

---

**Walker Chandiook & Co LLP**  
7<sup>th</sup> Floor, Block III,  
White House, Kundan Bagh,  
Begumpet  
Hyderabad – 500 016  
India  
T +91 40 4859 7178  
F +91 40 6630 8230

## **Independent Auditor's Report**

### **To the Members of Nodwin Gaming Private Limited**

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

#### **Opinion**

1. We have audited the accompanying consolidated financial statements of Nodwin Gaming Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') as listed in Annexure I, 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.
2. In our opinion and to the best of our information and according to the explanations given to us and on the other financial information of the subsidiary 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, 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**

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 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 is sufficient and appropriate to provide a basis for our opinion.

## **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

4. The Holding Company's Board of Directors are responsible for the other information. The other information 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 for the Consolidated Financial Statements**

5. 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 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 of the companies included in the Group 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.
6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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.

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

7. 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.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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;

## Walker Chandio & Co LLP

- 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 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 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
9. 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.

### **Other Matter**

10. The consolidated financial information of the Group for the year ended 31 March 2020, included as comparative financial information in the accompanying consolidated financial statements, are based on the management certified consolidated financial statements of the group which have not been subjected either review of audit, as explained in Note 2(i)(b) to the consolidated financial statements. Our opinion is not modified with respect to this matter.

### **Report on Other Legal and Regulatory Requirements**

11. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, 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 the provisions of section 197 read with Schedule V to the Act are not applicable to a subsidiary company, since such subsidiary is not a public company as defined under section 2(71) of the Act.
12. As required by Section 143 (3) of the Act, based on our audit and other financial information of the subsidiary, 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 aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the 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, none of the directors of the Holding Company 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 the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and

## Walker Chandiok & Co LLP

- 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:
- i. there were no pending litigations as at 31 March 2021 which would impact the consolidated financial position of the Group;
  - ii. the Group 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 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:** 21213356AAAADP4875

**Place:** Hyderabad  
**Date:** 29 July 2021

**Annexure I**

**List of entities included in the Consolidated Financial Statement**

<b>Sr. No.</b>	<b>Particulars</b>
	<b>Subsidiaries</b>
1	Nodwin Gaming International Limited

**Annexure II to the Independent Auditor's Report of even date to the members of Nodwin Gaming Private Limited on the consolidated financial statements for the year ended 31 March 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 Nodwin Gaming Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is the Company covered under the Act, as at that date.

**Responsibilities of Management for Internal Financial Controls**

2. The Board of Directors of the Holding Company which is the Company 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 (the 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, 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 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 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 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 the Holding Company, which is the Company 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.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Nikhil Vaid**  
Partner  
Membership No.: 213356  
**UDIN:** 21213356AAAADP4875

Place: Hyderabad  
Date: 29 July 2021

**Nodwin Gaming Private Limited**  
**Consolidated Balance Sheet as at 31 March 2021**

(Amounts are stated in ₹ millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020 (Unaudited)
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	1.77	3.22
(b) Right-of-use assets	3	1.38	4.82
(c) Intangible assets	4	111.93	176.68
(d) Financial assets			
Investments	5	5.75	5.75
(e) Deferred tax asset (net)	6	2.50	1.67
(f) Income tax asset (net)	7	36.06	5.32
<b>Total non-current assets</b>		<b>159.39</b>	<b>197.46</b>
<b>Current assets</b>			
(a) Financial assets			
Trade receivables	8	225.27	349.18
Cash and cash equivalents	9	1,307.41	185.41
Loans	10	13.54	13.27
Other financial assets	11	55.50	19.01
(b) Other current assets	12	89.27	67.52
<b>Total current assets</b>		<b>1,690.99</b>	<b>634.39</b>
<b>Total assets</b>		<b>1,850.38</b>	<b>831.85</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	13	0.15	0.13
(b) Other equity	14	1,544.95	398.21
<b>Total equity</b>		<b>1,545.10</b>	<b>398.34</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Lease liability	3	-	1.43
(b) Provisions	15	5.66	3.81
<b>Total non-current liabilities</b>		<b>5.66</b>	<b>5.24</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
Trade payables			
Total outstanding dues to micro and small enterprises	16	-	-
Total outstanding dues to creditors other than micro and small enterprises	16	283.56	402.97
Lease liability	3	1.52	3.46
Other financial liabilities	17	8.61	8.84
(b) Other current liabilities	18	4.42	10.27
(c) Provisions	19	0.68	0.52
(d) Current tax liabilities (net)	20	0.83	2.21
<b>Total current liabilities</b>		<b>299.62</b>	<b>428.27</b>
<b>Total equity and liabilities</b>		<b>1,850.38</b>	<b>831.85</b>

The accompanying notes form an integral part of these consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

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

**Nikhil Vaid**  
Partner  
Membership No.: 213356

**Akshat Rathee**  
Director  
DIN: 00870302

**Manish Agarwal**  
Director  
DIN: 03445163

**Place :** Mumbai  
**Date :** 29 July 2021

**Place:** Gurugram  
**Date :** 29 July 2021

**Place:** Mumbai  
**Date :** 29 July 2021



**Nodwin Gaming Private Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2021**  
(Amounts are stated in ₹ millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
<b>Income</b>			
(a) Revenue from operations	21	1,356.86	780.47
(b) Other Income	22	18.26	11.44
<b>Total Income</b>		<b>1,375.12</b>	<b>791.91</b>
<b>Expenses</b>			
(a) Employee benefits	23	88.82	51.56
(b) Finance	24	0.32	0.10
(c) Depreciation and amortization	25	69.64	66.68
(d) Others	26	1,154.69	653.59
<b>Total expenses</b>		<b>1,313.47</b>	<b>771.93</b>
<b>Profit before tax</b>		<b>61.65</b>	<b>19.98</b>
<b>Tax expenses (net)</b>			
(a) Current tax	27	15.90	5.08
(b) Deferred tax		(0.68)	(0.04)
<b>Profit for the year</b>		<b>46.43</b>	<b>14.94</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of post-employment benefit obligation		(0.60)	(0.26)
(b) Income tax relating to above item		0.15	0.07
Exchange differences in translating the financial statements of a foreign operation		(0.07)	0.10
<b>Other comprehensive loss for the year (net of tax)</b>		<b>(0.52)</b>	<b>(0.09)</b>
<b>Total comprehensive income for the year</b>		<b>45.91</b>	<b>14.85</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic (in ₹)	28	3,432.37	1,113.83
Diluted (in ₹)		3,386.31	1,113.83

The accompanying notes form an integral part of these consolidated financial statements.

This is the consolidated profit & loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

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

**Nikhil Vaid**  
Partner  
Membership No.: 213356

**Akshat Rathee**  
Director  
DIN: 00870302

**Manish Agarwal**  
Director  
DIN: 03445163

**Place :** Mumbai  
**Date :** 29 July 2021

**Place:** Gurugram  
**Date :** 29 July 2021

**Place:** Mumbai  
**Date :** 29 July 2021

**Nodwin Gaming Private Limited**  
**Consolidated Statement of Cash Flows for the year ended 31 March 2021**  
(Amounts are stated in ₹ millions, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020 (Unaudited)
<b>Cash flow from operating activities</b>		
Profit before tax	61.65	19.98
<b>Adjustments for :</b>		
Depreciation and amortization	69.64	66.68
Bad debts	-	4.92
Provision for gratuity	1.42	1.13
Allowance for expected credit loss	1.16	0.43
Liabilities no longer required written back	(14.94)	-
Interest income	(3.29)	(1.14)
Interest on lease liability	0.32	0.10
<b>Operating profit before working capital changes</b>	<b>115.96</b>	<b>92.10</b>
Adjustments for working capital :		
Trade and other receivables	(66.93)	(192.92)
Trade, other payables and provisions	25.31	224.68
<b>Cash generated from/(used in) operations</b>	<b>74.34</b>	<b>123.86</b>
Income taxes paid (including tax deducted at source)	(48.02)	(2.91)
<b>Net cash flow generated from/ (used in) operating activities</b>	<b>(A) 26.32</b>	<b>120.95</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	-	(1.77)
Interest received	2.04	1.14
<b>Net cash flow generated from /(used in) investing activities</b>	<b>(B) 2.04</b>	<b>(0.63)</b>
<b>Cash flow from financing activities</b>		
Proceed from issue of shares	1,100.85	-
Payment of lease liability (including interest on lease liability)	(3.69)	(0.61)
<b>Net cash flow generated from /(used in) financing activities</b>	<b>(C) 1,097.16</b>	<b>(0.61)</b>
<b>Net Increase/(decrease) in Cash &amp; Cash equivalents</b>	<b>(A + B + C) 1,125.52</b>	<b>119.71</b>
<b>Effect of exchange rate changes on cash flow statement</b>	<b>(3.52)</b>	<b>9.44</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>185.41</b>	<b>56.26</b>
<b>Cash &amp; Cash Equivalents (Closing Balance) (refer note 9)</b>	<b>1,307.41</b>	<b>185.41</b>

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

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

**Nikhil Vaid**  
Partner  
Membership No.: 213356

**Akshat Rathee**  
Director  
DIN: 00870302

**Manish Agarwal**  
Director  
DIN: 03445163

**Place :** Mumbai  
**Date :** 29 July 2021

**Place:** Gurugram  
**Date :** 29 July 2021

**Place:** Mumbai  
**Date :** 29 July 2021

**Nodwin Gaming Private Limited**  
**Consolidated Statement of Changes in Equity for the year ended 31 March 2021**  
(Amounts are stated in ₹ millions unless otherwise stated)

**A. Equity share capital (Refer note 13)**

Particulars	As at 31 March 2021	As at 31 March 2020 (Unaudited)
<b>Balance as at beginning of the year</b>	<b>0.13</b>	<b>0.13</b>
Changes in equity share capital	0.02	-
<b>Balance at the end of the year</b>	<b>0.15</b>	<b>0.13</b>

**B. Other equity**

Particulars	Securities premium	Retained earnings	Foreign Currency Translation Reserve	Other equity
<b>Balance as at 31 March 2019</b>	355.29	28.07	-	<b>383.36</b>
Profit for the year	-	14.94	-	14.94
Other comprehensive income	-	(0.19)	0.10	(0.09)
<b>Balance as at 31 March 2020 (Unaudited)</b>	<b>355.29</b>	<b>42.82</b>	<b>0.10</b>	<b>398.21</b>
Profit for the year	-	46.43	-	46.43
On issue of shares	1,100.83	-	-	1,100.83
Other comprehensive income	-	(0.45)	(0.07)	(0.52)
<b>Balance as at 31 March 2021</b>	<b>1,456.12</b>	<b>88.80</b>	<b>0.03</b>	<b>1,544.95</b>

The accompanying notes form an integral part of these consolidated financial statements.

This is the consolidated statement of changes in equity to in our report of even date.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

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

**Nikhil Vaid**  
Partner  
Membership No.: 213356

**Akshat Rathee**  
Director  
DIN: 00870302

**Manish Agarwal**  
Director  
DIN: 03445163

**Place :** Mumbai  
**Date :** 29 July 2021

**Place:** Gurugram  
**Date :** 29 July 2021

**Place:** Mumbai  
**Date :** 29 July 2021

## Nodwin Gaming Private Limited

### Summary of significant accounting policies and other explanatory information to the Consolidated financial statements

(Amounts are stated in ₹ millions unless otherwise stated)

#### 1 Corporate information

Nodwin Gaming Private Limited (the "Company") incorporated in India on 13 January 2014. The Company is subsidiary of Nazara Technologies Limited, a listed public company, there by becoming a deemed public company. The Company is primarily engaged in providing e-sports gaming consultancy related to organizing gaming events, sponsorship and related consultancy services. The registered office of the Company is situated at 1st Plot No. 119, Sector-31, Gurugram 122001.

#### 2 Significant accounting policies and other explanatory information

##### (i) a) Basis of preparation

The Consolidated financial statements of the Company and its subsidiaries (hereinafter referred as "the Group") comprises of balance sheet as at 31 March 2021, the statement of profit and loss (including other comprehensive income), the statement of cash flows, the statement of changes in equity for the a year ended and a summary of significant accounting policies and other explanatory notes (collectively referred to as the "financial statements"). The Consolidated financial statements has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2016 (as amended) and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 30 June 2021.

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. Monetary amounts are expressed in Indian Rupee (INR) and are rounded off to nearest thousands, except for earning per share. The company has uniformly applied accounting policies during the periods presented.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013.

##### b) Voluntary Consolidation

During the previous year, Company had availed the exemption available to companies under Companies Act, 2013 from preparing consolidated financial statements as per Rule 6 of Companies (Accounts) Rules, 2014 (as amended). However, during the current year, the management of the Company has voluntarily decided to prepare consolidated financial statements and accordingly have also included the consolidated comparative financial information which has not been subjected to independent audit or review.

##### (ii) Basis of consolidation

The Consolidated financial statements comprises the financial statements of the group. 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.

##### 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

The Group re-assesses whether or not 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.

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**(ii) Basis of consolidation (Continued)****Consolidation procedure**

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 recognized in the Ind AS consolidated financial statements at the acquisition date.

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.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). 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.

**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
- 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.

**List of entities consolidated:**

Particulars	Country of Incorporations	Ownership interest held by the Company	
		As at March 31,2021	As at March 31,2020
Nodwin Gaming International Limited	Hongkong	100%	100%

**(iii) Current versus non-current classification**

The Group 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 realization in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

## Nodwin Gaming Private Limited

### Summary of significant accounting policies and other explanatory information to the Consolidated financial statements

(Amounts are stated in ₹ millions unless otherwise stated)

#### (iv) Foreign currency transactions and translations

##### i. Functional currency

The Consolidated financial statements are presented in Indian Rupees (INR), which is the functional currency of the parent company. 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.

##### ii. Transactions and translations

Transactions in foreign currencies are initially recorded by the Group entities 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 date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following-

- Exchange difference arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit and 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 operations and the reporting entity (e.g. consolidated financials 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 difference arising out of 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 net investment is disposed off, 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.

#### (v) Use of estimates and judgements

The preparation of consolidated 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 group 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 group. Such changes are reflected in the assumptions when they occur.

The areas involving significant judgement and estimates are as follows:

##### Property and equipment and intangible assets

The charge in respect of periodic depreciation/ amortization 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/ capitalized periodically, including at each financial year end, determines the useful lives, method of depreciation/ amortisation, pattern of usage or consumption 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, change in depreciation method or pattern of use of intangible assets.

The Company reviews the depreciation/amortisation method and pattern of usage or consumption annually and, if expectations differs from previous estimates, the change is accounted for as change in accounting estimate on a prospective basis.

##### Estimated value and useful life of ROU asset

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Group reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The Group has applied an incremental borrowing rate for the purpose of computing lease liabilities based on the rate prevailing in India.

##### 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).

Considering the nature of the business and services provided to the customers, the entire business constitutes single cash generating unit as per Ind AS 36- 'Impairment of Assets' as the management regularly monitors and reviews the operating result of the whole Group as one segment. Therefore, the Group assess the recoverability of assets by considering the cash flow projection at the Group level since the entire business is integrated and linked to each other.

**(v) Use of estimates and judgements (continued)**

**Defined benefit plan**

The cost of the defined benefit plans 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.

**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. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, dynamic verses static media content, transfer of significant risk and rewards to the customer, acceptance of delivery by the customer, etc.

The Company provides brand and media sponsorship services, including exclusive or non-exclusive title sponsorships, media rights, additional infrastructural placement, social media rights (including rights to create and post social content and clips). Revenue from single experiences is recognized when the experience occurs. Revenue from multi-week packages are recorded over the period of an event, usually few weeks to few months, except for transaction wherein the acceptance is confirmed upon delivering entire event (including in case verbal or oral arrangement/s). For the years ended 31 March 2021 and 2020, 67 percent and 44 percent were recognized at a single point in time and 33 percent and 56 percent of revenues were recognised over time, respectively.

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 such customers. 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.

The Group exercises judgement in determining whether the service providers 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 criterias such as who is the primary obligor under the contract, who has discretion in pricing, who bears the credit risk, etc. The Group has concluded that it is the principal in all of its revenue arrangement, since it is the primary obligator in all revenue arrangements, has pricing latitude and is also exposed to credit risks.

The Group has determined that the transaction with the subsidiary is at arm's length based on the transfer pricing study conducted by an independent external expert.

During the year, the Company has rendered services related to e-sports production amounting to ₹ 750 (31 March 2020 - ₹ 250) to one customer. In addition, the Company availed advertisement services (dissimilar services) amounting to ₹ 759 (31 March 2020 - ₹ 253) from the same party. Considering the nature of the transaction and gross settlement in respect of the aforesaid transactions, revenue and advertisement costs have been recognised on gross basis. In addition, the Company, based on its independent assessment, concluded that the contract value for purchase of advertisement services approximates fair value.

The Group has determined that the place of supply for services to the overseas customers is outside India, i.e. location of the customer/s. 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.

**Uncertainty relating to the global health pandemic (Covid-19)**

The Second wave of 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 uncertainly 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, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group.

Management has evaluated short-term as well as long-term impact of the Covid-19 pandemic on the industry and believes that, Group being in business of esports brand and media consulting, the pandemic will not have a significant negative effect on the Group's financial position and results of its operations.

From business perspective, the Group is buoyed with the resilience of esports market in these challenging times and are confident of our ability to maintain our commercial direction and to offer a solution to the esports industry that is grappling with the mass-cancellation of live-in person events. Although there is a surge in demand for online esports tournaments hosting, primarily on account of global travel restrictions and limitations on public gatherings making large scale in-person esports events impossible and the partnership pipeline of the Group remains strong with discussion continuing with many well-known brands and organizations including expansion of existing partnerships, the Group has considered all prudent cost reduction action to minimize the impact of the pandemic.

## Nodwin Gaming Private Limited

### Summary of significant accounting policies and other explanatory information to the Consolidated financial statements

(Amounts are stated in ₹ millions unless otherwise stated)

#### (v) Use of estimates and judgements (continued)

The Group has also performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered, net of provisions established. 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.

Though it is too early to estimate the same in view of the volatility in the global economic conditions pursuant to this pandemic; the Group as at the date of the approval of these financial statement, has used various available sources of information to analyse the carrying amount of its financial assets and exposures. 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.

#### (vi) Revenue recognition

Revenue is recognized 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 recognized 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.

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 recognized 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.

Income receivable represents revenues recognised for services rendered in accordance with contractual terms, which have not been billed at the balance sheet date. Revenue billed or collected in advance is recorded as deferred revenue until the event occurs or until applicable performance obligations are satisfied as described above.

Accounts receivable 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 receivable are written off when they are determined to be uncollectible. As of 31 March 2021, expected credit loss, including bad debts, of ₹ 1.16 was recorded in the Statement of Profit and Loss.

#### (vii) 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 recognized 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:

- Debt instruments assets at amortized cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments at fair value through profit and loss (FVTPL)



## Nodwin Gaming Private Limited

### Summary of significant accounting policies and other explanatory information to the Consolidated financial statements

(Amounts are stated in ₹ millions unless otherwise stated)

#### (vii) Financial instrument (Continued)

##### Debt instruments at amortized cost

A Debt instrument is measured at amortized 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 realize 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in other income in the profit and loss. The losses arising from impairment are recognized statement of profit and loss. This category generally applies to trade and other receivables

##### Debt instruments 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 FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

##### Debt instruments at fair value through profit and loss (FVTPL)

FVTPL is a residual category for Group's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognized in Statement of Profit and Loss.

In addition, the Group may elect to designate an instrument, which otherwise meets amortized 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 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 derecognized 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 recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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 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 value through profit & loss and equity instruments recognized in OCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognizes 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.

## **Nodwin Gaming Private Limited**

### **Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

#### **(vii) Financial instrument (Continued)**

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) recognized during the period is recognized 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 amortized 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 Group does not reduce impairment allowance from the gross carrying amount.

Debt instruments 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 amortized cost, as appropriate. All financial liabilities are recognized 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 amortized cost**

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

##### **Derecognition**

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss.

##### **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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

##### **d) 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 because 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 recognized gains, losses (including impairment gains or losses) or interest.

## Nodwin Gaming Private Limited

### Summary of significant accounting policies and other explanatory information to the Consolidated financial statements

(Amounts are stated in ₹ millions unless otherwise stated)

#### (viii) Income tax

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

##### i) Current tax

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years.

##### ii) Deferred tax

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognized 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 credits and unused tax losses can be utilized, 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.

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 utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized 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 using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The Group recognizes deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### (ix) 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 recognized 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 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 recognized 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 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, plant and equipment are as follows:

<b>Nature of assets</b>	<b>Useful life</b>
Computer equipment	3 years
Office equipment	3 years
Furniture and fixtures	5 years

## **Nodwin Gaming Private Limited**

### **Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

#### **(x) Intangible assets**

Intangible assets are recognized 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 amortization and accumulated impairment losses.

Intangible asset pertains to media and content archive rights purchased.

Intangible assets are amortized over the useful economic life (5 years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets is recognized 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 recognized in the Statement of Profit or Loss when the asset is derecognized.

#### **(xi) 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 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 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. Impairment losses of operations are recognized in the Statement of Profit and Loss.

At each reporting date if there is an indication that previously recognized impairment losses no longer exist or have decreased, the Group estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized 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 recognized.

#### **(xii) Leases**

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

##### **The Group as lessee**

The Group's leased assets consist of leases for office premises, venue for in-person esports exhibition/ events, and equipments. 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.

The Group at the commencement of the lease contract recognizes 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 recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

## **Nodwin Gaming Private Limited**

### **Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

#### **(xii) Leases (Continued)**

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 recognizes 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 recognizes 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.

#### **(xiii) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### **(xiv) Provisions, contingent liabilities, and contingent assets**

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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 recognized 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 Group. Or a present obligation that arises from past events but is not recognized 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 recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

#### **(xv) Employee benefits**

##### **Post-employment benefits**

The Group 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 recognized as an expense in the year in which the employees render services.

The Group'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.

## **Nodwin Gaming Private Limited**

### **Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

#### **(xv) Employee benefits (Continued)**

The Group recognizes the changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the Management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables of India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Liability for gratuity as at the year-end is provided on the basis of actuarial valuation.

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 recognized immediately in the balance sheet with a 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.

#### **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, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized 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.

#### **(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) Fair value measurement**

The Group measures financial instrument such as investments at fair value at each balance sheet date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

The Group's board approves the policies for both recurring and non-recurring fair value measurement. Where seen appropriate external valuers are involved. The board reviews the valuation results. This includes a discussion of the major assumptions used in the valuations.

For financial assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant financial assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of financial assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 2 : Property, plant and equipment**

<b>Particulars</b>	<b>Computers</b>	<b>Furniture and Fixtures</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Gross block</b>				
<b>Balance as on 1 April 2019</b>	<b>5.73</b>	<b>0.61</b>	<b>3.63</b>	<b>9.97</b>
Additions	1.16	0.26	0.35	1.77
<b>Balance as on 31 March 2020 (Unaudited)</b>	<b>6.89</b>	<b>0.87</b>	<b>3.98</b>	<b>11.74</b>
Additions	-	-	-	-
<b>Balance as on 31 March 2021</b>	<b>6.89</b>	<b>0.87</b>	<b>3.98</b>	<b>11.74</b>
<b>Accumulated depreciation</b>				
<b>Balance as on 1 April 2019</b>	<b>4.10</b>	<b>0.26</b>	<b>2.80</b>	<b>7.16</b>
Depreciation for the year	0.85	0.12	0.39	1.36
<b>Balance as on 31 March 2020 (Unaudited)</b>	<b>4.95</b>	<b>0.38</b>	<b>3.19</b>	<b>8.52</b>
Depreciation for the year	0.91	0.15	0.39	1.45
<b>Balance as on 31 March 2021</b>	<b>5.86</b>	<b>0.53</b>	<b>3.58</b>	<b>9.97</b>
<b>Net block</b>				
<b>Balance as on 31 March 2020 (Unaudited)</b>	<b>1.94</b>	<b>0.49</b>	<b>0.79</b>	<b>3.22</b>
<b>Balance as on 31 March 2021</b>	<b>1.03</b>	<b>0.34</b>	<b>0.40</b>	<b>1.77</b>

&lt;&lt;This space has been intentionally left blank&gt;&gt;

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 3: Leases**

The future minimum lease payments are as follows:

Particulars	Amount
Minimum lease payments due within 1 year	1.52
Within 2-5 years	-
More than 5 years	-
<b>Total</b>	<b>1.52</b>

Following are the changes in the carrying value of right of use assets for the period ended 31 March 2021:

Particulars	Category of ROU assets - Building
<b>Balance as of 1 April 2019</b>	-
ROU assets recognised as at 01 April 2019	5.39
Depreciation	(0.57)
<b>Balance as at 31 March 2020 (Unaudited)</b>	<b>4.82</b>
Depreciation	(3.44)
<b>Balance as at 31 March 2021</b>	<b>1.38</b>

The following is the break-up of current and non-current lease liabilities-

Particulars	As at 31 March 2021	As at 31 March 2020 (Unaudited)
Non-current lease liabilities	-	1.43
Current lease liabilities	1.52	3.46
<b>Total</b>	<b>1.52</b>	<b>4.89</b>

The following is the movement in lease liabilities during the period ended 31 March 2021:

Particulars	Amount
Lease liability recognized as at 01 April 2019 on adopting of IND AS 116	5.39
Interest on lease liability (refer note 24)	0.10
Payment of lease liabilities	(0.60)
<b>Balance as at 31 March 2020 (Unaudited)</b>	<b>4.89</b>
Interest on lease liability (refer note 24)	0.32
Payment of lease liabilities	(3.69)
<b>Balance as at 31 March 2021</b>	<b>1.52</b>

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

Particulars	Lease payment	Finance cost	Net present value
Less than 1 year	1.57	0.05	1.52
One to five years			
More than five years			-
<b>Total</b>			<b>1.52</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease expense recorded for short-term leases was ₹ 1.33 for the year ended 31 March 2021 as the Company has elected not to recognize a lease liability for short term leases or for lease of low value assets, payments under such leases are expensed on straight line basis.

The aggregate depreciation on ROU assets has been included under depreciation and amortization expense in the Statement of profit and loss.



**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 4 : Intangible asset**

<b>Particulars</b>	<b>Intangible asset*</b>	<b>Total</b>
<b>Gross block</b>		
<b>Balance as on 1 April 2019</b>	<b>265.30</b>	<b>265.30</b>
Additions	-	-
<b>Balance as on 31 March 2020 (Unaudited)</b>	<b>265.30</b>	<b>265.30</b>
Additions	-	-
<b>Balance as on 31 March 2021</b>	<b>265.30</b>	<b>265.30</b>
<b>Accumulated depreciation</b>		
<b>Balance as on 1 April 2019</b>	<b>23.87</b>	<b>23.87</b>
Amortization for the year	64.75	64.75
<b>Balance as on 31 March 2020 (Unaudited)</b>	<b>88.62</b>	<b>88.62</b>
Amortization for the year	64.75	64.75
<b>Balance as on 31 March 2021</b>	<b>153.37</b>	<b>153.37</b>
<b>Net block</b>		
<b>Balance as on 31 March 2020 (Unaudited)</b>	<b>176.68</b>	<b>176.68</b>
<b>Balance as on 31 March 2021</b>	<b>111.93</b>	<b>111.93</b>

\* Intangible asset pertains to media rights and content archive purchased from Turtle Entertainment GmbH, Germany in the year 2017-18 for 5 years.

<<<This space has been intentionally left blank>>>

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020 (Unaudited)
<b>Note 5 : Non-Current Investments</b>		
Unquoted equity instruments - at cost, fully paid-up		
Investments at fair value through other comprehensive income (FVTOCI) (fully paid)		
AFK Gaming Private Limited	5.75	5.75
(2,783 (31 March 2020 2,783) equity shares of ₹ 2,066 each) (#)		
Aggregate amount of unquoted investments at fair value	<u>5.75</u>	<u>5.75</u>
Aggregate amount of unquoted investments at cost	5.75	5.75
Aggregate amount of impairment in the value of investments	-	-
(#) The management of the Company evaluates that the fair value of investments in AFK Gaming Private Limited is same as the carrying value of the investment as on 31 March 2021 and conclude that there is no impact of fair valuation in the current year.		
<b>Note 6 : Deferred tax assets (net)</b>		
Deferred tax assets (Refer Note 27)	2.50	1.67
	<u>2.50</u>	<u>1.67</u>
<b>Note 7 : Income tax asset (net)</b>		
Income tax receivables (Net of provision for income tax ₹ 15.38 million, 31 March 2020 ₹ 3.70 million)	36.06	5.32
	<u>36.06</u>	<u>5.32</u>
<b>Note 8 : Trade receivables</b>		
(Carried at amortized cost, except otherwise stated)		
Unsecured considered good*	225.27	349.18
Unsecured considered doubtful	1.59	0.43
Less: Allowance for expected credit loss	1.59	0.43
	<u>225.27</u>	<u>349.18</u>
*Includes amount due to related parties (refer note 34)	-	0.65
<b>Note 9 : Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	217.19	185.25
Fixed Deposit		-
Original maturity less than 3 months	1,090.00	
Cash in hand		
- in Indian Currency	0.05	0.02
- in foreign currencies	0.17	0.14
	<u>1,307.41</u>	<u>185.41</u>
<b>Note 10 : Loans</b>		
(Unsecured, considered good unless otherwise stated)		
Security deposits	3.54	3.27
Loans to employees	10.00	10.00
	<u>13.54</u>	<u>13.27</u>
(*) Includes amount due to related parties (refer note 34)	10.00	10.00
(*) Non-interest bearing and repayable on demand. Notional interest included as perquisite in the hands of the employee.		
<b>Note 11 : Other financial assets - Current</b>		
(Unsecured- considered good unless otherwise stated)		
Income receivable	55.50	19.01
	<u>55.50</u>	<u>19.01</u>
<b>Note 12 : Other Current Assets</b>		
(Unsecured- considered good unless otherwise stated)		
Balance with government authorities	68.31	63.05
Accrued Interest	1.25	-
Advance paid to suppliers	19.71	4.47
	<u>89.27</u>	<u>67.52</u>

**Nodwin Gaming Private Limited**

**Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 13 : Share Capital**

Particulars	As at 31 March 2021		As at 31 March 2020 (Unaudited)	
	Number	Amount	Number	Amount
<b>Authorised shares</b>				
Equity shares of ₹ 10 each	50,000	0.50	50,000	0.50
<b>Issued, subscribed and fully Paid-up</b>				
Equity shares of ₹ 10 each fully paid-up	15,052	0.15	13,414	0.13
Equity shares of ₹ 10 each Partly paid-up (1% capital called)	1,326	0.00	-	-

**(a) Details of shareholders holding more than 5% share in the Company**

**Equity shares of ₹ 10 each fully Paid-up**

Name of shareholder	As at 31 March 2021		As at 31 March 2020(Unaudited)	
	No of Shares	% Holding	No of Shares	% Holding
Good Game Investment Trust	1,598	10.62%	3,019	22.51%
Jet Synthesis Private Limited	1,870	12.42%	3,019	22.51%
Nazara Technologies Limited	8,207	54.52%	7,376	54.99%
Pratithi Investment Trust	920	6.11%	-	-
Krafton Inc.	2,457	16.32%	-	-

**Equity shares of ₹ 10 each partly Paid-up**

Name of shareholder	As at 31 March 2021		As at 31 March 2020(Unaudited)	
	No of Shares	% Holding	No of Shares	% Holding
Good Game Investment Trust (*)	1,326	100.00%	-	0.00%

(\*) In compliance with the Companies Act, 2013, 1,326 partly paid equity shares of face value ₹10 each (₹0.01 paid up) were allotted at a premium of ₹180,420 (₹1804.20 paid up) per share on private placement basis. The uncalled capital on equity shares as on 31 March 2021 stands to ₹236.86 million.

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the year (fully Paid-up)**

Equity shares of ₹ 10 each	As at 31 March 2021		As at 31 March 2020(Unaudited)	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	13,414	0.13	13,414	0.13
Issued during the year	1,638	0.02	-	-
<b>Outstanding at the end of the year (*)</b>	<b>15,052</b>	<b>0.15</b>	<b>13,414</b>	<b>0.13</b>

(\*) 1,638 fully paid equity shares of face value ₹10 each were allotted at a premium of ₹ 670,597 per share to the Krafton Inc, on private placement basis. Pursuant to the terms of Shareholders Agreement dated 26 February 2021 between the Company, Good Game Investment trust, Jetsynthesys Private Limited, Nazara Technologies Limited, Krafton, Inc.,("Investor"), Akshat Rathee and Gautam Virk founders of the Company, Krafton Inc., shall be entitled to nominate and appoint 1 (one) investor director on the Board so long as the shareholding percentage of Investor is at least 5% (five per cent) of the share capital. Further, prior written consent of the Investor shall be mandatory for approving Reserved Matters mentioned in the Shareholders Agreement.

**(c) Reconciliation of the shares outstanding at the beginning and at the end of the year (partly Paid-up)**

Equity shares of ₹ 10 each	As at 31 March 2021		As at 31 March 2020(Unaudited)	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	1,326	0.00	-	-
<b>Outstanding at the end of the year</b>	<b>1,326</b>	<b>0.00</b>	<b>-</b>	<b>-</b>

**(d) Terms/rights attached to equity shares**

In respect of every equity share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such equity share bears to the total paid up equity capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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 their shareholding.

**(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.**

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares since the date of incorporation.

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020 (Unaudited)
<b>Note 14 : Other Equity</b>		
Particulars	As at 31 March 2021	As at 31 March 2020 (Unaudited)
Retained earnings	88.80	42.82
Foreign Currency Translation Reserve	0.03	0.10
Securities premium	1,456.12	355.29
	<b>1,544.95</b>	<b>398.21</b>

**Nature and purpose of reserves****Retained earnings** : Retained earnings represent the Company's undistributed profits.**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 reserve.**Securities premium** : Securities premium is used to record the premium on issue of shares. These reserve is utilized in accordance with the provisions of the Act.**Note 15 : Non-current provisions**

Provision for employee benefits

Gratuity (refer note 29)

5.66	3.81
<b>5.66</b>	<b>3.81</b>

**Note 16 : Trade Payables**

Total outstanding dues to micro and small Enterprises

Total outstanding due to creditors other than micro and small enterprises.

-	-
283.56	402.97
<b>283.56</b>	<b>402.97</b>

\*Includes amount payable to related parties (refer note 34)

- 4.69

There are no micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31 March, 2021, and no interest payment made during the year to any micro, small and medium enterprises. This information as required to be disclosed under the micro, small and medium enterprises development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 17 : Other financial liabilities**

Creditors for expenses

Audit Fee Payables

Directors Remuneration Payable

Employee dues

3.01	3.12
-	-
-	-
5.60	5.72
<b>8.61</b>	<b>8.84</b>

(\*) Includes amount payable to related parties (refer note 34)

- 2.95

**Note 18 : Other current liabilities**

Share Application Money Refundable

Advance received from customers\*

Statutory dues

-	-
0.26	0.15
4.16	10.12
<b>4.42</b>	<b>10.27</b>

\*(Also, termed as contract liabilities under Ind AS 115- Revenue from contracts with customers)

**Note 19 : Current provisions**

Provision for employee benefits

Gratuity (refer note 29)

0.68	0.52
<b>0.68</b>	<b>0.52</b>

**Note 20 : Current tax liabilities (net)**

Provision for income tax

0.83	2.21
<b>0.83</b>	<b>2.21</b>

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
<b>Note 21 : Revenue from Operations</b>		
Sale of Services* (refer note 30)	1,356.86	780.47
	<b>1,356.86</b>	<b>780.47</b>
(*) Includes Sale of Services to related parties (refer note 34)	0.05	5.87
<b>Note 22 : Other Income</b>		
Interest on bank deposits	3.29	1.14
Currency fluctuation gain	-	10.30
Miscellaneous income	0.03	-
Liabilities no longer required written back	14.94	-
	<b>18.26</b>	<b>11.44</b>
<b>Note 23 : Employee benefits expense</b>		
Salaries, wages and bonus	87.26	49.92
Staff welfare expenses	0.14	0.51
Gratuity expenses (refer note 29)	1.42	1.13
	<b>88.82</b>	<b>51.56</b>
<b>Note 24 : Finance cost</b>		
Interest on lease liability (refer note 3)	0.32	0.10
	<b>0.32</b>	<b>0.10</b>
<b>Note 25 : Depreciation and amortization expense</b>		
Depreciation on property, plant and equipment (refer note 2)	1.45	1.36
Depreciation of right-of-use assets (refer note 3)	3.44	0.57
Amortisation on intangible assets (refer note 4)	64.75	64.75
	<b>69.64</b>	<b>66.68</b>
<b>Note 26 : Other expenses</b>		
Advertising	763.85	262.08
Event	205.16	182.39
Communication	63.73	76.77
Wallet Keys	38.28	5.38
Travelling and conveyance	28.33	49.85
Content	13.08	10.95
Legal and professional fees	11.11	23.02
Tools & equipment	7.74	12.48
Loss on exchange fluctuation (net)	4.04	0.00
Equipment rental	2.45	11.22
Rent	1.33	4.96
Allowance for expected credit loss	1.16	0.43
Auditor's remuneration (refer note below)	0.54	0.47
Bad debts	-	4.92
Miscellaneous	13.89	8.67
	<b>1,154.69</b>	<b>653.59</b>
<b>Payment to auditors</b>		
Audit fees	0.47	0.47
Certification fees	0.07	-
	<b>0.54</b>	<b>0.47</b>

**Nodwin Gaming Private Limited**

**Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 27: Tax expenses/ Deferred tax**

(a) The major components of income tax expense for the period ended 31 March 2021 and 31 March 2020 are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
<b>Statement of profit or loss</b>		
<b>Profit and loss section</b>		
Current Income tax charge	15.90	5.08
Deferred tax on account of temporary differences	(0.68)	(0.04)
	<b>15.22</b>	<b>5.04</b>
<b>OCI section - tax related to items recognised in OCI during the year:</b>		
Income tax relating to re-measurements gain on defined benefit plans	0.15	0.07
	<b>0.15</b>	<b>0.07</b>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
Accounting profit before income tax	61.65	19.98
At India's statutory income tax rate of 25.168 % (31 March 2020: 25.168%) (refer note below)	15.52	5.03
Change in tax rate	-	0.17
<b>Income tax expense reported in the statement of profit and loss</b>	<b>15.52</b>	<b>5.20</b>
<b>Effective income tax rate</b>	<b>25.17%</b>	<b>26.02%</b>

**Note:**

The Government of India, on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115 BAA in the Income Tax Act, 1961, which provides an option to the Company for paying tax at reduced rates (lower tax rate) as per the provisions/ conditions defined in the said section. Based on its evaluation, the Company expect to avail lower tax rate on account of reduced income tax rate.

**(c) Deferred tax**

Deferred tax relates to the following:

Particulars	As at 1 April 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2021
<b>Deferred tax assets (gross)</b>				
Provision for employee benefits	1.09	0.36	0.15	1.60
Property, plant and equipment and intangible assets	0.46	(0.00)	-	0.46
Right of use Asset (net of lease liability)	0.01	0.03	-	0.04
Allowance for expected credit loss	0.11	0.29	-	0.40
<b>Total deferred tax assets</b>	<b>1.67</b>	<b>0.68</b>	<b>0.15</b>	<b>2.50</b>
<b>Deferred tax assets (net)</b>	<b>1.67</b>	<b>0.68</b>	<b>0.15</b>	<b>2.50</b>
<b>Deferred tax assets (gross)</b>				
Particulars	As at 1 April 2019	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2020 (Unaudited)
Provision for employee benefits	0.82	0.20	0.07	1.09
Property, plant and equipment and intangible assets	0.74	(0.28)	-	0.46
Right of use Asset (net of lease liability)	-	0.01	-	0.01
Allowance for expected credit loss	-	0.11	-	0.11
<b>Total deferred tax assets</b>	<b>1.56</b>	<b>0.04</b>	<b>0.07</b>	<b>1.67</b>
<b>Deferred tax assets (net)</b>	<b>1.56</b>	<b>0.04</b>	<b>0.07</b>	<b>1.67</b>

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 28 : Earnings per share**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
Disclosure as required by Indian Accounting Standard (Ind AS) 33 - Earnings Per Share		
Profit after tax as per statement of profit and loss	46.43	14.94
Weighted average number of shares for Basis earning per share	13,526	13,414
Add: partly-paidup equity shares	184	-
Weighted average number of shares for Basis/ Diluted earning per share	13,710	13,414
<b>Basic Earnings per Share</b>	<b>3,432.37</b>	<b>1,113.83</b>
<b>Diluted Earnings per Share</b>	<b>3,386.31</b>	<b>1,113.83</b>

**Note 29 : Employee benefits****Defined Benefit Plan - Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post employment benefit to its employees in the form of gratuity. The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days' salary (last drawn salary) for each completed year of service.

The present value of the obligation under such defined benefit plan is determined at each balance sheet date based on an actuarial valuation using the projected unit credit method.

The following tables sets out the status defined benefit plan as required under Ind AS 19 - Employee benefits.

Particulars	31 March 2021	31 March 2020 (Unaudited)
<b>(a) Reconciliation of net defined benefit (asset) liability</b>		
<b>Reconciliation for present value of defined benefit obligations</b>		
Defined benefit obligation at the beginning of the year	4.32	2.94
Current service cost	1.17	0.92
Interest cost	0.25	0.20
Acquisition (credit)/ cost	-	-
Actuarial (gains)/ losses recognized in Other Comprehensive Income	0.60	0.26
<b>Defined benefit obligation at the end of the year</b>	<b>6.34</b>	<b>4.32</b>
<b>(b) Amount recognized in Balance sheet</b>		
Current provision	0.68	0.52
Non-current provision	5.66	3.81
	<b>6.34</b>	<b>4.33</b>
<b>(c) Expense recognized in the Statement of Profit and loss and Other comprehensive Income</b>		
<b>(i) Expense recognized in the Statement of profit and loss</b>		
Current service cost	1.17	0.20
Interest cost	0.25	0.92
	<b>1.42</b>	<b>1.12</b>
<b>(ii) Expense recognized in the Other comprehensive income</b>		
Actuarial (gains) losses on defined benefit obligations		
- arising from changes in financial assumptions	0.03	0.25
- arising on account of experience changes	0.57	0.01
	<b>0.60</b>	<b>0.26</b>
<b>(d) Actuarial assumptions</b>		
The following were the principal actuarial		
<b>Financial assumptions</b>		
Discount rate	5.68%	5.76%
Salary escalation	15.00%	15.00%
<b>Demographic assumptions</b>		
Mortality rate	100% of IALM 2006-08	100% of IALM 2006-08
Withdrawal Rate	20.00%	20.00%

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**(e) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2021		31 March 2020 (Unaudited)	
	Decrease	Increase	Decrease	Increase
Defined Benefit obligation (Base)		6.34		4.32
Discount rate (1% movement)	0.37		0.33	0.24
Salary escalation (1 % movement)	0.24		0.24	0.14
Attrition rate (1% movement)	0.16		0.15	0.09

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**(f) Maturity analysis of projected benefit obligation**

Particulars	31 March 2021	31 March 2020 (Unaudited)
	1 year	0.68
2 year	0.71	0.51
3 year	0.76	0.53
4 year	0.73	0.55
5 year	0.74	0.50
6 to 10 years	2.65	1.76
More than 10 years	2.92	1.82



**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 30 : Disclosure Under Ind As - 115 - Revenue From Contracts With Customers****(a) Disaggregate revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
<b>(i) Geographical market</b>		
India	880.33	393.53
Rest of the world	476.53	386.94
<b>Total revenue from contract with customers</b>	<b>1,356.86</b>	<b>780.47</b>

**(ii) Timing of revenue recognitions**

Particulars	Services transferred at a point in time		Services transferred over time	
	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
Event management and sale of keys	-	-	448.32	440.09
Consultancy services	908.54	340.38	-	-

**(b) Contract balances**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
Contract assets	55.50	19.01
Contract liabilities	0.26	0.15

**Notes**

The contract assets are in form of receivables, which are included in income receivable, primarily relate to the Group's rights to consideration for services given to the customers but not billed at the reporting date. The contract assets are transferred to receivables when it will be billed subsequently.

The contract liabilities are in form advance received from customer for which the obligation of supply of goods/service is not completed at the year end.

**(c) Movement in contract assets and contract liabilities**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020 (Unaudited)
Opening balance of contract liabilities	0.15	-
Addition in balance of contract liabilities for current year	0.26	0.15
Amount of revenue recognized against opening contract liabilities	(0.15)	-
Closing balance of contract liabilities	<b>0.26</b>	<b>0.15</b>
Opening balance of contract assets	19.01	12.85
Addition in balance of contract assets for current year	55.50	19.01
Amount of billing recognized against opening contract assets	(19.01)	(12.85)
Closing balance of contract assets	<b>55.50</b>	<b>19.01</b>

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 31 : Financial instruments risk****Risk management objectives and policies**

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk which may adversely impact the fair value of its financial instrument. The Group has risk management policy which covers risk associated with financial liabilities and assets. The risk management policy is approved by Board of Directors. The focus is to assess the unpredictability of financial environment and to mitigate potential adverse effect on the financial performance of the Group.

The Group's principal financial liabilities comprise of trade and other payables and other financial liabilities (including lease liability). The main purpose of these financial liabilities to finance the Group's operations. The Group's principal financial assets include trade receivables, investments, cash and cash equivalents, loans and other financial assets that derive directly from its operations.

The Group's senior management oversees the management of the risks inherent to the business.

**31.1 : Market risk analysis**

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 two types of risks: currency risk and interest rate risk.

**Foreign currency exchange rate risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade receivables, trade payables and foreign currencies and is therefore exposed to foreign exchange risk.

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

Particulars	Foreign currency denomination	As at 31 March 2021		As at 31 March 2020 (Unaudited)	
		Foreign Currency (in absolute value)	Indian currency	Foreign Currency (in absolute value)	Indian currency
Trade receivables	USD	0.86	62.07	0.08	5.69
	EURO	0.08	6.58	0.29	24.35
Cash on hand	USD	1.64	117.91	2.16	147.10
	Thai Bhatt	0.03	0.06	0.03	0.07
	AED	0.00	0.03	-	-
	EURO	0.01	1.17	0.01	0.63
Trade payables	USD	1.14	82.04	0.41	27.70
	EURO	0.02	1.97	-	-
Net exposure			<b>271.83</b>		<b>205.54</b>

The Group's sensitivity to a 5% depreciation/appreciation of USD and EURO which are major currencies with respect to Rupee on balance sheet date on monetary items would result in increase/decrease in unrealised loss on monetary assets and liabilities by approximately ₹ 9.12 (31 March 2020: ₹ 10.28) and ₹ 18.53 (31 March 2020: ₹ 10.28) respectively for the year ended 31 March 2021

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risk.

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**31.2 : Credit risk analysis**

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to this risk for receivables from customers.

To manage credit risk, the Group periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Group uses a provision margin to compute the expected credit loss allowance for trade receivable. Trade receivables, bad debts, ECL provisions, etc. are monitored on periodic basis for any non-recoverability of the dues. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

The aging analysis of the receivable (gross of provision) has been considered from the date the invoice falls due.

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		0-180 days	181-365 days	
<b>As at 31 March 2021</b>	122.41	101.75	1.11	<b>225.27</b>
<b>As at 31 March 2020 (Unaudited)</b>	307.27	24.13	17.78	<b>349.18</b>

**Movement in allowance for expected credit loss**

Particulars	Amount
<b>As at 1 April 2019</b>	-
Provided during the year	0.43
<b>As at 31 March 2020 (Unaudited)</b>	<b>0.43</b>
Provided during the year	1.16
<b>As at 31 March 2021</b>	<b>1.59</b>

**31.3 : Liquidity risk analysis**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

**Liquidity risk management**

The Group continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Group has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Group's treasury department is responsible for liquidity and funding as well as settlement management. 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.

**Financial liabilities maturing within one year:**

Particulars	As at 31 March 2021	As at 31 March 2020 (Unaudited)
Trade payables	283.56	402.97
Other financial liabilities	10.13	13.73
<b>Total</b>	<b>293.69</b>	<b>416.70</b>

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 32: Financial instruments****32.1 Financial Instrument by category and hierarchy**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **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 value 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 carrying value and fair value of financial instruments by categories as at 31 March 2021, are as follows:

Particulars	Carrying Value			Fair value measurement using		
	FVTPL	FVOCI	Amortized Cost	Level 1	Level 2	Level 3
(i) Trade receivables	-	-	225.27	-	-	-
(iii) Investments	-	5.75	-	-	-	5.75
(iv) Cash and cash equivalents	-	-	1,307.41	-	-	-
(v) Loans	-	-	13.54	-	-	-
(vi) Other financial assets	-	-	55.50	-	-	-
<b>Total</b>	-	<b>5.75</b>	<b>1,601.72</b>	-	-	<b>5.75</b>

Particulars	Carrying value			Fair value measurement using		
	FVTPL	FVOCI	Amortized Cost	Level 1	Level 2	Level 3
(i) Trade payables	-	-	283.56	-	-	-
(ii) Other financial liabilities	-	-	10.13	-	-	-
<b>Total</b>	-	-	<b>293.69</b>	-	-	-

The carrying value and fair value of financial instruments by categories as at 31 March 2020 (Unaudited), are as follows:

Particulars	Carrying value			Fair value measurement using		
	FVTPL	FVOCI	Amortized Cost*	Level 1	Level 2	Level 3
(i) Trade receivables	-	-	349.18	-	-	-
(iii) Investments	-	5.75	-	-	-	5.75
(iv) Cash and cash equivalents	-	-	185.41	-	-	-
(vii) Loans	-	-	13.27	-	-	-
(viii) Other financial assets	-	-	19.01	-	-	-
<b>Total</b>	-	<b>5.75</b>	<b>566.87</b>	-	-	<b>5.75</b>

Particulars	Carrying value			Fair value measurement using		
	FVTPL	FVOCI	Amortized Cost*	Level 1	Level 2	Level 3
(i) Trade payables	-	-	402.97	-	-	-
(ii) Other financial liabilities	-	-	13.73	-	-	-
<b>Total</b>	-	-	<b>416.70</b>	-	-	-

\*Fair value of trade receivable, cash and cash equivalent, other current financial asset, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

There were no transfers between Level 1 and Level 2 in during the years.

**Note 33: Capital management policies and procedures**

The Group is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing returns for its stakeholders. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Group has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Group actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**Note 34 : Related party transactions****(a) Names of the Related parties**

i. Holding company	Nazara Technologies Limited
ii. Entity exercising significant influence	Jetsynthesis Private Limited
iii. Subsidiary	Nodwin Gaming International Limited, Honk Kong
iv. Fellow subsidiaries	Nextwave Multimedia Private Limited Nazara Pte Ltd Nazara Technologies (Mauritius)
v. Other related parties (enterprises over which KMP along with relatives are able to exercise significant influence)	Supernova Esports League Private Limited Beam me up Travel Private Limited AFK Gaming Private Limited Nodwin Consultant Private Limited
vi. Key management personnel	Akshat Rathee (Director) Rajesh Ramesh Navani (Director) Manish Agarwal (Director) Vamsi Krishna Talasila (Director) Sidharth Kedia (CEO)
vii. Relative of Director	Param Vir Rathee Megha Rathee

**(b) The following transactions were carried out with the related parties in the ordinary course of business.**

Particulars	31 March 2021	31 March 2020 (Unaudited)
<b>Sale of services</b>		
Nazara Technologies Limited	-	3.72
AFK Gaming Private Limited	0.05	2.15
	<b>0.05</b>	<b>5.87</b>
<b>Travelling and conveyance</b>		
Beam me up Travel Private Limited	22.66	36.57
	<b>22.66</b>	<b>36.57</b>
<b>Rent expense</b>		
Param Vir Rathee	3.30	2.97
	<b>3.30</b>	<b>2.97</b>
<b>Employee benefit expense(*)</b>		
Paid to KMP	32.54	18.80
	<b>32.54</b>	<b>18.80</b>
<b>Loans granted during the year</b>		
Given to KMP	-	10.00
	<b>-</b>	<b>10.00</b>
<b>Advertising</b>		
Supernova Esports League Private Limited	-	2.05
	<b>-</b>	<b>2.05</b>
<b>Event Expense</b>		
Nextwave Multimedia Private Limited	1.48	-
	<b>1.48</b>	<b>-</b>
<b>Other Expenses</b>		
Nextwave Multimedia Private Limited	1.00	1.55
AFK Gaming Private Limited	1.03	2.14
Nodwin Consultant Private Limited	2.12	2.12
Absolute Sports Private Limited	-	0.20
	<b>4.15</b>	<b>6.01</b>

**Nodwin Gaming Private Limited****Summary of significant accounting policies and other explanatory information to the Consolidated financial statements**

(Amounts are stated in ₹ millions unless otherwise stated)

**(c) Closing balances of related parties****Trade receivables:**

Nazara Technologies Limited	-	0.65
	<u>-</u>	<u>0.65</u>

**Trade payables:**

Supernova Esports League Private Limited	-	1.86
Nodwin Consultant Private Limited	0.21	1.41
Beam me up Travel Private Limited	-	1.33
Absolute Sports Private Limited	-	0.09
AFK Gaming Private Limited	0.04	-
	<u>0.25</u>	<u>4.69</u>

**Employee dues**

To KMP	-	2.95
	<u>-</u>	<u>2.95</u>

**Loan to employees**

To KMP	10.00	10.00
	<u>10.00</u>	<u>10.00</u>

**(d) Terms and Conditions**

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and with in the ordinary course of business. Outstanding balances at the year end are unsecured.

(\* ) As gratuity are computed for all employee in aggregate, the amount relating to KMP's and relative of KPM's cannot be individually identified.

**Note 35 : Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The

**Note 36 : Contingent liabilities**

There are no contingent liabilities as at the balance sheet date.

**Note 37 : Post reporting date events**

No adjusting or significant non-adjusting events have occurred between 31 March 2021 and the date of authorisation of these

**Note 38 :** Previous year figures have been regrouped/reclassified, wherever applicable to conform to with current year's classification.

As per our report of even date attached.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

For and on Behalf of **Board of Directors****Nikhil Vaid**

Partner

Membership No.: 213356

**Akshat Rathee**

Director

DIN: 00870302

**Manish Agarwal**

Director

DIN: 03445163

**Place :** Mumbai**Date :** 29 July 2021**Place:** Gurugram**Date :** 29 July 2021**Place:** Mumbai**Date :** 29 July 2021