Stock Options, 2020';
15. the Board of Directors in their meeting held on March 02, 2021, proposed to acquire 3,000 equity shares, in 'Absolute Sports Private Limited', from Mr. Sankalp Sharma, existing shareholder of the investee company, at an aggregate cost of ₹ 96,16,020/- on cash basis; the acquisition is however yet to be completed.

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

Place: Mumbai  
Date: May 28, 2021  
UDIN: F006252C000371419

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Mannish L. Ghia**  
Partner  
M. No. FCS 6252, C.P. No. 3531  
PR 822/2020



## Annexure - 2 (Contd.)

### ‘Annexure A’

To,  
The Members,

**Nazara Technologies Limited**

Mumbai

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account of severe restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the period under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

Place: Mumbai

Date: May 28, 2021

UDIN: F006252C000371419

For **Manish Ghia & Associates**

Company Secretaries

(Unique ID: P2006MH007100)

**CS Mannish L. Ghia**

Partner

M. No. FCS 6252, C.P. No. 3531

PR 822/2020

## Annexure - 2 (Contd.)

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

*[Pursuant to Regulation 24A of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,

**Halaplay Technologies Private Limited**  
Bangalore.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Halaplay Technologies Private Limited** (CIN: U74999KA2016PTC096173) and having its registered office at No. 95, 3rd Floor, Karthiknagar, Marathahalli KR Puram, Outer Ring Road, Bangalore – 560034, Karnataka (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(not applicable to the Company during the audit period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(not applicable to the Company during the audit period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(not applicable to the Company during the audit period);**
- (vi) There are no Laws that are specifically applicable to the Company based on their sector/ Industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

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

## Annexure - 2 (Contd.)

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The Company is not required to appoint Independent Directors under the Act; however being a material unlisted subsidiary of its holding company (which became listed w.e.f. March 30, 2021) viz., Nazara Technologies Limited, one of the Independent Director of its holding company is appointed as Independent Director of the Company in terms of requirement under Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

All the Board Meetings of the company during the year under review were held at shorter notice with the consent of the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

**We further report that** the requirement of Secretarial Audit has become applicable to the company pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the company is a **material unlisted subsidiary** of its parent company viz., Nazara Technologies Limited.

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

We further report that during the audit period the:

1. Company had obtained approval of the members for alteration of its Articles of Association under Section 14 of the Companies Act, 2013, by way of a special resolution passed at the Extra-Ordinary General Meeting held on June 22, 2020;
2. Board of Directors of the Company at their meeting held on
  - a) June 1, 2020 allotted 4452 Seed Equity shares of ₹ 100/- each at a premium of ₹ 4,395.25/- aggregating to ₹ 2,00,12,853/- for cash on private placement basis;
  - b) December 18, 2020, allotted 3337 Seed Equity shares of ₹ 100/- (Rupees Hundred Only) each at a premium of ₹ 4,395/- aggregating to ₹ 1,49,99,815/- for cash on private placement basis; and
  - c) December 31, 2020, allotted 890 Seed Equity shares of ₹ 100/- (Rupees Hundred Only) each at a premium of ₹ 4,395/- aggregating to ₹ 40,00,550/- for cash on private placement basis.

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Pankaj Nigam**  
Partner  
M. No. FCS 7343, C.P. No. 7979  
PR 822/20

Place: Ghaziabad  
Date: May 27, 2021  
UDIN: F007343C000372026

## Annexure - 2 (Contd.)

### 'Annexure A'

To,  
The Members,

**Halaplay Technologies Private Limited**

Bangalore.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

Place: Ghaziabad  
Date: May 27, 2021  
UDIN: F007343C000372026

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Pankaj Nigam**  
Partner  
M. No. FCS 7343, C.P. No. 7979  
PR 822/20

## Annexure - 2 (Contd.)

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

*[Pursuant to Regulation 24A of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Nodwin Gaming Private Limited**  
Gurgaon

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nodwin Gaming Private Limited** (CIN: U93000HR2014PTC051557) and having its registered office at Plot No. 119 Sector-31 Gurugram Gurgaon HR 122001 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not applicable to the Company during the audit period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);** and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the company being unlisted and a material subsidiary of a listed company, only limited provision is applicable).**
- (vi) There are no laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

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

#### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The Company is not required to appoint Independent Directors under the Act; however being a material unlisted subsidiary of its holding company (which became listed w.e.f. March 30, 2021) viz., Nazara Technologies Limited, one of the Independent Director of its holding company is appointed as Independent Director of the Company in terms of requirement under Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



## Annexure - 2 (Contd.)

All the Board Meetings of the company during the year under review were held at shorter notice with the consent of the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

**We further report** that the requirement of Secretarial Audit has become applicable to the company pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the company is a **material unlisted subsidiary** of its parent company viz., Nazara Technologies Limited.

**We further report** that during the audit period the Company has:

1. altered its Articles of Association pursuant to special resolutions passed at the Extra-ordinary General Meetings held on September 12, 2020, October 21, 2020, March 8, 2021 respectively
2. obtained approval of the members for offer and issue :
  - a) Partly paid-up equity shares upto 856 equity shares to Akshat Rathee, Trustee on behalf of M/s. Good Game Investment Trust on private placement basis in accordance with Section 62(1) (c) of the Companies Act, 2013 by way of special resolution passed in Extra-ordinary General Meeting held on September 12, 2020;
  - b) Partly paid-up equity shares upto 470 equity shares to Akshat Rathee Trustee, on behalf of M/s. Good Game Investment Trust on private placement basis in

accordance with Section 62(1) (c) of the Companies Act, 2013 by way of special resolution passed in Annual General Meeting held on December 30, 2020; and

- c) equity shares upto 1638 equity shares to Krafon Inc. on private placement basis in accordance with Section 62(1) (c) of the Companies Act, 2013 by way of special resolution passed in Extra-ordinary General Meeting held on March 03, 2021;
3. obtained approval of members of the Company under Section 186 of the Act, for increase in investment limit not exceeding ₹ 110 Crores (Rupees One Hundred Ten Crore only) vide special resolution passed in the Extra- Ordinary General Meeting held on March 03, 2021
4. obtained approval of the of Board of Directors vide resolution passed in the meeting held on March 03, 2021 for acquiring upto 100 ordinary Shares of Nodwin Gaming International Pte. Ltd for an amount upto 100 USD for subscribing to the initial share capital of the wholly owned subsidiary of the Company; the company is in the process of making the remittance;
5. made the following allotments:
  - a) 856 Partly paid-up Equity Shares of ₹ 10/- each at a premium of ₹ 1,80,420/- per share to Good Investment Trust on Private Placement basis on October 21, 2020;
  - b) 470 Partly paid-up Equity Shares of ₹ 10/- each at a premium of ₹ 1,80,420/- per share to Good Investment Trust on Private Placement basis on February 03, 2021; and
  - c) 1,638 Equity Shares of ₹ 10/- each for cash at a premium of ₹ 6,70,597.46 per share to Krafon, inc. on private placement basis on March 08, 2021.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Pankaj Nigam**  
Partner  
M. No. FCS 7343, C.P. No. 7979  
PR 822/20

Place: Ghaziabad  
Date: May 27, 2021  
UDIN: F007343C000371564

## Annexure - 2 (Contd.)

### 'Annexure A'

To,  
The Members,

**Nodwin Gaming Private Limited**  
Gurgaon

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

Place: Ghaziabad  
Date: May 27, 2021  
UDIN: F007343C000371564

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Pankaj Nigam**  
Partner  
M. No. FCS 7343, C.P. No. 7979  
PR 822/20

## Annexure - 2 (Contd.)

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

*[Pursuant to Regulation 24A of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,

**Paper Boat Apps Private Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Paper Boat Apps Private Limited (CIN: U74120MH2013PTC246788) and having its registered office at 23, Happy Home Society, Nehru Road, Vile Parle (East), Mumbai-400057, Maharashtra (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not applicable to the Company during the audit period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the company being unlisted and a material subsidiary of a listed company, only limited provision is applicable).**
- (vi) There are no laws that are specifically applicable to the company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

## Annexure - 2 (Contd.)

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

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The Company is not required to appoint Independent Directors under the Act; however being a material unlisted subsidiary of its holding company (which became listed w.e.f. March 30, 2021) viz., Nazara Technologies Limited, one of the Independent Director of its holding company is appointed as Independent Director of the Company in terms of requirement under Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

All the Board Meetings of the company during the year under review were held at shorter notice with the consent of the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

We further report that the requirement of Secretarial Audit has become applicable to the company pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the company is a material unlisted subsidiary of its parent company viz., Nazara Technologies Limited.

We further report that during the audit period there were no major corporate events which required to be reported.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place: Ghaziabad

Date: May 27, 2021

UDIN: F007343C000371531

For **Manish Ghia & Associates**

Company Secretaries

(Unique ID: P2006MH007100)

**CS Pankaj Nigam**

Partner

M. No. FCS 7343, C.P. No. 7979

PR 822/20

## Annexure - 2 (Contd.)

### 'Annexure A'

To,  
The Members,

#### **Paper Boat Apps Private Limited**

Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

Place: Ghaziabad  
Date: May 27, 2021  
UDIN: F007343C000371531

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Pankaj Nigam**  
Partner  
M. No. FCS 7343, C.P. No. 7979  
PR 822/20



# Annexure - 3

## Annual Report on Corporate Social Responsibility (CSR) Activities for FY 2020-21

(Pursuant to Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

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

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is Nazara's belief that a Company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. Nazara believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. It is important for businesses not only to provide products and services to satisfy the customer, but also to ensure that the business is not harmful to the environment in which it operates. In order for an organisation to be successful, the business must be built on ethical practices.

Further, we at Nazara believe that an effective CSR strategy shall be well formulated articulated and aligned with business. It must also have the unstinting support of the key stakeholders to become a long-term sustainability agenda.

#### NAZARA'S VISION:

"to actively contribute to the social and economic development of the communities in which we operate and in doing so to build a better and sustainable way of life for the weaker sections of society."

CSR Policy address: <https://corp.nazara.com/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>

### 2. Composition of the CSR committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Vikash Mittersain	Chairman & Managing Director	2	2
2.	Nitish Mittersain	Member, Joint Managing Director	2	2
3.	Probir Roy	Member, Independent, Non-Executive Director	2	2
4.	Shobha Jagtiani	Member, Independent, Non-Executive Director	2	2

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

- Composition of the CSR committee shared above and is available on the Company's website on: <https://corp.nazara.com/wp-content/uploads/2021/07/Composition-of-Board-Committee.pdf>
- CSR policy on: <https://corp.nazara.com/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>
- CSR projects on: Currently there are no ongoing projects

### 4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

There are no projects undertaken or completed after January 22, 2021, for which impact assessment report is applicable in FY 2020-21.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-		NIL	NIL

### 6. Average net profit of the Company as per section 135(5): ₹ 15.23 Crores

#### 7.

- 2% of average net profit of the Company as per section 135(5): ₹ 30,47,778/-
- Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
- Amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year (7a+7b-7c): ₹ 30,47,778/-

## Annexure - 3 (Contd.)

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
34,00,000	NIL	-	-	NIL	-

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

Currently there are no ongoing projects.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the Project		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Dr. B.K Goyal Heart Foundation	(i)	Yes	Maharashtra	Mumbai	25,00,000	Yes	-	-
2	The Association of Parents of Mentally Retarded Children	(i)	Yes	Maharashtra	Mumbai	3,00,000	Yes	-	-
3	Contribution to Priyadarshni Academy	(ii)	Yes	Maharashtra	Mumbai	3,00,000	Yes	-	-
4	Make-a-wish Foundation of India	(i)	Yes	Maharashtra	Mumbai	3,00,000	Yes	-	-
	<b>Total</b>					<b>34,00,000</b>			

### (d) Amount spent in Administrative Overheads:

NIL

### (e) Amount spent on Impact Assessment, if applicable:

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

₹ 34,00,000/- (Rupees Thirty Four Lakhs only)

**Annexure - 3 (Contd.)****(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	2% of average net profit of the Company as per section 135(5)	30,47,778
(ii)	Total amount spent for the Financial Year	34,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,52,222
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,52,222

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

**Nitish Mittersain**

Member of the CSR Committee

Place: Mumbai

Date: May 28, 2021

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

Currently there are no ongoing projects.

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

- (a) Date of creation or acquisition of the capital asset(s):**

None

- (b) Amount of CSR spent for creation or acquisition of capital asset:**

NIL

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

Not Applicable

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

Not Applicable

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):**

Not Applicable

**Vikash Mittersain**

Chairman of CSR Committee

Place: Mumbai

Date: May 28, 2021

# Annexure - 4

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules 2014

## (A) Conservation of Energy

(i) the steps taken or impact on conservation of energy	Your Company, being a leading gaming Company requires minimal energy consumption and every attempt is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
(ii) the steps taken by the Company for utilizing alternate sources of energy	
(iii) the capital investment on energy conservation equipment's	

## (B) Technology absorption, adaptation and innovation

(i) the efforts made towards technology absorption	The Company continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) the details of technology imported	
(b) the year of import;	
(c) whether the technology been fully absorbed	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv) the expenditure incurred on Research and Development	

## (C) Foreign Exchange Earnings and Outgo:

(₹ in millions)		
Particulars	FY 2020-21	FY 2019-20
<b>Foreign Exchange Earnings:</b>		
Export of services at FOB value	183.53	227.00
<b>Foreign Exchange Expenditure:</b>		
Expenditure	2.10	15.32

### Vikash Mittersain

Chairman & Managing Director  
DIN: 00156740

Place:- Mumbai

Date: May 28, 2021

For **Nazara Technologies Limited**

### Nitish Mittersain

Joint Managing Director  
DIN: 02347434

Place: Mumbai

Date: May 28, 2021

## Annexure - 5

### Statement of Disclosure of Remuneration under Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year: -

Sl. No.	Name of the Director	Designation	Ratio of remuneration of Each director to median remuneration of employees
1	Mr. Vikash Mittersain	Chairman and Managing Director	13.27
2	Mr. Nitish Mittersain	Joint Managing Director	67.66
3	Mr. Sasha Mirchandani	Independent Director	N.A.
4	Ms. Shobha Jagtiani	Independent Director	N.A.
5	Mr. Probir Roy	Independent Director	N.A.
6	Mr. Kuldeep Jain	Independent Director	N.A.
7	Mr. Rajiv Ambrish Agarwal	Non-Executive Director	N.A.
8	*Mr. Karan Bhagat	Non-Executive Director	N.A.

Independent Directors were paid only sitting fees during the financial year under review. Hence, their ratio to Median Remuneration is not applicable

\*Mr. Karan Bhagat resigned as on May 05, 2021

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the Financial Year 2020-21:

Sl. No.	Name of the Director/Key Managerial Personnel	Designation	Percentage increase in remuneration
1	Mr. Vikash Mittersain	Chairman and Managing Director	34.21
2	#Mr. Nitish Mittersain	Joint Managing Director	28.04

Sl. No.	Name of the Director/Key Managerial Personnel	Designation	Percentage increase in remuneration
3	Mr. Sasha Mirchandani	Independent Director	N.A.
4	Ms. Shobha Jagtiani	Independent Director	N.A.
5	Mr. Probir Roy	Independent Director	N.A.
6	Mr. Kuldeep Jain	Independent Director	N.A.
7	Mr. Rajiv Ambrish Agarwal	Non-Executive Director	N.A.
8	*Mr. Karan Bhagat	Non-Executive Director	N.A.
9	#Mr. Manish Agarwal	Chief Executive Officer	61.35
10	#Mr. Rakesh Shah	Chief Financial Officer	21.69
11	**Mr. Turabbhai Chimthanawala	Company Secretary	-
12	***Ms. Pratibha Mishra	Company Secretary and Compliance Officer	-

#This includes performance incentives and one time bonus

\*Mr. Karan Bhagat resigned as on May 05, 2021.

\*\*Mr. Turabbhai resigned as a Company Secretary of the Company with effect from December 31, 2020. Hence percentage increase/decrease in the remuneration during financial year 2020-21 is not applicable, hence not stated.

\*\*\*Ms. Pratibha Mishra was appointed as a Company Secretary of the Company with effect from January 01, 2021. Hence percentage increase/decrease in the remuneration during financial year 2020-21 is not applicable, hence not stated.

Independent Directors were paid only sitting fees during the financial year under review. Hence, their ratio to Median Remuneration is not applicable.

3. The percentage increase in the median remuneration of employees during the Financial Year 2020-21: **22.82%**
4. The number of permanent employees on rolls of the Company: **83**
5. Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile

## Annexure - 5 (Contd.)

increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

- a) Average percentile increase/decrease in the salaries of employees other than managerial personnel in F.Y. 2020-21: **27.30%**

- b) Average Percentile increase/decrease in managerial remuneration in F.Y. 2020-21: **(6.31%)**

- c) **Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

The Company affirms that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors  
**Nazara Technologies Limited**

**Vikash Mittersain**

Chairman & Managing Director  
DIN: 00156740

Place: Mumbai

Date: May 28, 2021



# Corporate Governance Report

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Effective Corporate Governance practice is about commitment to values, ethical business conduct and constitutes strong fundamentals on which a successful commercial enterprise is built to last. The Company strives to follow the best corporate governance practices, develop best policies/guidelines. The Company believes that good Corporate Governance is much more than complying with legal and regulatory requirements.

Your Company in the previous year voluntarily adopted to make disclosures regarding the Corporate Governance systems and processes it follows, irrespective of the non-applicability of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), 2015 ("SEBI Listing Regulations"). Keeping in view the recent listing of the equity shares of the Company on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and the applicability of the SEBI Listing Regulations, your Company pledges to continue the legacy of following the law by letter and spirit and hereby acknowledges the responsibility and faith reposed by the stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (SEBI Listing Regulations), as applicable, with regard to corporate governance.

The details of Nazara's Board structure and committees that constitute the governance structure of the organisation is covered under the report.

## II. BOARD OF DIRECTORS:

- i. We believe that our Board should have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. Your Board represents a confluence of varied skills, experience and expertise from diverse background. The directors possess requisite qualification, experience and expertise in their respective functional areas, which enable them to discharge their responsibilities and provide effective leadership to the management.

Your Company's Board of Directors as on March 31, 2021, comprises of 8 (eight) Directors including 2 (two) executive Directors, 6 (six) non-executive Directors of which 4 (four) are independent Directors. The Listing Regulations also mandate that the Board of Directors of the top 500 listed entities shall have at least one independent women director. The Company has one women independent director.

The Chairman of the Board is Executive Director. The profile of Directors can be found on [https://corp.nazara.com/?page\\_id=2718](https://corp.nazara.com/?page_id=2718).

- ii. The composition of the Board is in conformity with provisions of Regulation 17 of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ("the Act").
- iii. None of the Directors on the Board holds directorships in more than twenty (20) Indian Companies including ten public limited companies. Further, none of the Directors on the Board is a member of more than ten (10) Board Committees and Chairperson of more than five (5) Board Committees across all public companies in which he/she is a Director." None of the Independent Directors of the Company serve as Independent Directors in more than seven (7) listed companies and none of the Whole time Directors of the Company serve as Independent Directors in more than three (3) listed companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors is related to each other except Mr. Nitish Mittersain, being son of Mr. Vikash Mittersain.
- iv. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs. The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at [corp.nazara.com/?page\\_id=5937](https://corp.nazara.com/?page_id=5937).

## Corporate Governance Report (Contd.)

- v. Twelve board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings. The said meetings were held on:

Sr. No.	Date of Board Meeting	Mode of Board Meeting
1.	June 22, 2020	Video Conferencing
2.	September 16, 2020	Physical
3.	October 10, 2020	Video Conferencing
4.	November 23, 2020	Physical
5.	December 18, 2020	Video Conferencing
6.	December 31, 2020	Video Conferencing
7.	January 04, 2021	Video Conferencing
8.	January 08, 2021	Video Conferencing
9.	January 12, 2021	Video Conferencing
10.	March 02, 2021	Video Conferencing
11.	March 10, 2021	Video Conferencing
12.	March 22, 2021	Video Conferencing

- vi. All the information that is required to be made available to the Directors in terms of provisions of the SEBI Listing Regulations and the Act, so far as applicable to the Company, is made available to the Board. Actions taken/ status reports on decisions of the previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.
- vii. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below:

Name of the Director	Category	Number of Board Meetings attended during the FY 2020-21	No. of Directorship(s) in other Public Companies	Whether attended last AGM held on December 30, 2020	**No. of Committee Positions in other Public Companies		*Directorship in other listed entities	
					Chairperson	Member	Name of the entity	Category of Directorship
Vikash Mittersain (Chairman and Managing Director) DIN: 00156740	Non-Independent, Executive	12	1	Yes	-	-	-	-
Nitish Mittersain (Joint Managing Director) DIN: 02347434	Non-Independent, Executive	12	1	Yes	-	-	-	-

## Corporate Governance Report (Contd.)

Name of the Director	Category	Number of Board Meetings attended during the FY 2020-21	No. of Directorship(s) in other Public Companies	Whether attended last AGM held on December 30, 2020	**No. of Committee Positions in other Public Companies		*Directorship in other listed entities	
					Chairperson	Member	Name of the entity	Category of Directorship
Kuldeep Jain (Independent Director) DIN: 02683041	Independent, Non-Executive	7	-	No	-	-	-	-
Sasha Mirchandani (Independent Director) DIN: 01179921	Independent, Non-Executive	11	2	Yes	-	1	1. Hathway Cable and Datacom limited 2. Zee Entertainment Enterprises Limited	Director Independent Director
Shobha Jagtiani (Independent Director) DIN: 00027558	Independent Non-Executive	12	-	Yes	-	-	-	-
Probir Roy (Independent Director) DIN: 00111961	Independent Non-Executive	12	-	Yes	-	-	-	-
Rajiv Ambrish Agarwal (Non-Executive Director) DIN: 00379990	Non-Independent Non- Executive	10	2	No	-	-	APTECH Limited	Non-Executive Director
Karan Bhagat (Non-Executive Director) DIN: 03247753	Non-Independent Non-Executive	7	3	Yes	-	-	IIFL Wealth Management Limited	Executive Director, MD

\*Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director.

\*\*For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

## Corporate Governance Report (Contd.)

viii. During FY 2020-21, one meeting of the Independent Directors was held on November 23, 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

ix. Details of equity shares and convertible instruments of the Company held by the Directors as on March 31, 2021 are given below:

Name	Category	Number of equity shares
Nitish Mittersain	Non-Independent, Executive	10,11,453
Vikash Mittersain	Non-Independent, Executive	250
Rajiv Ambrish Agarwal	Non-Independent, Non-Executive	6,000

\*No Directors of the Company hold any convertible instruments issued by the Company.

x. The Members of the Board are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarises the key skills, expertise, competencies and attributes which are taken into consideration by the Nomination, Remuneration & Compensation Committee while recommending appointment of Directors to the Board.

### Director skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions.

Nature of Expertise	Particulars	Name of Director
Business expertise	Experience of global business dynamics, understanding of various geographical markets, cultures, people and regulatory frameworks	<ul style="list-style-type: none"> <li>Sasha Mirchandani</li> <li>Kuldeep Jain</li> <li>Rajiv Ambrish Agarwal</li> <li>Karan Bhagat</li> <li>Vikash Mittersain</li> <li>Nitish Mittersain</li> <li>Probir Roy</li> </ul>

Nature of Expertise	Particulars	Name of Director
Corporate Strategy & planning	Ability to scan and analyse the business trends, experience to guide and provide strategic directions to the management team, and driving change with the objective of growth.	<ul style="list-style-type: none"> <li>Kuldeep Jain</li> <li>Rajiv Ambrish Agarwal</li> <li>Shobha Jagtiani</li> <li>Karan Bhagat</li> <li>Probir Roy</li> <li>Nitish Mittersain</li> </ul>
Expertise/ Experience in Finance & Accounts/ Audit	Experience in leading finance function of variety of entities, ability to drive the Company to benchmark with best practices in various procedural areas of finance function.	<ul style="list-style-type: none"> <li>Probir Roy</li> <li>Kuldeep Jain</li> </ul>
Governance	Experience in statutory compliances, developing governance practices, driving business ethics and values so as to protect interests of stakeholders.	<ul style="list-style-type: none"> <li>Shobha Jagtiani</li> <li>Probir Roy</li> <li>Rajiv Ambrish Agarwal</li> <li>Vikash Mittersain</li> </ul>

- The details of the Familiarisation programme of the Independent Directors are available on the Company's website via. [https://corp.nazara.com/?page\\_id=5937](https://corp.nazara.com/?page_id=5937)
- No Independent Director resigned before the expiry of his tenure during this financial year.

### III. COMMITTEES OF THE BOARD:

- The Board has constituted various Committees with an optimum representation of its members and with specific terms of reference in accordance with the Act and the SEBI Listing Regulations. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their terms of reference. The Board has constituted the below mentioned mandatory committees:
  - Audit Committee;
  - Nomination, Remuneration & Compensation Committee;
  - Stakeholders Relationship Committee; and
  - Corporate Social Responsibility Committee.

## Corporate Governance Report (Contd.)

The Committees are represented by a combination of Non- Executive Independent Directors and Key Managerial Personnel of the Company. These Committees play an important role in the overall Management of day to-day affairs and governance of your Company. The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The recommendations of the Committee(s) are submitted to the Board for its approval.

During the year, all recommendations of the Committee(s) were duly considered and approved by the Board. Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting.

### a) AUDIT COMMITTEE:

The Audit Committee was constituted on January 04, 2018 and the terms of reference were updated on December 31, 2020 in line with the provisions of regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

#### • COMPOSITION, ATTENDANCE AND DETAILS OF AUDIT COMMITTEE MEETINGS:

Name of the Director	Position	Category	No. of meetings attended
Sasha Mirchandani	Chairman	Independent, Non-Executive	5
Probir Roy	Member	Independent, Non-Executive	5
Shobha Jagtiani	Member	Independent, Non-Executive	4
Nitish Mittersain	Member	Non-Independent, Executive	5

During the year under review, the Audit Committee met Five (5) times i.e June 22, 2020, November 23, 2020, December 18, 2020, January 12, 2021 and March 02, 2021. The necessary quorum was present for all the Meetings.

Company invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. The previous AGM of the Company was held

on December 30, 2020 and was attended by Sasha Mirchandani, the Chairman of the Audit Committee.

#### • TERMS OF REFERENCE:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the auditors and the fixation of audit fee;
- Review and monitor the auditor's independence and performance and the effectiveness of audit process;
- Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be stated in the Director's responsibility statement to be included in the board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications and modified opinions in the draft audit report.
- Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Scrutiny of inter-corporate loans and investments;

## Corporate Governance Report (Contd.)

- h. Valuation of undertakings or assets of our Company, wherever it is necessary;
- i. Evaluation of internal financial controls and risk management systems;
- j. Approval or any subsequent modification of transactions of our Company with related parties;
- k. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- l. Approving or subsequently modifying transactions of our Company with related parties;
- m. Evaluating undertakings or assets of our Company, wherever necessary;
- n. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- o. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- p. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- q. Discussion with internal auditors on any significant findings and follow up thereon;
- r. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- s. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- t. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- u. Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- v. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- w. Carrying out any other functions as provided under the Companies Act, the SEBI LODR and other applicable laws; and
- x. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
- y. Reviewing the utilisation of loan and/or advances from investment by the holding Company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments
- z. The powers of the Audit Committee include the following:
  - (i) To investigate activity within its terms of reference;
  - (ii) To seek information from any employees;
  - (iii) To obtain outside legal or other professional advice; and
  - (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- aa. The Audit Committee shall mandatorily review the following information:
  - (i) Management discussion and analysis of financial condition and result of operations;
  - (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - (iv) Internal audit reports relating to internal control weaknesses;
  - (v) The appointment, removal and terms of remuneration of the chief internal auditor; and



## Corporate Governance Report (Contd.)

(vi) Statement of deviations:

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI LODR; and
- annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI LODR.

### b) NOMINATION REMUNERATION & COMPENSATION COMMITTEE:

The Nomination Remuneration & Compensation Committee was reconstituted on January 4, 2018 and the terms of reference were updated on December 31, 2020 in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

#### • COMPOSITION, ATTENDANCE AND DETAILS OF NOMINATION REMUNERATION & COMPENSATION COMMITTEE MEETINGS:

Name of the Director	Position	Category	No. of meetings attended
Probir Roy	Chairman	Independent, Non-Executive	5
Shobha Jagtiani	Member	Independent, Non-Executive	5
Kuldeep Jain	Member	Independent, Non-Executive	2

During the year under review, the Nomination Remuneration & Compensation Committee met Five (5) times i.e. June 22, 2020, November 23, 2020, December 28, 2020, December 31, 2020 and March 02, 2021. The necessary quorum was present for all the Meetings.

The previous AGM of the Company was held on December 30, 2020 and was attended by Probir Roy, the Chairman of the Nomination Remuneration & Compensation Committee.

#### • TERMS OF REFERENCE:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulating of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- Analysing, monitoring and reviewing various human resource and compensation matters;
- Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component; and recommend to the board, all remuneration, in whatever form, payable to senior management
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

## Corporate Governance Report (Contd.)

- j. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- k. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- l. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee; and
- m. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### • **EMPLOYEE STOCK OPTION SCHEME:**

The Company has three Employee Stock Option Scheme namely Nazara Technologies Employee Stock Option Plan 2016 ("ESOP 2016"), Nazara Technologies Employee Stock Option Plan 2017 ("ESOP 2017"), Nazara Technologies Employee Stock Option 2020 ("ESOP 2020"). The details of Stock Option Scheme including the number of outstanding options are given as an annexure to the Board's Report.

### • **PERFORMANCE EVALUATION:**

The performance evaluation criteria for independent directors is determined by the Nomination Remuneration & Compensation Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

### • **REMUNERATION POLICY:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder, the Board has adopted a Policy on criteria for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Remuneration Policy is available on the website of the Company at <https://corp.nazara.com/wp-content/uploads/2021/03/Nomination-and-Remuneration-Policy.pdf>.

### i. **DETAILS OF THE REMUNERATION FOR THE YEAR ENDED MARCH 31, 2021:**

Based on the recommendation of Nomination Remuneration & Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board in accordance with the Shareholders' approval. The details of remuneration paid to Non- Executive Directors and to Executive Directors for the Financial Year ended March 31, 2021 is provided hereinafter:

### i. **Non-Executive Directors:**

(In ₹)	
<b>Name of the Directors</b>	<b>**Sitting Fees</b>
Kuldeep Jain	2,80,000
Sasha Mirchandani	4,30,000
Shobha Jagtiani	5,70,000
Probir Roy	5,90,000
Rajiv Ambrish Agarwal	3,00,000
Karan Bhagat*	-
<b>Total</b>	<b>21,70,000</b>

\* Karan Bhagat has voluntarily abstained from receiving any sitting fees for the meetings attended during the year.

\*\* There was no commission paid during the year under review and no stock options granted to Non- Executive Directors.

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### ii. Managing Director and Executive Director:

(In ₹)

Name	Salary	Benefits, perquisites and allowances	Incentive
Vikash Mittersain (Chairman and Managing Director)	58,04,983	8,33,544	-
Nitish Mittersain (Joint Managing Director)	1,95,89,896	27,10,332	1,00,00,000
<b>Total</b>	<b>2,53,94,879</b>	<b>35,43,876</b>	<b>1,00,00,000</b>

The Company has entered into employment agreement with Managing Director and Joint Managing Director which covers the tenure of office of the Managing Director and Joint Managing Director is for 5 (five) years from their respective date of appointment.

There is no separate provision for payment of severance fee. The Company has a Nomination & Remuneration Policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the Company, placed on the website of the Company i.e <https://corp.nazara.com/wp-content/uploads/2021/03/Nomination-and-Remuneration-Policy.pdf>.

### c) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on January 04, 2018 and the terms of reference were updated on December 31, 2020 in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.

### COMPOSITION, ATTENDANCE AND DETAILS OF STAKEHOLDERS' RELATIONSHIP COMMITTEE MEETINGS:

Name of the Director	Position	Category	No. of meetings attended
Shobha Jagtiani	Chairman	Independent, Non-Executive	1
Probir Roy	Member	Independent, Non-Executive	1
Vikash Mittersain	Member	Non-Independent, Executive	1

During the period under review, the Stakeholders' Relationship Committee met One (1) time i.e November 23, 2020. The necessary quorum was present for the Meeting.

The previous AGM of the Company was held on December 30, 2020 and was attended by Ms. Shobha Jagtiani, the Chairperson of the Stakeholders' Relationship Committee.

#### • TERMS OF REFERENCE:

- Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders
- Review of measures taken for effective exercise of voting rights by shareholders;

## Corporate Governance Report (Contd.)

- f. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- g. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- h. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- i. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- j. Allotment and listing of shares;
- k. To authorise affixation of common seal of the Company;
- l. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- m. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- n. To dematerialise or rematerialise the issued shares;
- o. Ensure proper and timely attendance and redressal of investor queries and grievances;
- p. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
- q. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s)

• **NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER:**

Ms. Pratibha Mishra, Company Secretary, Nazara Technologies Limited, 51-57, Maker Chambers 3, Nariman Point, Mumbai- 400021.

Telephone: 022-40330800

• **DETAILS OF INVESTOR COMPLAINTS RECEIVED AND REDRESSED DURING FY 2020-21 ARE AS FOLLOWS:**

Opening Balance	Received during the year	Resolved during the year	Closing balance
Nil	26	26	Nil

d) **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility Committee was constituted in line with the provisions of Section 135 of the Act by our Board at their meeting held on June 27, 2014.

• **COMPOSITION, ATTENDANCE AND DETAILS OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETINGS:**

Name of the Director	Position	Category	No. of meetings attended
Vikash Mittersain	Chairman	Non-Independent, Executive	2
Nitish Mittersain	Member	Non-Independent, Executive	2
Shobha Jagtiani	Member	Independent, Non-Executive	2
Probir Roy	Member	Independent, Non-Executive	2

During the period under review, the Corporate Social Responsibility Committee met Two (2) times i.e. June 22, 2020 and November 23, 2020. The necessary quorum was present for the Meeting.

The previous AGM of the Company was held on December 30, 2020 and was attended by Vikash Mittersain, the Chairman of the Corporate Social Responsibility Committee.

• **TERMS OF REFERENCE:**

- a. Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

## Corporate Governance Report (Contd.)

- b. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c. Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- e. Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f. Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

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### IV. GENERAL BODY MEETINGS:

#### i. General Meeting:

##### a. Annual General Meeting ("AGM"):

Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Date	September 26, 2018	December 23, 2019	December 30, 2020
Time	10:30 a.m	11:00 a.m	3:30 p.m
Venue	Rangaswar Auditorium, Y B Chavan Centre, 7/8, General Jagannath Bhosale Marg, Opp Mantralaya, Nariman Point, Mumbai, Maharashtra- 400021	51-57, Maker Chambers 3, Nariman Point, Mumbai-400021	Video Conferencing
Special Resolutions	None	<ol style="list-style-type: none"> <li>Increase in limits of loans, Investments and Guarantees not exceeding ₹ 400 Crores pursuant to section 186 of the Companies Act, 2013.</li> <li>Issue of Equity shares for consideration other than cash (i.e Swap of shares of Crimzoncode Technologies Private Limited with the Equity shares of the Company) on private placement basis to Identified persons</li> <li>Issue of Equity shares for consideration other than cash (i.e swap of sale shares of Paper Boat Apps Private Limited with equity shares of the Company) on private placement basis to Identified persons</li> </ol>	<ol style="list-style-type: none"> <li>Approval for payment of remuneration to Mr. Nitish Vikash Mittersain (DIN: 02347434), Joint Managing Director of the Company</li> <li>Re-Designation and Appointment of Mr. Kuldeep Jain (DIN: 02683041) as Independent Director of the Company</li> <li>Approval for payment of remuneration to Mr. Vikash Pratapchand Mittersain (DIN: 00156740), Chairman &amp; Managing Director of the Company</li> <li>Offer and Issuance of Equity Shares for consideration other than cash on Private Placement basis</li> <li>Approval of Nazara Technologies Limited Employee Stock Option Plan 2020</li> </ol>

##### b. Extraordinary General Meeting:

During the year, the Company held Three (3) Extra Ordinary General Meetings on April 28, 2020, January 19, 2021 and February 01, 2021:

Date	April 28, 2020	January 19, 2021	February 01, 2021
Time	11:00 a.m	11:00 a.m	11:00 a.m
Venue	Video Conferencing	Video Conferencing	Video Conferencing
Special Resolutions	<ol style="list-style-type: none"> <li>Alteration of the Capital Clause in the Articles of Association of the Company</li> <li>Offer and Issue of equity shares for consideration other than cash on private placement basis</li> </ol>	Adoption of new set of articles of association of the Company	Offer and issuance of equity shares (cash consideration) on private placement basis



## Corporate Governance Report (Contd.)

- ii. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:  
During the FY 2020-21, the Company has not conducted any postal ballot exercise for seeking approval of members.
- iii. Details of special resolution proposed to be conducted through postal ballot:  
Currently there are no foreseen matters for which a Special resolution may be passed through a Postal ballot. Special Resolution by way of a Postal Ballot, if required to be passed in the future, will be decided at that relevant time and accordingly, would be communicated to the stakeholders.

### V. OTHER DISCLOSURES:

Particulars	Regulations	Details	Website link for details/ policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	During the year under review, there were no materially significant related party transactions.  All Related Party Transactions as defined under the Companies Act, 2013 were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which become effective from March 30, 2021 and the same has been uploaded on the Company's website.	<a href="https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Related-Party-Transactions.pdf">https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Related-Party-Transactions.pdf</a>
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three years.	Schedule V (C) 10(b) to the SEBI Listing Regulations	Not Applicable as the equity shares of Company got listed on March 30, 2021.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Ethics. No person has been denied access to the Audit Committee. The said policy has been uploaded on the Company's website	<a href="https://corp.nazara.com/wp-content/uploads/2021/03/Whistle-Blower-Policy.pdf">https://corp.nazara.com/wp-content/uploads/2021/03/Whistle-Blower-Policy.pdf</a>
Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	Schedule II Part E of the SEBI Listing Regulations	The Company got listed on March 30, 2021, hence was not applicable.	-
Material Subsidiary companies	Regulation 24 of the SEBI Listing Regulations	The Company has five material non-listed Indian Subsidiary. The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the Subsidiaries, if any. The Company has formulated a policy for determining Material Subsidiaries and the policy is disclosed on the website of the Company	<a href="https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Material-Subsidiaries.pdf">https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Material-Subsidiaries.pdf</a>

## Corporate Governance Report (Contd.)

Particulars	Regulations	Details	Website link for details/ policy
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted a Policy for Determining Materiality of Events/ Information. The said policy has been put on the Company's website	<a href="https://corp.nazara.com/wp-content/uploads/2021/03/Policy-for-determination-of-Materiality-of-Events.pdf">https://corp.nazara.com/wp-content/uploads/2021/03/Policy-for-determination-of-Materiality-of-Events.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Preservation of Documents and Archival Policy for preservation of documents. The said policy has been put on the Company's website	<a href="https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Preservation-and-Archival-of-Documents.pdf">https://corp.nazara.com/wp-content/uploads/2021/03/Policy-on-Preservation-and-Archival-of-Documents.pdf</a>
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	The Company has adopted Dividend Distribution Policy for distributing the profits of the Company to the shareholders. The said policy has been put on the Company's website	<a href="https://corp.nazara.com/wp-content/uploads/2021/03/Dividend-Distribution-Policy.pdf">https://corp.nazara.com/wp-content/uploads/2021/03/Dividend-Distribution-Policy.pdf</a>
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir-16/2002 dated December 31, 2002.	A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The said audit is applicable to the Company as on the date of this report.	
Details of utilisation of funds raised through preferential allotment or qualified institutions placement	Regulation 32 (7A) of the SEBI Regulations	The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement during the financial year ended March 31, 2021 other than as mentioned in the Board Report in "Change in share capital".	-
Certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.	Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)	The Company has obtained the certificate from M/s. Manish Ghia & Associates Practicing Company Secretaries for the financial year ended March 31, 2021, copy of which is appended to this report.	-
CEO and CFO Certification	Regulation 17(8) read with Schedule II Part B of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Chief Executive Officer & Chief Financial Officer have given appropriate certifications to the Board of Directors for the financial year ended March 31, 2021, which is annexed hereto.	-
Practicing Company Secretaries on Corporate Governance	In terms of Para E of Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	A certificate of compliance from independent practicing Company secretary as stipulated under the Regulations, is also obtained and annexed to this report	-

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Particulars	Regulations	Details	Website link for details/ policy
Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	-	Particulars of total fees paid to Auditor are provided in Note No. 24 to the standalone financial statements.	
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	-	The details of complaints received and redressed during FY 2020-21 are as under:- a) number of complaints filed during the financial year: 1 b) number of complaints disposed of during the financial year: 1 c) number of complaints pending as on end of the financial year: Nil	-
Recommendation of Committee	-	During the year, there has been no instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required.	-
Code of conduct	-	The Company has formulated and adopted Code of Conduct ('CoC') for members of the board of directors and senior management personnel which is available on the website <a href="http://www.nazara.com">www.nazara.com</a> . The Company has received confirmation from all members of the Board of Directors and Senior Management Personnel regarding compliance of the Code for the year under review. The declaration signed by Mr. Manish Agarwal, Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is forming part of this report.	-

## VI. MEANS OF COMMUNICATION:

Financial Results	The Yearly results for FY 2020-21 were intimated to the Stock Exchanges immediately after the Board Meeting at which they were approved. The results of the Company were also published in at least one prominent national newspaper and one regional newspaper having wide circulation.
Annual Report	Annual Report containing inter alia Audited Financial Statements, Consolidated Financial Statements, Board's Report, Auditor's Report, and other important information is circulated to the shareholders and others entitled thereto. The Management's Discussion and Analysis Report forms a part of the Annual Report. The Annual Report is displayed on the Company's website at <a href="http://www.nazara.com">www.nazara.com</a>
Communication to shareholders on Email	As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which help in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.
Website	The Company's website is in line with the requirements laid down under Regulation 46 of the Listing Regulations. It is a comprehensive reference of Company's management, vision, mission, policies, corporate governance, updates and news.  All the information and disclosures required to be disseminated as per Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Companies Act, 2013 are being posted at Company's website: <a href="http://www.nazara.com">www.nazara.com</a> .  The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> and the same is also uploaded on the website of the Company <a href="http://www.nazara.com">www.nazara.com</a> .

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Designated E-mail address for investor services	<p>The Company has organised investor conferences calls to discuss its financial results, where investor queries were answered by the Executive Management of the Company. The transcript of the conference calls are posted on the website of the Company viz. <a href="http://www.nazara.com">www.nazara.com</a>.</p> <p>To serve the investors better and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated e-mail address for investors complaints is <a href="mailto:investors@nazara.com">investors@nazara.com</a>. This email address for grievance redressal is continuously monitored by the Company's Compliance Officer.</p>
SEBI Complaints Redress System (SCORES)	The investor complaints are processed in a Centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### VII. GENERAL SHAREHOLDER INFORMATION:

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U72900MH1999PLC122970.

#### a. Annual General Meeting for FY 2020-21:

AGM date, time and venue	<p>Date: Monday, September 20, 2021</p> <p>Time: 12:00 NOON</p> <p>Venue: Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 08, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM.</p> <p>For details, please refer to the Notice of this AGM.</p> <p>As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM</p>
Financial Year	April 01, 2020 to March 31, 2021
Registered Office and address for correspondence	<p>51-55, Maker Chambers 3, Nariman Point, Mumbai City, MH-400021</p> <p>Telephone: 022-40330800</p> <p>Designated e-mail address for Investor Services: <a href="mailto:investors@nazara.com">investors@nazara.com</a></p> <p>Website: <a href="http://www.nazara.com">www.nazara.com</a></p>
Name and Address of Stock Exchanges where Company's securities are listed	<p><b>National Stock Exchange of India Limited</b></p> <p>Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.</p> <p>Trading Symbol – NAZARA</p> <p><b>BSE Limited</b></p> <p>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001</p> <p>Scrip Code: 543280</p> <p>ISIN: INE418L01021</p>

## Corporate Governance Report (Contd.)

Listing fees	The necessary annual listing fees have been duly paid to both the Stock Exchanges i.e BSE and NSE.
Share Registrar and Transfer Agents	<p>Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Investor query registration: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p> <p>Depository services: National Securities Depository Limited Trade World, A Wing, 4th &amp; 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai-400 013. Tel.: +91 22 2499 4200; Fax:+91 22 2497 6351 E-mail: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a> Investor Grievance: <a href="mailto:relations@nsdl.co.in">relations@nsdl.co.in</a> Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a></p> <p>Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel (East), Mumbai-400013. Tel.: +91 22 2305 8640 / 8642 / 8639 / 8663 E-mail: <a href="mailto:helpdesk@cdslindia.com">helpdesk@cdslindia.com</a> Investor Grievance: <a href="mailto:complaints@cdslindia.com">complaints@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p>
Company Secretary & Compliance officer	Ms. Pratibha Mishra

## Corporate Governance Report (Contd.)

### b. Market Price Data:

The Company was listed on March 30, 2021 and hence the market data is only provided for March, 2021.

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
March, 2021	2,026.90	1,431.85	2,024.90	1,432.00

### c. Performance of the share price of the Company in comparison to the BSE Sensex:

The Company got listed on March 30, 2021, hence the comparison between the share and BSE sensex shall not be in parity of comparison.

### d. In case the Securities are suspended from Trading, the Board's Report shall explain the Reason thereof - Not applicable

### e. Share Transfer System:

#### Nomination Facility for shares held in physical form

Shareholders who hold shares in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit request to Registrar and Transfer Agent (RTA) in the prescribed Forms SH-13/SH-14.

#### For Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, email address, nomination and power of attorney should be given directly to the Depository Participant (DP).

#### Number of Shares held in Physical Form

As on March 31, 2021, 10,35,828 (Ten Lakhs Thirty Five Thousand Eight Hundred and Twenty Eight) shares were held in physical form.

### f. Shareholding as on March 31, 2021:

#### i. Distribution of equity shareholding as on March 31, 2021:

Range	Number of shareholders	% of total shareholders	Total shares for the range	% of issued capital
1 to 500	24650	95.6576	689385	2.2638
501 to 1000	391	1.5173	315750	1.0368

Range	Number of shareholders	% of total shareholders	Total shares for the range	% of issued capital
1001 to 2000	242	0.9391	357687	1.1746
2001 to 3000	111	0.4308	286184	0.9398
3001 to 4000	65	0.2522	226679	0.7444
4001 to 5000	45	0.1746	208132	0.6835
5001 to 10000	80	0.3105	605732	1.9891
10001 and above	185	0.7179	27763287	91.1681
<b>Total</b>	<b>25769</b>	<b>100.00</b>	<b>30452836</b>	<b>100.00</b>

#### ii. Categories of equity shareholding as on March 31, 2021:

Category	Number of equity shares held	Percentage of holding (%)
Promoters and Promoter Group	63,02,968	20.70
Mutual Funds	10,12,448	3.32
Venture Capital Funds	1,19,614	0.39
Banks and Financial Institutions	70,983	0.23
Insurance Companies	65,135	0.21
Alternate Investment Fund	12,02,004	3.95
Foreign Portfolio Investors	18,34,585	6.02
Individual share capital upto ₹ 2 Lakhs	27,01,680	8.87
Individual share capital in excess of ₹ 2 Lakhs	49,70,316	16.32
NBFCs registered with RBI	30,101	0.10
Employee Trusts	1,000	0.00
Body corporate and others	1,21,42,002	39.87
<b>GRAND TOTAL</b>	<b>3,04,52,836</b>	<b>100.00</b>



## Corporate Governance Report (Contd.)

### iii. Top ten equity shareholders of the Company as on March 31, 2021:

Sr. No.	Name of the shareholder	Number of equity shares held	Percentage of holding
1.	Mitter Infotech LLP	52,63,225	17.28
2.	Arpit Khandelwal	34,46,210	11.31
3.	Jhunjhunwala Rakesh Radheshyam	32,94,310	10.81
4.	Plutus Wealth Management LLP	20,00,000	6.56
5.	Instant Growth Limited	11,60,093	3.80
6.	Nitish Mittersain	10,11,453	3.32
7.	Deutsche Bank A.G.	8,02,905	2.63
8.	Emerging Investment Limited	5,50,810	1.80
9.	Riyaz Suterwalla	5,00,000	1.64
10.	Turtle Entertainment GmbH	4,85,018	1.59

### vii. Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Shares held in demat and physical mode (folio-based) as on March 31, 2021:-

Category	Number of shares	% of total equity
Demat mode	2,94,17,008	96.60
Physical mode	10,35,828	3.40
<b>Total</b>	<b>3,04,52,836</b>	<b>100.00</b>

### g. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2021, the Company does not

have any outstanding GDRs/ADRs/Warrants or any convertible instruments except as stated in Board's Report.

### h. Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

### i. Equity shares in the suspense account:

The Company does not have any equity shares in the suspense account.

### j. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:

The Company does not have any instances of transferring any amount to the Investor Education and Provident Fund.

### k. Plant Location:

Since the Company provides services, the Company does not have any manufacturing plant. It operates from Registered & Corporate Office located at different places throughout India.

### l. Secretarial Audit:

The Board of Directors has appointed M/s Manish Ghia & Associates Practicing Company Secretaries, to conduct secretarial audit of its records and documents for FY 2020-21. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

### m. Credit Rating:

The Company has not issued any securities/instruments for which credit rating is required.

By order of the Board of Directors  
For **Nazara Technologies Limited**

**Nitish Mittersain**

Joint Managing Director  
DIN: 02347434

**Vikash Mittersain**

Chairman & Managing Director  
DIN: 00156740

Place : Mumbai  
Date: May 28, 2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

**Nazara Technologies Limited**

51-57, Maker Chambers 3,

Nariman Point,

Mumbai – 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nazara Technologies Limited** having CIN: U72900MH1999PLC122970 and having registered office at 51-57, Maker Chambers 3, Nariman Point, Mumbai - 400021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial

Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1	Ms. Shobha Haresh Jagtiani	00027558	January 04, 2018
2	Mr. Probir Roy	00111961	January 04, 2018
3	Mr. Vikash Pratapchand Mittersain	00156740	December 08, 1999
4	Mr. Rajiv Ambrish Agarwal	00379990	June 22, 2020
5	Mr. Sasha Gulu Mirchandani	01179921	January 04, 2018
6	Mr. Nitish Vikash Mittersain	02347434	December 08, 1999
7	Mr. Kuldeep Jain	02683041	August 20, 2013
8	Mr. Karan Bhagat	03247753	November 23, 2020

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

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Mannish L. Ghia**  
Partner  
M. No. FCS 6252, C.P. No. 3531  
PR 822/2020

Place: Mumbai

Date: May 28, 2021

UDIN: F006252C000371485

## CEO AND CFO CERTIFICATION

*Pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

To,  
The Board of Directors,

### **Nazara Technologies Limited**

We, Manish Agarwal, the Chief Executive Officer (CEO) and Rakesh Shah, the Chief Financial Officer (CFO) of Nazara Technologies Limited ("the Company") to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2021 and that these statements:
1. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  3. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

### **Manish Agarwal**

Chief Executive Officer

Place: Mumbai

Date: May 28, 2021

- B. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- C. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit committee that:
1. there has been no significant change in internal control over financial reporting during the financial year ended March 31, 2021;
  2. there has been no significant change in accounting policies during the financial year ended March 31, 2021, and;
  3. there has been no instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal control systems over financial reporting.

### **Rakesh Shah**

Chief Financial Officer

Place: Mumbai

Date: May 28, 2021

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

*(Pursuant to Regulation 34(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

To  
The Members

**Nazara Technologies Limited**

Mumbai - 400021.

We have examined the compliance of conditions of Corporate Governance by **Nazara Technologies Limited**, for the year ended on March 31, 2021 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof

adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

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

For **Manish Ghia & Associates**  
Company Secretaries  
(Unique ID: P2006MH007100)

**CS Mannish L. Ghia**  
Partner  
M. No. FCS 6252, C.P. No. 3531  
PR 822/2020

Place: Mumbai  
Date: May 28, 2021  
UDIN: F006252C000371441

**ANNUAL DECLARATION BY THE CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO SCHEDULE V(D) OF THE LISTING REGULATIONS**

The Company has laid down a 'Code of Business Conduct and Ethics' for the Directors and the Senior Management Personnel and also been placed on the company's website.

Pursuant to the Regulation 26(3) of the Listing Regulations, I, Manish Agarwal, Chief Executive Officer (CEO) of the Company hereby declare that the Board members and the Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct of the Company for the financial year ended March 31, 2021.

Place: Mumbai

Date: May 28, 2021

**Manish Agarwal**

Chief Executive Officer

# Business Responsibility Report

This Business Responsibility Report ("BRR") is aligned to the National Voluntary Guidelines ("NVGs") on social, environmental and economic responsibilities of business, released by the Ministry of Corporate Affairs, Government of India. It is also in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), as amended from time to time. The report provides information on the Company's initiatives from an environmental, social and governance perspective, in the format given under the SEBI Listing Regulations.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<b>Corporate Identity Number (CIN) of the Company</b>	U72900MH1999PLC122970
<b>Name of the Company</b>	Nazara Technologies Limited
<b>Registered address</b>	51-57, Maker Chambers 3, Nariman Point, Mumbai City MH-400021
<b>Website</b>	www.nazara.com
<b>E-mail id</b>	investors@nazara.com
<b>Financial Year reported</b>	April 01, 2020 to March 31, 2021
<b>Sector(s) that the Company is engaged in (industrial activity code-wise)</b>	Telecommunication – Other Value Added Services - 61900
<b>List three key products/services that the Company manufactures/ provides (as mentioned in balance sheet)</b>	i) Telco subscription, ii) Advertising, iii) Games
<b>Total number of locations where business activity is undertaken by the Company: Number of international location:</b>	
i) Asia Pacific	
ii) Middle east	
iii) Africa	
Number of National Location	
<b>i) Mumbai (Registered office)</b>	
<b>Markets served by the Company – Local / State / National / International</b>	<b>In addition to serving Indian markets,</b> the Company provides services in more than 70 countries

\* As per National Industrial Classification made by Ministry of Statistics & Programme Implementation

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

<b>Paid up Capital (₹ millions)</b>	121.81
<b>Total Income</b>	419.41
<b>Total profit after taxes</b>	8.21
<b>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)</b>	2% of Last 3 Years Average Profits.
<b>List of activities in which expenditure as stated above has been incurred</b>	The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed under Schedule VII of the Companies Act, 2013.  For detailed information, you may refer to the "Report on CSR Activities" annexure to the Board's Report forming part of the Annual Report.

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company / Companies?**  
Yes
- Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)?**  
  
The Business Responsibility Policy extends to the international subsidiaries of the Company also to the extent applicable. For detailed list of subsidiaries, please refer to the Board Report on page no 47 of the Annual Report.
- Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**  
  
No



## Business Responsibility Report (Contd.)

### SECTION D: BR INFORMATION

#### 1. Details of Director / Directors responsible for BR

- a) Details of the Director / Director responsible for implementation of the Business Responsibility policy / policies:

Sr. No.	Name	DIN	Designation
1	Mr. Nitish Mittersain	02347434	Joint Managing Director

#### b) Details of the Business Responsibility Head

DIN	02347434
Name	Mr. Nitish Mittersain
Designation	Joint Managing Director
Telephone Number	022-40330800
E-mail ID	<a href="mailto:nitish@nazara.com">nitish@nazara.com</a>

#### 2. Principle-wise (as per National Voluntary Guidelines [NVGs]) BR Policy / policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGS) released by the Ministry of Corporate Affairs has

##### (a) Details of compliance:

PRINCIPLE-WISE AS PER NVGS -BR POLICY / POLICIES (REPLY IN Y / N):

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?* (50 words)	Yes, the Policies are based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	The Business Responsibility Policy is approved by the Board and the same is signed by Joint Managing Director of the Company.								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

adopted nine areas of Business Responsibility. These are as follows:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5 - Businesses should respect and promote human rights.
- P6 - Business should respect, protect and make efforts to restore the environment.
- P7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should support inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## Business Responsibility Report (Contd.)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.nazara.com">www.nazara.com</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy has been published on the website of the Company								
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	The Whistle Blower Mechanism adopted by the Company, provides employees to report any concerns or grievances pertaining to any unethical behaviour.								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	FY 2020-21 is the first year of the Company as a Public Listed Company. Mr. Nitish Mittersain, Joint Managing Director shall periodically evaluate the implementation and execution of Business Responsibility policy.								

*\*The policies formulated by the Company are materially in compliance with all mandatory / applicable laws, rules, regulations, guidelines and standards.*

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: - **Not Applicable**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

### 3. Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

The formulation of Business Responsibility Report has become applicable to the Company from FY 2021-22 based on the market capitalisation of the Company. On quarterly basis, the Management shall monitor the BR initiatives and BR performance of the Company to be complied in the BR report, which shall form

part of Annual Report every year and shall be placed before the Board for their approval, every year.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The report comprises the Company's 1st Business Responsibility Report as required under the SEBI Listing Regulations which is part of the Annual Report. The Company will publish the BR report annually (as part of its Annual Report).

## Business Responsibility Report (Contd.)

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Ethics, Transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company has adopted the Code of Business Conduct and Ethics, which details the minimum acceptable ethical and responsible business practices for employees, agents, suppliers, vendors, NGOs and business partners. The Company is committed to transparency and best practices. This code warrants compliance with laws prohibiting child labour, taking responsibility for the health and safety of their employees

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so?**

26 complaints were received by the Company and all were resolved as on March 31, 2021.

#### Principle 2: Safe and sustainable goods and services

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The Company's business activity is to cater to mobile entertainment services to mobile operators. The Company complies with applicable laws and regulations.

- 2. For each such product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product (optional):**

Since the Company's business activity is to cater mobile entertainment services to mobile operators and not related to any manufacturing activity, the reporting on use of energy, water, raw material etc., is not applicable.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth.

- 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Most of the mobile entertainment services provided by the Company through mobile operators is based on video, music, gaming and editorial content procured or sourced locally from the content providers of respective geographies.

- 5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.**

As the Company is a service provider in mobile entertainment space, it does not discharge any effluent or waste.

#### Principle 3: Well-Being of Employees

Total number of employees	83
Total number of employees hired on temporary / contractual / casual basis	nil
Number of permanent women employees	11
Number of permanent employees with disabilities	Nil
Do you have an employee association that is recognised by management	Not applicable
What percentage of your permanent employees are members of this recognised employee association?	Not Applicable

**Details of the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, are as follows:**

No.	Category	No of complaints filed during the Financial Year	No of complaints pending as on end of the Financial year
2.	Sexual harassment	1	Nil

## Business Responsibility Report (Contd.)

**What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Category	Percentage (%)
a) Permanent Employees	100%
b) Permanent Women Employees	100%
c) Casual/Temporary / Contractual Employees	100%
d) Employees with Disabilities	100%

### Principle 4: Stakeholders Engagement

**1. Has the Company mapped its internal and external stakeholders?**

Yes,

**Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so?**

The Company is taking initiatives to identify the disadvantaged, vulnerable & marginalised stakeholders and engage with them.

### Principle 5: Respect and Promote Human Rights

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

As per the Policy, the Company shall recognise and respect the human rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and vulnerable and marginalised groups.

**2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?**

No incidence of discrimination or human rights violation was received by the Company or was pending investigation as on March 31, 2021.

### Principle 6: Respect, Protect and Restore the Environment

**1. Does the policy relate to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

It covers only the Company.

**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc?**

Since there are no production activities undertaken by the Company, there are no initiatives taken to address Global environmental issues.

**3. Does the Company identify and assess potential environmental risks?**

No

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Not Applicable

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? If yes, please give hyperlink for web page etc.**

Not Applicable

**6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the Financial Year being reported?**

Not Applicable

**7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There was no legal notice received during the year that remain outstanding as on March 31, 2021.

### Principle 7: Responsible and Transparent Policy Advocacy

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Internet & Mobile Association of India (IAMAI)

**2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

NO

## Business Responsibility Report (Contd.)

### **Principle 8: Promote Inclusive Growth and Equitable Development**

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Pursuant to the CSR Policy adopted by the Board as prescribed in Schedule VII to the Companies Act, 2013, during the year under review, the major CSR activities were carried out in the field of Education & skill development, Health & sanitation and Community & Environment development.

**2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?**

The Company engages with NGOs / other organisations / Trusts to ensure that the Company achieves its vision of promoting inclusive growth.

**3. Have you done any impact assessment of your initiative?**

The Company undertakes impact assessment on a continuous basis and monitors gains to the community out of all CSR activities.

**4. What is your Company's direct contribution to community development Projects- Amount in ₹ and the details of the projects undertaken.**

For detailed information relating to list of activities in which contribution has been incurred, please refer the Annual Report on CSR Activities annexed as Annexure V to the Directors' Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

CSR initiatives are rolled out directly or in partnership with non-profit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities.

Company's Representatives track the reach and take necessary steps to make it successful. Further, the CSR projects are evaluated by the CSR Committee to ensure maximum impact of their initiatives.

### **Principle 9: Customer Value**

**1. What percentage of customer complaints / consumer cases are pending as on the end of Financial Year?**

No consumer cases are pending against the Company in Consumer forums / courts as on March 31, 2021.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Not Applicable.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of Financial Year?**

In the last five years, no such case has been filed against the Company on the above referred matters.

**4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

The Company provides services to Telecom Operators. End Consumer interaction is done by Telecom Operators. Hence Company do not conduct any Consumer survey.

## Standalone Financial Statements

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# Independent Auditor's Report

To the Members of Nazara Technologies Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of **Nazara Technologies Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>Impairment assessment of investments in subsidiaries, associates and joint ventures</b> <p>As described in Note 5 to the standalone financial statements, carrying value of investment in subsidiaries, associates and joint ventures as at 31 March 2021 is ₹ 3,380.61 million, ₹ 10 million and ₹ 60.90 million respectively. The management has noted impairment indicators in some of these entities as Company's share in net asset is lower than the carrying value of investment as at 31 March 2021.</p> <p>In view of the above, the Management of the Company has carried out an impairment testing for the investment made in aforesaid entities using discounted cash flow model.</p> <p>Key assumptions used in management's assessment include estimates of future financial performance, terminal value and discount rates, among others, as attributable to such subsidiaries, associates and joint ventures. Based on the management's assessment, impairment loss of ₹ 26.19 million, ₹ 5.61 million and ₹ 37.58 million has been recognized on subsidiaries, associates and joint ventures respectively as at 31 March 2021.</p> <p>Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining recoverable amount of aforesaid investments, we have considered this matter as key audit matter.</p>	<p>Our audit procedures in relation to assessing the carrying value of investments included but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>● Obtained an understanding of management's impairment assessment process and evaluated the design and tested operating effectiveness of controls over the impairment assessment and carrying value of investments.</li> <li>● Obtained the impairment analysis carried out by the management including report of external independent valuation expert, where used;</li> <li>● Assessed the professional competence, objectivity and capabilities of the external independent valuation expert engaged by management;</li> <li>● Assessed the methodology used by the management to estimate the recoverable value of investment in subsidiaries, associates and joint ventures;</li> <li>● Reconciled the cash flow projections used in the impairment assessment to business plans approved by the management;</li> <li>● Engaged auditor's expert to validate the reasonableness of assumptions such as discount rates, terminal growth rate and methodology used by the Management;</li> <li>● Assessed the reasonableness of market related assumptions used in the model based on historical trends, current developments and future plans;</li> <li>● Tested the arithmetical accuracy and sensitivity analysis performed by management of key assumptions such as discount and growth rates; and</li> <li>● Assessed the appropriateness of disclosures made in the standalone financial statements in accordance with the requirements of applicable Indian Accounting Standards.</li> </ul>

## Independent Auditor's Report (Contd.)

### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report and Management Discussion and Analysis but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

## Independent Auditor's Report (Contd.)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- 15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- 16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 17. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 May 2021 as per Annexure II expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2021;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No.: 213356

UDIN: 21213356AAAACL6404

**Place:** Hyderabad

**Date:** 28 May 2021

# Annexure I

## **Annexure I to the Independent Auditor's Report of even date to the members of Nazara Technologies Limited, on the standalone financial statements for the year ended 31 March 2021**

### **Independent Auditor's Report on Companies (Auditor's Report) Order, 2016 ('the Order') under Sub-section 11 of Section 143 of the Companies Act 2013 ('the Act')**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
  - (b) the schedule of repayment of principal and interest has been stipulated wherein the principal and interest amounts are repayable on demand and since the repayment of such loans and interest has not been demanded, in our opinion, repayment of the principal amount is regular,
  - (c) there is no overdue amount in respect of loans granted to such companies
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of security.

- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

**Annexure I (Contd.)**

(xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the securities were issued, though surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. During the year, the Company did not make

preferential allotment/ private placement of fully/ partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No.: 213356

UDIN: 21213356AAAACL6404

**Place:** Hyderabad

**Date:** 28 May 2021

# Annexure II

## Annexure II to the Independent Auditor's Report to the members of Nazara Technologies Limited on the standalone financial statements for the year ended March 31, 2021

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

1. In conjunction with our audit of the standalone financial statements of Nazara Technologies Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper



## Annexure II (Contd.)

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No.: 213356

UDIN: 21213356AAAACL6404

**Place:** Hyderabad

**Date:** 28 May 2021

# Standalone Balance Sheet

As at March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	1.25	1.09
Right-of-use assets	4 (a)	7.03	46.62
Intangible assets	4 (b)	1.34	3.15
Financial assets			
Investments	5	3,382.13	3,033.03
Loans and deposits	6	43.59	29.35
Other financial assets	7	-	40.19
Deferred tax assets (net)	30	45.18	19.28
Other non-current assets	8	21.84	19.13
<b>Total non-current assets</b>		<b>3,502.36</b>	<b>3,191.84</b>
<b>Current assets</b>			
Financial assets			
Investments	5	1,060.37	326.10
Loans and deposit	6	74.65	17.64
Trade receivables	9	41.94	84.55
Cash and cash equivalents	10	561.88	39.04
Other current financial assets	11	437.51	40.84
Other current assets	12	35.99	18.78
<b>Total current assets</b>		<b>2,212.34</b>	<b>526.95</b>
<b>Total assets</b>		<b>5,714.70</b>	<b>3,718.79</b>

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 (Restated)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	121.81	111.99
Other equity	14	4,577.38	3,315.82
<b>Total Equity</b>		<b>4,699.19</b>	<b>3,427.81</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	15	15.34	12.07
<b>Total Non Current Liabilities</b>		<b>15.34</b>	<b>12.07</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables due to	16		
Micro and Small Enterprises		1.75	0.07
Other than Micro and Small Enterprises		132.25	84.26
Lease liabilities	27	-	39.94
Other financial liabilities	17	842.27	142.15
Other current liabilities	18	15.97	3.84
Provisions	15	7.00	6.27
Current tax liabilities (net)		0.93	2.38
<b>Total current liabilities</b>		<b>1,000.17</b>	<b>278.91</b>
<b>Total Equity and Liabilities</b>		<b>5,714.70</b>	<b>3,718.79</b>
Significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No: 213356

For and on behalf of the Board of directors of Nazara Technologies Limited

**Vikash Mittersain**

Chairman Cum Managing Director

DIN-00156740

**Rakesh Shah**

Chief Financial Officer

**Nitish Mittersain**

Joint Managing Director

DIN-02347434

**Pratibha Mishra**

Company Secretary

Membership No : A53432

**Manish Agarwal**

Chief Executive Officer

Place: Hyderabad

Date : May 28, 2021

Place: Mumbai

Date : May 28, 2021

# Statement of Standalone Profit and Loss

For the year ended March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
<b>Income</b>			
Revenue from operations	19	329.34	461.21
<b>Other income</b>	20	90.07	66.31
<b>Total income</b>		<b>419.41</b>	<b>527.52</b>
<b>EXPENSES</b>			
Content and server cost		22.03	44.02
Advertising expenses		62.21	74.60
Employee benefits expense	21	173.60	140.17
Depreciation and amortisation	22	54.45	51.05
Finance costs	23	1.51	5.16
Impairment losses	24 A	60.69	35.82
Other expenses	24 B	53.39	71.97
<b>Total expenses</b>		<b>427.88</b>	<b>422.79</b>
<b>(Loss)/profit before tax</b>		<b>(8.47)</b>	<b>104.73</b>
<b>Tax expense</b>			
Current tax		13.06	31.47
Taxes for earlier years		(3.95)	-
Deferred tax (credit) / expense		(25.79)	3.61
<b>Total tax expense</b>		<b>(16.68)</b>	<b>35.08</b>
<b>Profit for the year</b>		<b>8.21</b>	<b>69.65</b>

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
<b>Other comprehensive income</b>			
Item that will not be reclassified subsequently to the statement of profit and loss			
Remeasurements of post-employment benefit obligation		(0.51)	0.24
Income tax relating items that will not be reclassified to profit and loss		0.11	(0.06)
Item that will be reclassified subsequently to the statement of profit and loss			
Change in fair value of FVOCI debt instruments		(6.12)	14.38
Income tax relating to items that will be reclassified to profit and loss		-	-
<b>Other comprehensive (loss) / income for the year, net of tax</b>		<b>(6.52)</b>	<b>14.56</b>
<b>Total comprehensive income for the year attributable to equity shareholders</b>		<b>1.69</b>	<b>84.21</b>
Earnings per equity share (Face value of ₹ 4 per share each)	28		
Basic		0.28	2.51
Diluted		0.28	2.46
Significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statement

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No: 213356

For and on behalf of the Board of directors of Nazara Technologies Limited

**Vikash Mittersain**

Chairman Cum Managing Director

DIN-00156740

**Rakesh Shah**

Chief Financial Officer

**Nitish Mittersain**

Joint Managing Director

DIN-02347434

**Pratibha Mishra**

Company Secretary

Membership No : A53432

**Manish Agarwal**

Chief Executive Officer

Place: Hyderabad

Date : May 28, 2021

Place: Mumbai

Date : May 28, 2021

# Statement of Standalone Cash Flow

For the year ended March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	(8.47)	104.73
Adjustments for :		
Fair value gain on financial instruments at fair value through profit and loss	(5.63)	(21.94)
Sundry balances written-back	(2.95)	(13.98)
Depreciation and amortisation	54.45	51.05
Share based payment expenses	5.93	-
Bad debts written off	2.15	0.80
Provision for doubtful debts	1.23	-
Unwinding of interest on loans and advances	(3.28)	(1.57)
Interest on lease liabilities	1.51	5.16
Lease concession gain	(13.76)	-
Unrealised foreign exchange (gain)/loss, net	3.05	(3.46)
Net gain on sale of current investments	(11.51)	(15.03)
Impairment losses	60.69	35.82
Interest income	(12.50)	(5.93)
Dividend income	(39.10)	-
<b>Operating profit before working capital changes</b>	<b>31.81</b>	<b>135.65</b>
Working capital adjustments:		
Increase/(decrease) in trade payables	52.62	(4.74)
Increase in provisions	3.49	0.10
Increase/(decrease) in other liabilities	12.13	(11.15)
Increase in other financial liabilities	800.12	9.30
Decrease/(increase) in trade receivables	36.18	(10.20)
(Increase) in loans and advances	(67.97)	(38.20)
(Increase) in other financial assets	(349.69)	(0.91)
(Increase)/decrease in other assets	(17.27)	23.86
<b>Cash generated from operations</b>	<b>501.42</b>	<b>103.71</b>
Direct taxes paid (net of refunds)	(13.21)	(22.71)
<b>Net cash flow from operating activities (A)</b>	<b>488.21</b>	<b>81.00</b>

As per our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**  
Partner  
Membership No: 213356

Place: Hyderabad  
Date : May 28, 2021

For and on behalf of the Board of directors of Nazara Technologies Limited

**Vikash Mittersain**  
Chairman Cum Managing Director  
DIN-00156740

**Rakesh Shah**  
Chief Financial Officer

Place: Mumbai  
Date : May 28, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from investing activities</b>		
Purchase of property and equipment, including intangible assets	(1.23)	(3.11)
Acquisition of shares in subsidiary/associates	(363.45)	(566.50)
Purchase of non-current investments	-	(7.50)
Purchase of current investments	(1,025.13)	(293.91)
Movement of restricted bank balances	(535.57)	-
Sale of current investments	301.89	820.67
Interest received on fixed deposits, bonds and loans given to subsidiary	5.71	5.80
Dividend received from subsidiary company	39.10	-
Decrease in other bank balances	-	1.65
<b>Net cash flow (used in) investing activities (B)</b>	<b>(1,578.68)</b>	<b>(42.90)</b>
<b>Cash flow from financing activities</b>		
Issue of equity shares (including premium)	1,117.41	25.45
Repayment of lease liabilities	(39.67)	(51.47)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>1,077.74</b>	<b>(26.02)</b>
<b>Net increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>(12.73)</b>	<b>12.08</b>
Cash in hand at the beginning of the year	0.80	0.55
Balances with bank at the beginning of the year	38.24	26.41
<b>Cash and cash equivalents at the end of the year</b>	<b>26.31</b>	<b>39.04</b>
<b>Cash and cash equivalents as above comprises of the following</b>		
Cash in hand	0.97	0.80
Balances with bank	560.91	38.24
<b>Total cash and cash equivalents (refer note 10)</b>	<b>561.88</b>	<b>39.04</b>
Less: Restricted bank balances	(535.57)	-
<b>Net cash and cash equivalents</b>	<b>26.31</b>	<b>39.04</b>
Significant accounting policies (refer note 2)		

The accompanying notes are an integral part of the standalone financial statement

**Nitish Mittersain**  
Joint Managing Director  
DIN-02347434

**Pratibha Mishra**  
Company Secretary  
Membership No : A53432

**Manish Agarwal**  
Chief Executive Officer

# Statement of Changes In Equity

For the year ended March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

## (a) Equity shares:

of ₹ 4 each issued, subscribed and fully paid

Particulars	No. of shares	Amount
<b>As at April 01, 2019</b>	<b>2,74,71,969</b>	<b>109.89</b>
Add: Issued during the year (*)	5,24,694	2.10
<b>As at March 31, 2020</b>	<b>2,79,96,663</b>	<b>111.99</b>
Add: Issued during the year (*)	24,56,173	9.82
<b>As at March 31, 2021</b>	<b>3,04,52,836</b>	<b>121.81</b>

## (b) Other equity

Particulars	Capital redemption reserve	Securities premium	Retained earnings	Share based payment reserve	Capital contribution from shareholder	Total reserves and surplus	Debt instruments through other comprehensive income	Other equity (refer note 5A)	Total other reserves	Total
<b>As at April 01, 2019</b>	<b>1.30</b>	<b>1,404.87</b>	<b>392.84</b>	<b>255.93</b>	<b>357.18</b>	<b>2,412.12</b>	<b>4.61</b>	-	<b>4.61</b>	<b>2,416.73</b>
Profit for the year (Restated)	-	-	69.65	-	-	<b>69.65</b>	-	-	-	<b>69.65</b>
Other comprehensive income for the year	-	-	0.18	-	-	<b>0.18</b>	14.38	-	<b>14.38</b>	<b>14.56</b>
Issuance of equity shares (*)	-	379.88	-	-	-	<b>379.88</b>	-	435.00	<b>435.00</b>	<b>814.88</b>
<b>As at March 31, 2020 (Restated)</b>	<b>1.30</b>	<b>1,784.75</b>	<b>462.67</b>	<b>255.93</b>	<b>357.18</b>	<b>2,861.83</b>	<b>18.99</b>	<b>435.00</b>	<b>453.99</b>	<b>3,315.82</b>
Profit for the year	-	-	8.21	-	-	<b>8.21</b>	-	-	-	<b>8.21</b>
Other comprehensive loss for the year	-	-	(0.40)	-	-	<b>(0.40)</b>	(6.12)	-	<b>(6.12)</b>	<b>(6.52)</b>
Issuance of equity shares (net of share issue expenses ₹ 12.01 million) (*)	-	1,561.51	-	-	-	<b>1,561.51</b>	-	(435.00)	<b>(435.00)</b>	<b>1,126.51</b>
Issuance of equity shares on exercise of employee stock options	-	272.26	-	(144.82)	-	<b>127.44</b>	-	-	-	<b>127.44</b>
Share based compensation cost related to employee	-	-	-	5.93	-	<b>5.93</b>	-	-	-	<b>5.93</b>
<b>As at March 31, 2021</b>	<b>1.30</b>	<b>3,618.52</b>	<b>470.48</b>	<b>117.04</b>	<b>357.18</b>	<b>4,564.52</b>	<b>12.87</b>	-	<b>12.87</b>	<b>4,577.39</b>

(\*) Issued equity shares for acquisition of Investments totalling ₹ 581.35 million (March 31, 2020 ₹ 356.53 million)

## Notes:

### 1) Capital redemption reserve

Capital redemption reserve was created on buyback of equity shares of the company in accordance with the provisions of Companies Act 2013

### 2) Securities premium

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

**Statement of Changes In Equity****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**3) Retained earnings**

Retained earnings comprise of the Company's accumulated undistributed earnings.

**4) Shared based payment reserve**

The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of employee benefit expense.

**5) Capital contribution from shareholder**

Share based payment made by a shareholder.

**6) Other equity**

This represents, share pending issuance towards purchase consideration, including contingent consideration, to be paid in the form of equity shares on account of purchase of investment in subsidiaries.

**7) Debt instruments through other comprehensive income**

This reserve represents cumulative gains and losses arising on the fair valuation of debt instruments on the balance sheet date measured at FVOCI. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

Significant accounting policies (refer note 2)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No: 213356

Place: Hyderabad

Date : May 28, 2021

**For and on behalf of the Board of directors of Nazara Technologies Limited**

**Vikash Mittersain**

Chairman Cum Managing Director

DIN-00156740

**Rakesh Shah**

Chief Financial Officer

Place: Mumbai

Date : May 28, 2021

**Nitish Mittersain**

Joint Managing Director

DIN-02347434

**Pratibha Mishra**

Company Secretary

Membership No : A53432

**Manish Agarwal**

Chief Executive Officer



# Notes to the Standalone Financial Statements

For the year ended March 31, 2021

## 1. Corporate information

Nazara Technologies Limited (the “Company”) was incorporated in India on December 08, 1999 and is primarily engaged in providing subscription/download of games/ other contents through consumer base in India and worldwide and digital support services to group companies. The shares of the Company were listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) on March 30, 2021. The registered office of the Company is situated at 51-57, Maker chambers 3, Nariman point, Mumbai-400021.

The standalone financial statements (SFS) were authorised for issue in accordance with a resolution of Board of Directors on May 28, 2021.

## 2. Significant accounting policies

### i) Basis of preparation

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the ‘Act’) and Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other relevant provisions of the Act.

The standalone financial statements have been prepared on a historical cost convention and accrual basis, except for the certain financial assets and liabilities that are measured at fair value. The Company has uniformly applied the accounting policies during the periods presented.

Monetary amounts are expressed in Indian Rupee (₹) and are rounded off to millions, except for earning per share. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

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 Schedule III of Companies Act, 2013.

The standalone financial statements correspond to the classification provisions contained in Ind AS 1, “Presentation of Financial Statements”. For clarity, various items are aggregated in the statement of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

### ii) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

### iii) Foreign currency transactions and translations

#### a) Functional currency

The standalone financial statements are presented in Indian Rupees (₹), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the standalone financial statements of the reporting entity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### iv) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The areas involving significant judgement and estimates are as follows:

#### a) Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the

discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### b) Estimation of fair value of unlisted securities for impairment analysis

The Company follows the guidance of Ind AS 109 – Financial Instruments: to determine the fair value of its investment in equity instruments using market and income approaches. The market approach includes the use of financial metrics and ratios of comparable companies, such as revenue, earnings, comparable performance multiples, recent financial rounds and the level of marketability of the investments. The selection of comparable companies requires management judgment and is based on number of factors, including comparable Company sizes, growth rates and development stages. The income approach includes the use of discounted cash flow model, which requires significant estimates regarding the investees' revenue, costs, and discount rates based on the risk profile of comparable companies. Estimates of revenue and costs are developed using available historical and forecast data. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### c) Non-cash and contingent consideration

Estimating fair value of non-cash consideration, including contingent consideration, in respect of acquisition of investment in subsidiaries or associates involves management judgement. Fair value of the equity shares of the Company is determined based on weighted average price at which the most recent financials rounds occurred in the past one year.

The fair value of the contingent consideration, when the arrangement involves future delivery of fixed number of equity shares, is estimated to be acquisition date fair value of equity shares of the Company and those payable in cash are discounted using incremental borrowing rate (IBR) of the Company.

The estimate also includes probability of achieving the performance targets. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management.

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

### d) Share based payment

The Company evaluates the terms to determine whether share-based payment is equity settled or cash settled. Further, the Company measures the fair value of equity settled transactions with employees at the grant date of the equity instruments. The basis and assumptions used in these calculations are disclosed in note 31. These inputs are used in the option valuation model to determine the fair value of share awards are subjective estimates. Changes to these estimates will cause the fair value of our share-based awards and related share-based compensations expense may vary.

### e) Expected credit loss

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

### f) Estimation of uncertainties relating to pandemic Covid-19

The Covid-19 has brought unprecedented uncertainty across the globe (including all places of business our Company and clients operates in). While the Company has quickly adopted to alternate business continuity scenario, the uncertainty still prevails regarding the timelines of resuming to normal work conditions. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company, including in respect of each long-term investments that the Company has invested into.

From business perspective, the Company is buoyed with the resilience of digital and interactive gaming market. While there is surge in demand for digital and interactive games, primarily on account of work from home restrictions, the Management of the Company will remain committed to further investing into the Company's business and that of our investee entities to drive top line profitable growth in business. In addition, the Company has been frugal in its

financial matters and prudent in its investment decisions while monitoring the evolving market conditions closely, to ensure its own continuity and mitigating the risk impacting the business segment it operates in.

Management has evaluated short-term as well as long-term impact of the Covid-19 pandemic on the gaming and e-sports industry, and in particular on the Company as well as the Group and believes that the pandemic will not have a significant negative effect on the Company's financial position and results of its operation. In preparation of these financial statements, the Company has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets, impact on revenues and estimates of operating costs. Based on current indicators of future economic conditions, the Company has sufficient liquidity and expects to fully recover the carrying amount of its assets. In addition, the management has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

However, in view of the volatility in the global economic conditions pursuant to this pandemic; the impact of Covid-19 on the Company's financial statements may differ from the estimate as on the date of the approval of the financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

### v) Revenue recognition

Revenue arises mainly from Income from services, other operating income, other income and dividends.

To determine whether the Company should recognise revenues, the Company follows 5-step process:

- identifying the contract, or contracts, with a customer
- identifying the performance obligations in each contract
- determining the transaction price
- allocating the transaction price to the performance obligations in each contract

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

- e. recognizing revenue when, or as, we satisfy performance obligations by transferring the promised goods or services

### Revenue from operations

Revenue from subscription / download of games / other contents is recognised when a promise in a customer contract (performance obligation) has been satisfied, usually over the period of subscription. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for services, net of credit notes, discounts etc. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative standalone selling price.

Revenue from advertising services, including performance-based advertising, is recognised after the underlying performance obligations have been satisfied, usually in the period in which advertisements are displayed.

Revenue is reported on a gross or net basis based on management's assessment of whether the Company is acting as a principal or agent in the transaction. The determination of whether the Company act as a principal or an agent in a transaction is based on an evaluation of whether the good or service are controlled prior to transfer to the customer.

Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment, and excluding variable considerations such as volume or cash discounts and taxes or duties collected on behalf of the government.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer and presented as 'Deferred revenue'. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customer's'.

Unbilled revenues are classified as a financial asset where the right to consideration is unconditional upon passage of time.

### Other operating revenue

Other operating revenue mainly consists of Technology Platform/ Digital Marketing / Administrative & Business Supporting/Recharge services to subsidiaries and is recognised in the period in which services are rendered.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### Other income

Interest income is recorded using the effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or over a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. Interest income is included under the head "finance income" in the statement of profit and loss account.

### Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date. The right to receive dividend is generally established when shareholders approve the dividend.

## vi) Financial instrument

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

### a) Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three broad categories:

- financial assets at amortised cost
- financial asset at fair value through other comprehensive income (FVOCI)
- financial asset at fair value through profit and loss (FVTPL)

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

### Financial asset at amortised cost

A financial asset is measured at amortised cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes) and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables.

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

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- 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.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in OCI. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Financial asset at fair value through profit and loss (FVTPL)

FVTPL is a residual category and any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

All equity investments (except investment in subsidiary, associate and joint venture) included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

In addition, the Company may elect to designate an instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### Derecognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; It evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

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

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

financial assets which are not fair value through profit and loss and equity instruments recognised in OCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off

criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial asset measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

#### b) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, lease obligations, and other payables.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

### c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### d) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model because of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### vii) Income tax

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

#### a) Current tax

Provision for current tax is made under the tax payable method, based on the liability computed, after taking credit for allowances and exemptions as per the provisions of Income Tax Act, 1961.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

### b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### viii) Property and equipment

All items of property and equipment are initially recorded at cost. Cost of property and equipment comprises purchase price, non-refundable taxes, levies, and any directly attributable cost of bringing the asset to its working condition for the intended use. After initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of an item of property and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property and equipment.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property and equipment are eliminated from standalone financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of

property and equipment and gains or losses arising from disposal of property and equipment are recognised in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives (except computer) used by the Company are different from rates prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation. The useful lives of the property, plant and equipment are as follows:

Nature of Assets	Useful Life
Furniture and fixtures	5 years
Office equipment	3 years
Computer equipment	3 years
Vehicles	3 years

### ix) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is charged to profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### x) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The impairment calculations are based on detailed budgets and forecast calculations for each of the Company's CGUs covering a period of five years and applying a long-term growth rate to project future cash flows after the fifth year.

Impairment losses of operations are recognised in the statement of profit and loss.

At each reporting date if there is an indication that previously recognised impairment losses no longer exist or have decreased, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed in the statement of profit and loss only to the extent of lower of its recoverable amount or carrying amount net of depreciation considering no impairment loss recognised in prior years only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

### xi) Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

#### Company as lessee

The Company's leased assets consist of leases for building. The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a. the contract involves the use of an identified asset
- b. the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- c. the Company has the right to direct the use of the asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognises a Right-of-Use (ROU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. ROU asset are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU assets. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment.

The Company applies IAS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets above.

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets 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 remeasurement in statement of income. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

### xii) 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.

### xiii) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### xiv) Provisions, contingent liabilities, and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The

discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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

## xv) Employee benefits

### a) Post-employment benefits

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

The Company's obligation because of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss - service costs comprising current service costs and net interest expense.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a

## Notes to the Standalone Financial Statements For the year ended March 31, 2021 (Contd.)

corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

### b) Short - term employee benefits

All employee benefits which are due within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, bonus etc. are recognised in the period in which the employee renders the related service. All short-term employee benefits are accounted on undiscounted basis during the accounting year based on services rendered by employees.

### c) 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 projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### d) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share- based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity settled transactions).

The cost is recognised in employee benefits expense or debited to investment in subsidiary (in respect of employee stock options granted to an employee rendering services to a subsidiary), together with a corresponding increase in stock option outstanding reserves in equity over the period in which the performance and/or service conditions are fulfilled. The cumulative expense

recognised or an increase in investment in subsidiary for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### xvi) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders after taking into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### xvii) Segment reporting

The Company presents standalone Ind AS financial statements along with the consolidated Ind AS financial statements. In accordance with Ind AS 108, segment reporting, the Company has disclosed the segment information in the consolidated financial statements

### xviii) Investment in subsidiaries, associates and joint venture

The Company has accounted for its investment in subsidiaries or associates or

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

joint venture at cost less impairment. The Company assesses investments in subsidiaries, associates and joint venture for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary, associate or joint venture. The recoverable amount of such investment is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable

amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

Investment in a subsidiary or an associate or a joint venture acquired in stages are accounted after re-measuring the equity interest held up to the date on which control or significant influence was first achieved, at its fair value on date of obtaining control or significant influence.

#### **xix) Recent accounting pronouncement adopted as on April 01, 2021**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no standards that are issued but not yet effective on March 31, 2021.



**Notes to the Standalone Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**3. Property and equipment**

Particulars	Computer equipments	Office equipments	Furniture and fixtures	Vehicles	Total
<b>Gross block (at cost)</b>					
<b>As at April 01, 2019</b>	<b>28.73</b>	<b>4.91</b>	<b>1.51</b>	<b>3.76</b>	<b>38.91</b>
Additions	0.25	-	-	-	<b>0.25</b>
Deletions	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>28.98</b>	<b>4.91</b>	<b>1.51</b>	<b>3.76</b>	<b>39.16</b>
Additions	1.16	0.07	-	-	<b>1.23</b>
Deletions	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>30.14</b>	<b>4.98</b>	<b>1.51</b>	<b>3.76</b>	<b>40.39</b>
<b>Accumulated depreciation</b>					
<b>Upto April 01, 2019</b>	<b>28.52</b>	<b>4.13</b>	<b>1.39</b>	<b>2.50</b>	<b>36.54</b>
For the year	0.13	0.41	0.10	0.89	<b>1.53</b>
<b>Upto March 31, 2020</b>	<b>28.65</b>	<b>4.54</b>	<b>1.49</b>	<b>3.39</b>	<b>38.07</b>
For the year	0.33	0.35	0.02	0.37	<b>1.07</b>
<b>Upto March 31, 2021</b>	<b>28.98</b>	<b>4.89</b>	<b>1.51</b>	<b>3.76</b>	<b>39.14</b>
Net block					
<b>As at March 31, 2020</b>	<b>0.33</b>	<b>0.37</b>	<b>0.02</b>	<b>0.37</b>	<b>1.09</b>
<b>As at March 31, 2021</b>	<b>1.16</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>1.25</b>

**4A. Right-of-use assets**

Particulars	Building	Total
<b>Gross block (at cost)</b>		
<b>As at April 01, 2019</b>	-	-
Additions (refer note 27)	93.10	<b>93.10</b>
Deletions	-	-
<b>As at March 31, 2020</b>	<b>93.10</b>	<b>93.10</b>
Additions (refer note 27)	11.98	<b>11.98</b>
Deletions	-	-
<b>As at March 31, 2021</b>	<b>105.08</b>	<b>105.08</b>
<b>Accumulated depreciation</b>		
<b>Upto April 01, 2019</b>	-	-
For the year	46.48	<b>46.48</b>
<b>Upto March 31, 2020</b>	<b>46.48</b>	<b>46.48</b>
For the year	51.57	<b>51.57</b>
<b>Upto March 31, 2021</b>	<b>98.05</b>	<b>98.05</b>
Net block		
<b>As at March 31, 2020</b>	<b>46.62</b>	<b>46.62</b>
<b>As at March 31, 2021</b>	<b>7.03</b>	<b>7.03</b>

**4B. Intangible assets**

Particulars	Computer software	NGDP Platform	Mygamma and Djuzz platform	Total
<b>Gross block (at cost)</b>				
<b>As at April 01, 2019</b>	<b>16.01</b>	<b>11.40</b>	<b>3.64</b>	<b>31.05</b>
Additions	2.86	-	-	<b>2.86</b>
<b>As at March 31, 2020</b>	<b>18.87</b>	<b>11.40</b>	<b>3.64</b>	<b>33.91</b>
Additions	-	-	-	-
<b>As at March 31, 2021</b>	<b>18.87</b>	<b>11.40</b>	<b>3.64</b>	<b>33.91</b>
<b>Accumulated amortisation</b>				
<b>Upto April 01, 2019</b>	<b>16.01</b>	<b>8.07</b>	<b>3.64</b>	<b>27.72</b>
For the year	0.57	2.47	-	<b>3.04</b>
<b>Upto March 31, 2020</b>	<b>16.58</b>	<b>10.54</b>	<b>3.64</b>	<b>30.76</b>
For the year	0.95	0.86	-	<b>1.81</b>
<b>Upto March 31, 2021</b>	<b>17.53</b>	<b>11.40</b>	<b>3.64</b>	<b>32.57</b>
Net block				
<b>As at March 31, 2020</b>	<b>2.29</b>	<b>0.86</b>	<b>-</b>	<b>3.15</b>
<b>As at March 31, 2021</b>	<b>1.34</b>	<b>-</b>	<b>-</b>	<b>1.34</b>

**5. Non current and current investments**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>a. Non-current investments</b>				
<b>(i) Investment in subsidiaries</b>				
<b>Unquoted equity and preference shares (at cost)</b>				
<b>Equity instruments at cost</b>				
<b>Nazara Technologies FZ LLC</b>	5,000	0.64	5,000	0.64
Equity shares of AED 10 each, fully paid up				
<b>Nazara Pro Gaming Private Limited</b>	9,999	0.10	9,999	0.10
Equity shares of ₹ 10 each, fully paid up				
<b>Nazara Pte Limited</b>	1,000	0.05	1,000	0.05
Equity shares of SGD 1 each, fully paid up				
<b>Next Wave Multimedia Private Limited</b>	17,460	528.24	17,460	528.24
Equity shares of ₹ 100 each, fully paid up				
<b>Nodwin Gaming Private Limited (refer note A)</b>	8,207	919.57	7,376	769.63
Equity shares of ₹ 100 each, fully paid up				

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Paper Boat Apps Private Limited</b>	5,422	835.10	5,422	835.10
Equity shares of ₹ 10 each, fully paid up				
<b>Absolute Sports Private Limited</b>	1,37,173	438.43	1,37,173	438.43
Equity shares of ₹ 1 each, fully paid up				
<b>Crimzoncode Technologies Private Limited (refer note E)</b>	38,46,208	20.32	38,46,208	20.32
Equity shares of ₹ 10 each, fully paid up				
<b>Halaplay Technologies Private Limited (refer note B)</b>				
Equity shares of ₹ 100 each, fully paid up	54,452	260.09	47,867	230.50
<b>Halaplay Technologies Private Limited (refer note B)</b>				
Equity shares of ₹ 1 each, fully paid up	40,002	84.00	-	-
<b>Compulsorily convertible preference shares (at cost)</b>				
<b>Halaplay Technologies Private Limited (refer note B)</b>	43,619	294.07	17,554	147.81
0.1% cumulative compulsorily convertible preference shares of ₹ 100 each, fully paid up				
<b>(ii) Investment in associates</b>				
<b>Unquoted equity instrument (at cost)</b>				
<b>Moonglab Technologies Private Limited</b>	4,392	10.00	4,392	10.00
Equity shares of ₹ 10 each, fully paid up				
<b>(iii) Investment in joint venture</b>				
<b>Unquoted equity instrument (at cost)</b>				
<b>Sports Unity Private Limited</b>	30,45,000	60.90	30,45,000	60.90
Equity shares of ₹ 10 each, fully paid up				
<b>Total (a)</b>		<b>3,451.51</b>		<b>3,041.72</b>
<b>b. Investment in others</b>				
<b>Unquoted equity and preference shares (at fair value through profit and loss)</b>				
<b>Instasportz Consultancy Private Limited</b>	1,171	-	1,171	10.00
Equity shares of ₹ 10 each, fully paid up				
<b>Compulsorily convertible preference share instruments (at fair value through profit and loss)</b>				
<b>Khichadi Technologies Private Limited</b>	2,143	-	2,143	7.50
0.01% compulsorily convertible preference shares of ₹ 100 each, fully paid up				
<b>Total (b)</b>		<b>-</b>		<b>17.50</b>

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>c. Impairment on investments</b>				
Halaplay Technologies Private Limited (refer note B)		26.19		26.19
Sports Unity Private Limited (refer note C)		37.58		-
Moonglab Technologies Private Limited (refer note D)		5.61		-
<b>Total (c)</b>		<b>69.38</b>		<b>26.19</b>
<b>Aggregate value of unquoted investments (a+b-c)</b>		<b>3,382.13</b>		<b>3,033.03</b>

#### Notes:

- A** The Company has invested ₹ 149.94 million in cash for acquiring 831 equity shares of ₹ 10 each in Nodwin Gaming Private Limited during the current year.
- B** The Company made following investment in the shares of Halaplay:  
The Company has invested ₹ 29.50 million in cash for acquiring 6,565 equity shares of face value ₹ 100 each through private placement of shares. Company also invested ₹ 84 million in cash to acquire 40,002 equity shares of face value ₹ 1 each in Halaplay from existing shareholders.  
Further, The Company has invested ₹ 146.26 million for acquiring 26,065 0.1% cumulative compulsorily convertible preference shares of ₹ 100 each and ₹ 0.09 million to acquire 20 equity shares of face value ₹ 100 each from existing shareholders from existing shareholders, by way of issuing 2,01,020 equity shares of the Company in consideration  
As at March 31, 2020, the Company performed impairment assessment for its investment in equity shares and CCPS of Halaplay and recorded a loss of ₹ 26.19 million.
- C** The Company had invested ₹ 60.90 million for acquisition of 62.53 percent stake in Sports Unity Private Limited ("Sports Unity"). There is reduction in the fair value per share of Sports Unity on account of decrease in expected future cashflows. Considering reduction in value of investment in Sports Unity, an impairment loss of ₹ 37.58 million is recorded in the financial statements for the year ended March 31, 2021.
- D** The Company had invested ₹ 10.00 million for acquisition of 24.41 percent stake in Moonglab Technologies Private Limited ("Moonglabs"). There is reduction in the fair value per share of Moonglabs on account of decrease in expected future cashflows. Considering reduction in value of investment in Moonglabs, an impairment loss of ₹ 5.61 million is recorded in the financial statements for the year ended March 31, 2021.

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**E** Crimzoncode was an associate entity till February 21, 2020. The Company acquired 100% voting rights in the Crimzoncode Technologies Private Limited on February 22, 2020 due to which it become a subsidiary and accordingly, as at March 31, 2020, the Company has fair valued the investment in Crimzon code and recorded the loss of ₹ 9.63 million as “Loss on fair value on non-current investment”.

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of units	Amount	No of units	Amount
<b>d. Current investments</b>				
<b>(i) Investments in mutual funds at FVTPL (unquoted)</b>				
Aditya Birla SL Short Term Opp Fund	-	-	3,68,370	12.22
ICICI Prudential Gilt Fund	-	-	2,54,376	18.22
IDFC Bond Fund Short Term Plan Regular	-	-	6,41,350	26.64
Reliance Short Term Fund	-	-	8,53,280	32.23
SBI Banking and PSU Fund Regular	-	-	18,977	43.28
SBI Credit Risk Fund Regular	-	-	8,81,261	27.94
SBI Magnum Medium Duration Fund Regular (refer note 1)	4,49,392	17.60	14,02,279	50.53
SBI Magnum Income Fund	-	-	2,38,959	12.10
SBI Short Term Fund	-	-	12,10,302	28.22
BNP Paribas Arbitrage Fund	65,84,734	85.39	-	-
Edelweiss Arbitrage Fund - Direct Plan Growth	51,11,892	80.39	-	-
HDFC Floating Rate Debt Fund - Direct Plan	26,28,162	100.54	-	-
HDFC Low Duration Fund - Direct Plan	26,41,424	125.55	-	-
ICICI Prudential Floating Interest Fund - DP	3,63,605	125.34	-	-
ICICI Prudential Savings Fund - Direct Plan Growth	2,26,914	95.26	-	-
Kotak Mahindra Mutual Fund	45,359	125.66	-	-
L & T Arbitrage Opportunities Fund Direct Growth	51,67,700	80.43	-	-
Nippon India Arbitrage Fund - Direct Growth	36,89,903	80.42	-	-
SBI Banking & PSU Fund Regular Growth	16,375	40.06	-	-
SBI Magnum Low Duration Fund -Regular Growth	12,784	35.13	-	-
<b>Total investment in mutual funds at FVTPL (a)</b>		<b>991.77</b>		<b>251.38</b>
<b>(ii) Investments in tax free bonds at FVOCI (unquoted)</b>				
7.39% HUDCO tax free bond series IIA	7,007	8.54	7,007	8.14
7.39% HUDCO bond tax free bond series IIA	7,529	9.41	7,529	8.40
7.35% IRFC tax free bond series IIA	5,878	7.30	5,878	6.63

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of units	Amount	No of units	Amount
7.35% NABARD tax free bond series IIA	5,010	6.05	5,010	5.58
7.35% NHAI tax free bond series IIA	14,285	17.84	14,285	16.14
7.39% NHAI tax free bond series IIA	15,419	19.46	15,419	29.83
<b>Total investment in tax free bonds at FVOCI (b)</b>		<b>68.60</b>		<b>74.72</b>
Aggregate value of unquoted investments (a+b)		1,060.37		326.10
<b>Grand Total</b>		<b>1,060.37</b>		<b>326.10</b>

#### Note:

- Out of the above investment in mutual funds, investments having cost of ₹ 9.18 million (March 31, 2020: ₹ 9.18 million) pertaining to SBI Magnum Medium Duration Fund Regular has been marked as lien against the bank guarantee of the Company.

## 6. Loans and deposits

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits (refer note 6.1)	43.55	15.36
Loan to Inbox Digital Private Limited	-	2.00
Loan to employees	0.04	11.99
	<b>43.59</b>	<b>29.35</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Security deposits	1.94	-
Loan given to related parties (refer note 25 and 6.2)	72.39	11.55
Loan to employees	0.32	6.09
	<b>74.65</b>	<b>17.64</b>

**6.1** Company has placed a deposit of ₹ 29.15 million to National Stock Exchange of India Limited on account of initial public offerings.

**6.2** (a) The Company has given loans to related parties, which are repayable on demand. These loans are given for working capital purpose and carries 13% p.a. rate of interest.

(b) Maximum balance during the year against the loan given is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Nazara Pro Gaming Private Limited	54.04	4.50
Crimzoncode Technologies Private Limited	6.02	5.46
Halaplay Technologies Private Limited	8.05	5.00
Sports Unity Private Limited	4.50	-

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 7. Other non-current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Expenses recoverable from selling shareholders (refer note 25)	-	40.19
	-	<b>40.19</b>

#### 8. Other non-current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expense	3.15	1.50
Prepaid employee perquisite	-	1.59
Advance income-tax (net of provision)	18.69	16.04
	<b>21.84</b>	<b>19.13</b>

#### 9. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Considered good (*)	41.94	84.55
Considered having significant increase in credit risk	97.74	96.52
Less: Allowance for receivables having significant increase in credit risk	(97.74)	(96.52)
	<b>41.94</b>	<b>84.55</b>

(\*) includes ₹ 3.19 million (March 31, 2020: ₹ 9.76 million) receivable from related parties (refer note 25)

#### 9.1 Ageing of trade receivable (net of provision for expected credit loss) is as follows:

Number of days outstanding	As at March 31, 2021	As at March 31, 2020
Less than 60 days	38.64	73.22
60 to 180 days	0.64	4.78
180 to 360 days	1.01	5.99
More than 360	1.65	0.56
<b>Total</b>	<b>41.94</b>	<b>84.55</b>

#### 10. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
<b>i) Cash and cash equivalents</b>		
Cash on hand	0.97	0.80
Balances with banks		
- in current accounts (refer note 10.1)	560.91	38.24
	<b>561.88</b>	<b>39.04</b>

**10.1** Balance with banks in current accounts includes an amount of ₹ 535.57 million pertains to amount held on behalf of selling share holders who were a part of offer for sale listing of the Company. This balance is restricted cash and cash equivalents which not available with the Company for its normal operating, investing and financing activities.

#### 11. Other current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Expenses recoverable from selling shareholders (refer note 11.1)	418.87	-
<b>Unsecured, considered good</b>		
Unbilled revenue (refer note 11.2)		
- considered good	9.19	38.18
- considered having significant increase in credit risk	6.02	6.02
- Less: Allowance for receivables having significant increase in credit risk	(6.02)	(6.02)
Interest accrued but not due		
- from tax free bond	2.06	2.05
- from loan given	7.39	0.61
<b>Total</b>	<b>437.51</b>	<b>40.84</b>

**11.1** Includes ₹ 56.55 million (March 31, 2020: ₹ 2.51 million) receivable from related parties (refer note 25)

**11.2** Includes Nil (March 31, 2020: ₹ 2.29 million) receivable from related parties (refer note 25)

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 12. Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to vendors	1.23	0.11
Prepaid expenses	5.27	4.93
Prepaid employee perquisite	-	0.79
Balances with government authorities	29.49	12.95
<b>Total</b>	<b>35.99</b>	<b>18.78</b>

#### 13. Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Share capital</b>		
<b>Authorised shares</b>		
3,75,00,000 (March 31, 2019: 3,43,71,990) equity shares of ₹ 4 each	150.00	137.49
Nil (March 31, 2020: 1,251,204) preference shares of ₹ 10 each	-	12.51
	<b>150.00</b>	<b>150.00</b>
<b>Issued, subscribed and fully paid up</b>		
3,04,52,836 (March 31, 2020: 2,79,96,663) equity shares of ₹ 4 each	121.81	111.99
	<b>121.81</b>	<b>111.99</b>

#### (a) Details of shareholders holding more than 5% share in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Mitter Infotech LLP	52,63,225	17.28%	59,55,125	21.27%
Arpit Khandelwal	34,46,210	11.32%	-	0.00%
Rakesh Jhunjhunwala	32,94,310	10.82%	32,94,310	11.77%
Plutus Wealth Management LLP	20,00,000	6.57%	-	0.00%
West Bridge Venture II Investment Holdings *	-	0.00%	61,21,210	21.86%
IIFL Special Opportunity Fund *	2,84,289	0.93%	17,48,185	6.24%
IIFL Special Opportunity Fund - Series 4 *	2,38,111	0.78%	14,29,360	5.11%

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

(\*) less than 5% in current year, presented for comparative purpose.

#### (b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares of ₹ 4 each	No of units	Amount
<b>As at April 01, 2019</b>	<b>2,74,71,969</b>	<b>109.89</b>
Add : Issued during the year	5,24,694	2.10
<b>As at April 01, 2020</b>	<b>2,79,96,663</b>	<b>111.99</b>
Add : Issued during the year (*)	24,56,173	9.82
<b>As at March 31, 2021</b>	<b>3,04,52,836</b>	<b>121.81</b>

(\*) 11,60,093 equity shares issued to Instant Growth Limited at ₹ 862 per share totaling ₹ 987.9 million. (net of share issue expenses ₹ 12.01 million)

#### (c) Terms/rights attached to equity shares

##### 1 Voting rights:

The Company has only one class of equity shares having a par value of ₹ 4 per share. Each holder of the equity share is entitled to one vote per share.

##### 2 Right as to dividend:

The Company declares and pays dividends in ₹. The dividend proposed by the Board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

##### 3 Liquidation preference:

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

##### 4 Termination agreement:

Pursuant to the Termination Agreement dated December 24, 2020 entered between the Company and Westbridge Venture II Investment Holdings taken on record by the Board of Directors, Westbridge has sold off its stake in equity shares to Plutus Wealth Management and Mr. Arpit Khandelwal. However, specific rights available to Westbridge Venture II Investment Holdings stands terminated effective December 24, 2020.

#### (d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 31.

#### (e) Aggregate number of shares bought back during the year of five years immediately preceding the reporting date:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares bought back by the Company		
FY 2014-15	45,400	45,400
	<b>45,400</b>	<b>45,400</b>



## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**(f) Aggregate number of equity shares issued as bonus during the year or five years immediately preceding the reporting date:**

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares allotted as fully paid bonus shares by capitalization of reserve	1,99,25,088	1,99,25,088
	<b>1,99,25,088</b>	<b>1,99,25,088</b>

**(g) Aggregate number of equity shares issued for consideration other than cash during the year of five years immediately preceding the reporting date:**

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares allotted for consideration other than cash		
Financial Year 2020-21	7,98,548	-
Financial Year 2019-20	4,89,735	4,89,735
Financial Year 2017-18	7,94,641	7,94,641
<b>Total</b>	<b>20,82,924</b>	<b>12,84,376</b>

#### 14. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Capital redemption reserve account</b>		
Opening balance	1.30	1.30
Addition / (deletion) during the year	-	-
<b>Closing balance</b>	<b>1.30</b>	<b>1.30</b>
<b>Securities premium</b>		
Opening balance	1,784.75	1,404.87
Addition during the year	1,700.95	379.88
Less: Share issue expense	(12.01)	-
Add: Issue of equity shares related to exercise of employee stock option	144.82	-
<b>Closing balance</b>	<b>3,618.51</b>	<b>1,784.75</b>
<b>Surplus in the statement of profit and loss and other comprehensive income</b>		
Opening balance	462.67	392.84
Add: Profit for the year	8.21	69.65
Other comprehensive income for the year	(0.40)	0.18
<b>Closing balance</b>	<b>470.48</b>	<b>462.67</b>

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Debt instrument through Other Comprehensive Income</b>		
Opening balance	18.99	4.61
Other comprehensive (loss)/income for the year	(6.12)	14.38
<b>Closing balance</b>	<b>12.87</b>	<b>18.99</b>
<b>Share based payment reserve</b>		
Opening balance	255.93	255.93
Additions during the year	5.93	-
Less: Issue of equity shares related to exercise of employee stock option	(144.82)	-
<b>Closing balance</b>	<b>117.04</b>	<b>255.93</b>
<b>Other reserves</b>		
Opening balance	435.00	-
Additions/ (deletions) during the year during the year	(435.00)	435.00
<b>Closing balance</b>	<b>-</b>	<b>435.00</b>
<b>Capital contribution from shareholder</b>		
Opening balance	357.18	357.18
Additions during the year	-	-
<b>Closing balance</b>	<b>357.18</b>	<b>357.18</b>
<b>Total reserve and surplus</b>	<b>4,577.38</b>	<b>3,315.82</b>

#### 15. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Provisions for employee benefits</b>		
Gratuity (refer note 29)	15.34	12.07
	<b>15.34</b>	<b>12.07</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Compensated absences	4.14	2.62
Gratuity (refer note 29)	2.86	3.65
	<b>7.00</b>	<b>6.27</b>



## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 16. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade payable</b>		
Micro enterprises and small enterprises	1.75	0.07
Other than micro enterprises and small enterprises (*)	132.25	84.26
<b>Total</b>	<b>134.00</b>	<b>84.33</b>

(\*) includes ₹ 3.19 million (March 31, 2020: ₹ 9.76 million) payable to related parties (refer note 25)

**16.1** The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act) as at March 31, 2021 and March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
a) Principal amount due to suppliers under MSMED Act	1.75	0.07
b) Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
c) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
d) Interest paid to suppliers under MSMED Act	-	-
e) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
f) Interest accrued and remaining unpaid at the end of the accounting year	-	-
g) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company.

#### 17. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Payable to employees	38.65	18.33
Acquisition related liability	-	100.00
Deposit from customers (refer note 17.1)	13.99	13.99
Payable to selling shareholders (*)	535.57	-
Payable for expenses (#)	254.06	9.83
	<b>842.27</b>	<b>142.15</b>

(\*) includes ₹ 66.72 million (March 31, 2020: Nil) payable to related parties (refer note 25)

(#) includes ₹ 235.74 million (March 31, 2020: Nil) payables to vendors for Offer for Sale (OFS).

**17.1** Deposit represents the entertainment tax (on revenue recognised till June 2017) refunded by a customer against bank guarantee of ₹ 15.58 million. The tax levy on entertainment is still not cleared by the relevant authority. Therefore, once the matter is resolved or any clarification issued, the Company is required to pay this amount to the customer.

#### 18. Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Tax deducted at source payable	14.67	2.66
Statutory dues	1.30	1.18
<b>Total</b>	<b>15.97</b>	<b>3.84</b>

#### 19. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from contract with customers</b>		
Telco subscription	151.13	228.40
Freemium	27.82	63.02
Platform fees	-	4.29
Other operating revenue (refer note 25)		
Technology platform fees	75.48	80.13
Digital marketing fees	44.49	44.45
Administrative and business support services	30.42	40.92
	<b>329.34</b>	<b>461.21</b>

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 19.1 Geographical and type of service disaggregation of revenue

Particulars	Telco subscription	Freemium	Platform fees	Technology platform fees	Digital marketing fees	Admin. and business support services	Total
<b>For the year ended March 31, 2021</b>							
India	139.19	5.37	-	-	-	-	<b>144.56</b>
Rest of the world	11.94	22.45	-	75.48	44.49	30.42	<b>184.78</b>
<b>Total</b>	<b>151.13</b>	<b>27.82</b>	<b>-</b>	<b>75.48</b>	<b>44.49</b>	<b>30.42</b>	<b>329.34</b>
<b>For the year ended March 31, 2020</b>							
India	204.13	23.50	4.29	-	-	-	<b>231.92</b>
Rest of the world	24.27	39.52	-	80.13	44.45	40.92	<b>229.29</b>
<b>Total</b>	<b>228.40</b>	<b>63.02</b>	<b>4.29</b>	<b>80.13</b>	<b>44.45</b>	<b>40.92</b>	<b>461.21</b>

#### 19.2 Pattern of revenue recognition disaggregation of revenue

Particulars	Telco subscription	Freemium	Platform fees	Technology platform fees	Digital marketing fees	Admin. and business support services	Total
<b>For the year ended March 31, 2021</b>							
Recognised at a point in time	151.13	27.82	-	75.48	44.49	30.42	<b>329.34</b>
Recognised over the year of time	-	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>151.13</b>	<b>27.82</b>	<b>-</b>	<b>75.48</b>	<b>44.49</b>	<b>30.42</b>	<b>329.34</b>
<b>For the year ended March 31, 2020</b>							
Recognised at a point in time	228.40	63.02	-	80.13	44.45	40.92	<b>456.92</b>
Recognised over the year of time	-	-	4.29	-	-	-	<b>4.29</b>
<b>Total</b>	<b>228.40</b>	<b>63.02</b>	<b>4.29</b>	<b>80.13</b>	<b>44.45</b>	<b>40.92</b>	<b>461.21</b>

#### 20. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on		
- bank deposits	1.27	0.14
- tax free bonds	4.06	4.07
- loans (refer note 20.1)	7.17	0.37
- income tax refund	-	1.35
Unwinding of interest on security deposits	1.07	1.01
Unwinding of interest on loan to employee (refer note 25)	2.21	0.56
Dividend received from subsidiary (refer note 25)	39.10	-
Net gain on sale of current investments	11.51	15.03
Fair value gain on financial instruments at fair value through profit or loss	5.63	21.94
Sundry balances written-back	2.95	13.98
Gain on exchange fluctuation (net)	-	5.65
Lease concession gain (refer note 20.2)	13.76	-
Miscellaneous income	1.34	2.21
	<b>90.07</b>	<b>66.31</b>

**20.1** Includes ₹ 7.17 million (March 31, 2020: ₹ 0.11 million) interest income on loans from related parties (refer note 25)

**20.2** The Company has received rent concessions from lessor due to COVID – 19 pandemic for the period April 2020 to December 2020 on all premises. Company has accounted these leases in accordance with Ind AS 116. Company has recorded lease concession gain amounting to ₹ 13.76 million under other income and not as a lease modification in accordance with practical expedient given in para 46A of Ind AS 116 for such concessions received during this period.

#### 21. Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and bonus		
Employees	64.38	66.99
Key management personnel (refer note 25)	90.48	61.94
Contribution to provident and other funds (refer note 29)	7.55	7.66
Gratuity expense (refer note 29)	1.97	2.30
Compensated absences	1.52	0.19
Compensation related to share based payments (refer note 25 and 31)	5.93	-
Staff welfare expenses	1.77	1.09
	<b>173.60</b>	<b>140.17</b>

**Notes to the Standalone Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**22. Depreciation and amortisation**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Property and equipment (refer note 3)	1.07	1.53
Right-of-use assets (refer note 4(a))	51.57	46.48
Intangible assets (refer note 4(b))	1.81	3.04
	<b>54.45</b>	<b>51.05</b>

**23. Finance costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities	1.51	5.16
<b>Total</b>	<b>1.51</b>	<b>5.16</b>

**24A. Impairment losses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loss on fair value on non-current investment	17.50	9.63
Impairment on investment in subsidiary, associates and joint ventures (refer note 5)	43.19	26.19
<b>Total</b>	<b>60.69</b>	<b>35.82</b>

**24B. Other expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and professional	14.43	22.86
Travelling and conveyance	3.35	12.42
Sales promotion and business development	4.26	9.20
Payment to auditors (refer note (i) below)	2.25	2.98
Corporate social responsibility expenditure (refer note (ii) below)	3.40	2.52
Content management	1.80	2.18
Rates and taxes	6.04	2.02

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Repairs and maintenance	1.47	1.96
Insurance	0.87	1.69
Donation	0.88	1.08
Communication	0.76	1.06
Directors fees	2.17	0.83
Bad debts	2.15	0.80
Printing and stationery	0.34	0.62
Consumables for development and testing	0.79	0.47
Rent	0.31	0.09
Allowance for doubtful debts	1.23	-
Loss on exchange fluctuation (net)	3.05	-
Miscellaneous	3.84	9.19
	<b>53.39</b>	<b>71.97</b>

**(i) Payment to auditors**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
Audit fees	2.25	2.98
- Reimbursement of expenses	-	-
In other capacity		
- for other services	-	-
	<b>2.25</b>	<b>2.98</b>

**(ii) Corporate social responsibilities**

As per section 135 of the Companies Act 2013 and rules therein, the company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR).

Details of corporate social expenditures are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent during the year	3.32	3.52
Amount spent during the year		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	3.40	2.52
<b>Total amount spent during the year</b>	<b>3.40</b>	<b>2.52</b>

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 25. Related party transactions

##### (A) Names of the related parties and related party relationship

<b>Entity with significant influence</b>	West Bridge Venture II Investment Holdings (till December 24, 2020)
<b>Subsidiaries</b>	Nazara Technologies FZ LLC Nazara Pte Ltd Nazara Pro Gaming Private Limited Nextwave Multimedia Private Limited Nodwin Gaming Private Limited Halaplay Technologies Private Limited (w.e.f April 8, 2019) Absolute Sports Private Limited (w.e.f September 16, 2019) Paper Boat Apps Private Limited (w.e.f January 18, 2020) Crimzoncode Technologies Private Limited (w.e.f February 21, 2020)
<b>Stepdown subsidiaries</b>	Nazara Technologies Nazara Zambia Limited Nzmobile Nigeria Limited Nzmobile Kenya Limited Nazara Uganda Limited Nazara Bangladesh Limited Nzworld Kenya Limited Kiddopia Inc. Nodwin Gaming International Limited
<b>Joint venture</b>	Sports Unity Private Limited (w.e.f May 10, 2019)
<b>Associate</b>	Crimzoncode Technologies Private Limited (till February 20, 2020) Halaplay Technologies Private Limited (till April 08, 2019) Moonglab Technologies Private Limited (w.e.f April 19, 2019)
<b>Associate of subsidiary</b>	Mastermind Sports Limited (from May 22, 2017)
<b>Enterprises owned or controlled by key management personnel</b>	Mitter Infotech LLP

<b>Key management personnel</b>	Vikash Mittersain - Chairman Cum Managing Director Nitish Mittersain - Joint Managing Director Manish Agarwal - Chief Executive Officer Rakesh Shah - Chief Financial Officer Turabbhai Chimthanawala - Company Secretary (till December 31, 2020) Pratibha Mishra - Company Secretary (w.e.f January 01, 2021)
<b>Others</b>	B.K.Goyal Heart Foundation

##### (B) Related party transactions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Freemium</b>		
Nextwave Multimedia Private Limited	0.06	-
<b>Technology platform fees</b>		
Nazara Technologies FZ LLC	30.24	22.83
Nazara Pte Limited	32.44	33.21
Nazara Technologies	7.28	15.55
NZMobile Kenya Limited	5.52	8.54
<b>Digital marketing fees</b>		
Nazara Technologies FZ LLC	2.39	1.44
Nazara Pte Limited	40.75	39.75
Nazara Technologies	0.93	1.72
NZMobile Kenya Limited	0.42	0.54
Nzworld Kenya Limited	-	1.00
<b>Administrative and business support services</b>		
Nazara Technologies FZ LLC	12.60	11.79
Nazara Pte Limited	12.71	17.08
Nazara Technologies	3.03	7.92
NZMobile Kenya Limited	2.08	4.13
<b>Dividend received</b>		
Nazara Pte Ltd	39.10	-
<b>Remuneration to Key management personnel (KMP)</b>		
Vikash Mittersain	5.80	5.60
Nitish Mittersain	29.59	28.48
Manish Agarwal (*) (#)	49.15	20.12
Rakesh Shah	11.30	7.27
Turabbhai Chimthanawala	0.35	0.47
Pratibha Mishra	0.22	-

(\*) Includes amortisation of perquisite on interest free loan amounting to ₹ 2.38 million (March 31, 2020: ₹ 0.38 million)

(#) Includes compensation related to share based payments amounting to ₹ 5.93 million (March 31, 2020: Nil)

**Notes to the Standalone Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**B) Related party transactions (continued)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Content</b>		
Mastermind Sports Limited	-	0.00
Crimzoncode Technologies Private Limited	1.53	4.90
Moong labs Technologies Private Limited	1.86	3.51
<b>Professional</b>		
Nextwave Multimedia Private Limited	0.25	-
<b>Donation</b>		
B.K.Goyal Heart Foundation	2.50	1.50
<b>Advertising</b>		
Crimzoncode Technologies Private Limited	-	0.18
Nextwave Multimedia Private Limited	-	1.80
Nodwin Gaming Private Limited	-	3.72
Manish Agarwal	-	15.50
<b>Repayment of loan from KMP</b>		
Manish Agarwal	15.50	-
<b>Loan given</b>		
Nazara Pro Gaming Private Limited	50.37	4.27
Crimzoncode Technologies Private Limited	2.28	4.98
Halaplay Technologies Private Limited	8.05	5.00
Sports Unity Private Limited	4.50	-
<b>Repayment of loan</b>		
Halaplay Technologies Private Limited	2.50	2.50
Crimzoncode Technologies Private Limited	1.26	0.20
Nazara Pro Gaming Private Limited	0.60	-
<b>Interest income</b>		
Crimzoncode Technologies Private Limited	0.07	0.05
Nazara Pro Gaming Private Limited, net	6.36	0.05
Halaplay Technologies Private Limited	0.62	0.01
Sports Unity Private Limited	0.12	-
Manish Agarwal	2.21	0.56

**C) Amounts outstanding as at the balance sheet date:**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Loan receivable from subsidiary company, including interest accrued thereon</b>		
Nazara Pro Gaming Private Limited	60.44	4.32
Crimzoncode Technologies Private Limited	5.92	4.83
Halaplay Technologies Private Limited	8.68	2.51
Sports Unity Private Limited	4.62	-
Moong labs Technologies Private Limited	0.12	0.12
<b>Loan given to KMP net of fair value adjustment</b>		
Manish Agarwal	-	13.29
<b>Balance payables at year end</b>		
Mastermind Sports Limited	2.46	2.51
Moong labs Technologies Private Limited	0.73	0.90
Nodwin Gaming Private Limited	-	4.26
Nextwave Multimedia Private Limited	-	2.09
<b>Amount recoverable from subsidiary company (trade receivable)</b>		
Nazara Technologies FZ LLC	-	4.23
Nazara Pte Limited	4.89	25.68
Nazara Technologies	-	10.27
NZ Mobile Kenya Ltd	0.46	12.91
NZ World Kenya Ltd	0.95	0.97
Nextwave Multimedia Private Limited	0.07	-
<b>Unbilled revenue</b>		
Nazara Technologies FZ LLC	-	0.76
Nazara Pte Limited	-	1.13
Nazara Technologies	-	0.40
Crimzoncode Technologies Private Limited (*)	0.00	-
<b>Expenses recoverable from selling shareholders</b>		
West Bridge Venture II Investment Holdings	-	37.68
Mitter Infotech LLP	56.55	2.51
<b>Payable to Selling Shareholders</b>		
Mitter Infotech LLP	66.72	-

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### D) Compensation of KMP

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	86.90	58.48
Post-employment benefits (refer note 1 below)	3.58	3.46
Compensation related to share based payments (refer note 31)	5.93	-
<b>Total remuneration</b>	<b>96.41</b>	<b>61.94</b>

#### Notes:

- 1) Remuneration to key managerial personnel doesn't include provision made for gratuity and compensated absences as they are determined on actuarial basis for the Company as a whole.
- 2) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operations. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

(\*) Amount is less than 0.01 million

#### 26. Capital and others commitments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Other commitments</b>		
Bank guarantees (refer note 26.1)	45.58	15.58
Cost of content	5.91	10.55
<b>Total commitments</b>	<b>51.49</b>	<b>26.13</b>

**26.1** Company has given bank guarantee of ₹ 30.00 million to National Stock Exchange of India Limited on account of initial public offerings.

#### 27. Leases

The Company's leased assets primarily consist of leases for office premises. Leases of office premises generally have lease term between 1 to 3 years, lease rentals have an escalation of 5%. The effective interest rate for lease liabilities is 9.25%.

- i) Refer note 4(a) for movement of right-of-use assets.
- ii) Below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the year:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Balance as at opening</b>	<b>39.94</b>	-
Additions on adoption of Ind AS 116	-	86.25
Additions during the year	11.98	-
Finance expense	1.51	5.16
Lease concession gain	(13.76)	-
Payments	(39.67)	(51.47)
<b>Balance as at closing</b>	<b>-</b>	<b>39.94</b>
Current	-	39.94
Non-current	-	-

The contractual maturity analysis of lease liabilities on undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	-	39.94
Gross value	-	41.34
Less - Unamortised interest	-	(1.40)
More than one year less than 5 years	-	-
<b>Total</b>	<b>-</b>	<b>39.94</b>

- iii) The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation expense on right-of-use assets	51.57	46.48
Finance expense on lease liabilities	1.51	5.16
Expense relating to short-term leases (included in other expenses)	0.31	0.09
<b>Total amount recognised in profit or loss</b>	<b>53.39</b>	<b>51.73</b>

- iv) The Company has extended lease of its office premises with effect from April 11, 2021 for a period of 12 months. Company has paid a amount of ₹ 5.22 million for the extension of lease which will be adjusted against the rent monthly payable.



## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 28. Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS computation:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic</b>		
Net profit attributable to equity shareholders	8.21	69.65
Weighted average number of equity shares in calculating basic EPS (refer note below)	2,88,20,485	2,77,53,117
<b>Basic Earnings per share</b>	<b>0.28</b>	<b>2.51</b>
<b>Diluted</b>		
Net profit attributable to equity shareholders	8.21	69.65
Weighted average number of equity shares in calculating basic EPS	2,88,20,485	2,77,53,117
Effect of dilution (refer note below)	5,22,420	5,90,912
Weighted average number of equity shares outstanding (including dilutive)	2,93,42,905	2,83,44,030
<b>Earnings per share</b>	<b>0.28</b>	<b>2.46</b>

#### Note:

There are 4,82,905 (March 31, 2020 : 5,07,366) potential equity shares in the form of stock options granted to employees and 39,515 (March 31, 2020 : 83,546) potential equity shares in the form of other equity.

#### 29. Employment benefits plan

##### I) Defined Contribution plan

##### (a) Provident fund and ESIC

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Company's contribution to provident fund and other funds charged to profit and loss	7.55	7.66
	<b>7.55</b>	<b>7.66</b>

##### II) Defined benefit plan

##### (a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This benefit is unfunded.

The following tables summarise the components of net gratuity benefit expense recognised in the statement of profit and loss and other comprehensive income.

#### A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Liability at the beginning of the year</b>	<b>15.72</b>	<b>15.68</b>
Interest cost	0.98	1.12
Current service cost	0.99	1.18
Past service cost	-	-
Benefits paid	-	(2.02)
Re-measurements - Actuarial loss - due to changes financial assumptions	0.15	0.55
Re-measurements - Actuarial (gain) - due to changes experience adjustment	0.36	(0.79)
<b>Liability at the end of the year</b>	<b>18.20</b>	<b>15.72</b>

(ii) Balance sheet reconciliation

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening net liability</b>	<b>15.72</b>	<b>15.68</b>
Expense recognized in statement of profit and loss	1.97	2.30
Expense recognized in OCI	0.51	(0.24)
Benefit paid directly by the employer		(2.02)
<b>Amounts recognized in the balance sheet</b>	<b>18.20</b>	<b>15.72</b>

#### B Statement of profit and loss

i) Expense recognised in statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	0.99	1.18
Net interest cost	0.98	1.12
<b>Expenses recognized in profit and loss</b>	<b>1.97</b>	<b>2.30</b>

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### ii) Expense recognised in statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements actuarial loss/(gain)	0.51	(0.24)
<b>Net (income)/expense</b>	<b>0.51</b>	<b>(0.24)</b>

#### C Assumptions

##### i) Expense recognised in statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.06%	6.24%
Future salary increases	10.00%	10.00%
Projected benefit obligation	6 years	6 years
Rate of employee turnover	15%	15%
Mortality rate during employment	Indian Assured lives Mortality (2006-08)	
Mortality rate after employment	NA	

#### D A quantitative sensitivity analysis for significant assumption as at balance sheet date are as shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (- 1%)	0.80	0.73
Discount rate (+ 1%)	(0.88)	(0.66)
Salary escalation Rate (- 1%)	(0.46)	(0.39)
Salary escalation Rate (+ 1%)	0.48	0.42
Employee turnover (- 1%)	0.01	0.00
Employee turnover (+ 1%)	(0.01)	(0.00)

**Methods and assumptions used in preparing sensitivity and their limitations:** The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions being constant. In practice, scenario may involve change in several assumptions where the stressed defined benefit obligation may be significantly impacted.

#### E Maturity analysis of projected benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
1st following year	2.86	3.34
2nd following year	2.51	1.96
3rd following year	2.28	1.82
4th following year	3.03	1.70
5th following year	1.64	1.57
Sum of years to 6 to 10	6.31	6.09
Sum of years 11 and above	6.85	6.93

#### 30. Income taxes

##### A Income tax expense in the statement of profit and loss consists of:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
<b>Tax expense</b>		
Current tax	13.06	31.47
Taxes for earlier years	(3.95)	-
Deferred tax (credit) / expense	(25.79)	3.61
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(16.68)</b>	<b>35.08</b>
<b>Income tax recognised in other comprehensive income</b>		
Deferred tax (credit) / expense arising on income and expense recognised in other comprehensive income	(0.11)	0.06
<b>Total</b>	<b>(0.11)</b>	<b>0.06</b>

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

- B The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
(Loss) / profit before tax	(8.47)	104.73
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	(2.13)	26.36
<b>Effect of:</b>		
Income not considered for tax purpose	(10.11)	(1.03)
Expenses not allowed for tax purpose	0.62	0.91
Income taxed at special rate	(1.02)	6.70
Impact of change income tax rate	-	2.19
Taxes for earlier years	(3.95)	-
Others	(0.09)	(0.05)
	<b>(16.68)</b>	<b>35.08</b>

- C Movement of deferred tax asset for the year ended March 31, 2021

Particulars	April 01, 2020	Amount charged to statement of profit and loss	Amount charged to other comprehensive income	March 31, 2021
Impact of difference between depreciation/ amortisation	3.11	(0.27)	-	2.84
Provision for doubtful receivables	25.81	0.30	-	26.11
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	5.36	2.50	0.11	7.97
Fair value gain on mutual funds	(10.46)	8.03	-	(2.43)
Fair value loss / gain on non-current investment	(5.49)	13.89	-	8.40
Others	0.95	1.34	-	2.29
<b>Net deferred tax assets, net</b>	<b>19.28</b>	<b>25.79</b>	<b>0.11</b>	<b>45.18</b>

- D Movement of deferred tax asset for the year ended March 31, 2020

Particulars	April 01, 2019	Amount charged to statement of profit and loss (Restated)	Amount charged to other comprehensive income	March 31, 2020 (Restated)
Impact of difference between depreciation/ amortisation	3.36	(0.25)	-	3.11
Provision for doubtful receivables	45.93	(20.12)	-	25.81
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	6.22	(0.80)	(0.06)	5.36
Fair value gain on mutual funds	(19.25)	8.79	-	(10.46)
Fair value loss / gain on non-current investment	(13.31)	7.82	-	(5.49)
Others	-	0.95	-	0.95
<b>Net deferred tax assets, net</b>	<b>22.95</b>	<b>(3.61)</b>	<b>(0.06)</b>	<b>19.28</b>

- E Charge of deferred tax asset to statement of profit and loss and other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended April 01, 2020
Impact of difference between depreciation / amortisation	0.27	0.25
Provision for doubtful receivables	(0.30)	20.12
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	(2.50)	0.80
Fair value gain on mutual funds	(8.03)	(8.79)
Fair value loss / gain on non-current investments	(13.89)	(7.82)
Others	(1.34)	(0.95)
<b>Deferred tax (benefit) / expenses</b>	<b>(25.79)</b>	<b>3.61</b>
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	(0.11)	0.06
<b>Net deferred tax (benefit) / expenses</b>	<b>(25.90)</b>	<b>3.67</b>

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### F The movement in advance tax as at March 31, 2021 and March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year (net of provision for taxes)	13.66	22.42
Add: Advance tax paid (including self-assessment tax and taxes deducted at source)	15.75	31.48
Less: Income tax refund received	(2.54)	(8.77)
Less: Provision for taxes	(9.11)	(31.47)
<b>Balance at the end of the year (net)</b>	<b>17.76</b>	<b>13.66</b>
<b>Disclosed as -</b>		
Advance tax (refer note 8) (a)	18.69	16.04
Current tax liabilities (net) (b)	0.93	2.38
<b>Total (a-b)</b>	<b>17.76</b>	<b>13.66</b>

#### 31. Share based payments

(a) During the year ended March 31, 2021 ESOP 2016, ESOP 2017 and ESOP 2020 scheme are in operation.

(b) Details of ESOP 2016 and 2017 are as follows:

Under the ESOP 2016 and 2017, stock options of the Company were granted to senior executives of the Company and its subsidiary employees with more than 12 months of service. The share options vest if employees are in service until one year from the date of grant.

The fair value of the share options was estimated at the grant date using Black Scholes pricing model and, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted (comprising the vesting year and the exercise year) is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

<b>ESOP 2016</b>	
<b>Particulars</b>	
Date of grant	January 02, 2017
Date of board approval	November 24, 2016
Date of member approval	December 26, 2016
Number of options granted	7,82,638 to eligible employees of the Company and subsidiary company
Method of settlement	Equity
Vesting year	One year
Exercise year	Five years
Vesting conditions	100% vesting after one year
Exercise price	₹ 234.32

Particulars	As at March 31, 2021	As at March 31, 2020
	Number of options	
Outstanding at the beginning of the year	2,33,046	2,43,284
Granted during the year	-	-
Lapsed during the year	-	(10,238)
Exercised during the year	2,33,046	-
Outstanding at the end of the year	-	2,33,046
Exercisable at the end of the year	-	2,33,046
Weighted average remaining contractual life (in years)	-	2.75 years

<b>ESOP 2017</b>	
Details of ESOP 2017 are as follows:	
<b>Particulars</b>	
Date of grant	January 17, 2018
Date of board approval	December 11, 2017
Date of member approval	December 15, 2017
Number of options granted	562,733 to eligible employees of the subsidiary company
Method of settlement	Equity
Vesting year	One year
Exercise year	Five years
Vesting conditions	100% vesting after one year
Exercise price	₹ 282.91

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
	Number of options	
Outstanding at the beginning of the year	5,62,733	5,62,733
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,64,486	-
Outstanding at the end of the year	2,98,247	5,62,733
Exercisable at the end of the year	2,98,247	5,62,733
Weighted average remaining contractual life (in years)	2.75 years	3.75 years

#### ESOP 2020

Details of ESOP 2020 are as follows:

Under the ESOP 2020, stock options of the Company were granted to Chief Executive Officer of the Company. The share options vest in two equal tranches if employees are in service until one year from the date of grant.

The fair value of the tranche 1 of share options was estimated at the grant date using Black Scholes pricing model and fair value of the tranche 2 of share options was estimated at the grant date using Monte Carlo Simulation, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each tranche granted (comprising the vesting year and the exercise year) is six years and for tranche 2 is 6.5 Years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

Particulars	
Date of grant	December 31, 2020
Date of board approval	November 23, 2020
Date of member approval	December 30, 2020
Number of options granted	147,955 to eligible employee of company
Method of settlement	Equity
Vesting year	One year
Exercise year	Five years
Vesting period	One year for Tranche I (50%); and One and a half years for Tranche II (remaining 50%).
Vesting conditions	Tranche 1 will vest on completion of one year from ESOP issuance date and tranche 2 will vest on the completion of one year from the date of successful initial public offering of the Company provided, the market capitalization of the Company in the last three months from the date of vesting is not less than one point five times the market capitalization at the time of Initial public offering of the Company.
Exercise price	₹ 728.00

Particulars	As at March 31, 2021	As at March 31, 2020
	Number of options	
Outstanding at the beginning of the year	-	-
Granted during the year	1,47,955	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	1,47,955	-
Exercisable at the end of the year	1,47,955	-
Weighted average remaining contractual life (in years)	5.75 years for tranche I and 6.25 years for tranche II	-

- (c) The valuation model used for computing weighted average fair value considering the following inputs:

Particulars	ESOP 2020 Tranche I	ESOP 2020 Tranche II	ESOP 2017	ESOP 2016
Dividend yield (%)	0%	0%	0%	0.00%
Expected volatility (%)	55.00%	55.00%	23.04%	25.00%
Risk free interest rate (%)	3.40%	3.63%	7.16%	6.27%
Spot price (₹)	862.00	862.00	563.03	361.95
Option fair value (₹)	259.90	110.00	365.46	206.64
Exercise Price (₹)	728.00	728.00	282.91	234.32
Expected life of options granted (years)	1 years	1.5 years	3.5 years	3.5 years
Model used	Black Scholes	Monte Carlo Simulation	Black Scholes	Black Scholes

The expected life of the share options for ESOP 2016 and ESOP 2017 are based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Expected life of share options for ESOP 2020 scheme is based on intent letter provided by the eligible employee to the Company. The expected volatility reflects the assumption that the historical volatility over a year similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

- (d) The expense recognised for employee service received during the year is shown in the following table:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Granted during the year	5.93	-
	<b>5.93</b>	-

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 32. Segment information

The Company has opted to present information relating to its segment in its consolidated financial statements. In accordance with Ind AS 108 - 'Operating Segments', no disclosure related to segment are therefore presented in these standalone financial statements.

#### 33A Financial assets and financial liabilities

##### Financial assets (at fair value)

Particulars	Carrying value	
	As at March 31, 2021	As at March 31, 2020
Investments in mutual funds	991.77	251.38
Investments in Tax free bonds	68.60	74.72
<b>Total</b>	<b>1,060.37</b>	<b>326.10</b>

##### Financial assets and liabilities (at amortised cost)

Particulars	Carrying value	
	As at March 31, 2021	As at March 31, 2020
<b>Financial assets - Non-current</b>		
Loans and deposits	43.59	29.35
Other financial assets	-	40.19
<b>Financial assets - Current</b>		
Trade receivable	41.94	84.55
Cash and cash equivalents	561.88	39.04
Loans and deposits	74.65	17.64
Other financial assets	437.51	40.84
<b>Total assets</b>	<b>1,159.57</b>	<b>251.61</b>
<b>Financial liabilities</b>		
Trade and other payables	134.00	84.33
Other financial liabilities	842.27	142.15
Lease liabilities	-	39.94
<b>Total liabilities</b>	<b>976.27</b>	<b>266.42</b>

##### Notes:

Financial assets and liabilities include cash and cash equivalents, tax free deposits, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, eligible current and non-current assets, trade payables, and eligible current liabilities and non-current liabilities. The fair value of cash and cash equivalents, trade receivables, unbilled receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Investment in mutual funds measured using net asset values at the reporting date multiplied by the quantity held, which represents the fair value of these instruments.

#### 33B Fair value hierarchy for assets and liabilities

##### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

##### i) Level 1

Quoted (unadjusted) prices in active markets for identical assets or liabilities.

##### ii) Level 2

Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

##### iii) Level 3

Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amount and fair value measurement hierarchy for assets as at March 31, 2021 is as follow**

	Carrying Value	Fair Value	Fair value measurement using			Total
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
			Level 1	Level 2	Level 3	
Mutual funds	991.77	991.77	991.77	-	-	991.77
Tax free bonds	68.60	68.60	68.60	-	-	68.60
<b>Total</b>	<b>1,060.37</b>	<b>1,060.37</b>	<b>1,060.37</b>	<b>-</b>	<b>-</b>	<b>1,060.37</b>

**The carrying amount and fair value measurement hierarchy for assets as at March 31, 2020 is as follow**

	Carrying Value	Fair Value	Fair value measurement using			Total
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
			Level 1	Level 2	Level 3	
Mutual funds	251.38	251.38	251.38	-	-	251.38
Tax free bonds	74.72	74.72	74.72	-	-	74.72
<b>Total</b>	<b>326.10</b>	<b>326.10</b>	<b>326.10</b>	<b>-</b>	<b>-</b>	<b>326.10</b>

There have been no transfers between Level 1, 2 and 3 during the year March 31, 2021 and March 31, 2020.



## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 34. Financial risk management objectives and policies

The Company's principal financial liabilities include trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds and debt instrument.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### 1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, mutual funds and debt investments.

##### The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020

##### 1 (A) Equity/ Investment price risk

The Company has made several strategic investments (including unlisted subsidiaries, associates and other investee companies). Some of these are startups (early stage) companies and others in their growth phase.

These unlisted investments are susceptible to market price risks (impairment) arising from uncertainties about the time of the gaming industry in India and globally, which

could impact their recoverable values. The Company manages the equity price risk through diversification and invests across several gaming companies. The Company's Board of Directors review and pre-approve all such decision to invest. In addition, at the reporting date, the exposure to unlisted equity securities in non-current and current investments are yearically reviewed and evaluated by the Board. In specific, the Board review and evaluates the unobservable inputs (i.e. long-term growth rates and weighted average cost of capital), cash flow projections for 5 year , actual performance when compared to cash flow projections approved by respectively entities Board of Directors, and sensitivity performed by an independent external valuation expert.

#### Comparison of Fair Value and Carrying Value of unlisted investments is as follows:

	As at March 31, 2021		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Investments Carried at Cost</b>				
Next Wave Multimedia Private Limited	528.24	575.66	528.24	554.18
Nodwin Gaming Private Limited	919.57	5,504.25	769.63	1,330.76
Paper Boat Apps Private Limited	835.10	1,759.61	835.10	835.10
Absolute Sports Private Limited	438.43	722.74	438.43	438.43
Halaplay Technologies Private Limited	611.97	925.25	352.12	352.12
Crimzoncode Technologies Private Limited	20.32	21.70	20.32	20.32
Moonglab Technologies Private Limited	4.39	4.39	10.00	10.98
Sports Unity Private Limited	23.32	23.32	60.90	62.78
<b>Investments Carried at FVTPL</b>				
Instasportz Consultancy Private Limited	-	-	10.00	10.00
Khichdi Technologies Private Limited	-	-	7.50	7.50
<b>Total</b>	<b>3,381.34</b>	<b>9,536.92</b>	<b>3,032.24</b>	<b>3,622.17</b>

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about significant unobservable inputs used in determining the fair value

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)		Sensitivity of the input to fair value	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Next Wave Multimedia Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years	4.50% - 5.50%	4.50% - 5.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 48.19 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 58.14 million.	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 50.28 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 60.24 million.
		WACC	21.00% - 23.00%	21.00% - 23.00%		
Nodwin Gaming Private Limited	DCF method	Long-term growth rate for cash flows for subsequent year	-	4.50% - 5.50%	-	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 123.18 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 152.32 million.
		WACC	-	18.50% - 20.50%		
	Comparable Transactions Multiples Method	Involve the application of comparable transaction, derived from the prices at which new investment was made in the company	6.0 times	-	-	-
Paper Boat Apps Private Limited	Weighted Average of DCF and CCM method	Long-term growth rate for cash flows for subsequent years	4.50% - 5.50%	-	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 26.68 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 30.08 million.	Refer note (b) below
		WACC	29.00% - 31.00%	-		
Absolute Sports Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years	4.50% - 5.50%	-	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 58.17 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 72.71 million.	Refer note (a) below
		WACC	17.00% - 19.00%	-		
Halaplay Technologies Private Limited	Comparable Transactions Multiples Method	Involve the application of multiple, derived from the prices of transaction in comparable company	7.86 times	2.3 times	-	Refer note 5

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)		Sensitivity of the input to fair value	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Crimzoncode Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years	4.50% - 5.50%	4.50% - 5.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 1.50 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 1.80 million.	Refer note 5
		WACC	29.00% - 31.00%	27.34% - 29.34%		
Moonglab Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years	4.50% - 5.50%	4.50% - 5.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 0.36 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 0.39 million.	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 0.73 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 0.73 million.
		WACC	29.00% - 31.00%	29.00% - 31.00%		
Sports Unity Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years	4.50% - 5.50%	4.50% - 5.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 1.94 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 2.13 million.	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 3.75 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 5 million.
		WACC	29.00% - 31.00%	29.00% - 31.00%		
Instasportz Consultancy Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years	-	4.50% - 5.50%	Refer note 5	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 0.96 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 1.17 million.
		WACC	-	19.15% - 21.15%		
Khichdi Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years	-	3.50% - 4.50%	Refer note 5	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 1.04 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 1.26 million.
		WACC	-	19.04% - 21.04%		

#### Note:

During the previous year, the Company has acquired the controlling stake from unrelated party/s in Absolute and Paperboat on September 30, 2019 and January 18, 2020, respectively. Considering the date of investment is less than six months and the actual performance is in broadly in line with the budget / plan approved at the time of acquisition, the fair value of investment in these subsidiaries approximate the carrying value of investment on reporting date.

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 1 (B) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company did not enter into any derivative instruments for hedge or speculation. The year end foreign currency exposures are given below:

##### i) Amounts receivable in foreign currency on account of the following:

Currency	Particulars	As at March 31, 2021	As at March 31, 2020
		Amount in ₹ million	
USD	Cash and bank balances	4.17	1.86
Other Currencies	Cash and bank balances	0.06	0.06
USD	Trade receivable	9.77	63.67
USD	Other financial assets	3.04	5.21
<b>Total</b>		<b>17.04</b>	<b>70.80</b>

##### ii) Amounts payable in foreign currency on account of the following:

Currency	Particulars	As at March 31, 2021	As at March 31, 2020
		Amount in ₹ million	
USD	Trade payables	14.66	13.41

Cash and bank balances includes balance outstanding in local currency amounting to ₹ 557.65 million (March 31, 2020: ₹ 37.12 million) for which the Company does not carry any currency risk.

Trade receivables includes balance outstanding in local currency amounting to ₹ 32.17 million (March 31, 2020: ₹ 20.88 million) for which the Company does not carry any currency risk.

Other financial assets includes balance outstanding in local currency amounting to ₹ 434.47 million (March 31, 2020: ₹ 75.82 million) for which the Company does not carry any currency risk.

Trade payables includes balance outstanding in local currency amounting to ₹ 119.34 million (March 31, 2020: ₹ 70.92 million) for which the Company does not carry any currency risk.

#### Foreign currency sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax

Particulars	As at March 31, 2021		As at March 31, 2020	
	5% increase	5% decrease	5% increase	5% decrease
USD	0.12	(0.12)	2.87	(2.87)
Other Currencies (*)	0.00	(0.00)	0.01	(0.01)

(\*) Other Currencies includes EURO and AED

#### 2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### Exposure to credit risk

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

##### Trade receivables

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customer. Credit risk is being managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account factors such as default risk of industry, historical experience for customers etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

At March 31, 2021 and March 31, 2020 receivables (including unbilled) from Company's top 5 customers accounted for approximately 89.82% and 85.55%, respectively of all the receivables (including unbilled) outstanding. As at March 31, 2021 receivable (including unbilled) from one top customer accounted for 28.92% of all receivable (including unbilled) outstanding (March 31, 2020 : 42.23%). An impairment analysis is performed at each reporting

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

date on an individual basis based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. The Company does not hold collateral as security.

The Company evaluates that there exists concentration of risk with respect to trade receivables due to its dependency on limited numbers of customers for a significant portion of receivables outstanding.

The inability to recover the amount payable by such top customers may have an adverse impact on their recoverability.

#### Ageing of trade receivable (net of provision for expected credit loss) is as follows:

Number of days outstanding	As at March 31, 2021	As at March 31, 2020
Less than 60 days	38.64	73.22
60 to 180 days	0.64	4.78
180 to 360 days	1.01	5.99
More than 360	1.65	0.56
<b>Total</b>	<b>41.94</b>	<b>84.55</b>

#### Movement of expected credit loss is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening	96.52	159.09
Provision made during the year	1.23	-
Provision reversed / utilised during the year	(0.01)	(62.57)
<b>Closing</b>	<b>97.74</b>	<b>96.52</b>

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts.

### 3) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations as they fall due. The Company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Company's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2021	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	-	134.00	-	-	134.00
Other financial liabilities	-	842.27	-	-	842.27
Lease liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>976.27</b>	<b>-</b>	<b>-</b>	<b>976.27</b>

As at March 31, 2020	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	-	84.33	-	-	84.33
Other financial liabilities	-	142.15	-	-	142.15
Lease liabilities	-	39.94	-	-	39.94
<b>Total</b>	<b>-</b>	<b>266.42</b>	<b>-</b>	<b>-</b>	<b>266.42</b>

### 35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary purpose is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital structure is governed by policies reviewed and approved by Board of Directors and is periodically monitored by various matrices, including funding requirements.

## Notes to the Standalone Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 36. Restatement of financials statement

Balance sheet	As at March 31, 2020	Restatement (refer note 36.1)	As at March 31, 2020 (Restated)
<b>Assets</b>			
Deferred tax assets (net)	25.54	(6.26)	19.28
<b>Equity</b>			
Other equity	3,322.08	(6.26)	3,315.82
<b>Statement of standalone profit and loss account</b>	<b>For the year ended on March 31, 2020</b>	<b>Restatement (refer note 36.1)</b>	<b>For the year ended on March 31, 2020 (restated)</b>
Tax expense	(2.65)	(6.26)	3.61
Total comprehensive (loss) / income for the year	90.47	(6.26)	84.21
<b>Earnings per equity shares of ₹ 4 each (in ₹)</b>			
Basic earnings per share	2.74	(0.23)	2.51
Diluted earnings per share	2.68	(0.22)	2.46

**36.1** The Company did not create deferred tax liability on unrealized gain on mutual funds as at March 31, 2020 amounting to ₹ 6.26 million. This has been corrected in March 31, 2020 resulting in increase in deferred tax expenses by ₹ 6.26 million with corresponding decrease in deferred tax asset by ₹ 6.26 million.

#### 37. Events after the reporting date

- Halaplay Technologies Private Limited has issued 30,638 equity shares of face value of ₹ 100 per share to investors at a premium of ₹ 5,775 per share. Consequent to this, company's stake in Halaplay reduced to 64.70% from 74.02%
- The Company has entered into an agreement to acquire 3,000 equity shares of Absolute Sports Private Limited of face value ₹ 10 each at a premium of ₹ 3,195.34 per share. Consequent to this, Company's stake in Absolute will increase to 74.30% from 72.71%

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**  
Partner  
Membership No: 213356

Place: Hyderabad  
Date : May 28, 2021

For and on behalf of the Board of directors of Nazara Technologies Limited

**Vikash Mittersain**  
Chairman Cum Managing Director  
DIN-00156740

**Rakesh Shah**  
Chief Financial Officer

Place: Mumbai  
Date : May 28, 2021

**Nitish Mittersain**  
Joint Managing Director  
DIN-02347434

**Pratibha Mishra**  
Company Secretary  
Membership No : A53432

**Manish Agarwal**  
Chief Executive Officer



## Consolidated Financial Statements

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# Independent Auditor's Report

To the Members of Nazara Technologies Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

- We have audited the accompanying consolidated financial statements of **Nazara Technologies Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint venture, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph

15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of goodwill and acquired intangible assets</p> <p>As described in note 2.3.2, note 4A and note 4B to the consolidated financial statements, carrying value of goodwill and acquired intangible assets as at 31 March 2021 is ₹ 1,684.46 million and ₹ 1,239.37 million, respectively. The management has noted impairment indicators in respect of few cash generating units (CGUs) on account of Company's share in net asset value of these CGUs being lower than the carrying value goodwill and acquired intangible assets in these CGUs as at 31 March 2021.</p> <p>In view of the above, management's assessment of impairment of goodwill and acquired intangible assets requires estimation and judgement with respect to certain inputs used and assumptions made to prepare the forecasted financial information of these CGUs, which is used to calculate the recoverable value of the goodwill and acquired intangible assets, using discounted cash flow model.</p>	<p>Our audit procedures in relation to assessing the carrying value of goodwill and acquired intangible assets included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of management's impairment assessment process and evaluated the design and tested operating effectiveness of controls around identification of indicators of impairment under Ind AS 36, Impairment of assets;</li> <li>Obtained the impairment analysis carried out by the management, including report of external independent valuation expert, where used;</li> <li>Assessed the professional competence, objectivity and capabilities of the external independent valuation expert engaged by management;</li> <li>We have assessed the methodology used by the management to estimate the recoverable value of each CGU;</li> <li>Reconciled the cash flow projections used in the impairment assessment to business plans approved by the management;</li> <li>Engaged auditor's expert to validate the reasonableness of assumptions, such as discount rates, terminal growth rate and methodology used by the management;</li> </ul>

## Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>Key assumptions used in management's assessment include estimates of future financial performance, terminal value and discount rates, among others, as attributable to such CGUs. Based on the management's assessment, impairment loss of ₹ 3.35 million has been recognized on goodwill in respect of a CGU within Freemium Segment.</p> <p>Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined evaluation of need for impairment of Goodwill and acquired intangible assets as a key audit matter.</p>	<ul style="list-style-type: none"> <li>Assessed the reasonableness of the market related assumptions used in the model based on historical trends, current developments and future plans;</li> <li>Obtained an approved cash flow forecast and evaluated historical accuracy to such forecasts pertaining to earlier periods for each CGU;</li> <li>Tested the arithmetical accuracy and sensitivity analysis performed by management of the key assumptions such as discount and terminal growth rates; and</li> <li>Assessed appropriateness of disclosures made in the consolidated financial statements in relation to goodwill and acquired intangible assets for each CGU and its recoverability in accordance with the requirements of applicable Indian Accounting Standards.</li> </ul>
<b>Assessment of control, significant influence and joint control</b>	Our audit procedures in relation to assessment of control, significant influence and joint control included but were not limited to the following:
<p>As described in Note 2.3.13 to the consolidated financial statements, the Group has eighteen subsidiaries, of which eight are partially owned. Further, the Group has two associates and one joint venture. These partially owned subsidiaries, associates and joint ventures contribute to 82% of revenues, 56% of assets of the group.</p> <p>In view of the above, Management's assessment of control in partially-owned subsidiaries involves significant judgement to assess whether it has current ability to direct the relevant activities of such subsidiaries, through contractual or other rights and obligations of co-investors, in order to determine whether the group is exposed, or has rights, to variable returns from its involvement in such</p>	<ul style="list-style-type: none"> <li>Performed discussions with the management to understand their process of determining control and significant influence over investee companies and tested the design and operating effectiveness of the controls over the process;</li> <li>Evaluated the accounting policies adopted by the management in accordance with Ind AS 28 and Ind AS 110.</li> <li>Reviewed the shareholders agreement (including affirmative rights), minutes of the board meetings, articles of association, etc. and evaluated management assessment of control under Ind AS 110, and significant influence and joint control under Ind AS 28 in respect of its partially-owned subsidiaries, associate and joint venture, respectively, which included determination of the relevant activities of such investee companies and assessment of participative or/and protective rights of various shareholders;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>companies and has ability to affect those returns through its power over such companies, in accordance with Ind AS 110, Consolidated Financial Statements ('Ind AS 110'). The Group assesses that it has significant influence over investee when it has more than 20% voting rights or / and representation on the board of directors or / and power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies, in accordance with Ind AS 28, Investments in Associates and Joint Ventures ('Ind AS 28').</p> <p>The Group considers an investment as joint venture when it shares control over rights to net assets of the arrangement with one or more parties contractually and decisions about the relevant activities require the unanimous consent of the parties irrespective of shareholding percentage, in accordance with Ind AS 28.</p> <p>Considering the materiality of the amounts involved and significant judgement involved in determining who directs the relevant activities of partially-owned investee companies, including determination of participative or/and protective rights of shareholders, we have considered this matter as a key audit matter.</p>	<ul style="list-style-type: none"> <li>Obtained confirmation from co-investors on certain clauses of agreements where company has applied significant judgement to determine whether control exists;</li> <li>Obtained direct confirmation from other investor/s, in respect of partially owned subsidiaries, associate and joint venture on the completeness of the shareholders agreement, including side agreements, if any;</li> <li>Assessed the appropriateness of disclosures made in the consolidated financial statements in accordance with the requirements of applicable Indian Accounting Standards.</li> </ul>
<b>Revenue recognition and advertisement cost for an esports segment contract</b>	Our audit procedures included but were not restricted to the following:
<p>As described in Note 2.3.4 (c) of the consolidated financial statements, a subsidiary of the Company has entered into a contract to sell esports</p>	<ul style="list-style-type: none"> <li>Performed discussions with the management to understand the revenue recognition process related to esports segment and purchase process applicable to</li> </ul>

## Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>content to be aired on a TV channel to a customer for which the subsidiary company has recognised revenues aggregating to ₹ 750 million during the year. In addition, the subsidiary company availed advertisement services (determined to be a dissimilar service) from the same customer upon telecast of the content on the customer's TV channel for an aggregate cost of ₹ 759 million.</p> <p>In view of the above, management's assessment of substance of the transaction, including measurement of revenues at the fair value of the advertisement services obtained from the customer, involved significant judgement.</p> <p>Considering the materiality of the amounts involved, judgement in respect to establishing substance of the transaction and measurement of the fair value of the advertisement services obtained from the customer, we have considered revenue recognition for sale of esports content and purchase of advertisement slots from such customer, as a key audit matter.</p>	<p>advertisement services, and tested the design, implementation and operating effectiveness of the controls placed by the management;</p> <ul style="list-style-type: none"> <li>● Obtained confirmation from customer for value of the transactions;</li> <li>● Obtained an understanding of the services involved, including determination of similarity or lack thereof, in respect of the nature of services sold and purchased from the customer;</li> <li>● Evaluated substance of the transaction, including counter party relationship with the Company's subsidiary and/or their promoters, as well as determination of the inventory of the advertisement slots purchased and its fair value measurement thereof, by the management; and</li> <li>● Evaluated the appropriateness of disclosures made in the consolidated financial statements in relation to significant judgements in relation to measurement of revenue from this contract as required by applicable Indian Accounting Standards.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board Report and Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information

is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture

## Independent Auditor's Report (Contd.)

to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint venture.

### Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditor's Report (Contd.)

### Other Matter

15. We did not audit the financial statements of 8 subsidiaries whose financial statements reflect total assets of ₹ 538.44 million and net assets of ₹ (159.42) million as at 31 March 2021, total revenues of ₹ 67.99 million and net cash outflows amounting to ₹ 27.05 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ 14.16 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.

Further, of these subsidiaries, associates and joint ventures, six subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ 9.66 million for the year ended 31 March 2021,

as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

### Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, associates and joint ventures, we report that the Holding Company, five subsidiary companies, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiary companies and one joint venture covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies and joint venture. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two associate companies covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:
- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - in our opinion, proper books of account as required by law relating to preparation of



## Independent Auditor's Report (Contd.)

the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:

- i. there were no pending litigations as at 31 March 2021 which would impact the consolidated financial position of the Group, its associates and joint ventures;
- ii. the Holding Company, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No.: 213356

UDIN: 21213356AAAACK8291

**Place:** Hyderabad

**Date:** 28 May 2021

## **Annexure 2 to the Independent Auditor's Report of even date to the members of Nazara Technologies Limited on the consolidated financial statements for the year ended March 31, 2021**

### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Nazara Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint venture as at and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture which are companies covered under the Act, as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies and joint ventures, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (framework). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note')

issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph 9 below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures as aforesaid.

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

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of

## Annexure I (Contd.)

controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the framework.

### Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 22.47 million and net assets of ₹ (59.85) million as at March 31, 2021, total revenues of ₹ 8.04 million and net cash outflows amounting to ₹ 3.52 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ 14.16 million for the year ended 31 March 2021, in respect of one joint venture company, which

is company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No.: 213356

UDIN: 21213356AAAACK8291

**Place:** Hyderabad

**Date:** 28 May 2021

# Consolidated Balance Sheet

As at March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 (Restated)	As at March 31, 2019 (Restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	3	17.24	22.70	15.40
Right-of-use assets	31	21.40	86.06	-
Goodwill	4A	1,684.46	1,687.71	680.03
Other intangible assets	4B	1,239.37	1,471.18	585.92
Intangible assets under development	4B	23.52	63.20	6.83
Investment accounted using the equity method	5	41.50	80.51	303.11
<b>Financial assets</b>				
Investments	5	80.34	135.95	132.18
Loans	6	0.04	14.00	2.00
Other financial assets	7	45.62	68.40	60.74
Income tax asset	33	211.57	86.62	71.50
Deferred tax assets (net)	33	46.41	27.58	62.95
Other non-current assets	8	3.15	3.09	-
<b>Total non-current assets</b>		<b>3,414.62</b>	<b>3,747.00</b>	<b>1,920.66</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Investments	5	1,060.37	366.54	839.57
Trade receivables	9	685.60	681.08	460.10
Cash and cash equivalents	10	1,399.66	720.88	532.61
Other bank balances	11	2,323.86	1,146.16	800.06
Loans	6	29.00	21.61	2.41
Other financial assets	12	1,006.66	635.79	413.05
Other current assets	13	307.27	224.81	101.78
<b>Total current assets</b>		<b>6,812.42</b>	<b>3,796.87</b>	<b>3,149.58</b>
<b>Total assets</b>		<b>10,227.04</b>	<b>7,543.87</b>	<b>5,070.24</b>

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No: 213356

Place: Hyderabad

Date : May 28, 2021

For and on behalf of the Board of directors of Nazara Technologies Limited

CIN: U72900MH1999PLC122970

**Vikash Mittersain**

Chairman Cum Managing Director

DIN-00156740

**Rakesh Shah**

Chief Financial Officer

Place: Mumbai

Date : May 28, 2021

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 (Restated)	As at March 31, 2019 (Restated)
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	14	121.81	111.99	109.89
Other equity	15	6,459.95	4,898.68	3,969.35
<b>Equity attributable to equity holder of the company</b>		<b>6,581.76</b>	<b>5,010.67</b>	<b>4,079.24</b>
Non-controlling interest		1,208.02	689.55	323.42
<b>Total equity</b>		<b>7,789.78</b>	<b>5,700.22</b>	<b>4,402.66</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Lease liabilities	31	2.46	20.10	-
Other financial liabilities	16	4.16	-	68.16
Deferred tax liabilities (net)	33	259.92	311.73	84.69
Provisions	17	35.05	27.28	25.41
<b>Total non-current liabilities</b>		<b>301.59</b>	<b>359.11</b>	<b>178.26</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables due to	18			
(a) Micro enterprises and small enterprises		2.25	0.98	-
(b) Other than micro enterprises and small enterprises		637.90	691.74	249.24
Lease liabilities	31	10.59	60.26	-
Other financial liabilities	19	1,086.55	393.90	170.95
Other current liabilities	20	297.16	306.94	53.73
Provisions	17	13.47	10.49	2.81
Income taxes liabilities (net)	33	87.75	20.23	12.59
<b>Total current liabilities</b>		<b>2,135.67</b>	<b>1,484.54</b>	<b>489.32</b>
<b>Total equity and liabilities</b>		<b>10,227.04</b>	<b>7,543.87</b>	<b>5,070.24</b>
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the consolidated financial statements

**Nitish Mittersain**

Joint Managing Director

DIN-02347434

**Pratibha Mishra**

Company Secretary

Membership No : A53432

**Manish Agarwal**

Chief Executive Officer

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
<b>Income</b>			
Revenue from operations	21	4,542.07	2,475.09
Other income	22	143.27	154.56
<b>Total income</b>		<b>4,685.34</b>	<b>2,629.65</b>
<b>Expenses</b>			
Content, event and web server		524.41	506.92
Advertising and business promotion		2,264.64	1,329.26
Commission		501.11	71.34
Employee benefits	23	486.91	318.84
Finance costs	24	9.03	12.37
Depreciation and amortisation	25	354.82	263.24
Impairment losses	26	40.98	-
Other expenses	27	312.59	305.35
<b>Total expenses</b>		<b>4,494.49</b>	<b>2,807.32</b>
<b>(Loss) / profit before, share of net loss of investment accounted for using the equity method and tax</b>		<b>190.85</b>	<b>(177.67)</b>
Share of loss of investments accounted using equity method		(23.82)	(18.12)
<b>Profit/(loss) before tax</b>		<b>167.03</b>	<b>(195.79)</b>
<b>Tax expense</b>	33		
Current tax		104.34	62.13
Adjustment of tax relating to earlier years		(2.15)	-
Deferred tax (benefits)/expenses		(71.52)	9.84
<b>Total tax expenses</b>		<b>30.67</b>	<b>71.97</b>
<b>Profit/(loss) for the year</b>		<b>136.36</b>	<b>(267.76)</b>

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Attributable to:			
Equity holders of the company		92.38	(21.29)
Non-controlling interests		43.98	(246.47)
<b>Other Comprehensive Income ('OCI')</b>			
<b>Item that will not be reclassified subsequently to the statement of profit and loss</b>			
Remeasurements of post-employment benefit obligation		(0.88)	1.00
Income tax relating to items that will not be reclassified to profit and loss		0.54	(0.27)
<b>Item that will be reclassified subsequently to the statement of profit and loss</b>			
Gain / (loss) on FVOCI debt instruments		(6.11)	14.38
Exchange differences upon translation of foreign operations		(40.09)	147.78
<b>Other comprehensive (loss)/income for the year</b>		<b>(46.54)</b>	<b>162.89</b>
Attributable to:			
Equity holders of the company		(48.68)	162.89
Non-controlling interests		2.14	-
<b>Total comprehensive Income/(loss) for the year</b>		<b>89.82</b>	<b>(104.87)</b>
Attributable to:			
Equity holders of the company		43.70	141.60
Non-controlling interests		46.12	(246.47)
Earnings per equity shares of ₹ 4 each (in ₹)	28		
Basic		3.20	(0.77)
Diluted		3.08	(0.77)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No: 213356

Place: Hyderabad

Date : May 28, 2021

For and on behalf of the Board of directors of Nazara Technologies Limited

CIN: U72900MH1999PLC122970

**Vikash Mittersain**

Chairman Cum Managing Director

DIN-00156740

**Rakesh Shah**

Chief Financial Officer

Place: Mumbai

Date : May 28, 2021

**Nitish Mittersain**

Joint Managing Director

DIN-02347434

**Pratibha Mishra**

Company Secretary

Membership No : A53432

**Manish Agarwal**

Chief Executive Officer

# Consolidated Statement of Cash Flows

For the year ended March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax for the year	167.03	(195.79)
<b>Adjustments for:</b>		
Interest expense	3.98	7.96
Depreciation and amortisation	354.82	263.24
Interest income	(40.79)	(52.08)
Sundry balances written back	(54.06)	(20.64)
Net gain on sale of current investments	(11.92)	(15.03)
Employee stock option expense	5.93	-
Fair value gain on financial instruments carried at fair value through profit or loss (net)	(10.73)	(24.32)
Profit on sale of property and equipment (net)	(0.36)	(0.77)
Bad debts	7.50	5.74
Allowance for doubtful debts	41.08	3.01
Unrealised (gain) / loss on exchange fluctuation (net)	15.02	(26.04)
Share of loss of investments accounted using equity method	23.82	18.12
Impairment losses	40.66	-
Loss on sale of investment	0.96	-
Lease concession gain	(15.74)	-
	<b>527.20</b>	<b>(36.60)</b>
<b>Changes in working capital:</b>		
Increase / (decrease) in trade payables	(20.23)	191.61
Increase in provisions	9.19	4.46
Increase in other liabilities	824.82	226.36
(Increase) in trade receivables	(77.76)	(145.96)
(Increase) in other assets	(432.18)	(172.87)
(Increase) / decrease in loans and advances	2.65	(16.65)
<b>Cash generated from operations</b>	<b>833.69</b>	<b>50.35</b>
Direct taxes paid	(159.63)	(72.42)
<b>Net cash generated from operating activities</b>	<b>674.06</b>	<b>(22.07)</b>
<b>Cash flow from Investing activities</b>		
Purchase of property and equipment including intangible under development	(31.83)	(70.17)

As per our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**  
Partner  
Membership No: 213356

Place: Hyderabad  
Date : May 28, 2021

For and on behalf of the Board of directors of Nazara Technologies Limited  
CIN: U72900MH1999PLC122970

**Vikash Mittersain**  
Chairman Cum Managing Director  
DIN-00156740

**Rakesh Shah**  
Chief Financial Officer

Place: Mumbai  
Date : May 28, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
Proceeds from sale of property and equipment	11.30	1.36
Purchase of non-current investments	-	(7.50)
Net cash acquired on acquisition	-	(68.41)
Purchase of current investments	(1,025.18)	(293.91)
Proceeds from redemption/maturity of current investments	342.57	-
Proceeds from redemption/maturity of non-current investments	42.00	825.82
Loan given to joint venture	4.50	-
Acquisition of shares from non-controlling interest	(233.94)	-
Acquisition of associates	-	(63.40)
Investment in bank deposit	(1,189.46)	(272.99)
Consideration paid for shares acquired in subsidiary	(100.00)	-
Movement of restricted bank balances (Refer note 10.1)	(535.57)	-
Interest received on investments	40.28	38.15
<b>Net cash generated from / (used in) investing activities</b>	<b>(2,675.33)</b>	<b>88.95</b>
<b>Cash flow from financing activities</b>		
Proceed from issue of equity share capital	1,117.41	25.45
Proceeds from issue of shares by subsidiaries	1,110.35	71.99
Payment of finance lease liabilities	(53.26)	(55.82)
Payment of interest on finance lease liabilities	(3.79)	(7.96)
<b>Net cash generated from financing activities</b>	<b>2,170.71</b>	<b>33.66</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>169.44</b>	<b>100.54</b>
Effects of exchange rate changes of cash and cash equivalents	(26.23)	87.73
Cash and cash equivalents at beginning of year	720.88	532.61
<b>Cash and cash equivalents at end of year</b>	<b>864.09</b>	<b>720.88</b>
<b>Cash and cash equivalents as per above comprises of the following:</b>		
Cash in hand	<b>1.24</b>	<b>5.33</b>
Balances with bank	1,319.52	602.35
Restricted bank balances	(535.57)	-
Deposit with original maturity of less than 3 months	78.90	113.20
<b>Cash and cash equivalents at end of year</b>	<b>864.09</b>	<b>720.88</b>

**Nitish Mittersain**  
Joint Managing Director  
DIN-02347434

**Manish Agarwal**  
Chief Executive Officer

**Pratibha Mishra**  
Company Secretary  
Membership No : A53432



# Consolidated Statement of Changes in Equity

For the year ended March 31, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

## (a) Equity Share Capital:

Particulars	No. of shares	Amount
<b>As at April 01, 2019</b>	<b>2,74,71,969</b>	<b>109.89</b>
Add: Issue during the year (*)	5,24,694	2.10
<b>As at March 31, 2020</b>	<b>2,79,96,663</b>	<b>111.99</b>
Add: Issue during the year (*)	24,56,173	9.82
<b>As at March 31, 2021</b>	<b>3,04,52,836</b>	<b>121.81</b>

## (b) Other equity

Particulars	Reserves and Surplus								Other reserve				Total equity attributable to equity holders	Non-controlling interest (Restated)
	Capital redemption reserve	Securities premium	Retained earnings (Restated)	Share based payment reserve	Capital contribution from shareholder	Non-controlling interest put option	Statutory reserves	Total reserves and surplus	Debt instruments through other comprehensive income	Foreign currency translation reserve account	Other Equity (refer note 39)	Total other reserves		
<b>As at April 01, 2019</b>	<b>1.30</b>	<b>1,404.87</b>	<b>1,867.05</b>	<b>255.93</b>	<b>357.18</b>	<b>(59.97)</b>	<b>0.45</b>	<b>3,826.81</b>	<b>4.61</b>	<b>137.93</b>	<b>-</b>	<b>142.54</b>	<b>3,969.35</b>	<b>323.42</b>
Loss for the year	-	-	(21.29)	-	-	-	-	(21.29)	-	-	-	-	(21.29)	(246.47)
Other comprehensive income for the year	-	-	0.73	-	-	-	-	0.73	14.38	147.78	-	162.16	162.89	-
Reversal of put option liability	-	-	-	-	-	9.97	-	9.97	-	-	-	-	9.97	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	435.00	435.00	435.00	-
Issuance of equity shares	-	379.88	-	-	-	-	-	379.88	-	-	-	-	379.88	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	504.29
Share issued by subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	71.99
Impact of change in controlling interest without change in control	-	-	(37.12)	-	-	-	-	(37.12)	-	-	-	-	(37.12)	36.32
<b>As at March 31, 2020</b>	<b>1.30</b>	<b>1,784.75</b>	<b>1,809.37</b>	<b>255.93</b>	<b>357.18</b>	<b>(50.00)</b>	<b>0.45</b>	<b>4,158.98</b>	<b>18.99</b>	<b>285.71</b>	<b>435.00</b>	<b>739.70</b>	<b>4,898.68</b>	<b>689.55</b>
Profit for the year	-	-	92.38	-	-	-	-	92.38	-	-	-	-	92.38	43.98
Other comprehensive income / (loss) for the year	-	-	(0.34)	-	-	-	-	(0.34)	(6.11)	(42.23)	-	(48.34)	(48.68)	2.14
Employee stock option expense charged for the year	-	-	-	5.93	-	-	-	5.93	-	-	-	-	5.93	-
Issuance of equity shares	-	1,688.94	-	-	-	-	-	1,688.94	-	-	(435.00)	(435.00)	1,253.94	-

## Consolidated Statement of Changes in Equity

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Reserves and Surplus							Other reserve				Total equity attributable to equity holders	Non-controlling Interest (Restated)
	Capital redemption reserve	Securities premium	Retained earnings (Restated)	Share based payment reserve	Capital contribution from shareholder	Non-controlling interest put option	Statutory reserves	Total reserves and surplus	Debt instruments through other comprehensive income	Foreign currency translation reserve account	Other Equity (refer note 39)	Total other reserves	
Transfer to securities premium on exercise of options	-	144.82	-	(144.82)	-	-	-	-	-	-	-	-	-
Transaction with non-controlling interest													
Impact of change in controlling interest without change in control	-	-	(342.58)	-	-	-	-	(342.58)	-	-	-	-	(342.58) (37.71)
Share issued by subsidiary to non-controlling interest	-	-	600.29	-	-	-	-	600.29	-	-	-	-	600.29 510.06
<b>As at March 31, 2021</b>	<b>1.30</b>	<b>3,618.51</b>	<b>2,159.12</b>	<b>117.04</b>	<b>357.18</b>	<b>(50.00)</b>	<b>0.45</b>	<b>6,203.60</b>	<b>12.88</b>	<b>243.48</b>	<b>-</b>	<b>256.35</b>	<b>6,459.95 1,208.02</b>

(\*) Issued equity shares for acquisition of investments totalling to ₹ 581.35 million (March 31, 2020 ₹ 356.53 million)

#### Nature and purpose of reserves:

##### 1) Capital redemption reserve

Capital redemption reserve was created on buyback of equity shares of the Group in accordance with Provisions of Companies Act, 2013.

##### 2) Securities premium

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

##### 3) Retained earnings

Retained earnings comprise of the Group's accumulated undistributed earnings.

##### 4) Share based payment reserve

The Group has share option schemes under which options to subscribe for the Group's shares have been granted to certain executives and senior employees of the Group. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of employee benefit expenses.

##### 5) Capital contribution from shareholder

Share based payment given by an erstwhile shareholder to key managerial personnel of the Company.

##### 6) Statutory reserve

Reserves created as per provision of United Arab Emirates law, 10% of the profit for the year should be transferred to statutory reserves restricted to accumulated amount of AED 25,000. The reserve is not available for distribution except in the circumstances stipulated by the law.

**Consolidated Statement of Changes in Equity****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**7) Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation serve.

**8) FVOCI debt instruments**

This reserve represents cumulative gains and losses arising on the fair valuation of debt instruments on the balance sheet date measured at FVOCI. The reserves accumulated will be reclassified to retained earnings and consolidated statement of profit and loss respectively, when such instruments are disposed.

**9) Non- controlling interest put option**

This reserve pertains to put options with non-controlling interest for one subsidiary.

**10) Other equity**

This represents, share pending issuance towards purchase consideration including contingent consideration to be paid in the form of equity shares on account of purchase of investment in subsidiaries.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**

Partner

Membership No: 213356

Place: Hyderabad

Date : May 28, 2021

**For and on behalf of the Board of directors of Nazara Technologies Limited**

CIN: U72900MH1999PLC122970

**Vikash Mittersain**

Chairman Cum Managing Director

DIN-00156740

**Rakesh Shah**

Chief Financial Officer

Place: Mumbai

Date : May 28, 2021

**Nitish Mittersain**

Joint Managing Director

DIN-02347434

**Pratibha Mishra**

Company Secretary

Membership No : A53432

**Manish Agarwal**

Chief Executive Officer

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

## 1. Corporate information

Nazara Technologies Limited (the “Company”) was incorporated in India on December 08, 1999 and the Company along with its subsidiaries (the Group) is primarily engaged in providing subscription/download of games, gamified early learning, esports and other contents through consumer base in India and worldwide. The shares of the Company were listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) on March 30, 2021. The registered office of the Company is situated at 51-57, Maker chambers 3, Nariman point, Mumbai-400021.

The consolidated financial statements were authorised for issue in accordance with a resolution of Board of Directors on May 28, 2021.

## 2. Basis of preparation and significant accounting policies

### 2.1. Basis of preparation:

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred together as “the Group”), associates and joint venture, have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 (“the Act”), as applicable.

The consolidated financial statements have been prepared on a historical cost convention and accrual basis, except for the certain financial assets and liabilities that are measured at fair value. The Company has uniformly applied the accounting policies during the periods presented.

Monetary amounts are expressed in Indian Rupee (₹) and are rounded off to millions, except for earning per share. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

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 Schedule III of Companies Act, 2013.

The consolidated financial statements correspond to the classification provisions

contained in Ind AS 1, “Presentation of Financial Statements”. For clarity, various items are aggregated in the consolidated statement of profit and loss and consolidated balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

## 2.2. Basis of consolidation

The consolidated financial statements comprise the Financial Statements of the Group and its associates and joint venture. The consolidated financial statements have been prepared in accordance with the Indian Accounting Standard on “Consolidated Financial Statements” (Ind AS 110) and “Disclosure of Interest in Other Entities” (Ind AS 112), notified under Section 133 of the Companies Act, 2013.

### 2.2.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.
- The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

### Consolidation procedure

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Ind AS consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31.

### 2.2.2 Investments accounted for using the equity method

Investments accounted for using the equity method are entities in respect of which, the Company has:

- a) Significant influence, but not control, over the financial and operating policies. Generally, a Company has a significant influence if it holds between 20% and 50% of the voting power of another entity or / and representation on the board of directors or / and power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies, in accordance with Ind AS 28 Investments in Associates and Joint Ventures ('Ind AS 28').
- b) Joint control, when it shares control over rights to net assets of the arrangement with one or more parties contractually and decisions about the relevant activities require the unanimous consent of the parties irrespective of shareholding percentage, in accordance with Ind AS 28.

Investments in such entities are accounted for using the equity method and are initially recognised at cost. The carrying amount of investment is increased/decreased to recognise investors share of profit or loss of the investee after the acquisition date.

### 2.2.3 Non-controlling interest

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

#### 2.2.4 List of entities consolidated

Particulars	Country of incorporation	Ownership interest held by the Company	
		As at March 31, 2021	As at March 31, 2020
<b>Subsidiaries</b>			
Nazara Technologies FZ LLC	Dubai	100.00%	100.00%
Nazara Pte Ltd	Singapore	100.00%	100.00%
Nazara Pro Gaming Private Limited	India	100.00%	100.00%
Next Wave Multimedia Private Limited ('Next Wave')	India	52.38%	52.38%
Nodwin Gaming Private Limited ('Nodwin')	India	54.52%	54.99%
Absolute Sports Private Limited ('Absolute')	India	72.71%	72.71%
Paper Boat Apps Private Limited ('Paper Boat')	India	50.91%	50.91%
Crimzoncode Technologies Private Limited ('Crimzon')	India	100.00%	100.00%
Halaplay Technologies Private Limited ('Halaplay')	India	74.02%	38.40%

Particulars	Country of incorporation	Ownership interest held by the Company	
		As at March 31, 2021	As at March 31, 2020
<b>Step-down-subsidiaries</b>			
Nazara Technologies	Mauritius	100.00%	100.00%
Nodwin International	Hongkong	54.52%	54.99%
Nazara Zambia Limited	Zambia	100%	99.98%
Nzmobile Nigeria Limited	Nigeria	100%	99.90%
Nzmobile Kenya Limited	Kenya	100%	99.90%
Nazara Uganda Limited	Uganda	100%	99.00%
Nzworld Kenya Limited ('Kenya')	Kenya	70.00%	70.00%
Nazara Bangladesh Limited	Bangladesh	100.00%	100.00%
Kiddopia Inc	USA	50.91%	50.91%
<b>Associate</b>			
Moonglabs Technologies Private Limited ('Moonglabs')	India	24.41%	24.41%
<b>Associate of subsidiary</b>			
Mastermind Sports Limited ('Mastermind')	India	26.00%	26.00%
<b>Joint venture</b>			
Sports Unity Private Limited ('Sports Unity')	India	62.53%	62.53%

#### 2.3. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IndAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period. Although these estimates are based on management's best



## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

The areas involving significant judgement and estimates are as follows:

### 2.3.1 Estimated useful life of property and equipment and intangible assets

The charge in respect of periodic depreciation/ amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management at the time the asset is acquired/ capitalised periodically, including at each financial year end, determines the useful lives and residual values of Group's assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may affect their life, such as changes in technology. The estimated useful life is reviewed at least annually.

### 2.3.2 Impairment of non-financial assets including ROU

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances (including modification of the lease term) indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The calculation of value in use and fair value involves use of significant estimates and assumptions, which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions. Estimates of revenue and costs are developed using available historical and forecast data. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### 2.3.3 Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount-rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 2.3.4 Revenue recognition

#### a) Timing of revenue recognition

The Group exercise its judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. Significant judgment has been used in determining how the performance obligations are satisfied, how the customer consumes benefits as services are rendered, who controls the asset as it is being created, existence of enforceable right to payment for performance to date, alternate use of such product or service, dynamic verses static content, transfer of significant risk and rewards to the customer, acceptance of delivery by the customer, etc..

#### b) Principal v agent relationship

The Group exercises judgement in determining whether the service providers (distribution and payment channels, advertising network/ exchanges etc.) is acting in the capacity of principal or agent for the services that are rendered through them. The Group ascertains the same based on the criteria such as who is the primary obligor under the contract, and who controls good or service prior to transfer to the customer, who has discretion in pricing, who bears the credit risk, etc. The Group has concluded that the Group is acting as principal in the revenue arrangement, where the Group is the primary obligor in the arrangement/s, has pricing latitude and is also exposed to credit risks. The Group has determined that fee paid to distribution channel, i.e. platform service providers like Play store or App Store, or payment channels should be recorded as expenses in the statement of profit or loss.

#### c) Purchase of advertisement services from a customer

A subsidiary Company has rendered services related to e-sports production amounting to ₹ 750 million (March 31, 2020: ₹ 250.00 million) to a customer. In addition, subsidiary Company has availed advertisement services (dissimilar services) amounting to ₹ 759 million (March 31, 2020: ₹ 253 million) from the same party. Management has applied judgment in assessment of substance of the transaction, including measurement of revenues at the fair value of the advertisement services obtained from the customer.

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

### d) Platform service fees from online fantasy sports business

The Group provides 'Platform as a Service' to the customers in respect of 'Online daily fantasy sports', a skill-based game for real money. As per section 12 of the Public Gambling Act, 1867, games of skill like Daily fantasy sports are out of the purview of the Act and does not require any license to operate the business under the Act.

The Group charges a nominal fee and/or commission, usually referred to as 'platform fee', from the players, i.e. a specified percentage of total gaming transaction. The Group recognises the platform fees as revenue at the conclusion of league or match. The aforesaid is primarily on account of (a) the Group do not have control over the deposit received from the players and (b) total value of the game played on the online platform by the players is merely 'transaction of money' between the players over which the Group do not have any title or interest, either present or future.

In addition, the Group provides various bonuses to the users, including referral bonus, joining bonus etc. Such bonuses are presented in the consolidated statement of profit and loss under the head "advertisement, event and promotion".

### e) Persuasive evidence of the arrangement

The Group provides services to a few overseas customers based on the verbal or oral arrangement, which is in line with customary business practices with customers of a subsidiary. In such arrangements, the multi-week arrangement is also recognised at a point in time, i.e. upon occurrence of the experiences and an assessment of collectability in respect of services performed, usually based on the past collection trend with the customer/ customer group.

### 2.3.5 Assessment of place of supply of services under goods and service tax

The Group has determined that the place of supply for gamified learning application or an online brand and media sponsorship events, including related consulting services, to the overseas customers or through the platform service providers is outside India, i.e. location of the customer/s or platform service providers.

Similarly place of supply for in-person esports experience wherein the location is outside India is location of the event. In addition, receipt of money for the

aforesaid services provided is in equivalent foreign currency. Accordingly, the Group is not liable to pay GST on aforesaid services provided to the customer/s.

### 2.3.6 Estimation of fair value of unlisted securities for impairment analysis

The Company follows the guidance of Ind AS 109 – Financial Instruments: to determine the fair value of its investment in equity instruments, using market and income approaches. The market approach includes the use of financial metrics and ratios of comparable companies, such as revenue, earnings, comparable performance multiples, recent financial rounds and the level of marketability of the investments. The selection of comparable companies requires management judgment and is based on a number of factors, including comparable Company sizes, growth rates and development stages. The income approach includes the use of discounted cash flow model, which requires significant estimates regarding the investees' revenue, costs, and discount rates based on the risk profile of comparable companies. Estimates of revenue and costs are developed using available historical and forecast data. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### 2.3.7 Capitalisation of internally generated intangibles

Distinguishing the research and development phases of a new customised apps and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

### 2.3.8 Recognition of deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### 2.3.10 Business combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates), and liabilities assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management.

Estimating fair value of purchase consideration, including contingent consideration, in respect of acquisition of investment in subsidiary/s or associate/s involves management judgement. Fair value of the equity shares of the Company is determined based on weighted average price at which the most recent financials rounds occurred in the past one year.

The fair value of the contingent consideration, when the arrangement involves future delivery of fixed number of equity shares, is estimated to be acquisition date fair value of equity shares of the Company and those payable in cash are discounted using incremental borrowing rate (IBR) of the Company.

The estimate also includes probability of achieving the performance target/s. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management.

Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

#### 2.3.11 Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity settled transactions).

The cost is recognised in employee benefits expense or debited to investment in subsidiary (in respect of employee stock options granted

to an employee rendering services to a subsidiary), together with a corresponding increase in stock option outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised or an increase in investment in subsidiary for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### 2.3.12 Expected credit loss

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

#### 2.3.13 Assessment of control, significant influence and joint control

The Group's assessment of control in partially-owned subsidiaries involves significant judgement to assess whether it has current ability to direct the relevant activities of such subsidiaries, through contractual or other rights and obligations of co-investors and/or affirmative rights given to them in order to determine whether the group is exposed, or has rights, to variable returns from its involvement in such companies and has ability to affect

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

those returns through its power over such companies, in accordance with Ind AS 110, Consolidated Financial Statements ('Ind AS 110')

The Group assesses that it has significant influence over investee when it has more than 20% voting rights or / and representation on the board of directors or / and power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies, in accordance with Ind AS 28, Investments in Associates and Joint Ventures ('Ind AS 28').

The Group considers an investment as joint venture when it shares control over rights to net assets of the arrangement with one or more parties contractually and decisions about the relevant activities require the unanimous consent of the parties irrespective of shareholding percentage, in accordance with Ind AS 28.

#### 2.3.14 Uncertainty relating to the global health pandemic on COVID-19

The Covid-19 has brought unprecedented uncertainty across the globe (including all places of business our Group and clients operates in). While the Group has quickly adopted to alternate business continuity scenario, the uncertainty still prevails regarding the timelines of resuming to normal work conditions. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has used credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group, including in respect of each business segment the Group operate into.

From business perspective, the Group is buoyed with the resilience of digital and interactive gaming, e-sports, learning app market in these challenging times and are confident of its ability to maintain Group's market position as a leading gaming and esports organisation. This included launching of several new games and products which are received positive response from the users/ subscribers.

While there is a surge in demand for learning app for kids, digital and interactive games, online esports tournaments hosting, primarily on account of global travel restrictions, and limitations on public gatherings making large scale in-person esports events impossible, the Group's

fantasy sports business saw a significant decline due to adverse impact on the number of daily fantasy sports leagues due to mass-cancellation or deferral of live-in person sports events, particularly Cricket and Football. The management do not anticipate such volatility to continue in the long-term, although the Company will remain committed to investing in each of the business segment to drive top line profitable growth.

The principal risks that the Group could be impacted includes uncertainty around new business, customer renewals, price risk, product and technology risk etc. that might arise due to adverse market conditions on account of COVID 19 pandemic. The Group has been quite frugal in its financial matters and prudent in its investment decisions, while monitoring the evolving market conditions closely, to ensure its own continuity and mitigating the risk impacting its business segment.

Management has evaluated short-term as well as long-term impact of the Covid-19 pandemic on the gaming and esports industry, and in particular on the Group and believes that the pandemic will not have a significant negative effect on the Group's financial position and results of its operation. In preparation of these financial statements, the Group has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets, impact on revenues and estimates of operating costs. Based on current indicators of future economic conditions, the Group has sufficient liquidity and expects to fully recover the carrying amount of its assets. In addition, the management has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

However, in view of the volatility in the global economic conditions pursuant to this pandemic; the impact of Covid-19 on the Group's financial statements may differ from the estimate as on the date of the approval of the financial statements. The Group will continue to closely monitor any material changes to future economic conditions

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

### 2.4. Summary of significant accounting policies

#### 2.4.1 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

#### 2.4.2 Foreign currency translation and transactions

##### Functional and presentation currency

The consolidated financial statements are presented in ₹, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation

and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

##### Transactions and translations

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

### 2.4.3 Revenue recognition

To determine whether the Company should recognise revenues, the Company follows 5-step process:

- identifying the contract, or contracts, with a customer
- identifying the performance obligations in each contract
- determining the transaction price
- allocating the transaction price to the performance obligations in each contract
- recognizing revenue when, or as, we satisfy performance obligations by transferring the promised goods or services

Revenue is recognised when the Group transfers promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

In this regard, revenue is recognised when: (i) the parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to perform their respective obligations; (ii) the entity can identify each party's rights regarding the goods or services to be transferred; (iii) the entity can identify the payment terms for the goods or services to be transferred; (iv) the contract has commercial substance (that is, the risk, timing, or amount of the entity's future cash flows is expected to change as a result of the contract); and (v) it is probable that the entity will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment, and excluding variable considerations such as volume or cash discounts and taxes or duties collected on behalf of the government.

Accrual for sales returns is provided at the point of sale, based upon past experience. Adjustments to such returns is made as new information becomes available.

A contract liability is an entity's obligation to transfer goods or services to a customer

for which the entity has received consideration (or the amount is due) from the customer and presented as 'Deferred revenue'. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customer's'. Unbilled revenues are classified as a financial asset where the right to consideration is unconditional upon passage of time.

#### i) Telco subscription

Revenue from Telco subscription, is recognised when a promise in a customer contract (performance obligation) has been satisfied, usually over the period of subscription. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for services, net of credit notes, discounts etc. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative standalone selling price.

#### ii) Subscription of Gamified Early learning application from App Stores like Google Play and Apple Appstore

The Group generated subscription revenue from its gamified early learning offering Kiddopia. Revenue from subscription, is recognised when a promise in a customer contract (performance obligation) has been satisfied, usually over the period of subscription. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for services, net of credit notes, discounts etc. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative standalone selling price.

#### iii) Freemium

The Group generated revenues under freemium segment from In app sales of virtual items and advertising as described below.

##### ● In-app sale of virtual items

Revenues attributable to the sale of one-time in-game/app virtual items, including skills, privileges, or other consumables, features or functionality, to the players/users, are recognised after the underlying performance obligations have been satisfied.



## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

- Advertising

The Group derives its advertising revenue from advertisement contracts with online advertising networks, exchanges and direct sales of advertisers. Revenue from advertising services, including performance-based advertising, is recognised after the underlying performance obligations have been satisfied, usually in the period in which advertisements are displayed.

### iv) esports

The esports business of the Group generates brand and media sponsorship revenues primarily from sale of various forms of sponsorship and promotional campaign on customers' online platforms or social media and from sponsorship at its in-person esports experiences. Brand and media sponsorship revenues include exclusive or non-exclusive title sponsorships, media rights, additional infrastructural placement, social media rights (including rights to create and post social content and clips). Brand and media arrangements typically include contract terms for a time periods ranging from weeks to few months. All revenues are stated net of the amount of goods and service tax (GST). For licenses of exhibition rights for internally-produced programming, each individual episode or film delivered represents a separate performance obligation and revenues are recognised when the episode or film is made available to the licensee for exhibition and the license period has begun. For license agreements that include delivery of content on one or more dates for a fixed fee, consideration is allocated based on the relative standalone selling price of each episode or film. Estimation of standalone selling prices requires judgment, which can impact the timing of recognizing revenues. Agreements to license programming are often long term, with collection terms ranging from one to five years.

### v) Online skill based and other real money games

The Group charges a nominal fee and/or commission, usually referred to as 'platform fee', from the players, i.e. a specified percentage of total gaming transaction. The Group recognises the platform fees as revenue at the conclusion of league or match. The aforesaid is primarily on account of (a) the Group do not have control the deposit received from the players and (b) total value of the game played on the online platform by the players is merely 'transaction of money' between the players over which the Company do not have any title or interest, either present or future.

In addition, the Group provides various bonuses to the players/ users, including referral bonus, joining bonus etc. Such bonuses are presented on gross basis in the consolidated

statement of profit and loss under the head "advertisement, event and promotion".

### vi) Principal vs agent

Revenue is reported on a gross or net basis based on management's assessment of whether the Group is acting as a principal or agent in the transaction. The determination of whether the Group act as a principal or an agent in a transaction is based on an evaluation of whether the good or service are controlled prior to transfer to the customer.

In case of Telco subscription and gamified early learning segment, the Group reports revenue on gross basis, including both self-developed and licensed games/ content, since the Group has pricing discretion, such games/ applications are hosted on Group's platform, and the Group is responsible for sales and marketing as well as customer service. Revenue share / fees paid to game/ content developers, distribution channel (i.e. telco aggregators and platform service providers, like Play store or App Store) and payment channel are recorded as expenses in the consolidated statement of profit and loss.

The Group reports Telco subscription segment revenue from subscription arrangement with telco service providers as well as advertising revenues from advertising network and exchanges on net basis since the Group do not have pricing discretion and establishes or maintains a direct relationship with the end user/ advertiser.

Certain advertising arrangements that are directly between the Group and advertisers are recognised on a gross basis equal to the price paid by the customer since we are the primary obligor and determine the price.

Any third-party costs related to such direct relationships are recognised as direct cost of revenues

### vii) Accounts receivables

Accounts receivables are recorded at the original invoice amount, less an estimate made for doubtful accounts, if any. The Group provides an allowance for doubtful accounts for potential credit losses based on its evaluation of the collectability and the customers' creditworthiness. Accounts receivables are written off when they are determined to be uncollectible.

### 2.4.4 Income taxes

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Consolidated statement of profit and loss, except when they relate to item

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

### 2.4.4.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in respective tax jurisdictions where the Group operates.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

### 2.4.4.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

capital reserve depending on the principle applicable for bargain purchase gains. All other acquired tax benefits realised are recognised in profit and loss. Minimum Alternate Tax (MAT) paid in accordance with Income-tax Act, 1961 for entities in India, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated balance sheet when it is highly probable that the future economic benefit associated with it will flow to the Group having reasonable certainty that it can be utilised against the normal taxes payable under the Income-tax Act, 1961.

### 2.4.5 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost is recognised in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

In respect of equity settled share based payment resulting from shareholders of the group to employees, the amount equivalent to the cost recorded by the group is recorded at fair value of the shares as part of equity under Contribution from Shareholders.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation

of diluted earnings per share.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

### 2.4.6 Employee benefits

#### 2.4.6.1 Post employment benefits

Retirement benefit in the form of provident fund is defined contribution scheme. The Group has no obligation, other than the contribution payable to such scheme. The Group recognises contribution payable to such schemes as an expense, when an employee renders the related service.

The Group's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group recognises the service costs comprising current service costs and net interest expense or income in the net defined benefit obligation as an expense in the consolidated statement of profit and loss.

Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

#### 2.4.6.2 Short - term employee benefits

All employee benefits which are due within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, bonus etc. are recognised in the period in which the

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

employee renders the related service. All short-term employee benefits are accounted on undiscounted basis during the accounting year based on services rendered by employees.

### 2.4.6.3 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 projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### 2.4.7 Non-controlling interest put option and other liabilities

Any contract with a single or multiple settlement option that contains an obligation for the Group to purchase equity in a subsidiary for cash gives rise to a financial liability for the present value of the estimated cash flow. An amount equal to the financial liability is recorded in equity on initial recognition of a put option. The financial liability is subsequently remeasured through equity. Where considered significant, the Group's put options are discounted to their fair value as on initial recognition. The unwinding of the interest expense is charged through the equity over the period to exercise.

The fair value of the put options over non-controlling interest in a subsidiary Company is determined by using a discounted future cash flow analysis. The Group uses its judgment to select a variety of methods and assumptions made are based on market and Group specific conditions existing at each reporting period.

### 2.4.8 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree if any. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

### 2.4.9 Financial instruments:

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

#### 2.4.9.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following broad categories:

- financial asset assets at amortised cost
- financial asset at fair value through OCI (FVOCI)
- financial asset at fair value through profit and loss (FVTPL)

### Financial asset at amortised cost

A financial asset is measured at amortised cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes) and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised consolidated statement of profit and loss. This category generally applies to trade and other receivables

### Financial asset at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- 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.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in OCI. However, the Group recognises interest income, impairment losses and reversals

and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Financial asset at fair value through profit and loss (FVTPL)

FVTPL is a residual category and any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

All investments (except investment in associate and joint venture) included within the FVTPL category are measured at fair value with all changes recognised in the Profit and Loss

In addition, the Group may elect to designate an instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### Derecognition

When the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit and loss and equity instruments recognised in OCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated

statement of profit and loss. The consolidated balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial asset measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

#### 2.4.9.2 Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, lease obligations, and other payables.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.



## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

#### 2.4.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 2.4.9.4 Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### 2.4.10 Investment in associate and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. In case of step up acquisition of associate or joint venture, the fair value of the previously held investment at that date when significant influence or joint control is obtained is deemed to be cost for initial application of equity accounting.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within share of profit and loss of an associate and joint ventures in the consolidated statements of profit or loss.

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

#### 2.4.11 Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

After initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of an item of property and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property and equipment.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property and equipment are eliminated from consolidated financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of Property and equipment and gains or losses arising from disposal of property and equipment are recognised in consolidated statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives used by the Group are different from rates prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported

by internal technical evaluation. The range of useful lives of the property and equipment are as follows:

Property and equipment	Useful lives estimated by the management (years)
Furniture and fixtures	5 to 10 years
Computer equipment	3 years
Office equipment	3 to 5 years
Vehicles	3 to 8 years
Computer Software	6 years
NGPF Platform	6 years
License	Depends on the period of license
Copy right and trade mark	6 years
Brand	10 years
Customer relationship	6 years
Non compete	6 years
Developed Technology	6 years

#### 2.4.12 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding the amount at which development cost is capitalised, are not capitalised and the related expenditure is charged to Statement of profit or loss in the period in which the expenditure is incurred.

Developed technology, Software, License, Copyright, Brand, customer relationship and Non-compete, acquired in a business combination are recognised at fair value at the acquisition date.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The Group amortises intangible assets over the period of 3 to 10 years, as the Group expects to generate future benefits from the given assets for a period of 3 to 10 years.

The amortisation expense on intangible assets is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

### 2.4.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

The impairment calculations are based on detailed budgets and forecast calculations for each of the Group's CGUs covering a period of five years and

applying a long-term growth rate to project future cash flows after the fifth year.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of operations are recognised in the consolidated statement of profit and loss.

At each reporting date if there is an indication that previously recognised impairment losses no longer exist or have decreased, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed in the consolidated statement of profit and loss only to the extent of lower of its recoverable amount or carrying amount net of depreciation considering no impairment loss recognised in prior years only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

### 2.4.14 Leases

The Group evaluates at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### The Group as lessee

The Group's leased assets consist of leases for Buildings. The Group assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

The Group at the commencement of the lease contract recognises a Right-of-Use (ROU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. ROU asset are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU assets. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment.

The Group applies IAS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets above.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets 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 remeasurement in consolidated statement of income. Lease liability payments are classified as cash used in financing activities in the consolidated statement of cash flows.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of lease hold land (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss.

#### 2.4.15 Provisions, Contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the consolidated statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

#### 2.4.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for bonus elements

## Notes to the Consolidated Financial Statements For the year ended March 31, 2021 (Contd.)

and share split in equity shares, if any, issued during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders after taking into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.4.17 Segment reporting

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products, services and geographic areas, and major customers. The Group's operations predominately relate to mobile gaming services. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments.

Accordingly, information has been presented both along business segments and geographical segments. The accounting principles used in preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

Business segments of the Group are primarily Telco subscription, Freemium, Gamified early learning, esports and Real Money gaming.

Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable to that segment. Allocated expenses of segments include expenses incurred for rendering

services which are categorised in relation to the associated turnover of the segment. Certain expenses which form part of significant component of total expenses, are not specifically allocable to specific segments as the underlying asset are used interchangeably. The Management believes that it is not practical to provide disclosures relating to those costs and expenses and accordingly, these expenses are separately disclosed as 'unallocated' and adjusted against total income of the Group.

Assets and liabilities used in the Group's business that are not identified to any of the reportable segments, are those being used interchangeably between segments.

Geographical information on revenue and business segment revenue information are collated based on individual customers invoiced or in relation to which the revenue is otherwise recognised.

### 2.4.18 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.

### 2.4.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 2.4.20 Recent accounting pronouncement adopted as on April 01, 2021

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no standards that are issued but not yet effective on March 31, 2021.

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 3. Property and equipment

Particulars	Computer equipments	Office equipments	Furniture and fixtures	Motor cars	Leasehold improvement	Total
<b>Gross block</b>						
Balance as at April 01, 2019	41.75	9.79	5.35	6.01	-	62.90
Additions	4.02	1.08	0.78	-	0.83	6.71
Additions through business combination (refer note 39)	3.21	1.49	2.60	2.36	0.74	10.40
Disposals	(0.01)	-	-	(1.04)	-	(1.05)
Adjustments (*)	0.07	0.03	-	0.18	-	0.28
Balance as at March 31, 2020	49.04	12.39	8.73	7.51	1.57	79.24
Additions	3.73	0.36	0.04	0.10	-	4.23
Disposals	(0.89)	(0.25)	(0.05)	-	-	(1.19)
Adjustments (*)	(0.05)	-	-	-	-	(0.05)
Balance as at March 31, 2021	51.83	12.50	8.72	7.61	1.57	82.23
<b>Accumulated depreciation</b>						
Upto April 01, 2019	34.05	6.53	2.18	4.74	-	47.50
Depreciation	4.96	1.88	0.84	1.15	0.48	9.31
Disposals	-	-	-	(0.46)	-	(0.46)
Adjustments (*)	(0.03)	0.03	-	0.17	0.02	0.19
Upto March 31, 2020	38.98	8.44	3.02	5.60	0.50	56.54
Depreciation	5.55	1.67	1.02	0.52	0.87	9.63
Disposals	(0.72)	(0.14)	(0.02)	-	-	(0.88)
Adjustments (*)	(0.30)	-	-	-	-	(0.30)
Upto March 31, 2021	43.51	9.97	4.02	6.12	1.37	64.99
Net block						
As at March 31, 2021	8.32	2.53	4.70	1.49	0.20	17.24
As at March 31, 2020	10.06	3.95	5.71	1.91	1.07	22.70

(\*) Represents exchange difference resulting from translation of property and equipment relating to foreign subsidiaries.

#### 4A. Goodwill

Carrying amount of goodwill is allocated to each operating segment as under:

Particulars	Gamified early learning (Restated)	Freemium	esports (Restated)	Real money gaming	Total
<b>Gross block</b>					
Balance as at April 01, 2019	-	188.04	491.99	-	680.03
Additions through business combination (refer note 39)	556.79	3.25	263.11	184.53	1,007.68
Balance as at March 31, 2020	556.79	191.29	755.10	184.53	1,687.71
Additions during the year	-	-	-	-	-
Balance as at March 31, 2021	556.79	191.29	755.10	184.53	1,687.71
<b>Impairment</b>					
Upto April 01, 2019	-	-	-	-	-
During the year	-	-	-	-	-
Upto March 31, 2020	-	-	-	-	-
During the year (refer note (d))	-	(3.25)	-	-	(3.25)
Upto March 31, 2021	-	(3.25)	-	-	(3.25)
Net block					
Balance as at March 31, 2021	556.79	188.04	755.10	184.53	1,684.46
Balance as at March 31, 2020	556.79	191.29	755.10	184.53	1,687.71

The Group performed its annual impairment test for the year ended March 31, 2021. The Group considers forecasts of profitability, free cashflows available to the CGU, enterprise value and strategic business plans among other factors when reviewing indicators of impairment. As on the date of testing, the value of goodwill of the segment did not indicate any impairment except for ₹ 3.25 million as provided for (refer note (d) below).

Significant judgements used while testing goodwill for impairment

Particulars	Segment	Valuation technique	Significant unobservable inputs	Inputs		Sensitivity of the input to fair value
				March 31, 2021	March 31, 2020	
Goodwill on acquisition of Nextwave	Freemium	DCF method	Long-term growth rate	5.00%	5.00%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the fair value by ₹ 48.19 million (March 31, 2020 - ₹ 50.28 million); and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 58.14 million (March 31, 2020 - ₹ 60.24 million).
			WACC	22.00%	22.00%	



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### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Segment	Valuation technique	Significant unobservable inputs	Inputs		Sensitivity of the input to fair value
				March 31, 2021	March 31, 2020	
Goodwill on acquisition of Nodwin	esports (Restated)	PRI method	Long-term growth rate	-	5.00%	Refer note (a) (March 31, 2020 - 50 bps decrease in growth rate with 100 bps increase in discount rate would reduce fair value by ₹ 123.18 million; and increase in growth rate by 50 bps with decrease in discount rate by 100 bps would increase fair value by ₹ 152.32 million).
			WACC	-	19.50%	
Goodwill on acquisition of Absolute	esports (Restated)	DCF method	Long-term growth rate	5.00%	5.00%	50 bps decrease in growth rate with 100 bps increase in discount rate would reduce fair value by ₹ 58.17 million; and increase in growth rate by 50 bps with decrease in discount rate by 100 bps would increase fair value by ₹ 72.71 million (March 31, 2020: refer note (b))
			WACC	18.00%	16.75%	
Goodwill on acquisition of Halaplay Technologies Private Limited	Real money gaming	PRI method	Long-term growth rate	-	5.00%	Refer Note (a) and (c)
			WACC	-	21.20%	
Goodwill on acquisition of Paper Boat	Gamified early learning	Average of DCF and Market Multiple Method	Long-term growth rate	5.00%	5.00%	50 bps decrease in growth rate with 100 bps increase in discount rate would reduce fair value by ₹ 26.68 million.; and increase in growth rate by 50 bps with decrease in discount rate by 100 bps would increase fair value by ₹ 30.08 million. (March 31, 2020 -Refer Note (b))
			WACC	30.00%	16.00%	

value on the reporting date. Hence, the recoverable amount of the Goodwill, created on acquisition of Halaplay and Nodwin was determined based on recent value of the transaction.

- (b) During the year ended March 31, 2020 Group had acquired controlling stake in Crimzoncode, Absolute and Paper Boat. Accordingly, the transaction value as at the date of acquisition, was considered to be fair value as on March 31, 2020. Hence, the recoverable amount of the Goodwill, created on acquisition of these subsidiaries was determined based on recent value of the transaction. In addition, the Group calculated value in use using cash flow projections from financial budgets approved by senior management covering a five-year period at the time of acquisition, adjusted only for the impact of economic slowdown due to COVID-19 pandemic. The value in use arrived at using the inputs as mentioned above was within the range of +/- 5 percent when compared to the values at which recent transaction with unrelated party/s occurred.
- (c) During the year ended March 31, 2020 Group has acquired additional stake in Halaplay from unrelated third party near to the reporting date. Accordingly, the transaction value at the acquisition of the additional stake was considered as fair value on the reporting date. Hence, the recoverable amount of the Goodwill, created on acquisition of Halaplay was determined based on recent value of the transaction. In addition, the Group calculated value in use using cash flow projections from financial budgets approved by senior management covering a five-year period at the time of acquisition, adjusted only for the impact of economic slowdown due to COVID-19 pandemic. The value in use arrived at using the inputs as mentioned above was within the range of +/- 5 percent when compared to the values at which recent transaction with unrelated party/s occurred. Accordingly, the Group did not perform a detailed sensitivity analysis.
- (d) During the year ended on March 31, 2021, the Group has impaired goodwill of ₹ 3.25 million in freemium segment which arose on acquisition of Crimzoncode Technologies Private Limited as recoverable value is lower than the carrying value.

- a) During the year ended March 31, 2021 Group has acquired additional stake in Halaplay and Nodwin from unrelated third party near to the reporting date. Accordingly, the transaction value at the acquisition of the additional stake was considered as fair

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 4B. Other Intangible assets

Particulars	Computer Software	NGDF platform	Mygamma and Djazz platform	License (Restated)	Copyright & Trademark	Brand (Restated)	Customer relationship (Restated)	Non Compete	Developed Technology	Total	Intangible asset (Games) under development
<b>Gross block</b>											
<b>Balance as at April 01, 2019</b>	132.05	11.40	3.64	303.09	-	-	53.50	225.70	60.71	790.09	6.83
Additions	10.05	-	-	-	2.95	-	-	-	-	13.00	50.46
Additions through business combination (refer note 39)	-	-	-	-	-	942.79	25.30	-	98.10	1,066.19	5.91
Adjustments (*)	1.43	-	-	-	-	-	-	-	-	1.43	-
<b>Balance as at March 31, 2020</b>	<b>143.53</b>	<b>11.40</b>	<b>3.64</b>	<b>303.09</b>	<b>2.95</b>	<b>942.79</b>	<b>78.80</b>	<b>225.70</b>	<b>158.81</b>	<b>1,870.71</b>	<b>63.20</b>
Additions	2.21	-	-	-	-	-	-	-	-	2.21	12.98
Transfers	46.86	-	-	-	-	-	-	-	-	46.86	(46.86)
Adjustments (*)	(2.45)	-	-	-	-	-	-	-	-	(2.45)	-
<b>Balance as at March 31, 2021</b>	<b>190.15</b>	<b>11.40</b>	<b>3.64</b>	<b>303.09</b>	<b>2.95</b>	<b>942.79</b>	<b>78.80</b>	<b>225.70</b>	<b>158.81</b>	<b>1,917.33</b>	<b>29.32</b>
<b>Accumulated amortisation and Impairment</b>											
<b>Upto April 01, 2019</b>	<b>45.96</b>	<b>9.24</b>	<b>3.64</b>	<b>71.82</b>	-	-	<b>10.85</b>	<b>46.99</b>	<b>15.67</b>	<b>204.17</b>	-
Amortisation	26.92	1.30	-	58.82	0.20	43.53	9.78	37.72	18.52	196.79	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustments (*)	(1.43)	-	-	-	-	-	-	-	-	(1.43)	-
<b>Upto March 31, 2020</b>	<b>71.45</b>	<b>10.54</b>	<b>3.64</b>	<b>130.64</b>	<b>0.20</b>	<b>43.53</b>	<b>20.63</b>	<b>84.71</b>	<b>34.19</b>	<b>399.53</b>	-
Amortisation	32.62	0.86	-	71.20	0.49	94.28	13.11	37.58	26.47	276.61	-
Impairment (refer note 26)	-	-	-	-	-	-	-	-	-	-	5.80
Adjustments (*)	1.82	-	-	-	-	-	-	-	-	1.82	-
<b>Upto March 31, 2021</b>	<b>105.89</b>	<b>11.40</b>	<b>3.64</b>	<b>201.84</b>	<b>0.69</b>	<b>137.81</b>	<b>33.74</b>	<b>122.29</b>	<b>60.66</b>	<b>677.96</b>	<b>5.80</b>
<b>Net Block</b>											
<b>As at March 31, 2021</b>	<b>84.26</b>	-	-	<b>101.25</b>	<b>2.26</b>	<b>804.98</b>	<b>45.06</b>	<b>103.41</b>	<b>98.15</b>	<b>1,239.37</b>	<b>23.52</b>
<b>As at March 31, 2020</b>	<b>72.08</b>	<b>0.86</b>	-	<b>172.45</b>	<b>2.75</b>	<b>899.26</b>	<b>58.17</b>	<b>140.99</b>	<b>124.62</b>	<b>1,471.18</b>	<b>63.20</b>

(\*) Represents exchange difference resulting from translation of intangible assets relating to foreign subsidiaries.

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### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 5. Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>A. Non-current investments</b>				
<b>Investment accounted for using the equity method (refer note 36 and note 38)</b>				
<b>Investment in associates</b>				
Mastermind Sports Limited - equity shares of US\$ 0.01 each (refer note 5.1(a) below)				
Gross carrying value	83,526	19.62	83,526	28.03
Less: impairment loss		(5.84)		-
Net carrying value (including goodwill of ₹ 19.31 million, (March 31, 2020 - ₹ 25.15 million))	83,526	13.78	83,526	28.03
Moonglabs Technologies Private Limited - equity shares of ₹ 10 each (refer note 5.1(b) below)				
Gross carrying value	4,392	6.56	4,392	8.90
Less: impairment loss		(2.17)		-
Net carrying value (including goodwill of ₹ 8.26 million, (March 31, 2020 - ₹ 10.43 million))	4,392	4.39	4,392	8.90
<b>Investment in joint venture</b>				
Sports Unity Private Limited - equity shares of ₹ 10 each (refer note 5.1(c) below)				
Gross carrying value	30,45,000	29.43	30,45,000	43.58
Less: impairment loss		(6.10)		-
Net carrying value (including goodwill of ₹ 33.62 million, (March 31, 2020 - ₹ 39.72 million))	30,45,000	23.33	30,45,000	43.58
<b>Total</b>		<b>41.50</b>		<b>80.51</b>
<b>Investment in others</b>				
	Number	Amount	Number	Amount
<b>Unquoted equity and preference shares (at fair value through profit and loss)</b>				
Instasportz Consultancy Private Limited (Equity shares of ₹ 10 each)	1,171	-	1,171	10.00
AFK Gaming Private Limited (Equity shares of ₹ 10 each)	2,783	5.96	2,783	5.75
Hashcube Inc (Convertible preference shares of US\$ 0.00001 each)	24,51,546	27.99	24,51,546	23.77
Khichadi Technologies Private Limited (Preference shares of ₹ 100 each)	2,143	-	2,143	7.50
<b>Total (a)</b>		<b>33.95</b>		<b>47.02</b>

Investment in Debentures Quoted bonds at amortised cost	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
6.38% debentures in Emirates NBD	-	-	2,000	15.95
5.75% debentures Tata Motor	2,000	16.14	2,000	16.51
4.88% debentures Jubilant Pharma Limited	-	-	2,000	10.26
4.50% debentures GlenMark	-	-	2,000	15.25
5.25% debentures JSW Steel	2,000	15.19	2,000	15.55
5.30% debentures Marble II	2,000	15.06	2,000	15.41
<b>Total (b)</b>		<b>46.39</b>		<b>88.93</b>
<b>Total non-current investment (c = a + b)</b>		<b>80.34</b>		<b>135.95</b>
<b>Aggregate amount of quoted investments and market value thereof</b>		<b>46.39</b>		<b>88.93</b>
<b>Aggregate amount of unquoted investments</b>		<b>75.45</b>		<b>127.53</b>
<b>Aggregate amount of impairment / fair value loss in value of investments</b>		<b>31.61</b>		<b>-</b>

#### 5.1 Notes

- The Group's carrying value of investment in Mastermind Sports Limited is ₹ 19.62 million (net of share of loss ₹ 7.89 million recorded in the consolidated financial statements). There is reduction in the fair value per share of Mastermind on account of decrease in expected future cash flows. Considering reduction in fair value of investment in Mastermind, an impairment of goodwill of ₹ 5.84 million is recorded in the consolidated financial statements for the year ended March 31, 2021.
- The Group's carrying value of investment in Moonglabs Technologies Private Limited is ₹ 6.56 million (net of share of loss ₹ 3.44 million recorded in the consolidated financial statements). There is reduction in the fair value per share of Moonglabs on account of decrease in expected future cash flows. Considering reduction in fair value of investment in Moonglabs, an impairment of goodwill of ₹ 2.17 million is recorded in the consolidated financial statements for the year ended March 31, 2021.
- The Group's carrying value of investment in Sports Unity Private Limited is ₹ 29.43 million (net of share of loss ₹ 31.47 recorded in the consolidated financial statements). There is reduction in the fair value per share of Sports Unity on account of decrease in expected future cash flows. Considering reduction in fair value of investment in Sports Unity, an impairment of goodwill of ₹ 6.10 million is recorded in the consolidated financial statements for the year ended March 31, 2021.

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of units	Amount	No. of units	Amount
<b>B. Current investments</b>				
<b>Investments in mutual funds</b>				
<b>Quoted investments at fair value through profit and loss</b>				
Aditya Birla SL Short Term Opp Fund (G)	-	-	3,68,370	12.22
ICICI Prudential Gilt Fund	-	-	2,54,376	18.22
IDFC Bond Fund Short Term Plan Reg (G)	-	-	6,41,350	26.64
Reliance Short Term Fund	-	-	8,53,280	32.23
SBI Banking and PSU Fund Reg (G)	-	-	18,977	43.28
SBI Credit Risk Fund Reg (G)	-	-	8,81,261	27.94
SBI Magnum Income Fund	-	-	2,38,959	12.10
SBI Short Term Fund	-	-	12,10,302	28.22
Aditya Birla mutual fund	-	-	1,27,290	40.45
SBI Magnum Medium Duration Fund Reg (G) (refer below note 1)	4,49,392	17.60	14,02,279	50.53
BNP Paribas Arbitrage Fund	65,84,734	85.39	-	-
Edelweiss Arbitrage Fund - Direct Plan Growth	51,11,892	80.39	-	-
HDFC Floating Rate Debt Fund - Direct Plan	26,28,162	100.54	-	-
HDFC Low Duration Fund - Direct Plan	26,41,424	125.55	-	-
ICICI Prudential Floating Interest Fund - DP	3,63,605	125.34	-	-
ICICI Prudential Savings Fund - Direct Plan Growth	2,26,914	95.26	-	-
Kotak Mahindra Mutual Fund Collection A/c	45,359	125.66	-	-
L And T Arbitrage Opportunities Fund Direct Growth	51,67,700	80.43	-	-
Nippon India Arbitrage Fund - Direct Growth	36,89,903	80.42	-	-
SBI Banking & PSU Fund Regular Growth	16,375	40.06	-	-
SBI Magnum Low Duration Fund -Regular Growth	12,784	35.13	-	-
<b>Total (a)</b>		<b>991.77</b>		<b>291.83</b>
<b>Investments in tax free bonds</b>				
<b>Quoted bonds at fair value through other comprehensive income</b>				
7.39% NHAI tax free bond series IIA	15,419	19.46	15,419	29.82
7.35% NHAI tax free bond series IIA	14,285	17.84	14,285	16.14
7.39% HUDCO bond tax free bond series IIA	7,529	9.41	7,529	8.40
7.39% HUDCO tax free bond series IIA	7,007	8.54	7,007	8.14
7.35% IRFC tax free bond series IIA	5,878	7.30	5,878	6.63
7.35% NABARD tax free bond series IIA	5,010	6.05	5,010	5.58
<b>Total (b)</b>		<b>68.60</b>		<b>74.71</b>
<b>Total Current investment (d = a + b)</b>		<b>1,060.37</b>		<b>366.54</b>
<b>Aggregate value of quoted investments</b>		<b>1,060.37</b>		<b>366.54</b>
<b>Aggregate amount of unquoted investments</b>		-		-
<b>Aggregate amount of impairment in value of investments</b>		-		-

#### Note

- 1 Out of the above investment in mutual funds, investments having cost of ₹ 9.18 million (March 31, 2020: ₹ 9.18 million) pertaining to SBI Magnum Medium Duration Fund Reg (G) has been marked as lien against the bank guarantee of the Group.

## 6. Loans

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Loan to		
- body corporate	-	2.00
- key managerial personnel (refer note 29)	-	8.62
- other employees	0.04	3.38
<b>Total</b>	<b>0.04</b>	<b>14.00</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loan to		
- joint venture (refer note 29)	4.50	-
- key managerial personnel (refer note 29)	-	4.67
- other employees	24.50	16.94
<b>Total</b>	<b>29.00</b>	<b>21.61</b>

**6.1** The Group has given loan to above parties repayable on demand, rate of interest for loan given to joint venture is 13.00% p.a. while to key managerial personnel is Nil. The maximum balance during the year for loan given to joint venture is ₹ 4.50 million and purpose of loan is for working capital requirement of joint venture.

## 7. Other non-current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
<b>Security deposits</b>	45.62	20.72
Receivable from selling shareholders (refer note 12.3 below and note 29)	-	47.68
<b>Total</b>	<b>45.62</b>	<b>68.40</b>

## 8. Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	3.15	1.50
Prepaid employee perquisite	-	1.59
<b>Total</b>	<b>3.15</b>	<b>3.09</b>

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 9. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (refer note 9.1 and 29)	685.60	681.08
Unsecured, considered having significant increase in credit risk	145.84	116.88
	<b>831.44</b>	<b>797.96</b>
Less: expected credit loss (refer note 36)	(145.84)	(116.88)
<b>Total</b>	<b>685.60</b>	<b>681.08</b>

**9.1** Trade receivables and unbilled revenue includes certain receivables aggregating to ₹ 201.79 million and ₹ 16.54 million respectively (March 31, 2020: ₹ 131.13 million and ₹ 61.92 million) relating to customers based out of Nepal where there is uncertainties with regards to the timing of collection. These uncertainties primarily relate to restrictions on payments pursuant to the prevailing foreign exchange regulations in Nepal. The management, on the basis of their assessment and the advice of an independent consultant, expects these amounts to be collected within 12 months from the date of the consolidated financial statements.

#### 10. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	1.24	5.33
Balances with banks		
- on current accounts (refer note 10.1)	1,319.52	602.35
- deposits with original maturity for less than 3 months	78.90	113.20
<b>Total</b>	<b>1,399.66</b>	<b>720.88</b>

**10.1** Balance with banks in current accounts includes an amount of ₹ 535.57 million pertaining to amount held on behalf of selling shareholders who were part of offer for sale listing of the Company. This balance is restricted cash and cash equivalents which not available with the Company for its normal operating, investing and financing activities.

#### 11. Other bank balances

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in fixed deposits with remaining maturity of less than 12 months (refer note 30)	2,323.86	1,146.16
<b>Total</b>	<b>2,323.86</b>	<b>1,146.16</b>

#### 12. Other current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Interest accrued but not due		
- from related parties (refer note 29)	0.12	-
- from others	11.25	12.72
Unbilled revenue (refer note 9.1 and 12.1)		
- considered good	307.38	384.52
- considered having significant increase in credit risk	18.52	6.02
- Less: Allowance for receivables having significant increase in credit risk	(18.52)	(6.02)
Security deposits	10.78	8.44
Other receivable (refer note 12.2)	244.46	230.11
Receivable from selling shareholders (refer note 12.3)		
- from related parties (refer note 29)	56.55	-
- from others	376.12	-
<b>Total</b>	<b>1,006.66</b>	<b>635.79</b>

#### Note:

**12.1** On account of Ind AS 115, Revenue from Contracts with Customers, unbilled revenue where the right to consideration is unconditional upon passage of time is classified as financial assets.

**12.2** Other receivable includes receivable from platform service providers who are acting as agent of the Group.

**12.3** Receivable from selling shareholders comprises share issue expenses incurred in connection with Offer for Sale (OFS) of shares of the Company held by some of the existing shareholders. As per understanding between the Company and selling shareholders, the expenses which Company has incurred on account of OFS shall be borne by selling shareholders in the ratio of proceeds from the sale of equity shares during OFS.

Selling shareholders offered 5.29 million shares for sale @ offer price of ₹ 1,101 per share. Total of ₹ 5,815.25 million was received by the Company from this OFS, of which ₹ 5,279.68 million has been transferred to selling share holders as at March 31, 2021. Out of the balance, ₹ 510.57 million shall be adjusted against receivable from selling shareholders and balance sum of ₹ 25.00 million will be paid to them. The Company has disclosed receivable from selling shareholders under other current financial assets (March 31, 2020: Other non-current financial assets). The above sum of ₹ 535.57 million is kept in a separate bank account and the same is disclosed as restricted bank balance.



## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 13. Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to suppliers (net of provision)	22.94	6.11
Prepaid expenses	77.91	76.59
Advance recoverable in cash or kind or for value to be received	-	1.12
Balance with government authorities	206.42	140.99
<b>Total</b>	<b>307.27</b>	<b>224.81</b>

#### 14. Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Share capital</b>		
<b>Authorised shares</b>		
3,75,00,000 (March 31, 2020: 3,43,71,990) equity shares of ₹ 4 each	150.00	137.49
Nil (March 31, 2020: 12,51,204) preference shares of ₹ 10 each	-	12.51
	<b>150.00</b>	<b>150.00</b>
<b>Issued, subscribed and paid-up</b>		
3,04,52,836 (March 31, 2020: 2,79,96,663) equity shares of ₹ 4 each	121.81	111.99
	<b>121.81</b>	<b>111.99</b>

#### (a) Details of shareholders holding more than 5% share in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Mitter Infotech LLP	52,63,225	17.28%	59,55,125	21.27%
Arpit Khandelwal	34,46,210	11.32%	-	-
Rakesh Jhunjhunwala	32,94,310	10.82%	32,94,310	11.77%
Plutus Wealth Management LLP	20,00,000	6.57%	-	-
IIFL Special Opportunity Fund (*)	2,84,289	0.93%	17,48,185	6.24%
IIFL Special Opportunity Fund - Series 4 (*)	2,38,111	0.78%	14,29,360	5.11%
West Bridge Venture II Investment Holdings (*)	-	0.00%	61,21,210	21.86%

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

(\*) Less than 5% in current year, presented for comparative purpose.

#### b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	No of units	Amount
<b>As at April 01, 2019</b>	<b>2,74,71,969</b>	<b>109.89</b>
Add: issued during the year	5,24,694	2.10
<b>As at March 31, 2020</b>	<b>2,79,96,663</b>	<b>111.99</b>
Add: issued during the year	24,56,173	9.82
<b>As at March 31, 2021</b>	<b>3,04,52,836</b>	<b>121.81</b>

#### (c) Terms / rights attached to equity shares

##### 1 Voting rights

The Company has only one class of equity shares having a par value of ₹ 4 per share. Each holder of equity share is entitled to one vote per share.

##### 2 Right as to dividend

The dividend proposed by the Board of directors, if any, is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

##### 3 Liquidation preference

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

##### 4 Termination agreement

Pursuant to the Termination Agreement dated December 24, 2020 entered between the Company and Westbridge Venture II Investment Holdings taken on record by the Board of Directors, Westbridge has sold off its stake in equity shares to Plutus Wealth Management and Mr. Arpit Khandelwal. However, specific rights available to Westbridge Venture II Investment Holdings stands terminated effective December 24, 2020.

#### (d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 34.

#### (e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2021	As at March 31, 2020
	No. of shares	No. of shares
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	1,99,25,088	1,99,25,088
	<b>1,99,25,088</b>	<b>1,99,25,088</b>



## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**(f) Aggregate number of shares issues for consideration other than cash during the period of five years immediately preceding the reporting date:**

Particulars	As at March 31, 2021	As at March 31, 2020
	No. of shares	No. of shares
Financial year 2020-21	7,98,548	-
Financial year 2019-20	4,89,735	4,89,735
Financial year 2017-18	7,94,641	7,94,641
	<b>20,82,924</b>	<b>12,84,376</b>

### 15. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
<b>Capital redemption reserve account</b>		
Opening balance	1.30	1.30
Add: Changes during the year	-	-
<b>Closing balance</b>	<b>1.30</b>	<b>1.30</b>
<b>Securities premium</b>		
Opening balance	1,784.75	1,404.87
Add: Addition during the year	1,700.95	379.88
Less: Share issue expenses	(12.01)	-
Add: Addition on account of transfer from share based payment reserve on exercise of ESOP	144.82	-
<b>Closing balance</b>	<b>3,618.51</b>	<b>1,784.75</b>
<b>Retained earnings</b>		
Opening balance	1,809.37	1,867.05
Add: Profit during the year	92.38	(21.29)
Add: Other comprehensive income	(0.34)	0.73
Add: Transactions with non-controlling interest	257.71	(37.12)
<b>Closing balance</b>	<b>2,159.12</b>	<b>1,809.37</b>
<b>Debt instrument measured through other comprehensive income</b>		
Opening balance	18.99	4.61
Add: Other comprehensive income for the year	(6.11)	14.38
<b>Closing balance</b>	<b>12.88</b>	<b>18.99</b>

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
<b>Share based payment reserve</b>		
Opening balance	255.93	255.93
Add: Additions during the year	5.93	-
Less: Transfer to securities premium on exercise of options	(144.82)	-
<b>Closing balance</b>	<b>117.04</b>	<b>255.93</b>
<b>Capital contribution from shareholder</b>		
Opening balance	357.18	357.18
Add: Changes during the year	-	-
<b>Closing balance</b>	<b>357.18</b>	<b>357.18</b>
<b>Non-controlling interest put option</b>		
Opening balance	(50.00)	(59.97)
Additions during the year	-	(50.00)
Reversed during the year	-	59.97
<b>Closing balance</b>	<b>(50.00)</b>	<b>(50.00)</b>
<b>Statutory reserve</b>	<b>0.45</b>	<b>0.45</b>
<b>Foreign currency translation reserve</b>		
Opening balance	285.71	137.93
Add: Additions during the year	(42.23)	147.78
<b>Closing balance</b>	<b>243.48</b>	<b>285.71</b>
<b>Other equity</b>		
Opening balance	435.00	-
Add: Additions during the year	-	435.00
Less: Issue of shares during the year	(435.00)	-
<b>Closing balance</b>	<b>-</b>	<b>435.00</b>
<b>Total</b>	<b>6,459.95</b>	<b>4,898.68</b>
<b>Non-controlling interests</b>		
Opening balance	689.55	323.42
Add: On acquisition of interest	-	504.29
Add: Share of profit/(loss) for the year	46.12	(246.47)
Add: Transactions with controlling interest	472.35	108.31
<b>Closing balance</b>	<b>1,208.02</b>	<b>689.55</b>

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 16. Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Loan from body corporate (interest rate of 13.00%p.a.)	4.16	-
<b>Total</b>	<b>4.16</b>	<b>-</b>

#### 17. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Provisions for employees benefits</b>		
Provision for gratuity (refer note 32(II))	30.43	23.16
Provision for end of service benefits (refer note 32(III))	4.62	4.12
<b>Total</b>	<b>35.05</b>	<b>27.28</b>
<b>Current</b>		
<b>Provisions for employees benefits</b>		
Provision for gratuity (refer note 32(II))	5.04	5.62
Compensated absences	8.43	4.87
<b>Total</b>	<b>13.47</b>	<b>10.49</b>

#### 18. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Micro enterprises and small enterprises (refer note 18.1 below)	2.25	0.98
Other than micro enterprises and small enterprises		
- to related parties (refer note 29)	15.02	4.34
- to others	622.88	687.40
<b>Total</b>	<b>640.15</b>	<b>692.72</b>

**18.1** The Group has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act) as at March 31, 2021 and March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers under MSMED Act	2.25	0.98
Interest accrued and due to suppliers under MSMED Act on the above amount	0.14	0.06
Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
Interest accrued and remaining unpaid at the end of the accounting year	0.14	0.06
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

#### 19. Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Payable to employees	51.75	27.20
Payable for expenses	421.78	148.03
Player balance	27.31	68.61
Payable to selling shareholders (refer note 12.3)		
- related parties (refer note 29)	66.72	-
- others	468.85	-
Consideration payable for acquisition of subsidiary (refer note 39)	-	100.00
Interest on delay payments to MSME vendors (refer note 18.1)	0.14	0.06
Non-controlling interest put option liabilities (refer note 19.1)	50.00	50.00
<b>Total</b>	<b>1,086.55</b>	<b>393.90</b>

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**19.1** The Company entered into agreement with Promoters and Investors of Absolute Sports Private Limited on June 28, 2019, wherein options are given to promoters to sell ₹ 50 million worth of equity to Nazara upon Company achieving minimum of 80% of the audited target net revenue of ₹ 400 million in FY 2020-21 at fair market value of Company. Hence, put option liability of ₹ 50 million (March 31, 2020 - ₹ 50 million) is accounted by the Company.

### 20. Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Contract liabilities (refer note 21)	246.72	248.98
Advances from customers (refer note 20.1)	15.18	13.99
Tax deducted at source payable	25.08	25.03
Statutory dues payable	10.18	18.94
<b>Total</b>	<b>297.16</b>	<b>306.94</b>

**20.1** Out of the above advance from customers, advance of ₹ 13.99 million (March 31, 2020: ₹ 13.99 million) pertains to refund of entertainment tax deducted by a customer, against a bank guarantee furnished by the Group amounting to ₹ 15.58 million (March 31, 2020: ₹ 15.58 million).

### 21. Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from contract with customers</b>		
Gamified early learning	1,758.40	191.33
esports	1,700.60	841.61
Telco subscription	749.40	817.96
Freemium	195.20	197.79
Real money gaming	138.47	426.40
<b>Total</b>	<b>4,542.07</b>	<b>2,475.09</b>

### Disaggregation of revenue by geography

Particulars	Telco subscription	Freemium	esports	Gamified early learning	Real money gaming	Total
<b>March 31, 2021</b>						
India	139.64	195.20	1,223.52	-	127.48	1,685.84
Africa	94.43	-	-	-	10.99	105.42
Middle East	249.75	-	7.42	-	-	257.17
APAC	253.66	-	351.07	-	-	604.73
North America	-	-	113.01	1,758.40	-	1,871.41
Rest of the world	11.92	-	5.58	-	-	17.50
<b>Total</b>	<b>749.40</b>	<b>195.20</b>	<b>1,700.60</b>	<b>1,758.40</b>	<b>138.47</b>	<b>4,542.07</b>
<b>March 31, 2020</b>						
India	227.28	197.79	651.66	-	384.31	1,461.04
Africa	163.82	-	-	-	42.09	205.91
Middle East	179.61	-	-	-	-	179.61
APAC	247.05	-	79.62	-	-	326.67
North America	-	-	110.33	191.33	-	301.66
Rest of the world	0.20	-	-	-	-	0.20
<b>Total</b>	<b>817.96</b>	<b>197.79</b>	<b>841.61</b>	<b>191.33</b>	<b>426.40</b>	<b>2,475.09</b>

### Disaggregation of revenue by pattern of revenue recognition

Particulars	Telco subscription	Freemium	esports	Gamified early learning	Real money gaming	Total
<b>March 31, 2021</b>						
At a point in time	151.11	174.43	502.86	64.61	-	893.01
Over the period of time	598.29	20.77	1,197.74	1,693.79	138.47	3,649.06
<b>Total</b>	<b>749.40</b>	<b>195.20</b>	<b>1,700.60</b>	<b>1,758.40</b>	<b>138.47</b>	<b>4,542.07</b>
<b>March 31, 2020</b>						
At a point in time	227.29	133.07	382.23	24.88	-	767.47
Over the period of time	590.67	64.72	459.38	166.45	426.40	1,707.62
<b>Total</b>	<b>817.96</b>	<b>197.79</b>	<b>841.61</b>	<b>191.33</b>	<b>426.40</b>	<b>2,475.09</b>

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Telco subscription	Freemium	esports	Gamified early learning	Real money gaming	Total
<b>March 31, 2021</b>						
Subscription	749.40	-	-	1,693.79	-	2,443.19
Platform fees	-	-	-	-	138.47	138.47
Advertising	-	155.30	343.19	-	-	498.49
In app sales	-	39.90	-	64.61	-	104.51
Brand sponsorship and media rights licensing	-	-	1,357.41	-	-	1,357.41
Total	749.40	195.20	1,700.60	1,758.40	138.47	4,542.07
<b>Total</b>	<b>749.40</b>	<b>195.20</b>	<b>1,700.60</b>	<b>1,758.40</b>	<b>138.47</b>	<b>4,542.07</b>
<b>March 31, 2020</b>						
Subscription	817.96	-	-	127.62	-	945.58
Platform fees	-	-	-	-	426.40	426.40
Advertising	-	176.98	66.72	-	-	243.70
In app sales	-	20.81	-	63.71	-	84.52
Brand sponsorship and media rights licensing	-	-	774.89	-	-	774.89
<b>Total</b>	<b>817.96</b>	<b>197.79</b>	<b>841.61</b>	<b>191.33</b>	<b>426.40</b>	<b>2,475.09</b>

#### Contract liabilities (refer note 20)

Particulars	As at March 31, 2021	As at March 31, 2020 (Restated)
Opening balance	248.98	2.01
Additions through business combination (refer note 39)	-	22.11
Reversed during the year	(248.98)	(2.01)
Additional deferred revenue accounted during the year	246.72	226.87
<b>Closing balance</b>	<b>246.72</b>	<b>248.98</b>

## 22. Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on		
- bank deposits	29.17	30.74
- tax free bonds	4.06	8.52
- income tax refund	0.38	1.35
- loan given (refer note 29)	0.12	0.37
- financial assets recorded at amortised cost	3.68	0.56
- reversal of put option liability	-	8.19
Unwinding of interest on security deposits	1.19	1.01
Unwinding of interest on loan to employee (refer note 29)	2.21	0.56
Net gain on sale of current investments	11.92	15.03
Sundry balances written back	54.06	20.64
Fair value gain on financial instruments carried at fair value through profit and loss (net)	10.73	24.32
Profit on sale of property and equipment (net)	0.36	0.77
Gain on exchange fluctuation (net)	-	31.98
Gain on early termination of leases	0.84	-
Lease concession gain	14.90	-
Other	9.65	10.52
<b>Total</b>	<b>143.27</b>	<b>154.56</b>

## 23. Employee benefits

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and bonus		
- to key managerial personnel (refer note 29) (*)	90.48	61.56
- to others	365.06	236.69
Contribution to provident and other funds (refer note 32(I))	10.60	10.00
Expenses on employee stock option scheme (refer note 29 and 34)	5.93	-
Gratuity expenses (refer note 32 (II))	5.86	6.37
Compensated absences	5.19	1.00
End of services benefit (refer note 32 (III))	0.61	0.30
Staff welfare	3.18	2.92
<b>Total</b>	<b>486.91</b>	<b>318.84</b>

(\*) includes amortisation of prepaid perquisite amounting to ₹ 2.38 million (March 31, 2020 ₹ 0.38 million)

**Notes to the Consolidated Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**24. Finance costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities (refer note 31)	3.79	7.96
Interest on others	0.19	-
Bank charges	5.05	4.41
<b>Total</b>	<b>9.03</b>	<b>12.37</b>

**25. Depreciation and amortisation**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property and equipment (refer note 3)	9.63	9.31
Depreciation on right-of-use assets (refer note 31)	68.58	57.14
Amortisation on intangible assets (refer note 4B)	276.61	196.79
<b>Total</b>	<b>354.82</b>	<b>263.24</b>

**26. Impairment losses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impairment loss on		
- goodwill (refer note 4A)	3.25	-
- intangible assets (refer note 4B)	5.80	-
- financial assets (refer note 5)	31.93	-
<b>Total</b>	<b>40.98</b>	<b>-</b>

**27. Other expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and professional	92.19	64.05
Allowance for doubtful debts	40.68	3.01
Travelling and conveyance	34.87	72.46
Communication	23.73	26.55
Repairs and maintenance	17.62	9.31
Rates and taxes	16.54	7.42
Payment gateway	8.70	23.87
Information technologies	8.41	13.53
Bad debts	7.50	5.74
Rent (refer note 31)	7.33	19.00
Insurance	3.97	4.76
Corporate social responsibility expenditure	3.40	2.52
Payment to auditors (refer note 27.1)	2.25	7.54
Director fees	2.17	0.83
Electricity	1.94	4.33
Subscription	0.51	2.95
Loss on sale of investment	0.96	-
Loss on exchange fluctuation (net)	15.02	-
Miscellaneous expenses	24.80	37.48
<b>Total</b>	<b>312.59</b>	<b>305.35</b>

**Notes****27.1 Payment to auditors**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>As auditor</b>		
- Audit fee	2.25	7.54
- Reimbursement of expenses	-	-
<b>In other capacity</b>		
- for other services (included in legal and professional fees)	-	-
<b>Total</b>	<b>2.25</b>	<b>7.54</b>

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 28. Earnings per share (EPS)

The following table reflects the income and share data used in the basic and diluted EPS computation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic</b>		
Profit attributable to equity shareholders of parent	92.38	(21.29)
Weighted average number of equity shares for calculating basic EPS	2,88,27,214	2,77,53,117
<b>Earnings per share</b>	3.20	(0.77)
<b>Diluted</b>		
Profit attributable to equity shareholders of parent	92.38	(21.29)
Potential dilutive effect related to share based compensation	(1.85)	-
Adjusted earnings attributable to equity holders	90.53	(21.29)
Weighted average number of equity shares for calculating diluted EPS	2,88,27,214	2,77,53,117
Effect of dilution on stock options granted	6,02,198	5,09,033
Effect of dilution on purchase consideration for acquisition of subsidiary	-	2,17,729
Weighted average number of equity shares outstanding (including dilutive)	2,94,29,412	2,84,79,879
<b>Earnings per share</b>	3.08	(0.77)

#### 29. Related party transactions

##### (A) Names of the related parties and related party relationship

<b>Entity with significant influence</b>	West Bridge Venture II Investment Holdings (till December 24, 2020)
<b>Associate</b>	CrimzoneCode Private Limited (till January 31, 2020) Halaplay Technologies Private Limited (till April 08, 2019) MoongLabs Technologies Private Limited
<b>Joint venture</b>	Sports Unity Private Limited
<b>Associate of subsidiary</b>	Mastermind Sports Limited
<b>Key management personnel</b>	Vikash Mittersain - Chairman cum Managing Director Nitish Mittersain - Managing Director Manish Agarwal - Chief Executive Officer Rakesh Shah - Chief Finance Officer Turabbhai Chimthanawala - Company Secretary (till December 31, 2020) Pratibha Mishra - Company Secretary (w.e.f. January 01, 2021)
<b>Enterprises owned or controlled by key management personnel</b>	Mitter Infotech LLP
<b>Others</b>	B K Goyal Heart Foundation

##### B) Related party transactions for the year ended on:

Transaction	Name of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration to key management personnel	Nitish Mittersain	29.59	28.48
	Manish Agarwal (*) (#)	49.15	19.74
	Rakesh Shah	11.30	7.27
	Vikash Mittersain	5.80	5.60
	Turabbhai Chimthanawala	0.35	0.47
	Pratibha Mishra	-	-
Loan given to key management personnel	Manish Agarwal	-	13.29
Loan recovered from key management personnel	Manish Agarwal	15.50	-



**Notes to the Consolidated Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Transaction	Name of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020
Loan given to joint venture	Sports Unity Private Limited	4.50	-
Interest income	Sports Unity Private Limited	0.14	-
CSR expenses	Manish Agarwal B K Goyal Heart Foundation	2.21 2.50	0.56 2.52
Content	Mastermind Sports Limited	5.13	6.29
	Moonglabs Technologies Private Limited	1.86	5.25
Advertisement income	Sports Unity Private Limited	0.53	-
Commission	Sports Unity Private Limited	0.09	-

(\*) Includes amortisation of perquisite on interest free loan amounting to ₹ 2.38 million (March 31, 2020: ₹ 0.38 million)

(#) Includes compensation related to share based payments amounting to ₹ 5.93 million (March 31, 2020: Nil)

**C) Amounts outstanding as at the balance sheet date**

Transaction	Name of related parties	For the year ended March 31, 2021	For the year ended March 31, 2020
Trade payables	Mastermind Sports Limited	14.29	2.51
	Moonglabs Technologies Private Limited	0.73	1.83
Receivable from selling shareholders	West Bridge Venture II Investment Holdings	-	44.74
	Mitter Infotech LLP	56.55	2.94
Loan given to joint venture	Sports Unity Private Limited	4.50	-
Interest income	Sports Unity Private Limited	0.12	-
Payable to selling shareholders	Mitter Infotech LLP	66.72	-
Trade receivable	Sports Unity Private Limited	0.08	-
Loan given to key management personnel	Manish Agarwal	-	13.29

**D) Compensation of Key management personnel for the year ended on**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits (including ESOP expense)	92.83	58.10
Post-employment benefits (refer note 1 below)	3.58	3.46
<b>Total remuneration</b>	<b>96.41</b>	<b>61.56</b>

**Notes**

- 1 Remuneration to key managerial personnel doesn't include provision made for gratuity and compensated absences as they are determined on actuarial basis for the Company as a whole.
- 2 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operations. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**30. Commitments and contingencies**

Particulars	As at March 31, 2021	As at March 31, 2020
Other commitments		
Bank guarantee	23.26	17.23
<b>Total</b>	<b>23.26</b>	<b>17.23</b>
Commitment in relation to acquisition of subsidiary (refer note 30.1)	Upto 200	Upto 200

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**30.1** The Company had committed to purchase of additional equity shares from the promoters as below:

Particulars	Total consideration
Cash consideration of ₹ 100 million	Under investment agreement with promoters of Paper Boat, a consideration of ₹ 100 million shall be payable on achieving target revenue of 80% of US\$ 17 million by Paper Boat between 12 to 24 months from November 07, 2019 being first closing date as per the agreement. The proportion of shares to be transferred shall be as mutually agreed between the promoters and the Company. Further, number of shares to be purchased will be based on a valuation of the subsidiary company as per its fair market value.
Cash consideration upto ₹ 100 million	Under investment agreement with promoters of Paper Boat, a consideration equal to 50% of the audited EBITDA generated during 24 to 36 months from the first closing date i.e. November 07, 2019, being no more than ₹ 100 million shall be payable by Nazara for purchase of additional equity shares from promoters. This shall be payable on achieving target revenue of 80% of US\$ 30.6 million during above mentioned period.

## 31. Leases

### A Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### B Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### C Right-of-use asset

The carrying amount of right-of-use asset by class and location can be analysed as follows:

Office premises	Mumbai	Bangalore	Gurugram	Chennai	Delhi	Dubai	Total
On adoption of Ind AS 116	93.01	-	-	-	5.39	3.90	102.30
On account of business combination	11.11	10.04	8.50	-	-	-	29.64
Additions	0.08	0.26	-	10.73	-	-	11.07
Adjustments(*)	-	-	-	-	-	0.31	0.31
<b>As at March 31, 2020</b>	<b>104.19</b>	<b>10.30</b>	<b>8.50</b>	<b>10.73</b>	<b>5.39</b>	<b>4.21</b>	<b>143.32</b>
Additions	11.98	-	-	-	-	2.21	14.19
Termination	(0.17)	(10.30)	(8.50)	-	-	-	(18.97)
Adjustments(*)	-	-	-	-	-	(0.03)	(0.03)
<b>As at March 31, 2021</b>	<b>116.00</b>	<b>(0.00)</b>	<b>-</b>	<b>10.73</b>	<b>5.39</b>	<b>6.39</b>	<b>138.51</b>
<b>Accumulated depreciation</b>							
Depreciation	46.49	3.21	3.05	1.81	0.57	2.02	57.14
Adjustments(*)	-	-	-	-	-	0.12	0.12
<b>Upto March 31, 2020</b>	<b>46.49</b>	<b>3.21</b>	<b>3.05</b>	<b>1.81</b>	<b>0.57</b>	<b>2.14</b>	<b>57.26</b>
Depreciation	56.19	1.61	0.82	4.46	3.44	2.06	68.58
Termination	(0.04)	(4.81)	(3.87)	-	-	-	(8.72)
Adjustments(*)	-	-	-	-	-	(0.01)	(0.01)
<b>Upto March 31, 2021</b>	<b>102.65</b>	<b>0.00</b>	<b>-</b>	<b>6.26</b>	<b>4.01</b>	<b>4.19</b>	<b>117.12</b>
<b>Net block as at March 31, 2021</b>	<b>13.36</b>	<b>(0.01)</b>	<b>-</b>	<b>4.46</b>	<b>1.38</b>	<b>2.21</b>	<b>21.40</b>
<b>Net block as at March 31, 2020</b>	<b>57.70</b>	<b>7.09</b>	<b>5.45</b>	<b>8.92</b>	<b>4.82</b>	<b>2.08</b>	<b>86.06</b>

(\*) Represents exchange difference resulting from translation of RoU relating to foreign subsidiaries.

### D Lease liabilities

	Mumbai	Bangalore	Gurugram	Chennai	Delhi	Dubai	Total
<b>On adoption of Ind AS 116</b>	86.16	-	-	-	5.39	3.90	95.45
On account of business combination	11.23	10.13	8.70	-	-	-	30.06
Addition	-	-	-	10.47	-	-	10.47
Interest	5.82	0.76	0.73	0.37	0.10	0.18	7.96
Repayment of lease liability	(52.12)	(4.72)	(2.03)	(2.18)	(0.61)	(2.12)	(63.78)
Adjustments(*)	-	-	-	-	-	0.20	0.20
<b>Balance as at March 31, 2020</b>	<b>51.09</b>	<b>6.17</b>	<b>7.39</b>	<b>8.66</b>	<b>4.88</b>	<b>2.17</b>	<b>80.36</b>
Addition	11.98	-	-	-	-	-	11.98
Termination	(0.17)	(4.42)	(6.52)	-	-	-	(11.11)
Interest	2.28	0.19	0.26	0.66	0.32	0.07	3.79
Lease concession gain	(13.76)	-	-	(1.10)	-	-	(14.86)
Repayment of lease liability	(44.43)	(1.93)	(1.13)	(3.67)	(3.69)	(2.19)	(57.05)
Adjustments(*)	-	-	-	-	-	(0.05)	(0.05)
<b>Balance as at March 31, 2021</b>	<b>6.99</b>	<b>0.00</b>	<b>-</b>	<b>4.55</b>	<b>1.51</b>	<b>-</b>	<b>13.05</b>

**Notes to the Consolidated Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current	2.46	20.10
Current	10.59	60.26
<b>Total</b>	<b>13.05</b>	<b>80.36</b>

(\*) Represents exchange difference resulting from translation of lease liability relating to foreign subsidiaries.

**Future minimum finance lease payments as at the end of the reporting period are as follows:**

As at March 31, 2021	Mumbai	Bangalore	Gurugram	Chennai	Delhi	Dubai	Total
Undiscounted future lease payments							
Within 1 year	5.20	-	-	4.50	1.51	-	11.21
Over 1 year	2.21	-	-	0.30	-	-	2.51
<b>Total</b>	<b>7.41</b>	<b>-</b>	<b>-</b>	<b>4.80</b>	<b>1.51</b>	<b>-</b>	<b>13.72</b>
Less: interest	0.42	-	-	0.25	-	-	0.67
<b>Net present value</b>	<b>6.99</b>	<b>-</b>	<b>-</b>	<b>4.55</b>	<b>1.51</b>	<b>-</b>	<b>13.05</b>

As at March 31, 2020	Mumbai	Bangalore	Gurugram	Chennai	Delhi	Dubai	Total
Undiscounted future lease payments							
Within 1 year	46.28	4.94	2.37	4.87	3.80	2.24	64.50
Over 1 year	7.39	6.07	1.85	4.70	1.48	-	21.48
<b>Total</b>	<b>53.67</b>	<b>11.01</b>	<b>4.21</b>	<b>9.57</b>	<b>5.28</b>	<b>2.24</b>	<b>85.99</b>
Less: interest	2.58	1.59	0.07	0.91	0.40	0.07	5.63
<b>Net present value</b>	<b>51.09</b>	<b>9.42</b>	<b>4.14</b>	<b>8.66</b>	<b>4.88</b>	<b>2.17</b>	<b>80.36</b>

**Amount recognised in statement of profit and loss account**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on right-of-use assets	68.58	57.14
Interest on lease liabilities	3.79	7.96
Expenses relating to short term leases	7.33	19.00

**Amount recognised in statement of cash flow**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment of lease rentals	(53.26)	(55.82)
Interest paid on lease liabilities	(3.79)	(7.96)
<b>Total cash outflow</b>	<b>(57.05)</b>	<b>(63.78)</b>

**32. Gratuity and post employment benefits****I) Defined contribution plan**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Group's contribution to provident fund and other funds charged to statement of profit and loss	10.60	10.00
<b>Total</b>	<b>10.60</b>	<b>10.00</b>

**II) Defined benefit plan - Gratuity**

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. This benefit is unfunded.

The following tables summarise the components of net gratuity benefit expense recognised in the statement of profit and loss and other comprehensive income.

**A Balance Sheet****i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	28.78	21.88
Additions through business combination (refer note 39)		3.68
Interest cost	1.77	1.76
Current service cost	4.09	4.61
Benefits paid	-	(2.15)
Re-measurement - actuarial (gain)/loss - due to changes in demographic assumptions	0.37	(10.95)
Re-measurement - actuarial (gain)/loss - due to changes in financial assumptions	0.89	12.12
Re-measurement - actuarial (gain)/loss - due to changes in experienced adjustments	(0.43)	(2.17)
<b>Closing balance</b>	<b>35.47</b>	<b>28.78</b>

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### ii) Balance sheet reconciliation

Particulars	As at March 31, 2021	As at March 31, 2020
Opening net liability	28.78	21.88
Additions through business combination (refer note 39)	-	3.68
Expense recognised in statement of profit and loss	5.86	6.37
Expense recognised in other comprehensive income	0.83	(1.00)
Benefit paid directly by the employer	-	(2.15)
<b>Amounts recognised in the balance sheet</b>	<b>35.47</b>	<b>28.78</b>

#### B Statement of profit and loss

##### i) Expense recognised in statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	4.09	4.61
Net interest cost	1.77	1.76
<b>Total</b>	<b>5.86</b>	<b>6.37</b>

##### ii) Expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements actuarial (gain) / loss	0.83	(1.00)
<b>Total</b>	<b>0.83</b>	<b>(1.00)</b>

#### C The principal assumptions used in determining gratuity obligations are shown below

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	4.59% to 6.95%	5% to 7%
Future salary increases	7% to 15%	7% to 15%
Projected benefit obligation	6 years	6 years
Rate of employee turnover / withdrawal rate	10% to 35%	10% to 54%
Mortality rate during employment	IALM( 2006-2008) or IALM (2012-14)	IALM( 2006-2008) or IALM (2012-14)

#### D Sensitivity to key assumptions are shown below

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (- 1%)	1.80	4.25
Discount rate (+ 1%)	(1.75)	(1.71)
Salary Escalation Rate (- 1%)	(0.97)	(2.20)
Salary Escalation Rate (+ 1%)	1.03	3.49
Employee turnover (- 1%)	0.05	2.96
Employee turnover (+ 1%)	(0.05)	(3.33)

#### E Maturity analysis of projected benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
1st following year	5.04	5.62
2nd following year	4.47	3.00
3rd following year	4.15	2.90
4th following year	4.79	2.79
5th following year	3.38	3.71
Sum of the year to 6 to 10	13.58	11.81
More than 10 years	17.97	14.23

#### III End of services benefit

In respect of one subsidiary, end of service benefits, a long term employee benefit plan based on the period served by an employee in the organisation based on last drawn salary. The value of such benefit is determined on the basis of past period served by employees as at the balance sheet date. End of service benefit payable as at March 31, 2021 was ₹ 4.62 million (March 31, 2020: ₹ 4.12 million) and expense during the year ended March 31, 2021: ₹ 0.61 million (March 31, 2020: ₹ 0.20 million) (net of reversal).

Movement of end of service benefit is as follows

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening balance</b>	<b>4.12</b>	<b>3.53</b>
Add: Provision made during the year	0.61	0.30
Less: Payment made during the year	-	(0.11)
Add / (less): Adjustment on account of exchange translation	(0.11)	0.40
<b>Closing balance</b>	<b>4.62</b>	<b>4.12</b>

**Notes to the Consolidated Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**33. Income Tax****i) Income tax expense in the statement of profit and loss consists of:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
<b>Tax expense:</b>		
Current tax	104.34	62.13
Adjustment of tax relating to earlier years	(2.15)	-
Deferred tax (benefits)/expenses	(71.52)	9.84
<b>Income tax expense reported in the statement of profit and loss</b>	<b>30.67</b>	<b>71.97</b>
<b>Income tax recognised in other comprehensive income</b>		
- Deferred tax (credit) / charge	(0.54)	0.27
<b>Total</b>	<b>30.13</b>	<b>72.24</b>

**ii) Reconciliation between provision of income tax of Group and amounts computed by applying Indian statutory income tax rate to profit before taxes is as follows:**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020 (Restated)
(Loss)/profit before tax	167.03	(195.79)
Enacted income tax rate in India	25.17%	25.17%
<b>Computed expected tax expense</b>	<b>(42.04)</b>	<b>(49.28)</b>
Effects of unrecognised deferred tax assets	34.83	168.01
Effects of differential tax rates (overseas tax rates and tax laws)	33.22	(66.71)
Expenses not allowed for tax purpose	19.17	13.72
Income not considered for tax purpose	(10.53)	(12.13)
Tax of earlier years	(2.15)	-
Impact of capital gain on sale of investments	(1.02)	-
Others	(0.81)	18.36
<b>Total income tax expense</b>	<b>30.67</b>	<b>71.97</b>

**III) Note on undistributed profit of subsidiaries**

The Group has not recognised deferred tax liability associated with undistributed earnings of its subsidiaries as it believes that such differences will not reverse in the foreseeable future. The taxable temporary differences relating to investment in subsidiaries associated with respect to undistributed earnings for which a deferred tax liability has not been created.

**IV) Movement of deferred tax liabilities (net)****Movement of deferred tax liabilities for the year ended March 31, 2021**

Particulars	As at April 1, 2020	Recognised in profit and loss / other comprehensive income	As at March 31, 2021
<b>Deferred tax liability arising on account of:</b>			
Property and equipment and intangible assets	308.13	(44.03)	264.10
<b>Deferred tax asset arising on account of:</b>			
Provision for doubtful debts	27.98	1.58	29.56
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	23.21	-	23.21
Others	(27.21)	25.03	(2.18)
Exchange difference adjustment	-	0.88	-
<b>Total</b>	<b>284.15</b>	<b>(71.52)</b>	<b>213.51</b>

**Movement of deferred tax liabilities for the year ended March 31, 2020**

Particulars	As at April 01, 2019	Additions through business combination (refer note 39)	Recognised in profit and loss / other comprehensive income	As at March 31, 2020
<b>Deferred tax liability arising on account of:</b>				
Property and equipment and intangible assets	80.35	257.47	(29.69)	<b>308.13</b>
<b>Deferred tax asset arising on account of:</b>				
Provision for doubtful debts	45.93	-	(17.95)	<b>27.98</b>
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	35.90	-	(12.69)	<b>23.21</b>
Brought-forward losses	38.44	-	(38.44)	-
Others	(61.66)	-	34.45	<b>(27.21)</b>
Exchange difference adjustment	-	-	(4.90)	-
<b>Total</b>	<b>21.74</b>	<b>257.47</b>	<b>9.84</b>	<b>284.15</b>



## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### V) Movement of advance tax net off current tax liability

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	66.39	58.91
Provision for tax expense	(102.19)	(62.13)
Tax paid during the year net off refunds	159.63	72.42
Adjustment on account of translation of foreign subsidiaries	(0.01)	(2.81)
<b>Closing balance</b>	<b>123.82</b>	<b>66.39</b>

#### 34. Share based payments

##### (a) During the year ended March 31, 2021, ESOP 2020, ESOP 2017, ESOP 2016 and Absolute Sports ESOP Trust schemes were in operation.

##### (i) ESOP 2016 and ESOP 2017

Under the ESOP 2016 and ESOP 2017, stock options of the Company were granted to senior executives of the Company and its subsidiary employees with more than 12 months of service. The share options vest if employees are in service until one year from the date of grant. The fair value of the share options was estimated at the grant date using Black Scholes pricing model and , taking into account the terms and conditions upon which the share options were granted. The contractual term of each option granted (comprising the vesting year and the exercise year) is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

##### (ii) ESOP 2020

Under the ESOP 2020, stock options of the Company were granted to Chief Executive Officer of the Company. The share options vest in two equal tranches if employee is in service until one year from the date of grant. The fair value of the tranche 1 of share options was estimated at the grant date using Black Scholes pricing model and fair value of the tranche 2 of share options was estimated at the grant date using Monte Carlo Simulation, taking into account the terms and conditions upon which the share options were granted. The contractual term of each tranche 1 option granted (comprising the vesting year and the exercise year) is six years and for tranche 2 is 6.5 Years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

##### (iii) Absolute ESOP trust scheme

32,000 Equity shares of face value ₹ 1 each are held by Absolute Sports ESOP Trust ('Trust') for the purpose of issuing shares under the subsidiary's Employee Stock Option Plan ('ESOP'). These equity shares held by the Trust were transferred to the Trust by Mr. Srinivas

Rowjee Cuddapah, one of the shareholders in the subsidiary. In accordance with the Trust deed, the shares held by the Trust are to be issued to eligible employees covered under the ESOP of the subsidiary. Under the above ESOP plan, options are granted to eligible employees with various vesting conditions. Maximum number of shares that can be issued under the ESOP plan is 32,000.

##### (b) Details of ESOP schemes are as follows:

Particulars	ESOP 2016	ESOP 2017	ESOP 2020	Absolute - Plan 1	Absolute - Plan 2
Date of grant	January 02, 2017	January 17, 2018	December 31, 2020	January 11, 2016	March 01, 2017
Date of board approval	November 24, 2016	December 11, 2017	November 23, 2020	11 January 2016	1 March 2017
Date of member approval	December 26, 2016	December 15, 2017	December 30, 2020	11 October 2012	11 October 2012
Number of options granted	7,82,638	5,62,733	1,47,955	6,000	4,000
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period	One year	One year	One year for Tranche I (50%); and One and a half years for Tranche II (remaining 50%).	Four years	Four years
Exercise period	Five years	Five years	Five years	Four years	Four years
Vesting conditions	100% vesting after one year	100% vesting after one year	Tranche I - vesting after one year Tranche II - vesting after one and a half year	100% vesting after four years	100% vesting after four years
Exercise price	₹ 234.32	₹ 282.91	₹ 728.00	₹ 1.00	₹ 1.00

There were no cancellations or modifications to the awards during the year ended March 31, 2021.

The details of activity for the year ended March 31, 2021 are summarised below:

Particulars	ESOP 2016 Number of options	ESOP 2017 Number of options	ESOP 2020 Number of options	Absolute ESOP Number of options
Outstanding at the beginning of the year	2,33,052	5,62,733	-	6,000
Granted during the year	-	-	1,47,955	-
Exercised during the year	-	-	-	(3,000)
Outstanding at the end of the year	2,33,052	5,62,733	1,47,955	3,000
Exercisable at the end of the year	2,33,052	5,62,733	1,47,955	3,000
Weighted average remaining contractual life (in years) at the year end	1.75 years	2.75 years	5.75 years for tranche I and 6.25 years for tranche II	-



## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

The details of activity for the year ended March 31, 2020 are summarised below:

Particulars	ESOP 2016 Number of options	ESOP 2017 Number of options	Absolute ESOP Number of options
Outstanding at the beginning of the year	2,43,288	5,62,733	-
Granted during the year	-	-	10,000
Lapsed during the year	(10,236)	-	(4,000)
Exercised during the year	-	-	-
Outstanding at the end of the year	2,33,052	5,62,733	6,000
Exercisable at the end of the year	2,33,052	5,62,733	6,000
Weighted average remaining contractual life (in years) at the year end	2.75 years	3.75 years	-

#### (c) Fair value was computed using the following inputs:

Particulars	ESOP 2016	ESOP 2017	ESOP 2020 Tranche I	ESOP 2020 Tranche II	Absolute ESOP
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	25.00%	23.04%	55.00%	55.00%	15.81%
Risk free interest rate (%)	6.27%	7.16%	3.40%	3.63%	7%
Spot price (₹)	361.95	563.03	167.60	110.00	2,049.07
Exercise price (₹)	234.32	282.91	728.00	728.00	1
Option value (₹)	206.64	365.46	110.00	259.90	2,049.07
Expected life of options	3.5 years	3.5 years	1 years	1.5 years	0.5 years
Model used	Black Scholes	Black Scholes	Black Scholes	Monte Carlo simulation	Intrinsic value

The expected life of the share options for ESOP 2016 and ESOP 2017 are based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Expected life of share options for ESOP 2020 scheme is based on intent letter provided by the eligible employee to the Company. The expected volatility reflects the assumption that the historical volatility over a year similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

#### (d) The expense recognised for employee service received during the year is shown in the following table:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expense arising from equity-settled share based payment transactions	5.93	-
<b>Total</b>	<b>5.93</b>	<b>-</b>

## 35. Segment information

### a) Description of segments and principal activities :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Group. The Group has identified Telco Subscription, Gamified Early Learning, Freemium, esports and Real money gaming as reporting segments based on the information reviewed by CODM:

### b) Segment revenue and segment results

As at and for the year ended March 31, 2021

Description	Telco subscription	Gamified early learning	Freemium	esports	Real money gaming	Total
Revenue	749.40	1,758.40	195.20	1,700.60	138.47	<b>4,542.07</b>
Segment results	75.47	52.68	(30.16)	186.55	(96.74)	<b>187.80</b>
Unallocated corporate expense	-	-	-	-	-	(62.69)
Other income	-	-	-	-	-	65.74
<b>Profit before exceptional item and tax</b>						<b>190.85</b>
Share of net (loss) of associate by using equity method		-	-	-	-	(23.82)
<b>Profit before tax</b>						<b>167.03</b>
Tax expense	-	-	-	-	-	30.67
<b>Profit for the year</b>						<b>136.36</b>
<b>Segment assets</b>	694.63	1,438.52	421.18	1,386.38	443.13	<b>4,383.84</b>
Unallocated corporate assets	-	-	-	-	-	5,843.20
<b>Total assets</b>						<b>10,227.04</b>
<b>Segment liabilities</b>	568.03	446.81	58.51	323.91	71.16	<b>1,468.42</b>
Unallocated corporate liabilities	-	-	-	-	-	968.84
<b>Total liabilities</b>						<b>2,437.26</b>
<b>Other disclosures</b>						
Investments in associates	-	-	-	-	-	18.17
Investments in joint venture	-	-	-	-	-	23.33
Impairment losses	-	-	3.25	5.80	-	40.98
Depreciation and amortisation	61.92	73.00	68.15	112.48	39.27	354.82

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### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

As at and for the year ended March 31, 2020

Description	Telco subscription	Gamified early learning (Restated)	Freemium	esports (Restated)"	Real money gaming	Total
Revenue	817.96	191.33	197.79	841.61	426.40	<b>2,475.09</b>
Segment results	150.55	(48.89)	6.83	(20.42)	(386.46)	<b>(298.39)</b>
Unallocated corporate expense	-	-	-	-	-	(13.68)
Other income	-	-	-	-	-	134.40
<b>Profit before exceptional item and tax</b>						<b>(177.67)</b>
Share of net (loss) of associate by using equity method		-	-	-	-	(18.12)
<b>Profit before tax</b>						<b>(195.79)</b>
Tax expense	-	-	-	-	-	71.97
<b>Profit for the year</b>						<b>(267.76)</b>
<b>Segment assets</b>	695.69	1,490.01	532.16	1,536.91	486.27	<b>4,741.04</b>
Unallocated corporate assets	-	-	-	-	-	2,802.83
<b>Total assets</b>						<b>7,543.87</b>
<b>Segment liabilities</b>	322.98	407.32	22.20	444.71	120.52	<b>1,317.73</b>
Unallocated corporate liabilities	-	-	-	-	-	525.92
<b>Total liabilities</b>						<b>1,843.65</b>
<b>Other disclosures</b>						
Investments in associates	-	-	-	-	-	36.93
Investments in joint venture						43.58
Depreciation and amortisation	55.70	14.32	59.26	94.72	39.23	263.24

#### Note

There is no inter segment revenue and entire revenue is from external customers only.

### 36. I Financial assets and financial liabilities

#### a) Financial assets at fair value through profit and loss

Particulars	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments in mutual fund	991.77	291.83	991.77	291.83
Investments in convertible preference shares	27.99	23.77	27.99	23.77
Investment in Instasportz Consultancy Private Limited	-	10.00	-	10.00
Investment in AFK Gaming Private Limited	5.96	5.75	5.96	5.75
Investment in Khichadi Technologies Private Limited	-	7.50	-	7.50
<b>Total</b>	<b>1,025.72</b>	<b>338.85</b>	<b>1,025.72</b>	<b>338.85</b>

#### b) Financial assets at fair value through other comprehensive income

Particulars	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets - current				
Investments in tax free bonds	68.60	74.71	68.60	74.71
<b>Total</b>	<b>68.60</b>	<b>74.71</b>	<b>68.60</b>	<b>74.71</b>

#### c) Financial assets and liabilities at amortised cost

Particulars	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets - non-current</b>				
Loans	0.04	14.00	0.04	14.00
Investments in debentures	46.39	88.93	46.39	88.93
Other financial assets	45.62	68.40	45.62	68.40
<b>Financial assets - current</b>				
Trade receivable	685.60	681.08	685.60	681.08
Cash and cash equivalents	1,399.66	720.88	1,399.66	720.88
Other bank balances	2,323.86	1,146.16	2,323.86	1,146.16
Loans	29.00	21.61	29.00	21.61
Other financial assets	1,006.66	635.79	1,006.66	635.79
<b>Total financial assets</b>	<b>5,536.83</b>	<b>3,376.85</b>	<b>5,536.83</b>	<b>3,376.85</b>
<b>Financial liabilities - non-current</b>				
Lease liabilities	2.46	20.10	2.46	20.10
Other financial liabilities	4.16	-	4.16	-
<b>Financial liabilities - current</b>				
Trade payable	640.15	692.72	640.15	692.72
Lease liabilities	10.59	60.26	10.59	60.26
Other financial liabilities	1,086.55	393.90	1,086.55	393.90
<b>Total liabilities</b>	<b>1,743.91</b>	<b>1,166.98</b>	<b>1,743.91</b>	<b>1,166.98</b>

#### Notes

- Financial assets and liabilities include cash and cash equivalents, tax free deposits, trade receivables, unbilled receivables, finance lease liabilities, employee and other advances, eligible current and non-current assets, trade payables, and eligible current liabilities and non-current liabilities. The fair value of cash and cash equivalents, trade receivables, unbilled receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Investment in mutual funds measured using net asset values at the reporting date multiplied by the quantity held, which represents the fair value of these instruments.
- The fair values of lease liabilities, security deposits, loans and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

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### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### II Fair value hierarchy for assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Group categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

**Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. The following table provides the fair value measurements hierarchy of the Group's assets and liabilities:

#### Fair value measurements hierarchy of the Group's assets and liabilities as at March 31, 2021:

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets - non-current</b>				
Investments in convertible preference shares	-	-	27.99	<b>27.99</b>
Investment in AFK Gaming Private Limited	-	-	5.96	<b>5.96</b>
<b>Financial assets - current</b>				
Investments in mutual fund	991.77	-	-	<b>991.77</b>
Investments in tax free bonds	68.60	-	-	<b>68.60</b>
<b>Total financial assets</b>	<b>1,060.37</b>	-	<b>33.95</b>	<b>1,094.32</b>

#### Fair value measurements hierarchy of the Group's assets and liabilities as at March 31, 2020:

Description	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets - non-current</b>				
Investments in convertible preference shares	-	-	23.77	<b>23.77</b>
Investment in Instasportz Consultancy Private Limited	-	-	10.00	<b>10.00</b>
Investment in AFK Gaming Private Limited	-	-	5.75	<b>5.75</b>
Investment in Khichdi Technologies Private Limited	-	-	7.50	<b>7.50</b>
<b>Financial assets - current</b>				
Investments in mutual fund	291.83	-	-	<b>291.83</b>
Investments in tax free bonds	74.71	-	-	<b>74.71</b>
<b>Total financial assets</b>	<b>366.54</b>	-	<b>47.02</b>	<b>413.56</b>

There have been no transfer between Level 1, Level 2 and Level 3 during the period March 31, 2021 and March 31, 2020.

#### Valuation inputs and relationships to fair value

The following table summarises the quantitative information about significant unobservable inputs used in level 3 fair value measurement:

	Valuation technique	Significant unobservable inputs	Range (weighted average)		Sensitivity of the input to fair value
			March 31, 2021	March 31, 2020	March 31, 2021
Unquoted convertible preference shares of Hashcube Inc.	DCF method	Long-term growth rate for cash flows for subsequent years.	2.00%	2.00%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 0.35 million (March 31, 2020 - ₹ 0.75 million); and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 0.38 (March 31, 2020 - ₹ 1.13 million).
		WACC	8.10%	10.87%	
Unquoted Equity Shares of AFK Gaming Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	Sensitivity has not been performed as it is immaterial to Consolidated Financial Statement.		
		WACC			

#### 36A Financial risk management objectives and policies

The Group's principal financial liabilities include trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds investments in mutual funds and debt instruments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors of Holding Group and other group companies reviews and agrees policies for managing each of these risks, which are summarised below.

##### A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types

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### For the year ended March 31, 2021 (Contd.)

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of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, mutual funds and debt investments. The management believes that group is not exposed to significant market risk due to quality of assets held by the Group.

#### (I) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. The Group did not enter into any derivative instruments for hedge or speculation. The year end foreign currency exposures are given below:

#### (i) Amounts receivable in foreign currency on account of the following:

		As at March 31, 2021	As at March 31, 2020
US\$	Cash and bank balances	561.67	711.67
	Trade receivable	451.79	579.82
	Other current assets	109.77	226.62
	Non-current investments	41.88	112.65
AED	Cash and bank balances	713.03	643.92
	Trade receivable	30.92	17.19
	Other current assets	73.20	85.30
	Other current assets	78.37	-
NGN	Cash and bank balances	49.00	59.78
	Trade receivable	7.17	24.98
	Other current assets	48.38	52.23
KES	Cash and bank balances	47.43	164.01
	Trade receivable	0.93	4.20
	Other current assets	28.13	15.74
ZMW	Cash and bank balances	3.62	1.65
	Trade receivable	41.18	3.79
	Other current assets	15.17	0.75
UGX	Cash and bank balances	15.16	11.74
	Other current assets	13.71	7.68
BDT	Cash and bank balances	33.84	32.67
	Trade receivable	0.78	2.01
	Other current assets	0.09	12.89
Others	Trade receivable	7.97	29.28
	Cash and bank balances	0.07	0.07
<b>Total</b>		<b>2,373.28</b>	<b>2,800.63</b>

#### (ii) Amounts payable in foreign currency on account of the following:

		As at March 31, 2021	As at March 31, 2020
US\$	Trade payable	72.09	355.01
	Other current liabilities	106.01	0.07
AED	Trade payable	27.20	44.90
	Other current liabilities	14.76	29.14
NGN	Trade payable	3.19	2.46
	Other current liabilities	1.77	1.94
KES	Trade payable	10.64	22.99
	Other current liabilities	3.00	6.13
Others	Trade payable	0.97	28.47
	Other current liabilities	0.94	0.79
<b>Total</b>		<b>240.98</b>	<b>494.94</b>

#### (iii) Foreign currency sensitivity

**5% increase or decrease in foreign exchange rates will have the following impact profit before tax:**

Currency	As at March 31, 2021		As at March 31, 2020	
	5% increase	5% decrease	5% increase	5% decrease
US\$	49.35	(49.35)	63.78	(63.78)
AED	42.68	(42.68)	33.62	(33.62)
BDT	1.73	(1.73)	2.36	(2.36)
NGN	4.98	(4.98)	6.63	(6.63)
KES	3.14	(3.14)	7.74	(7.74)
UGX	1.40	(1.40)	0.92	(0.92)
ZMW	2.99	(2.99)	0.19	(0.19)
Other currencies	0.37	(0.37)	1.18	(1.18)
<b>Total</b>	<b>106.63</b>	<b>(106.63)</b>	<b>116.42</b>	<b>(116.42)</b>

#### (II) Equity / investment price risk

The Group has made several strategic investments (including unlisted subsidiaries, associates and other investee companies). Some of these are startups (early stage) companies and others in their growth phase. These unlisted investments are susceptible to market price risks (impairment) arising from uncertainties about the success of the gaming industry in India and globally, which could impact their recoverable values. The Group manages the equity price risk through diversification and invests across several gaming companies. The Group's Board of Directors review and pre-approve all such

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decision to invest. In addition, at the reporting date, the exposure to unlisted equity securities in non-current and current investments are yearly reviewed and evaluated by the Board. In specific, the Board review and evaluates the unobservable inputs (i.e. long-term growth rates and weighted average cost of capital), cash flow projections for 5 years, actual performance when compared to cash flow projections approved by respectively entities Board of Directors, and sensitivity performed by an independent external valuation expert.

### B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following low, moderate and high credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

#### Trade receivables

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk is managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account factors such as delays, historical experience for customers etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

At March 31, 2021 and March 31, 2020 receivables (including unbilled) from Company's top 5 customers accounted for approximately 52.37% and 54.90%, respectively of all the receivables (including unbilled) outstanding. As at March 31, 2021 receivable (including unbilled) from one top customer accounted for 14.28% of all receivable (including unbilled) outstanding (March 31, 2020 : 28.46%). An impairment analysis is performed at each reporting date on an individual basis based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in note 9. The Company does not hold collateral as security.

The Group evaluates that there exists concentration of risk with respect to trade receivables due to its dependency on limited numbers of customers for a significant portion of receivables outstanding.

The inability to recover the amount payable by such top customers may have an adverse impact on their recoverability.

#### Movement of expected credit loss as at March 31, 2021 is as follows:

	As at March 31, 2021	As at March 31, 2020
Opening balance	122.90	182.43
Add: Provision for expected credit loss made during the year	40.68	3.01
Less: Utilisation of provision	-	(62.54)
Exchange difference	0.78	-
<b>Closing balance</b>	<b>164.36</b>	<b>122.90</b>

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Group's maximum exposure to credit risk for components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts.

### C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations as they fall due. The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Group's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	640.15	-	-	640.15
Other financial liabilities	1,086.55	4.16	-	1,090.71
Lease liabilities	11.21	2.51	-	13.72
<b>Total</b>	<b>1,737.91</b>	<b>6.67</b>	<b>-</b>	<b>1,744.58</b>



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### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

As at March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	692.72	-	-	692.72
Other financial liabilities	393.90	-	-	393.90
Lease liabilities	64.50	21.48	-	85.99
<b>Total</b>	<b>1,151.12</b>	<b>21.48</b>	<b>-</b>	<b>1,172.61</b>

### 36B Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary purpose is to maximise the shareholders value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital structure is governed by policies approved by Board of Directors and is monitored by various matrices, funding requirements are reviewed periodically.

### 37. Disclosure as per Schedule III of the Companies Act 2013

- a) Statement showing shares of entities in consolidated net assets and consolidated statement of profit and loss as at and for the year ended March 31, 2021

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income / loss	
	%	Amount	%	Amount	%	Amount
<b>(A) Holding company</b>						
Nazara Technologies Limited	17.21%	1,340.26	40%	54.62	51%	45.98
<b>(B) Subsidiaries</b>						
Nazara Technologies FZ LLC	11%	824.47	48%	64.91	53%	47.25
Nazara Pte Limited	4%	301.39	9%	12.75	8%	7.24
Nazara Pro Gaming Private Limited	(1%)	(62.47)	(41%)	(55.54)	(62%)	(55.54)
Nextwave Multimedia Private Limited	4%	316.41	(8%)	(10.42)	(12%)	(10.36)
Nodwin Gaming Private Limited	17%	1,345.99	8%	11.50	12%	11.06
Absolute Sports Private Limited	6%	462.60	57%	77.70	86%	77.04
CrimzoneCode Private Limited	0%	8.37	(5%)	(6.52)	(7%)	(6.53)
Halaplay Technologies Private Limited	4%	308.63	(0%)	(0.18)	1%	0.91
Paper boat Apps Private Limited	11%	836.80	19%	25.34	28%	25.37

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income / loss	
	%	Amount	%	Amount	%	Amount
<b>(C) Stepdown subsidiaries</b>						
Nazara Technologies	12%	909.88	(1%)	(1.41)	(26%)	(22.98)
Nazara Zambia Limited	(0%)	(5.08)	(2%)	(3.35)	(3%)	(2.40)
Nzmobile Nigeria Limited	(1%)	(84.99)	(12%)	(16.75)	(14%)	(12.87)
Nzmobile Kenya Limited	2%	131.98	5%	6.32	(1%)	(0.67)
Nazara Uganda Limited	0%	2.37	3%	4.56	5%	4.53
Nazara Bangladesh Limited	(0%)	(15.75)	(10%)	(13.66)	(15%)	(13.52)
Nzworld Kenya Limited	(1%)	(90.69)	(17%)	(23.37)	(18%)	(16.22)
Nodwin International Gaming Limited	0%	4.22	2%	2.21	2%	1.81
Kiddopia INC	0%	5.87	2%	2.68	3%	2.60
<b>Non-controlling interest</b>	16%	1,208.02	32%	43.98	51%	46.12
<b>(E) Associate of subsidiary</b>						
Mastermind Sports Limited	0%	13.78	(10%)	(14.25)	(16%)	(14.25)
MoongLabs technologies Private Limited	0%	4.39	(3%)	(4.51)	(5%)	(4.51)
<b>(F) Joint venture</b>						
Sports Unity Private Limited	0%	23.33	(15%)	(20.25)	(23%)	(20.25)
<b>Total</b>	<b>100%</b>	<b>7,789.78</b>	<b>100%</b>	<b>136.36</b>	<b>100%</b>	<b>89.82</b>

- b) Statement showing shares of entities in consolidated net assets and consolidated statement of profit and loss as at and for the year ended March 31, 2020

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income / loss	
	%	Amount	%	Amount	%	Amount
<b>(A) Holding company</b>						
Nazara Technologies Limited	5%	269.35	(49%)	129.95	(138%)	144.51
<b>(B) Subsidiaries</b>						
Nazara Technologies FZ LLC	14%	814.29	(11%)	28.83	(83%)	86.70
Nazara Pte Limited	7%	386.78	(9%)	25.18	(47%)	49.57
Nazara Pro Gaming Private Limited	(0%)	(5.06)	2%	(5.18)	5%	(5.18)
Nextwave Multimedia Private Limited	6%	323.07	2%	(4.42)	4%	(4.51)



**Notes to the Consolidated Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income / loss	
	%	Amount	%	Amount	%	Amount
Nodwin Gaming Private Limited	10%	579.97	(2%)	5.62	(6%)	5.95
Absolute Sports Private Limited	7%	384.99	1%	(3.47)	3%	(3.02)
CrimzoneCode Private Limited	0%	18.02	1%	(2.71)	3%	(2.84)
Halaplay Technologies Private Limited	4%	235.95	40%	(105.79)	101%	(105.79)
Paper boat Apps Private Limited	14%	813.21	8%	(22.64)	22%	(22.64)
<b>(C) Stepdown subsidiaries</b>						
Nazara Technologies	16%	930.33	(8%)	22.04	(88%)	91.78
Nazara Zambia Limited	(0%)	(1.18)	0%	(0.91)	0%	(0.05)
Nzmobile Nigeria Limited	(1%)	(61.19)	10%	(25.51)	27%	(28.08)
Nzmobile Kenya Limited	3%	156.87	(4%)	10.50	(16%)	17.07
Nazara Uganda Limited	0%	3.54	(0%)	0.35	(0%)	0.22
Nazara Bangladesh Limited	(0%)	(2.20)	0%	(0.12)	(0%)	0.06
Nzworld Kenya Limited	(1%)	(71.15)	21%	(56.98)	63%	(66.26)
Nodwin International Gaming Limited	3%	153.88	(1%)	1.87	(2%)	1.97
Kiddopia INC	0%	0.69	(0%)	0.20	(0%)	0.23
<b>(D) Non-controlling interest</b>	12%	689.55	92%	(246.47)	235%	(246.47)
<b>(E) Associate of subsidiary</b>						
Mastermind Sports Limited	0%	28.03	(0%)	0.24	(0%)	0.24
MoongLabs technologies Private Limited	0%	8.90	0%	(1.10)	1%	(1.10)
Halaplay Technologies Private Limited	-	-	(2%)	6.36	(6%)	6.36
CrimzoneCode Technologies Private Limited	-	-	2%	(6.28)	6%	(6.28)
<b>(F) Joint venture</b>						
Sports Unity Private Limited	1%	43.58	6%	(17.32)	17%	(17.32)
<b>Total</b>	<b>100%</b>	<b>5,700.22</b>	<b>100%</b>	<b>(267.76)</b>	<b>100%</b>	<b>(104.87)</b>

**38. Materially partly owned subsidiaries****A) Investment in subsidiaries****Financial information of subsidiaries that have material non-controlling interests is provided below:**

Subsidiary	Activities	As at March 31, 2021	As at March 31, 2020	Principal place of business
Halaplay Technologies Private Limited ('HalaPlay') (refer note 1 below)	Daily Fantasy Sports (DFS) Platform that empowers serious and casual sports enthusiasts to play cash based quick simple and interesting Games	25.98%	61.60%	India
Next Wave Multimedia Private Limited ('Next Wave')	Subscription, Download of games and other Content	47.62%	47.62%	India
Nodwin Gaming Private Limited ('Nodwin') (*)	Brand Sponsorship and Media rights for esports	45.48%	45.01%	India
Absolute Sports Private Limited ('Absolute')	Sports website, Live scores application	27.29%	27.29%	India
Paper Boat Apps Private Limited ('Paper Boat') (**)	Gamified early learning Mobile Application	49.09%	49.09%	India
Nz World Kenya Limited ('Kenya')	Betting business	30.00%	30.00%	Kenya

(\*) The numbers below are consolidated for its wholly owned subsidiary Nodwin Gaming International Limited (since August 1, 2020)

(\*\*) The numbers below are consolidated for its wholly owned subsidiary Kiddopia Inc. (since January 18, 2020)

**Note:**

- The Group invested in Halaplay and had interest in associate till April 8, 2019. From April 8, 2019, the Group acquired control over Halaplay after co-investor relinquished its decision making rights over significant and relevant matters.

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### Information regarding non-controlling interest

Particulars	Next Wave	Nodwin	Halaplay	Absolute	Paper Boat	Kenya	Total
<b>As at April 01, 2019 (restated)</b>	<b>128.89</b>	<b>199.68</b>	-	-	-	(5.15)	<b>323.42</b>
On account of business combination (restated)	-	-	170.15	65.82	268.32	-	<b>504.29</b>
Total comprehensive income / (loss) attributable to non-controlling interest (restated)	(3.50)	0.62	(199.20)	(1.04)	(19.01)	(24.34)	<b>(246.47)</b>
Adjustment due to change in interest without change in control	-	-	36.32	-	-	-	<b>36.32</b>
Transaction with subsidiary	-	-	71.99	-	-	-	<b>71.99</b>
<b>As at March 31, 2020 (restated)</b>	<b>125.39</b>	<b>200.30</b>	<b>79.26</b>	<b>64.78</b>	<b>249.31</b>	<b>(29.49)</b>	<b>689.55</b>
Total comprehensive income / (loss) attributable to non-controlling interest	(9.30)	10.90	(3.14)	28.92	27.04	(8.30)	46.12
Adjustment due to change in interest without change in control	-	4.87	(42.58)	-	-	-	(37.71)
Transaction with subsidiary	-	500.56	9.50	-	-	-	510.06
<b>As at March 31, 2021</b>	<b>116.09</b>	<b>716.63</b>	<b>43.04</b>	<b>93.70</b>	<b>276.35</b>	<b>(37.79)</b>	<b>1,208.02</b>

#### a) Summarised statement of profit and loss for the year ended

Particulars	Next Wave	Nodwin	Kenya	Next Wave	Nodwin	Kenya
	For the year ended March 31, 2021			For the year ended March 31, 2020		
Revenue	166.51	1,357.41	10.99	136.76	936.56	42.09
Profit / (loss) for the year	(19.57)	26.67	(34.81)	(7.25)	1.57	(81.12)
Total comprehensive profit / (loss) for the year	(19.52)	25.83	(27.66)	(7.34)	1.38	(81.12)
Attributable to non-controlling interests	<b>(9.30)</b>	<b>10.90</b>	<b>(8.30)</b>	<b>(3.50)</b>	<b>0.62</b>	<b>(24.34)</b>

#### Notes

- 1 The subsidiaries had no contingent liabilities or commitments as at March 31, 2021 and March 31, 2020.

Particulars	Halaplay	Absolute	Paper Boat	Halaplay	Absolute	Paper Boat
	For the year ended March 31, 2021			April 8, 2019 to March 31, 2020	September 30, 2019 to March 31, 2020	January 18, 2020 to March 31, 2020
Revenue	124.14	343.19	1,758.39	374.55	67.30	191.33
Profit/(loss) for the period	(3.32)	106.62	55.13	(303.49)	(4.07)	(38.73)
Total comprehensive profit / (loss) for the year	<b>(2.23)</b>	<b>105.96</b>	<b>55.08</b>	<b>(303.49)</b>	<b>(3.62)</b>	<b>(38.72)</b>
Attributable to non-controlling interests	<b>(3.14)</b>	<b>28.92</b>	<b>27.04</b>	<b>(199.20)</b>	<b>(1.04)</b>	<b>(19.01)</b>

#### b) Summarised balance sheet

Particulars	Next Wave	Nodwin	Kenya	Next Wave	Nodwin	Kenya
	For the year ended March 31, 2021			For the year ended March 31, 2020		
Non-current assets	100.18	157.81	7.15	122.67	242.66	10.50
Current assets	103.48	1,822.95	16.46	81.30	763.88	12.30
<b>Total assets</b>	<b>203.66</b>	<b>1,980.76</b>	<b>23.61</b>	<b>203.97</b>	<b>1,006.54</b>	<b>22.80</b>
Non current liabilities	11.67	3.99	-	16.68	5.24	-
Current liability	14.77	435.68	152.13	14.77	568.03	121.26
<b>Total liabilities</b>	<b>26.44</b>	<b>439.67</b>	<b>152.13</b>	<b>31.45</b>	<b>573.27</b>	<b>121.26</b>
<b>Total equity</b>	<b>177.22</b>	<b>1,541.09</b>	<b>(128.52)</b>	<b>172.52</b>	<b>433.27</b>	<b>(98.46)</b>
Intangible assets	88.96	46.28	-	121.41	81.07	-
Deferred tax liability	22.39	11.66	-	30.61	69.33	-
FCTR adjustment	-	-	2.55	-	-	0.18
<b>Net assets</b>	<b>243.79</b>	<b>1,575.71</b>	<b>(125.97)</b>	<b>263.32</b>	<b>445.01</b>	<b>(98.28)</b>
<b>Attributable to:</b>						
Equity holders of parent	127.70	859.08	(88.18)	137.93	244.71	(68.79)
Non-controlling interest	116.09	716.63	(37.79)	125.39	200.30	(29.49)

Particulars	Halaplay	Absolute	Paper Boat	Halaplay	Absolute	Paper Boat (Restated)
	For the year ended March 31, 2021			For the year ended March 31, 2020		
Non-current assets	3.87	11.03	46.14	5.57	33.89	25.10
Current assets	39.60	290.68	580.21	16.88	153.41	463.37
<b>Total assets</b>	<b>43.47</b>	<b>301.71</b>	<b>626.35</b>	<b>22.45</b>	<b>187.30</b>	<b>488.47</b>
Non current liability	4.43	1.15	(0.03)	3.24	6.40	8.30
Current liability	55.93	22.98	473.82	98.88	17.08	432.74
<b>Total liabilities</b>	<b>60.36</b>	<b>24.13</b>	<b>473.79</b>	<b>102.12</b>	<b>23.48</b>	<b>441.04</b>
<b>Total equity</b>	<b>(16.89)</b>	<b>277.58</b>	<b>152.56</b>	<b>(79.67)</b>	<b>163.82</b>	<b>47.43</b>
Intangible Assets	243.95	87.90	548.41	278.42	98.29	615.32
Deferred tax liability	61.40	22.12	138.03	70.08	24.74	154.88
<b>Net Assets</b>	<b>165.66</b>	<b>343.36</b>	<b>562.94</b>	<b>128.67</b>	<b>237.37</b>	<b>507.87</b>
<b>Attributable to:</b>						
Equity holders of parent	122.62	249.66	286.59	49.41	172.59	258.56
Non-controlling interest	43.04	93.70	276.35	79.26	64.78	249.31

#### c) Summarised cash flow information:-

Particulars	Next Wave	Nodwin	Kenya	Next Wave	Nodwin	Kenya
	For the year ended March 31, 2021			For the year ended March 31, 2020		
Operating activities	39.30	22.90	(49.52)	35.23	130.39	(52.50)
Investing activities	7.44	2.04	-	(51.36)	(0.63)	(0.42)
Financing activities	(3.67)	1,097.16	48.96	(2.17)	(0.61)	55.24
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>43.07</b>	<b>1,122.10</b>	<b>(0.56)</b>	<b>(18.30)</b>	<b>129.15</b>	<b>2.32</b>

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### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Particulars	Halaplay	Absolute	Paper Boat	Halaplay	Absolute	Paper Boat
	For the year ended March 31, 2021			April 8, 2019 to March 31, 2020	September 30, 2019 to March 31, 2020	January 18, 2020 to March 31, 2020
Operating activities	(23.62)	88.82	96.42	5.87	10.37	(13.94)
Investing activities	0.50	(169.63)	(0.81)	(1.18)	(5.09)	0.04
Financing activities	47.63	(1.19)	(4.76)	(98.13)	(3.15)	1.13
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>24.51</b>	<b>(82.00)</b>	<b>90.85</b>	<b>(93.44)</b>	<b>2.13</b>	<b>(12.77)</b>

#### B) Investment in associates and joint venture

The Group has interest in associates and joint venture are as under

Associates and joint venture	Activities	Relationship	As at March 31, 2021	As at March 31, 2020
Halaplay Technologies Private Limited ('Halaplay')	Daily Fantasy Sports (DFS) Platform that empowers serious and casual sports enthusiasts	Associate	-	30.52%
Mastermind Sports Limited ('Mastermind')	Value added services	Associate	26.00%	26.00%
CrimzoneCode Private Limited ('Crimzon')	Providing download of games and digital advertising services	Associate	-	35.53%
MoongLabs Technologies Private Limited ('Moonglabs')	Development of mobile software	Associate	24.41%	24.41%
Sports Unity Private Limited ('Sports Unity')	Development of quiz products	Joint venture	62.53%	62.53%

#### a) Summaries statement of net assets as at March 31, 2021:

	MoongLabs	Mastermind	Sports Unity
Non- current assets	0.43	0.16	0.98
Current assets	3.06	10.89	1.70
Current liabilities	4.23	3.26	5.23
Non- current liabilities	8.02	0.01	10.00
<b>Total equity</b>	<b>(8.76)</b>	<b>7.78</b>	<b>(12.55)</b>
Carrying amount of the investment	4.39	13.78	23.33

#### Summaries statement of net assets as at:

	Halaplay	Crimzon	MoongLabs	Mastermind	Sports Unity
	As at April 8, 2019	As at January 31, 2020	As at March 31, 2020		
Non- current assets	13.03	0.15	0.09	53.46	29.61
Current assets	179.86	2.38	2.03	8.53	3.45
Current liabilities	166.31	2.31	3.62	3.48	4.13
Non- current liabilities	0.38	2.94	4.78	-	5.28
<b>Total equity</b>	<b>26.20</b>	<b>(2.73)</b>	<b>(6.28)</b>	<b>58.51</b>	<b>23.65</b>
Carrying amount of the investment	270.30	7.22	8.90	28.03	43.58

#### b) Summaries statement of profit and loss:

##### Summarised statement of profit and loss for the year ended on March 31, 2021

	MoongLabs	Mastermind	Sports Unity
Revenue	2.86	9.50	11.16
Profit / (loss) for the year	(7.78)	(29.83)	(22.64)
<b>Total comprehensive income / (loss) for the year</b>	<b>(7.78)</b>	<b>(29.83)</b>	<b>(22.64)</b>
<b>Group's share of income / (loss) for the year</b>	<b>(1.90)</b>	<b>(7.75)</b>	<b>(14.16)</b>

##### Summarised statement of profit and loss for the period / year:

	Halaplay	Crimzon	MoongLabs	Mastermind	Sports Unity
	from April 01, 2019 to April 8, 2019	For the period ended January 31, 2020	As at March 31, 2020		
Revenue	22.21	8.43	3.37	11.41	11.52
Profit / (loss) for the year	(73.95)	(6.79)	(4.51)	0.91	(31.30)
<b>Total comprehensive income / (loss) for the year</b>	<b>(73.95)</b>	<b>(6.79)</b>	<b>(4.51)</b>	<b>0.91</b>	<b>(31.30)</b>
<b>Group's share of income / (loss) for the year</b>	<b>(22.13)</b>	<b>(2.41)</b>	<b>(1.10)</b>	<b>0.24</b>	<b>(17.32)</b>

The associates and joint venture had no contingent liabilities or capital commitments as at March 31, 2021 and March 31, 2020.

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### c) Reconciliation of net equity in associates

##### Reconciliation of net equity in associates as at March 31, 2021:

	MoongLabs	Mastermind	Sports Unity
Opening balance of investment	8.90	28.03	43.58
Add: Share of total comprehensive income / (loss)	(1.90)	(7.75)	(14.16)
Less: impairment	(2.17)	(5.84)	(6.10)
Add: Foreign exchange gain/(loss)	(0.44)	(0.66)	-
Closing balance of investment	<b>4.39</b>	<b>13.78</b>	<b>23.33</b>

##### Reconciliation of net equity in associates as at:

	Halaplay	Crimzon	MoongLabs	Mastermind	Sports Unity
	As at April 8, 2019	As at January 31, 2020	As at March 31, 2020		
Opening balance of investment (Restated)	221.44	13.50	7.50	25.67	-
Add : Additional investment	42.50	-	2.50	-	60.90
Add: Share of total comprehensive income / (loss)	(22.57)	(2.41)	(1.10)	0.24	(17.32)
Add: Fair value gain/ (loss) on acquisition of control	28.93	(3.87)	-	-	-
Add: Foreign exchange gain	-	-	-	2.12	-
<b>Closing balance of investment</b>	<b>270.30</b>	<b>7.22</b>	<b>8.90</b>	<b>28.03</b>	<b>43.58</b>

#### 39. Business combination

##### A) There were no acquisitions of controlling interest during the year ended March 31, 2021. Summary of acquisitions during the year ended March 31, 2020 is as follows -

Subsidiary acquired during the year	Date of Acquisition	Description of the acquiree	% of voting equity instruments acquired (Restated)	Description of control over the acquiree
Halaplay Technologies Private Limited ('Halaplay')	April 08, 2019	Daily Fantasy Sports (DFS) Platform that empowers serious and casual sports enthusiasts	33.51%	Sole control over the decision making of significant matters of the acquiree.
CrimzonCode Technologies Private Limited ('Crimzon')	January 31, 2020	Downloading of games and digital advertising services	100.00%	Majority of voting rights
Absolute Sports Private Limited ('Absolute')	September 30, 2019	Sports website, live scores application	72.71%	Majority of voting rights
Paper Boat Apps Private Limited ('Paper Boat')	January 18, 2020	Edutainment mobile application	50.91%	Majority of voting rights

- The Group invested in Halaplay and had interest in associate till April 08, 2019. From April 8, 2019, the Group acquired control over Halaplay after co-investor relinquished its decision making rights over significant and relevant matters.

##### B Quantitative details of shares acquired and purchase consideration

Particulars	Absolute	Halaplay	Crimzon	Paper Boat
Number of equity shares acquired	1,37,173.00	-	24,79,480.00	5,422.00
Fair value per share	3,196.16	-	5.28	1,54,000.00

##### Purchase consideration

Particulars	Absolute	Halaplay	Crimzon	Paper Boat
Cash consideration	95.00	-	-	300.10
Issue of equity interest	343.43	-	13.11	300.00
Contingent consideration - issue of equity interest	-	-	-	135.00
Contingent consideration - cash consideration	-	-	-	100.00
<b>Total consideration</b>	<b>438.43</b>	<b>-</b>	<b>13.11</b>	<b>835.10</b>

**Notes to the Consolidated Financial Statements****For the year ended March 31, 2021 (Contd.)**

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

**C Contingent Consideration towards acquisition of Paper Boat**

Particulars	No. of shares	Fair value of shares	Total consideration
Issue of equity shares	1,85,440.00	728.00	135.00
Cash consideration	NA	NA	100.00

**D Disclosure related to net assets acquired in business combination:**

Particulars	Absolute September 30, 2019 (Restated)	Halaplay April 8, 2019	Crimzon January 31, 2020	Paper Boat January 18, 2020 (Restated)
<b>Non-current assets</b>	<b>124.66</b>	<b>319.96</b>	<b>22.95</b>	<b>652.18</b>
Property and equipment	2.57	0.88	0.15	6.80
Right-of-use assets	12.28	6.25	-	11.11
Intangible assets	103.90	310.80	22.80	628.69
Intangible assets under development	5.91	-	-	-
Other non current financial assets	-	2.01	-	1.33
Non-current tax assets	-	0.02	-	4.25
<b>Current assets</b>	<b>160.50</b>	<b>179.87</b>	<b>2.37</b>	<b>200.85</b>
(a) Trade receivables	25.08	-	0.48	-
(b) Cash and cash equivalents	125.42	105.76	0.14	95.37
(c) Other current financial assets	1.54	4.00	-	49.13
(d) Other current assets	8.46	70.11	1.75	56.36
<b>Total assets</b>	<b>285.16</b>	<b>499.83</b>	<b>25.32</b>	<b>853.03</b>

Particulars	Absolute September 30, 2019 (Restated)	Halaplay April 8, 2019	Crimzon January 31, 2020	Paper Boat January 18, 2020 (Restated)
<b>Non-current liabilities</b>	<b>33.39</b>	<b>77.57</b>	<b>3.00</b>	<b>170.84</b>
(a) Provision for gratuity	1.70	0.38	-	1.60
(b) Provisions	0.07	-	-	6.40
(c) Lease liabilities	12.57	-	-	4.60
(d) Deferred tax liabilities	19.05	77.19	3.00	158.24

Particulars	Absolute September 30, 2019 (Restated)	Halaplay April 8, 2019	Crimzon January 31, 2020	Paper Boat January 18, 2020 (Restated)
<b>Current liabilities</b>	<b>10.63</b>	<b>166.34</b>	<b>5.26</b>	<b>135.53</b>
(a) Trade payables	7.72	143.94	0.40	74.55
(b) Other current financial liabilities	0.08	-	4.30	59.87
(c) Other current liabilities	2.83	15.94	0.55	0.12
(d) Provision for compensated absences	-	0.19	-	0.98
(e) Lease liabilities	-	6.27	-	-
<b>Total liabilities</b>	<b>44.02</b>	<b>243.91</b>	<b>8.25</b>	<b>306.37</b>
<b>Total identifiable net assets as on date of acquisition</b>	<b>241.14</b>	<b>255.92</b>	<b>17.07</b>	<b>546.66</b>
Non-controlling interest	65.82	170.15	-	268.32
Goodwill arising on acquisition	263.11	184.53	3.25	556.79
Fair value of equity interest already held	-	270.30	7.21	-
<b>Purchase consideration transferred</b>	<b>438.43</b>	<b>-</b>	<b>13.11</b>	<b>835.10</b>

The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on the below criteria:

Particulars	Absolute	Halaplay	Crimzon	Paper Boat
Assumed discount rate	17%	22%	29%	17%
Long-term sustainable growth rates	5%	5%	5%	5%

The goodwill comprises the value of expected synergies arising from these acquisitions and a workforce list, which is not separately recognised. Goodwill is allocated to segments as listed below. It does not meet the criteria for recognition as an intangible asset under Ind AS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

Particulars	Absolute (Restated)	Halaplay	Crimzon	Paper Boat (Restated)
Freemium	-	-	3.25	-
esports	263.11	-	-	-
Gamified early learning	-	-	-	556.79
Real money gaming	-	184.53	-	-



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### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### E Details pertaining to identifiable intangible assets as on the date of acquisition

Particulars	Absolute	Halaplay	Crimzon	Paper Boat (Restated)
	September 16, 2019	April 8, 2019	January 31, 2020	January 18, 2020
<b>Identifiable intangible assets</b>				
Brand	103.90	270.80		568.09
Software	-	40.00	22.80	35.30
Customer relationship	-	-		25.30
Deferred tax liability on intangible assets	(26.15)	(77.19)	(3.00)	(158.24)
<b>Net identifiable intangible assets</b>	<b>77.75</b>	<b>233.61</b>	<b>19.80</b>	<b>470.45</b>

Note - Purchase price allocation for brand and customer relationship was done on provisional basis as at March 31, 2020. Company has completed the purchase price allocation during the current year. Value of brand has been revised from ₹ 864.95 million to ₹ 568.09 million and customer relationship from ₹ 35.40 million to ₹ 25.30 million. Brand has been valued using relief from royalty method under the income approach and customer relationship using excess earnings method under the income approach. Company has given retrospective impact of this in terms of provisions of Ind AS 103.

#### F Analysis of cash flows on acquisition

Particulars	Absolute	Halaplay	Crimzon	Paper Boat
Purchase consideration transferred	(95.00)	-	-	(300.10)
Net cash acquired with the subsidiary	125.42	105.76	0.14	95.37
<b>Net Cashflow on acquisition</b>	<b>30.42</b>	<b>105.76</b>	<b>0.14</b>	<b>(204.73)</b>

#### G Disclosure related to combined entity's revenue and profits as if the acquisition had been done at beginning of the period

Particulars	Revenue for the year ended on March 31, 2020	Pre-acquisition period revenue				Consolidated Revenue as if the acquisition had been done at the beginning of the year
		Absolute	Halaplay	Crimzon	Paper Boat	
<b>Revenue</b>						
Telco subscription	817.96	-	-	-	-	817.96
Freemium	197.79	-	-	8.43	-	206.22
esports	841.61	74.91	-	-	-	916.52
Gamified early learning	191.33	-	-	-	388.27	579.60
Real money gaming	426.40	-	22.22	-	-	448.62
<b>Total Revenue</b>	<b>2,475.09</b>	<b>74.91</b>	<b>22.22</b>	<b>8.43</b>	<b>388.27</b>	<b>2,968.92</b>
<b>Profit/ (loss) for the year ended March 31, 2020 (Restated)</b>	<b>(201.79)</b>	<b>5.67</b>	<b>(73.95)</b>	<b>(6.79)</b>	<b>8.10</b>	<b>(268.76)</b>

#### 40. Restatement of opening balances

##### Balance Sheets

Particulars	As at March 31, 2020	Adjustments	As at March 31, 2020 (Restated)	As at April 01, 2019	Adjustments	As at April 01, 2019 (Restated)
<b>Assets</b>						
Goodwill (refer note a, e and f)	1,491.04	196.67	1,687.71	574.73	105.30	680.03
Other intangible assets (refer note a and f)	1,967.78	(496.60)	1,471.18	838.71	(252.79)	585.92
Deferred tax assets (net) (refer note b and c)	89.58	(62.00)	27.58	-	-	-
<b>Equity</b>						
Other equity	4,974.83	(76.15)	4,898.68	3,969.20	0.15	3,969.35
Non-controlling Interest (refer note a, b, e & f)	903.79	(214.24)	689.55	409.49	(86.07)	323.42
<b>Liabilities</b>						
Deferred tax liabilities (net) (refer note a & f)	433.36	(121.63)	311.73	146.45	(61.76)	84.69
Other financial liabilities (refer note d)	343.90	50.00	393.90	-	-	-



## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### Statement of Profit and Loss for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	Adjustments	For the year ended March 31, 2020
Depreciation and amortisation (refer note a and f)	324.95	(61.71)	263.24
Tax expense (refer note a, b, c and f)	(8.20)	80.16	71.97
<b>Total comprehensive (loss) / income for the year</b>			
Attributable to:			
Equity holders of the company	167.90	(26.30)	141.60
Non-controlling interest	(254.31)	7.84	(246.47)
<b>Earnings per equity shares of ₹ 4 each (in ₹)</b>			
Basic earnings per share	0.18	(0.95)	(0.77)
Diluted earnings per share	0.18	(0.95)	(0.77)

- (a) During the year ended on March 31, 2018, there was an error in accounting of purchase price allocation of intangibles assets acquired wherein the Company recorded pre-existing intangible asset at total value instead of recording only the appreciation in value. Further, the Company considered useful life of asset as six years, whereas the validity of license was five years. These have been corrected in the opening balances as at April 01, 2019. This has resulted in increase in goodwill amounting to ₹ 105.30 million, decrease in intangible assets by ₹ 252.79 million net off amortisation ₹ 12.51 million, decrease in non-controlling interest by ₹ 86.07 million and deferred tax liabilities of ₹ 61.76 million as at April 01, 2019. Further, during the year ended on March 31, 2020, Company has reversed amortisation of ₹ 55.43 million and deferred tax income of ₹ 16.58 million. The above impact resulted in increase in non-controlling interest by ₹ 17.05 million, intangible assets by ₹ 55.43 million and deferred tax liabilities by ₹ 16.58 million as at March 31, 2020.
- (b) The Group has four components in African region which have incurred losses and have accumulated losses as at March 31, 2020. The Company believes that due to lack of reasonable certainty on account of various internal and external factors like loss of key people and change in business plan and impact of COVID-19, deferred tax assets created on losses and other timing differences are not recoverable. This has resulted in decrease in deferred tax asset by ₹ 55.74 million. Non-controlling interest has reduced by ₹ 9.17 million.
- (c) Company did not create deferred tax liability on unrealised gain on mutual funds as at March 31, 2020 amounting to ₹ 6.26 million. This error has been corrected in March 31, 2020 resulting in

increase in deferred tax expenses by ₹ 6.26 million with corresponding decrease in deferred tax asset by ₹ 6.26 million.

- (d) The Company had entered into agreement with Promoters and Investors of Absolute Sports Private Limited on 28 June 2019, wherein option was given to promoters to sell ₹ 50 million worth of equity to Nazara upon Company achieving minimum of 80% of the audited target net revenue of ₹ 400 million in financial year 2020-21 at fair market value of Company. Nazara acquired control on 16 September 2019, wherein this put option liability should have been accounted for in accordance with provisions of Ind AS 32, however this omission has been rectified and balance as at March 31, 2020 has been restated. This has resulting in increase in other current financial liabilities by ₹ 50 million with corresponding decrease in other equity by ₹ 50 million.
- (e) The Company entered into agreement with Promoters and Investors of Absolute Sports Private Limited on June 28, 2019, and acquired control on September 16, 2019. Nazara acquired 137,173 shares. While computing percentage stake, shares held by Absolute ESOP trust for which options have not been granted to any employee should have been excluded as these are treasury stocks and stake should have been calculated only on the remaining equity shares. This has resulted in increase in stake from 62.16% to 72.71% due to which non-controlling interest has decreased by ₹ 25.42 million with corresponding decrease in goodwill by ₹ 25.42 million.
- (f) The Company acquired PaperBoat on January 17, 2020 and completed purchase price allocation within the measurement period specified under Ind AS 103 of one year. However, as at March 31, 2020 Company recorded intangible assets and Goodwill based on provisional purchase price allocation amounting to ₹ 935.65 million and ₹ 440 million respectively net of deferred tax liability of ₹ 235.50 million. Company recorded amortisation of ₹ 19.66 million and reversed ₹ 4.95 million on deferred tax liability for the year ended on March 31, 2020. As at 31 December 2020, Company concluded the purchase price allocation where the value of intangible assets as ₹ 628.69 million and goodwill worked out at ₹ 556.79 million. As per the provisions of Ind AS 103, Company has accounted for this retrospectively. This has resulted in increase in goodwill by ₹ 116.79 million, decrease in intangible assets by ₹ 300.68 million, decrease in deferred tax liability by ₹ 75.68 million and decrease in non-controlling interest by ₹ 110.63 million as at March 31, 2020, amortisation for the year ended on March 31, 2020 has reduced by ₹ 6.28 million and deferred tax expense has reduced by ₹ 1.58 million.

## Notes to the Consolidated Financial Statements

### For the year ended March 31, 2021 (Contd.)

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

#### 41. Events after the reporting period

Pursuant to agreement dated April 27, 2021, Halaplay Technologies Private Limited has issued 30,638 equity shares of face value ₹ 1 each to Ganatra Investment Holdings Private Limited, Sandesh Kirkire and Anjali Kirkire, Sidharth Bhatia and Suresh Bhatia at ₹ 5,875 per share amounting to total of ₹ 180 million. Accordingly, the stake of Nazara Technologies Limited reduces to 64.70% from 74.02% on fully diluted basis.

The Company has entered into an agreement dated April 22, 2021 to acquire 3,000 equity shares of Absolute Sports Private Limited of face value ₹ 10 each at a premium of ₹ 3,195.34 per

share from an employee of Absolute Sports Private Limited. Consequent to this, Company's stake in Absolute will increase to 74.30% from 72.71%.

The Company has evaluated all subsequent events upto May 28, 2021, the date on which these consolidated financial statements are authorised for issuance. No other adjusting or significant non-adjusting events, have occurred between March 31, 2021 and the date of authorisation of these consolidated financial statements that would have a material impact on these consolidated financial statements or that would warrant additional disclosures.

As per our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**  
Partner  
Membership No: 213356

Place: Hyderabad  
Date : May 28, 2021

**For and on behalf of the Board of directors of Nazara Technologies Limited**  
CIN: U72900MH1999PLC122970

**Vikash Mittersain**  
Chairman Cum Managing Director  
DIN-00156740

**Rakesh Shah**  
Chief Financial Officer

Place: Mumbai  
Date : May 28, 2021

**Nitish Mittersain**  
Joint Managing Director  
DIN-02347434

**Pratibha Mishra**  
Company Secretary  
Membership No : A53432

**Manish Agarwal**  
Chief Executive Officer

# Form AOC - 1

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Amounts in millions)

### Part “A”: Subsidiaries

Name of the Subsidiary Company	Nazara Technologies FZ LLC	Nazara Bangladesh Ltd	Nazara Pte Ltd	Nazara Technologies	NZMobile Nigeria Ltd	Nazara Zambia Ltd	NZ mobile Kenya Ltd	Nazara Uganda Ltd	NZworld Kenya LTD	Kiddopia INC.	Nodwin Gaming International Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED Rate:19.98	BDT Rate : 0.88	USD Rate : 73.36	USD Rate : 73.36	NGN Rate : 0.19	ZMW Rate : 3.33	KES Rate : 0.67	UGX Rate : 0.02	KES Rate : 0.67	USD Rate : 73.36	USD Rate : 73.36
Share capital	50 Shares of AED 1000 each	1,000 Ordinary Shares of Taka 100 each.	1000 Shares of USD 0.80 each	380 Shares of USD 10 each	1,000,000 Shares of NGN 1 each	15000 Ordinary Shares of ZK 1 each	1000 Share of KES 100	100 shares of UGX 100,000	100 shares of Kshs 1000 each	1000 Shares of USD 0.1 each	100 Shares of USD 1 each
Reserves & surplus	822.74	(16.16)	314.92	909.44	(83.47)	(5.13)	131.02	2.16	(127.68)	5.86	4.21
Total assets	871.91	36.61	410.00	982.97	147.56	4.74	267.23	31.71	23.44	31.10	225.32
Total Liabilities	47.68	52.34	98.43	73.24	230.85	9.82	136.14	29.35	151.05	25.23	221.10
Investments	46.40	-	14.07	0.38	-	-	-	-	-	-	-
Turnover	247.06	0.07	262.17	40.48	0.97	0.06	36.78	9.89	10.67	131.62	352.46
Profit before taxation	63.85	(13.43)	36.83	(2.52)	(16.01)	(2.92)	8.82	5.74	(32.83)	6.58	3.11
Provision for taxation	-	0.07	7.26	-	-	0.06	2.69	1.21	-	1.38	0.51
Profit after taxation	63.85	(13.50)	29.56	(2.52)	(16.01)	(2.98)	6.13	4.53	(32.83)	5.20	2.60
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	70	50.91	54.52
Date on which it became the Subsidiary of the Company	07.08.2011	24.07.2014	11.03.2013	29.03.2013	15.05.2013	27.05.2013	04.06.2013	31.10.2013	01.04.2018	07.06.2019	02.08.2019

**Form AOC - 1 (Contd.)**

(Amounts in millions)

Name of the Subsidiary Company	Nazara Pro Gaming Private Limited	Nextwave Multimedia Private Limited	Sports Unity Private Limited	Nodwin Gaming Private Limited	Halaplay Technologies Private Limited	Absolute Sports Private Limited	Paper Boat Apps Private Limited	Crimzoncode Technologies Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR	INR
Share capital	10,000 shares of Rs. 10 each	33,335 shares of Rs. 100 each	48,70,000 shares of Rs. 10 each	15,052 shares of Rs. 10 each and 1326 shares of Rs. 10 each (1% called up)	50,000 fully paid equity shares of ₹ 1 each, 98,108 fully paid equity shares of ₹ 100 each and 44,352 fully paid 0.01% cumulative compulsory convertible preference shares of ₹ 100 each	214,664 shares of Rs.1 each	10,650 shares of Rs. 10 each	38,46,208 shares of Rs. 10 each
Reserves & surplus	(62.57)	173.69	(41.87)	1540.73	(28.02)	277.33	144.01	(35.85)
Total assets	11.02	203.79	23.55	1755.65	42.02	305.51	582.30	11.45
Total Liabilities	73.49	26.76	16.72	214.77	55.75	27.97	438.181	8.84
Investments	-	-	-	5.76	-	-	0.021	-
Turnover	3.34	166.51	11.17	1156.84	124.14	343.19	1692.27	4.70
Profit before taxation	(55.54)	6.64	(16.98)	58.50	20.63	164.14	112.38	(3.51)
Provision for taxation	-	(1.93)	-	(14.69)	-	(49.74)	12.50	-
Profit after taxation	(55.54)	4.71	(16.98)	43.81	20.63	114.40	99.87	(3.51)
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100	52.38	62.53	54.52	74.02	72.71	50.91	100
Date on which it became the Subsidiary of the Company	16.05.2017	22.12.2017	10.05.2019	10.01.2018	08.04.2019	16.09.2019	17.01.2020	21.02.2020

By order of the Board of Directors  
For **Nazara Technologies Limited**

Place : Mumbai  
Date : May 28,2021

Vikash Mittersain  
Chairman & Managing Director  
DIN No. 00156740

Nitish Mittersain  
Joint Managing Director  
DIN No. 02347434

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

1. Names of subsidiaries which are yet to commence operations: **N.A.**

**Form AOC - 1 (Contd.)****Part “B”: Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	Mastermind Sports Limited	Moong Labs Technologies Private Limited
1. Latest audited Balance Sheet Date	31.03.2021	31.03.2021
2. Shares of Associate/Joint Ventures held by the company on the year end		
(i) No. of Shares	83,526 ordinary shares	4,392 Equity Shares of Rs. 10 each
(ii) Amount of Investment in Associates/Joint Venture (Amt. in millions)	26.04	10
(iii) Extend of Holding%	26%	24.41%
3. Description of how there is significant influence	Associate of subsidiary	Associate Company
4. Reason why the associate/joint venture is not consolidated	N.A	N.A
5. Net worth attributable to shareholding as per latest audited Balance Sheet (Amt. in millions)	64.02	(6.77)
6. Profit/Loss for the year (Amt. in millions)	1.26	(0.49)
i. Considered in Consolidation	Yes	Yes

By order of the Board of Directors  
For **Nazara Technologies Limited**

Place : Mumbai  
Date : May 28,2021

Vikash Mittersain  
Chairman & Managing Director  
DIN No. 00156740

Nitish Mittersain  
Joint Managing Director  
DIN No. 02347434

## NAZARA TECHNOLOGIES LIMITED

CIN: U72900MH1999PLC122970

Regd. Office: 51-55, Maker Chambers 3, Nariman Point, Mumbai - 400021

Tel.: +91-22-40330800 Fax: +91-22-22810606 Email: info@nazara.com Website: www.nazara.com

# NOTICE

**NOTICE** is hereby given that the Twenty Second Annual General Meeting of the Members of **NAZARA TECHNOLOGIES LIMITED** will be held on Monday, September 20, 2021 at 12:00 NOON through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Rajiv Ambrish Agarwal (DIN: 00379990) who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. INCREASE IN LOAN AND INVESTMENT LIMITS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the "Approvals") as may be required, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution), to (i)

give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of ₹ 550 Crores (Rupees Five Hundred and Fifty Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds and things as may be required or necessary to give effect to the above resolution."

For and on behalf of Board of Directors,  
**Nazara Technologies Limited**

**Vikash Mittersain**  
Chairman & Managing Director  
DIN: 00156740

Date : August 21, 2021  
Place: Mumbai



## Notice (Contd.)

### NOTES:

- Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
- The deemed venue for the Annual General Meeting ("AGM") shall be the registered office of the Company.
- A statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") relating to the Special Business to be transacted at the AGM, is annexed hereto.
- In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 22nd AGM of the Company is being conducted through VC/OAVM. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM. The procedure for voting through remote e-voting, e-voting during AGM and participating in AGM through VC/OAVM is explained at Notes below and is also available on the website of the Company at [www.nazara.com](http://www.nazara.com).**
- Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars and SEBI circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the proxy form, attendance slip are not annexed hereto.
- Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed thereto.
- In terms of the provisions of Section 152 of the Act, Mr. Rajiv Ambrish Agarwal, Director, retire by rotation at the Meeting. The Nomination, Remuneration and Compensation Committee and the Board of Directors commend his re-appointment.  
  
Mr. Rajiv Ambrish Agarwal is interested in the Ordinary Resolution at Item no 2 above, with regard to his re-appointment. Relatives of Mr. Rajiv Ambrish Agarwal may be deemed to be interested in the aforesaid resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or

interested, financially or otherwise, in the Ordinary Business set out at Item no. 1 and 2 of the Notice.

- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
- Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter to the Scrutinizer at e-mail ID [scrutinizer@mgconsulting.in](mailto:scrutinizer@mgconsulting.in) with a copy marked to the Company at [cs@nazara.com](mailto:cs@nazara.com), authorising its representative(s) to attend and vote through VC/OAVM on their behalf at the Meeting, pursuant to section 113 of the Act.
- The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of 22nd AGM, i.e. September 20, 2021. Members seeking to inspect such documents can send an email to [cs@nazara.com](mailto:cs@nazara.com) and the Certificate from the Statutory Auditors of the Company certifying that the ESOP Scheme(s) of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, shall be available for inspection electronically during the AGM upon login at CDSL E-voting system at [www.evotingindia.com](http://www.evotingindia.com).
- In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
- Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with Link Intime India Private Limited ("LIPL") in case the shares are held by them in physical form.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number

## Notice (Contd.)

(PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to LIPL if the shares are held by them in physical form.

15. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member.

Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with LIPL by following due procedure. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.nazara.com](http://www.nazara.com), websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in Demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, LIPL for assistance in this regard.
17. Members desirous of seeking any information relating to the accounts and operations of the Company are requested to write to the Company at least 7 (Seven) days in advance of the Meeting through email on [cs@nazara.com](mailto:cs@nazara.com) to enable the Company to provide the information required at the meeting. The same will be replied by the Company suitably.
18. Non Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable if such details were not furnished earlier.
19. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company shall be

required to update its database by incorporating some additional details of its members in its records. Members are therefore requested to kindly submit their e-mail ID and other details to their respective depositories.

20. **Green Initiative:** To support the Green Initiative, members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
21. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to LIPL in case the shares are held in physical form.

Instructions for e-Voting and joining the AGM are as follows:

### A. VOTING THROUGH ELECTRONIC MEANS

- i. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 prescribing the procedures and manner of conducting the AGM through VC/OAVM and applicable SEBI Circulars. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

## Notice (Contd.)

- iii. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.nazara.com](http://www.nazara.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- v. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e., Monday, September 13, 2021 (Cut-off date)
- vi. Any person, who acquires shares of the Company and become members of the Company after dispatch of the Notice and holding shares as on the cut-off-date i.e. Monday, September 13, 2021 may follow the same instructions as mentioned above for e-voting. A person who is not a member as on the Cut-off date should treat the Notice for information purpose only.
- vii. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting through VC/OAVM; however, these Members are not entitled to cast their vote again during the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting through VC/OAVM mode during the AGM.
- viii. In compliance with Section 108 of the Act, read with the corresponding rules, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the CDSL. The manner of voting remotely is provided in the instructions for e-voting section which forms part of this Notice.

- ix. The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries (Membership No. : FCS 3531: COP No. 6252) as Scrutinizer to scrutinize the process of remote e-voting and voting on the date of AGM in a fair and transparent manner.
- x. The Scrutinizer shall immediately, after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same.
- xi. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.nazara.com](http://www.nazara.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately. The results will also be communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
- xii. The Notice of the 22nd AGM and instructions for e-voting along with instruction for participating in the Meeting through Video conferencing are being sent by electronic mode to all members whose e-mail address are registered with the Company/Depository Participant(s).

### INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- a) The remote e-voting period begins on Wednesday, September 15, 2021 at 09:00 A.M and ends on Sunday, September 19, 2021 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, September 13, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting would not be entitled to vote at the meeting.
- c) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

## Notice (Contd.)

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- d) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9,

2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

## Notice (Contd.)

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

e) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- ✓ The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ✓ Click on “Shareholders” module.
- ✓ Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- ✓ Next enter the Image Verification as displayed and Click on Login.
- ✓ If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- ✓ If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- f) After entering these details appropriately, click on “SUBMIT” tab.
- g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i) Click on the EVSN of Nazara Technologies Limited on which you choose to vote. The EVSN no. is 210823018.
- j) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- l) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- m) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- n) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- o) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



## Notice (Contd.)

### p) Additional **Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@nazara.com](mailto:cs@nazara.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 (three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@nazara.com](mailto:cs@nazara.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 (three) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@nazara.com](mailto:cs@nazara.com). These queries will be replied to by the company suitably by email. The Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA id.**



## Notice (Contd.)

- For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022- 23058542/43.

## Notice (Contd.)

### Statement pursuant to Section 102(1) of the Companies Act, 2013 (hereinafter referred to as “the Act”)

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice at point no. 3:

The members of the Company at their Annual General Meeting held on December 23, 2019 had authorised the Board of Directors to give loans to any person, provide guarantees and/or securities for loans taken by other persons, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body(ies) corporate, as may be required from time to time upto an amount of ₹ 400 Crores (Rupees Four Hundred Crores Only), notwithstanding the limits prescribed under Section 186 of the Companies Act, 2013.

As per the provisions of Section 186 of the Companies Act, 2013 a Company, without approval of the shareholders by passing a Special Resolution, cannot give any loan to any person or other body corporate/give any guarantee or provide security in connection with a loan to any other body corporate or person or acquire by way of subscription, purchase or otherwise, securities of anybody corporate exceeding

- i) Sixty per cent of its paid up capital, free reserves and securities premium account or
- ii) One hundred per cent of its free reserves and securities premium account, whichever is more,

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time. Your Board had at its meeting held on

May 28, 2021, approved a proposal for seeking Shareholders approval under Section 186 of the Companies Act, 2013 for authorizing the Board to give loans, make investments and/or provide guarantees/security(ies) up to a financial limit of ₹ 550 Crores over and above limits available under Section 186 of Act which inter alia provides for limits of higher of 60% of Paid-up Share Capital, Free Reserves and Securities Premium Account or 100% of Free Reserves and Securities Premium Account.

In view of the above and considering the long term business plans of the Company, prior approval of the Members is being sought for enhancing the said limits.

The Board of Directors accordingly recommends the Special resolution as set out at Resolution no. 3 of the Notice for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution, except to the extent of their equity holding in the Company.

For and on behalf of Board of Directors  
For **Nazara Technologies Limited**

**Vikash Mittersain**

Chairman & Managing Director  
DIN: 00156740

Date : August 21, 2021

Place: Mumbai

Registered Office:

51-55, Maker Chambers 3,  
Nariman Point, Mumbai -400021

**Notice (Contd.)**ANNEXURE TO THE 22<sup>nd</sup> AGM NOTICE

**Additional information on director recommended for re-appointment in the Annual General Meeting in pursuance of Regulation 26 (4) and 36 (3) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.**

<b>Name of the Director</b>	<b>Mr. Rajiv Ambrish Agarwal</b>
<b>DIN</b>	<b>00379990</b>
<b>Date of Birth</b>	March 28, 1971
<b>Nationality</b>	Indian
<b>Date of Appointment on the Board</b>	June 22, 2020
<b>Designation</b>	Non-Independent, Non-Executive Director
<b>Qualification</b>	B. Tech, Chemical Engineering Institute of Technology, Benares Hindu University
<b>Experience/ Expertise</b>	He holds a bachelors degree in technology (chemical engineering) from Banaras Hindu University. He has been associated with RaRe Enterprises since 2006. His focus is on growing RaRe Enterprises' strategic investments in diverse sectors. He has experience and deep understanding of B2B and B2C businesses spanning consumer, education, digital entertainment, media, financial services, payments, auto components, and oil drilling which form a part of RaRe Enterprises' PE portfolio. He is a nominee director on Board of Aptech Limited, Alchemy Capital Management Private Limited, Concord Biotech Limited, Hungama Digital Entertainment Private Limited, Fullife Healthcare Private Limited and Cinestaan Entertainment Private Limited
<b>Terms &amp; Conditions of Appointment/Re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable</b>	Non-Independent, Non-Executive Director, liable to retire by rotation Mr. Rajiv Ambrish Agarwal shall be entitled for sitting fees and commission paid, if any.
<b>Relationship with other Directors of the Company</b>	Mr. Rajiv Ambrish Agarwal is not related to any Director or Key Managerial Personnel (KMP) of the Company.
<b>Number of Meetings of the Board attended during the year</b>	10 (Ten)
<b>Shareholding in the Company (Equity Shares of ₹ 4/- each) as on 31st March 2021</b>	6,000
<b>List of Directorships in other Companies</b>	<ol style="list-style-type: none"> <li>1. APTECH Limited</li> <li>2. Hungama Digital Media Entertainment Private Limited</li> <li>3. Concord Biotech Limited</li> <li>4. Fullife Healthcare Private Limited</li> <li>5. Equirus Capital Private Limited</li> <li>6. Alchemy Capital Management Private Limited</li> <li>7. Cinestaan Entertainment Private Limited</li> </ol>
<b>List of Chairmanship or membership of various Committees in others public Companies (includes only Audit Committee and Stakeholders Relationship Committee)</b>	None

## Notes





**Nazara™**

**Nazara Technologies Limited**

51-55, Maker Chambers 3,  
Nariman Point, Mumbai 400021

Tel: +91 22-40330800

Website : [www.nazara.com](http://www.nazara.com)