



# NAZARA TECHNOLOGIES LIMITED

20th ANNUAL REPORT 2018-2019

## SUBSIDIARIES



## INVESTEE



# Entertaining crores of cricket fans with over 5.1 Cr installs in FY 18-19

(Source: Google Analytics, Flurry)



## Bringing smiles on crores of kids with over 6.2 Cr installs in FY 18-19

(Source: Flurry Analytics)



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## *From the desk of Chairman and Managing Director*



Dear Shareholders,

For and on behalf of the Board of Directors, it is my great pleasure to welcome you all to the 20th Annual General Meeting of your Company and present to you the Annual Report for the financial year ended 31st March, 2019. Your presence is indeed a true testimony to your involvement with, and support for the Company.

I am honored and humbled as I write to you at the end of an eventful 20 years of Nazara. It is a proud moment for me personally to see a home grown young leader like Nitish, start a local gaming company, and make it a 'Global Gaming company from India'. Nazara truly has become a 'Make in India' success story.

Nazara is focused on accelerated integration of its various investee companies, with a very clearly defined

strategy, having no dependencies on external factors. Nazara continues to focus on diligent execution of its stated strategy to optimize the opportunities ahead.

I would personally like to thank each and everyone who has helped Nazara in this beautiful journey. I would also like to thank our consumers, partners, shareholders and other stakeholders for their faith and confidence in Nazara. Nazara is all set for an exciting future with a well detailed execution plan to create value for our consumers, partners and shareholders.

Your Sincerely,

**Vikash Mittersain**  
Chairman and Managing Director

## *From the desk of Founder and Joint Managing Director*



Dear Shareholders,

It gives me immense pleasure to present you the 20th Annual Report of your Company.

Having been founded nearly 20 years ago with a vision to 'bring smiles to millions of gamers across emerging markets' and a deep desire to build a global gaming company from India, our company has persevered through the early years to build a strong platform on which we can look forward to achieving our original vision.

The significant tailwinds in macro factors such as increased reach of smartphones and low cost as well as high speed data is setting up the stage for high growth in digital entertainment and Nazara is well placed to take advantage of this opportunity through its experience and established network.

The number of gamers in India are projected to reach up to 340 million users by 2021 and we are actively working towards creating a suite of products that service the needs of first time mobile gamers to evolved esports enthusiasts.

Explosive growth in the gaming space going ahead is a tremendous opportunity for Nazara to reinvent itself into a 'Diversified Interactive Gaming & Sports Media platform'. With 100 million users currently from around the world on its platform, Nazara believes that the number of users should double in the next few years.

Nazara has over the years adopted the 'string of pearls strategy' by investing and acquiring many different companies creating a very profound ecosystem which we like to call 'Friends of Nazara' network. With this strategy, we have a large number of experienced and passionate founders working closely together and enhancing the management and execution capabilities of our company.

This strengthens Nazara's networks in the magnitude of its reach and gives value content to all its users while creating synergy in strength within the investee companies.

We add a tremendous amount of value to the investee companies by:

- 1) Guidance in strategy and business plans,
- 2) Opening up newer geographies for them,
- 3) Adding newer revenue streams,
- 4) Providing them an entry in to Nazara's ecosystem, this helps them get benefits of Nazara's network and user base.

We at Nazara have over the past 2 decades been working towards new avenues in the industry and foresee tremendous opportunity in the future of gaming industry all over the world. This gives us more focus in realizing our true vision of becoming a 'Global gaming company from India'.

We are grateful to our shareholders for showing unwavering belief in us and supporting us in our endeavors. I acknowledge and thank my fellow Board Members for their invaluable support in taking the company to greater heights.

I look forward to working with each of you in this exciting phase of growth and progress.

With Warm Regards,

**Nitish Mittersain,**  
Founder & Joint Managing Director

## CEO's Message



Dear Shareholders,

I had seen passionate Koreans at an indoor stadium at Busan, South Korea in 2011 watching players playing video games and the energy in the stadium was similar to me watching a cricket match in a stadium. Though I didn't understand the game much but what I witnessed was tons of passionate gaming fans rooting for their "PC/mobile gaming heroes" in a stadium where their favorite teams are competing like in any other physical sports. That moment I knew that something like this will become a reality in India one day. As, I complete a decade of evangelizing to rest of the world that gaming in India will become leading entertainment option for millions of Indians, my conviction is finally becoming a reality. The energy of over 25 thousand super excited PUBG fans who thronged the K D Jadhav Indoor Stadium, Delhi on Nov 8<sup>th</sup> to 10<sup>th</sup> 2019 at PMCO (PUBG South Asia Finals) conducted by Nodwin Gaming (Nazara Subsidiary) was strong testament to gaming becoming leading entertainment option for millennial and emergence of their own local gaming heroes.

I am happy to share that your company is not only leading the growth of esports & interactive gaming in India but is also shaping the policies and firing the imagination of players, viewers and brands in India with

new innovations and offerings. It has been 4.5 years since I have taken on this role as Group CEO with Nazara and it has been an exciting journey with never a dull day in this roller coaster ride of shaping the company from a telcom operator driven gaming subscription company to an direct to consumer facing interactive gaming & sports media company with massive network of over 80 million Monthly active users and strong foundation across diversified offerings with leadership in verticals in which Nazara operates in India and in other emerging markets.

The financial year 2018-19 has been a challenging, yet exceptional year for Nazara as this was the year where we embarked aggressively to expand beyond telco driven subscription business and create high growth verticals across Freemium and esports. I am pleased to inform that we have delivered Rs.1834.97 million of revenue including other income and registered year-on-year growth inspite of the decline of Rs.373.3 million in telcom lead gaming subscription business in India. The segment wise breakup is mentioned here below. The decline in telco lead subscription business has been on account of disruption of payment method in India as Jio introduced bundled offering to Indian consumers leading to death of the telco maintained user wallets.

| Business Line   | For the Financial Year Ended March 31, 2019 | For the Financial Year Ended March 31, 2018 | % Growth |
|-----------------|---------------------------------------------|---------------------------------------------|----------|
| Subscription**  | 939.85                                      | 1517.01                                     | (38.05%) |
| Freemium*       | 240.38                                      | 152.06                                      | 58.08%   |
| Esports*        | 491.66                                      | 36.4                                        | 1250.71% |
| Total           | 1671.89                                     | 1705.47                                     |          |
| Other Income*** | 163.08                                      | 98.18                                       | 66.10%   |

\*Only 3 months of Next wave and Nodwin revenue has been taken in FY 17/18; YOY growth in revenue for Nodwin is 189% and for Next Wave is 33%.

\*\* India contributed to Rs.373.3million decline in FY 18/19

\*\*\* Markup from Fair valuation of Halaplay Rs 59.81mn in India

Your company has registered profit after tax of Rs. 43.79 million in the financial year ended March 31, 2019 on consolidated level as against Rs. 12.11 million in previous financial year ended March 31, 2018.. Your Company has registered a profit of Rs.246.24 million before share of associates, exceptional items, tax, finance cost, depreciation and amortization expenses for the financial year ended March 31, 2019 as against Rs.543.81 million in the previous financial year. The EBITDA margins have declined on account of change in revenue mix with contribution of esports and freemium increasing from 11.04% in the financial year ended March 2018 to 43.77% in financial year 2019. EBITDA margins will increase in coming year as esports and freemium business see sharp improvement in EBITDA

margins over the years because of high player retention in mobile games and organic downloads increasing with word of mouth publicity. Likewise media rights kick in for esports once an IP has been established and scale of brands sponsorships increases with the maturing of the IP.

Your company has added Rs.135.35 million to cash and near cash reserves during the year under review aggregating to Rs.2259.21 million of total cash and near cash reserves as of 31<sup>st</sup> March 2019.

Gaming in emerging geographies is exploding and growth is being driven by in app purchases (IAP) in competitive multiplayer games which are available on app stores, skill games played for real money and esports. As you would have noticed that your company has made number of large transactions in the above areas, subsequent to March 18-19 to ensure that Nazara continues to have leadership in the gaming verticals in emerging markets and pave the foundation for doubling the revenue in FY 2019-20 and FY 2020-21 and improve margins over next 2 years by managing a portfolio of companies which can deliver high growth in revenues and EBITDA. We are at the cusp of creating a truly 'Global Gaming company from India'

I am confident of our future as we move ahead. We continue to lead the industry as an 'Interactive Gaming & Sports Media Platform'. In closing, I would like to express gratitude to all our stakeholders for bestowing their trust on us and providing us with their support and foresight to help us grow profitably.

Your Sincerely,

**Manish Agarwal**  
Chief Executive Officer

## Corporate Information

### BOARD OF DIRECTORS

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

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

**Mr. Kuldeep Jain**  
Non-Executive Director  
DIN: 02683041

**Mr. Sasha Mirchandani**  
Non-Executive & Independent Director  
DIN: 01179921

**Ms. Shobha Jagtiani**  
Non-Executive & Independent Director  
DIN: 00027558

**Mr. Probir Roy**  
Non-Executive & Independent Director  
DIN: 00111961

### KEY MANAGERIAL PERSONNEL

**Mr. Manish Agarwal**  
Chief Executive Officer (CEO)

**Mr. Rakesh Shah**  
Chief Financial Officer (CFO)

**Mr. Turabbhai Chimthanawala**  
Company Secretary

### STATUTORY AUDITORS

**M/s. S. R. Batliboi & Associates LLP.**  
Chartered Accountants

### BANKERS

Standard Chartered Bank  
State Bank of India

### REGISTERED OFFICE & CORPORATE OFFICE

51-57, Maker Chambers 3, Nariman Point,  
Mumbai Mumbai City - 400021  
Tel: +91-22-40330800  
Fax: +91-22-22810606  
**Email:** [info@nazara.com](mailto:info@nazara.com)  
**Website:** [www.nazara.com](http://www.nazara.com)

### REGISTRAR & SHARE TRANSFER AGENTS:

Link Intime India Private Limited  
C-101, 247, Park  
LBS Marg Vikhroli,  
Mumbai - 400083  
Contact Detail : +91 22 49186000

## Management Discussion and Analysis Report

### OVERVIEW ON THE GAMING INDUSTRY:

The online gaming market in India has seen tremendous growth of late, driven, in part, by the surge in digital usage. Online gaming revenues grew by 59% year-on-year to reach Rs.49 billion in 2018, and are estimated to reach Rs.120 billion by 2021, at a CAGR of 35%. Casual gaming revenues grew by 40% year-on-year to reach Rs.23 billion in 2018, and are estimated to reach Rs.49 billion by 2021, at a CAGR of 30%. Real money gaming revenues grew by 82% year-on-year to reach Rs.26 billion in 2018, and are estimated to reach Rs.71 billion by 2021, at a CAGR of 40%.

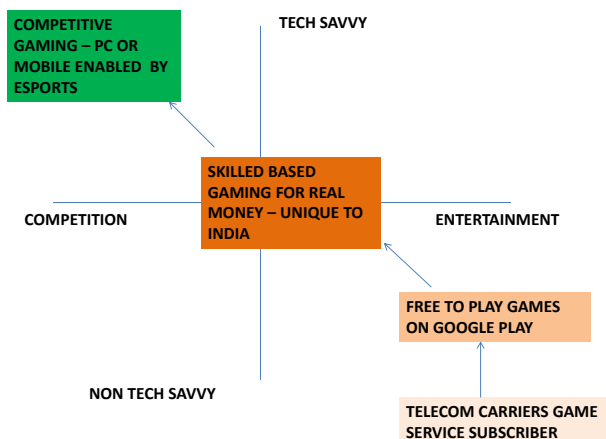
The number of online players in India grew by 52% year-on-year to 278 million players in 2018, with the number of users projected to reach 340 million by 2021. The proliferation of affordable smartphones, high-speed internet and falling data prices are the primary catalysts for this rapid growth.

- Total number of smart phone users in India estimated was around ~375mn in 2018 v/s ~300mn in 2017, growing around 25% year-on-year basis.
- Drastic reduction in data prices estimated from ~Rs.300/GB in 2015 to ~ Rs.10/GB in 2018
- Number of Data users estimated was around ~582mn in 2018 v/s ~424mn in 2017, growing around 27% year-on-year basis.

### Changing Player Habits & Attitudes : Evolution of a non-paying player to a paying player

The macro drivers, post the launch of Jio and demonetization has lead to significant changes in the player habits and attitudes with emergence of skill based games played for real money as one of the fastest growth driver for overall gaming market in India. Below chart explains the evolution of India player over last 5-7 years

- Telecom carriers lead Game Subscription Business (*Pls refer to Box 1 in below chart*): India was predominantly dominated by the telecom carriers offering gaming subscription to their subscriber base, which focussed on offering easy to play games with low file size to the mass mobile internet players. To address the low propensity to pay, the subscription services were offered through sachet pricing, with daily, weekly and monthly subscriptions and payment was collected by the Telecom carriers and they shared on average 50% revenue to the service providers like Nazara.



- **Free to Play games on Google Play/ App Store (Box 2):**

With the proliferation of smart phones and increase in penetration of internet users in India, players started discovering new games on Google Play/ App store for instant entertainment being delivered to them for free. This opened up opportunity for Nazara to earn revenues via advertisements & in app purchases within the games by creating games around local IPs and local games like cricket, carom etc.

- **Skill Based Gaming played for real money (Box 3):**

Post the launch of Jio, data has become almost free and this has resulted in an increase in number of players to around 350 Million players. With increased penetration of the digital payment ecosystem, we are now seeing an acceptance of users to pay and play.

- **Competitive Gaming (Box 4) :**

Game publishers and developers across the world generate revenue from players purchasing virtual goods within the multiplayer competitive games. With improved internet infrastructure post Jio launch and impending Jio fibre launch in India, revenue generation opportunities from multiplayer competitive gaming is set to explode and has been demonstrated by growth of (PUBG – massively popular first person shooting mobile game published by Tencent in India). The In App Purchase revenue uptake will be further accelerated by the craze for eSports. eSports is the fastest growing sports entertainment format among competitive gamers and Nazara has over 80% share of the Indian market through its majority stake in Nodwin.

Table: Current Market Size & Potential Market Size. Explosive growth in Market Size

|                                                                     | 2018      | 2020  |
|---------------------------------------------------------------------|-----------|-------|
| India Market Size: (\$Mn USD)                                       | 400       | 1,000 |
| - RMG                                                               | 220       | 500   |
| - IAP                                                               | 80        | 350   |
| - Casual                                                            | 100       | 150   |
| Players (No. Monthly Active Players)                                |           |       |
| - Non Internet Mobile Players                                       | 300-400mn | 650mn |
| - Casual Players                                                    | 250mn     | 400mn |
| - Paying Players: Competitive Gaming on Mobile + Skill Based Gaming | 50mn      | 200mn |

**Summary of the opportunity in gaming market:** Skill Based Games played for real money + Competitive multiplayer + eSports will drive the overall gaming market and form the pillar of Nazara's growth strategy going forward.

## BUSINESS OVERVIEW:

Nazara Technologies Limited (Nazara or the Company) is one of the leading 'Interactive Gaming and new age Sports Media' company headquartered in Mumbai and having operations in 64 countries spread across India, Asia, Africa and Middle East. Nazara has diversified business models and comprise of Subscription, Freemium, eSports, Skill Based Gaming in India and Chance based Gaming business in Kenya, Africa.

Nazara's goal is to cater to billion plus mobile internet players across emerging markets who have embraced social multiplayer interactive gaming as the foremost form of entertainment. Nazara generates revenues from following business models and partners with digital payment providers, telecom carriers, ISPs and ad networks to offer a seamless intuitive experience to the players on Nazara's offerings:

### 1. Players' spending money within games:-

Skill Based Games – players play with and win real money based on the preponderance of skill involved in the game play e.g. sports fantasy

### 2. Advertising revenues by selling inventory within games :

Freemium – players download games from google play free of cost and they either see ads within the game or they buy virtual items within the game to progress further in the game or compete with each other e.g. World Cricket Championship, Chota Bheem Speed Racing etc.

### 3. Media rights and events sponsorships:

eSports – amateur players watch live stream of the match being played by the professional players on OTT platforms & listen to live commentary. Millennial watch players playing PUBG which is akin to the grownups watching cricket on TV or on OTT platform

### 4. Subscription of gaming services

Players subscribing to the daily/ weekly / monthly/ annual subscription packs wherein they get unlimited content with new content added on regular basis

Nazara's diversified business model caters to different player segments. Each of the gaming segments is growing faster than the growth of internet users in emerging markets given that gaming is underserved category in emerging markets. EBITDA Margins in freemium and skill based games business will increase over period of time on account of long tail of retained users who continue to generate revenues. eSports business is in nascent stage in India, but has the potential to command higher margin as soon as bidding for media rights for live streaming of games becomes a tight contest between global and local OTT platforms. Nazara offers great value creation opportunity as business is poised to deliver high revenue growth coupled with continuous margin improvement over the next few years.

Nazara's growth strategy is focused on building online games based on familiar game mechanics which are prevalent in offline mode and provide stimulus to a free player to convert into a paying player. Nazara is fully cognizant of the fact that opportunity cost of building engaging games is steep given the high mortality rate of product/ gaming companies. Hence, Nazara has consciously adopted strategy of acquiring / investing in high performance and proven game companies versus building company/ies from scratch. Nazara either invests or acquires majority stake in startups which have either demonstrated better economics in terms of LTV to CAC (consumer acquisition cost) equation and whose business

can scale up quickly via expansion into newer geographies or collaborate with the founding team to create highly engaged games at scale.

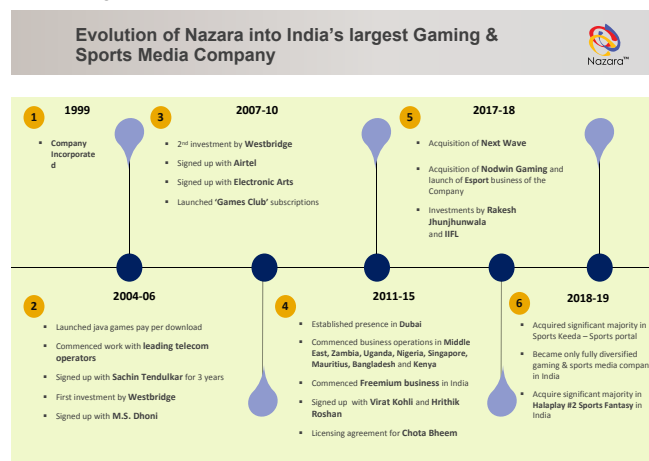
Nazara's strength lies in its scalable yet asset light businesses models with high return on capital employed, delivered by an experienced & dedicated promoter management team and network of founders of the investee companies who are experts in their respective domains. Nazara leverages economies of scale across multiple business operations by creating centers of excellences at corporate level in functions like tech infra, brand & telecom carriers partnerships, finance, legal while ensuring that founders of the respective companies have full operational independence to drive the levers of their respective business.

Nazara's value creation is predominantly based on two principles:

1. Creating network of highly engaged players which ensures that the Life Time Value (LTV) of a player keeps moving upwards thus improving EBITDA margins of the business over a period of time
2. Cross selling multiple offerings of Nazara to the same player, thus creating a network effect to drive up overall EBITDA margins by keeping consumer acquisition cost (CAC) low.

Nazara leverages data analytics, artificial intelligence and machine learning in driving new product innovations, new product features and personalized contests and relevant content resulting in higher retention of the player on Nazara network, increasing Life Time Value (LTV) of the player and driving more downloads through word of mouth.

Nazara has evolved into emerging market's most diversified and largest interactive gaming & new age sports Media Company. Nazara has been profitable since last 10 years and has grown from its own accruals as is evident from the brief timeline given below:



## Key Success Factors underlying Nazara's Dominant Position:

- Over a decade long market presence in India, Africa, Middle East, and South East Asia;
- Games tailored to local tastes, themes and occasions;
- Partnerships with global and local ecosystem and pragmatic approach to solve issues;
- Strong understanding of player engagement, monetization drivers and relentless focus on LTV / CAC equation at scale;

- Proven monetization model through establishment of micro payment infrastructure.

#### Risks Factors

- Telco driven subscription is facing a series of challenges in the form of new waves of disruptive innovation. Regulatory frameworks are shifting as convergence and disruption undermine traditional markets. Stringent data protection policy, customer contact policy, double confirmation and reduction in promotional bandwidth is adding to the potential threat for the operators across markets.
- Skill based games played for real money like sports fantasy are governed by central government of India as well as respective state laws as per Indian Constitution and each state government can announce its own laws when it comes to games played for real money and can stop players from within the state to participate in games where real money entry fee needs to be offered.

#### Nazara's Way Forward:

1. **Transforming from a Telco Subscription focused Company to pure play Interactive Gaming & sports media platform:** Building consumer facing brands & IPs across 1) Freemium, 2) Skill Based Games, 3) Chance Based Games in Africa & 4) new age sports media business.



2. **Attaining Vertical leadership:** Nazara is focusing on creating #1 or #2 position in the verticals which it is going to operate and has attained leadership in the following segments:



#### NAZARA INVESTMENTS AT A GLANCE:

Nazara strategy is to focus on growth driven by hybrid model of inorganic acquisitions & scaling organic businesses. Hybrid model of scaling business has worked for Nazara because:

- Nazara has looked at companies which are leaders in their space. Both eSports and next wave are leaders in their space and continue to lead the space
- Nazara has worked with the Founders to scale their revenue without interfering in their day to day operations.

#### Details of the Investments made by Nazara:

| Sr. No | Name of Company                          | Year of Investment | Total Investment (Rs in Millions) | % Holding |
|--------|------------------------------------------|--------------------|-----------------------------------|-----------|
| 1.     | Hashcube Inc.                            | 2014               | 22.00                             | 12.38%    |
| 2.     | Mastermind Sports Limited                | 2017               | 26.04                             | 26.00%    |
| 3.     | Next Wave Multimedia Pvt Ltd             | 2017               | 322.30                            | 52.38%    |
| 4.     | Moong Labs Technologies Limited          | 2017               | 10.00                             | 24.41%    |
| 5.     | Nodwin Gaming Private Limited            | 2018               | 767.68                            | 54.99%    |
| 6.     | Instasportz Consultancy Private Limited  | 2018               | 10.00                             | 8.67%     |
| 7.     | Halaplay Technologies Private Limited    | 2019               | 295.01                            | 36.66%    |
| 8.     | Crimzoncode Technologies Private Limited | 2019               | 16.85                             | 35.53%    |
| 9.     | Khichadi Technologies Private Limited    | 2019               | 7.50                              | 15.00%    |
| 10.    | Sports Unity Private Limited             | 2019               | 55.90                             | 63.63%    |
| 11.    | Absolute Sports Private Limited          | 2019               | 438.42                            | 63.90 %   |
| 12.    | Paper Boat apps Private Limited          | 2019               | 200.10                            | 15.06%    |

#### Investment Performance Snapshot:

(Rs in Millions)

| Sr. No | Name of Company                     | Revenue*                             |                                      | Profit Before Tax                    |                                      |
|--------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|        |                                     | For the Financial Year ended 2018-19 | For the Financial Year ended 2017-18 | For the Financial Year ended 2018-19 | For the Financial Year ended 2017-18 |
| 1.     | Nextwave Multimedia Private Limited | 146.94                               | 44.89                                | (113.75)                             | (23.94)                              |
| 2.     | Nodwin Gaming Private Limited       | 495.17                               | 36.39                                | 10.97                                | (5.02)                               |

\*On December 22, 2017, the Company acquired 52.38% of equity share capital of Nextwave

\*On January 10, 2018, the Company acquired 54.99% of equity share capital of Nodwin.

(The prior period comparatives are thus not comparable)

## SNAPSHOT OF FINANCIAL PERFORMANCE:

This year has been a challenging, yet exceptional year for Nazara as this was the year where we embarked aggressively to expand beyond telecom driven subscription business and create high growth verticals across free to play mobile games and esports. The Company has delivered Rs 1834.97 million of revenue including other income and registered year-on-year growth inspite of the decline of Rs.373.3 million in telco lead subscription business in India. Consolidated Profit after Tax in the financial year 2018-2019 was Rs.43.79 million as against Rs.12.13 million in the previous year, registering a growth of 261.01 % over FY 2017-18.

The segment wise revenue breakup is mentioned herein below:

(Rs. in Millions)

| Biz Vertical View | Segment        | For the financial year ended March 31,2019 | For the financial year ended March 31,2018 |
|-------------------|----------------|--------------------------------------------|--------------------------------------------|
| Mature            | Subscription   | 939.85                                     | 1517.01                                    |
| Emerging          | Freemium       | 240.38                                     | 152.06                                     |
|                   | eSports/ media | 491.66                                     | 36.40                                      |
| <b>Total</b>      |                | <b>1671.89</b>                             | <b>1705.47</b>                             |

Table: Total Subscription Revenue breakup by Region

(Rs. in Millions)

| Region            | For the financial year ended March 31,2019 | For the financial year ended March 31,2018 |
|-------------------|--------------------------------------------|--------------------------------------------|
| India             | 183.09                                     | 556.39                                     |
| Middle East       | 216.19                                     | 325.38                                     |
| Africa            | 325.51                                     | 404.38                                     |
| Rest of the world | 215.05                                     | 230.86                                     |
| <b>Total</b>      | <b>939.85</b>                              | <b>1517.01</b>                             |

### Revenues:

- Subscription business is down due to slowdown of revenue growth on account of maturing of telecom carriers subscription business & JIO consolidating the telecom carriers market
  - In India, sales are down because carrier wallet-based billing model getting disrupted on account of onetime payment model.

- In Rest of the world, User Preference is moving from paying for free to play games, to downloading for free from the App stores, leading to higher churn.
- Freemium & eSports business is growing due to:
  - Proliferation of smartphones
  - Drastic reduction in data prices
  - Up gradation of cellular infrastructure
  - Digital Payment Penetration
  - Casual players have moved to Skill Based Gaming and competitive gaming on PC/Mobile

**Profit before Tax margins:-** Profit before tax margin has declined on account of change in revenue mix with contribution of esports and Freemium increasing from 11.04% in FY 2017-18 to 43.77% in FY 2018-19. Currently, Nazara has been reinvesting eSports profits to grow the business substantially. Profit before tax margins in freemium and skill based games business will increase over period of time on account of long tail of retained users who continue to generate revenues. eSports business is in nascent stage in India, but has the potential to command higher margin as soon as bidding for media rights for live streaming of games becomes a tight contest between global and local Over The Top platforms.

| Particulars                                   | For the financial year ended March 31, 2019 | For the financial year ended March 31, 2018 |
|-----------------------------------------------|---------------------------------------------|---------------------------------------------|
| Profit before exceptional item and tax ( PBT) | 102.26                                      | 492.09                                      |

### Cash and Cash Equivalents:

Your Company has added Rs.135.35 million to cash and near cash reserves during the year under review aggregating to Rs 2259.21 million of total cash and near cash reserves as of 31<sup>st</sup> March 2019.

### OUTLOOK

Overall, Nazara is very excited with the opportunity which massive growth in gaming in emerging markets and Nazara has laid strong foundation to continue to gain market share in fast growing gaming market by transforming Nazara from a telco driven subscription services company to a pure play Interactive Gaming & sports media platform which has leadership in multiple fast growing verticals with large opportunity size. Nazara believes that it is well poised for aggressive growth in revenues in coming years and improving Profit Before Tax margins.

## BOARDS' REPORT

Dear Members,

The Board of Director's are pleased to present the 20<sup>th</sup> Annual Report on the business and operations of the Company together with the audited standalone and consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2019.

### RESULTS OF OPERATIONS FOR THE YEAR 2018-19:

Summary of the operations of the Company on standalone and consolidated basis for the financial year 2018-19 is as follows:

(Rs in Millions)

| PARTICULARS                                         | Standalone |          | Consolidated |          |
|-----------------------------------------------------|------------|----------|--------------|----------|
|                                                     | 2018-19    | 2017-18  | 2018-19      | 2017-18  |
| Revenue from Operations                             | 434.47     | 663.54   | 1671.89      | 1705.47  |
| Total Expenditure                                   | 522.62     | 694.08   | 1732.71      | 1311.56  |
| Profit before tax & exceptional item                | 31.44      | 319.26   | 102.26       | 492.09   |
| Exceptional Item                                    | -          | (357.18) | -            | (357.18) |
| Net Profit/(Loss) Before tax                        | 31.44      | (37.92)  | 92.79        | 134.28   |
| Profit/ (Loss) for the year                         | 22.18      | (104.08) | 43.79        | 12.11    |
| Equity Share Capital                                | 109.91     | 107.89   | 109.91       | 107.89   |
| Other Equity                                        | 2416.73    | 2114.97  | 4024.06      | 3454.14  |
| Net Block                                           | 5.71       | 12.46    | 1194.30      | 1269.54  |
| Net Current Assets                                  | 831.08     | 1021.14  | 2702.45      | 2524.38  |
| Cash and Cash Equivalents (including bank balances) | 28.61      | 25.46    | 1332.68      | 1174.93  |
| Earnings/(Loss) per Share (Diluted) (in Rs)         | 0.80       | (4.11)   | 3.88         | 1.08     |

### BUSINESS OVERVIEW:

#### Standalone Financials

During the year under review, on Standalone basis the Company has registered a turnover of Rs. 434.47 millions as against Rs. 663.54 millions in the previous year, owing to the closure of many telecom operator and termination of the arrangements with telecom operators during mid of the year. The other income stood at Rs. 119.59 millions as against Rs. 349.80 millions in the previous year. The Total expenditure stood to Rs. 522.62 millions as against Rs. 694.08 millions in the previous year. Your Company has registered a total profit of Rs. 22.18 millions for the FY 2018-2019 as against loss of Rs. 104.08 millions in the previous year.

#### Consolidated Financials:

On consolidated basis, our revenue from operations stood at Rs. 1671.89 millions for FY 2018-2019 as against Rs. 1,705.47 millions for FY 2017- 2018, reflecting a decline of 2%. Our revenue from subscription/ download of games and other contents decreased by 62.98% from Rs. 1517.01

millions for FY 2017-2018 to Rs. 955.42 millions for FY 2018-2019. On Consolidated basis, our profit for FY2018- 2019 stood at Rs. 43.79 millions as compared to Rs.12.11 millions for FY 2017- 2018.

During the year, there were no changes in the nature of business of the Company, the detailed discussion on Company's overview and future outlook has been given in the section on 'Management Discussion and Analysis.

### AMOUNTS TRANSFERRED TO RESERVES:

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

### DIVIDEND:

In order to conserve the resources for the business requirement of the Company, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2019.

### CHANGES TO THE SHARE CAPITAL

During the financial year under review, the Company has allotted 499,350 equity shares of Rs 4/- each at an aggregate value of Rs.117.01 millions pursuant to exercise of 499,350 vested options by the ESOP holders.

Subsequent to the Balance sheet date, your Company has made following allotments on preferential basis:

- 34,959 Equity Shares of Rs.4/- each at a price of Rs. 728/- for cash aggregating to Rs. 25.40 millions on private placement Basis to Azimuth Investments Limited by way of circular resolution passed on 18<sup>th</sup> July, 2019.
- 4,71,740 Equity Shares of Rs. 4/- each at the price of Rs. 728/- aggregating to Rs. 343.40 millions to the shareholders of Absolute Sports Private Limited on private placement basis for consideration other than cash (i.e. by way of swap of 1,07,450 Equity shares of Absolute Sports Private Limited with the Equity shares of the Company) by way of circular resolution passed on 16<sup>th</sup> September, 2019.

The present paid-up share capital of the Company is Rs. 11,19,14,672/- (Rupees Eleven Crores Nineteen Lakhs Fourteen Thousand Six Hundred and Seventy Two Only) divided into 2,79,78,668 (Two Crores Seventy Nine Lakhs Seventy Eight Thousand Six Hundred and Sixty Eight) Equity Shares of Rs. 4/- each.

### EMPLOYEE STOCK OPTION (ESOP) DISCLOSURE:

Pursuant to the provisions of Sec 62(1)(b) read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the Company approved the following Employee Stock Option Schemes i.e. Nazara Technologies Employee Stock Option Plan 2016 and Nazara Technologies Employee Stock Option Plan 2017 for granting stock options to its employees. All the schemes endeavor to provide incentives and retain employees who contribute to the growth of the Company. A summary disclosure in compliance with Companies (Share Capital and Debentures) Rules, 2014 forms part of this report as **Annexure I** and the complete details have been disclosed under Notes to the financial statements which form part of the Annual Report. During the year under review, there has been no variation in the terms of ESOP schemes.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:**

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

**PUBLIC DEPOSITS:**

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 (the Act) read with Companies (Acceptance of Deposits) Rules, 2014.

**INFORMATION ABOUT SUBSIDIARY AND ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March, 2019, the Company has the twelve Subsidiaries and three Associates Companies:

**A. Direct Subsidiaries:**

- i. Nazara Technologies FZ LLC
- ii. Nazara Pte. Ltd
- iii. Nazara Pro Gaming Private Limited
- iv. Next Wave Multimedia Private Limited
- v. Nodwin Gaming Private Limited

**B. Step Down Subsidiaries:**

- i. Nazara Technologies
- ii. NZMobile Nigeria Ltd
- iii. Nazara Zambia Ltd
- iv. NZ Mobile Kenya Ltd
- v. Nazara Uganda Ltd
- vi. Nazara Bangladesh Limited
- vii. NZ World Kenya Limited

**C. Associate Companies**

- i. Halaplay Technologies Private Limited
- ii. Mastermind Sports Limited
- iii. Crimzoncode Technologies Private Limited

In accordance with the Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, the Company has prepared consolidated financial statements of the Company and all its subsidiary companies which forms part of the Annual Report. A statement containing the salient features of the financial statement of the subsidiaries of the Company in the prescribed format AOC-1 is appended as **Annexure II** to the Board's Report.

The said Form also highlights the financial performance of each of the subsidiaries/associates companies included in the Consolidated Financial Statement pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

Further, during the year under review, Crimzoncode Technologies Private Limited and Halaplay Technologies Private Limited became the associate companies on 6<sup>th</sup> June, 2018 and 1<sup>st</sup> March, 2019 respectively.

**a) Crimzoncode Technologies Private Limited:**

Your Company has acquired 35.53 % equity stake in Crimzoncode Technologies Private Limited ("Crimzoncode") for an investment of Rs 16.85 millions. Crimzoncode is engaged in developing and marketing mobile games, especially related to quiz games. It became the associate company of Nazara on 6<sup>th</sup> June, 2018.

**b) Halaplay Technologies Private Limited**

Your Company has invested Rs 206.50 millions in cash for acquiring additional stake in Halaplay Technologies Private Limited. It is engaged in the business of a Daily Fantasy Sports (DFS) platform that empowers serious and casual sports enthusiasts to play cash-based games online. It became an associate company on 1<sup>st</sup> March, 2019. As on March 31, 2019, the Company is holding 30.52% equity stake in Halaplay Technologies Private Limited on a fully diluted basis.

**c) InstaSports Consultancy Private Limited**

During the year, your Company has acquired 8.67% minority equity stake of Instasports Consultancy Private Limited (Instasportz) pursuant to relevant Share Subscription and Shareholders Agreement. The Company has invested Rs 10 million in Instasports in cash. Instasports is engaged in the running sports and virtual reality entertainment zones across India and abroad.

**Subsequent to the Balance Sheet date, the Company has made investments in the following Companies:**

**a) Khichadi Technologies Private Limited**

Your Company has invested Rs 7.5 million in cash for acquiring 15% equity stake in Khichadi Technologies Private Limited. The Company has entered into relevant investment agreement for the same. Khichadi Technologies Private Limited is engaged in vernacular social contest platform - "Bakbuck".

**b) Sports Unity Private Limited**

Your Company has invested Rs 55.90 millions in cash for the acquiring 63.63% equity stake in Sports Unity Private Limited (Sports Unity). Sports Unity is engaged in online multiplayer quiz platform "Qunami" which provides experience of simulating a real cricket match.

**c) Absolute Sports Private Limited**

Your Company has acquired 63.90% equity share capital of Absolute Sports Private Limited ('Absolute Sports') for a total consideration of Rs 438.40 millions, in one or more tranches.

The Company has invested Rs 95 million in cash and balance Rs 343.43 millions through swap of equity shares of your Company. Absolute Sports is engaged in the business of providing platform for sports news and opportunity to interact with fans for sports like football, cricket etc.

**d) Halaplay Technologies Private Limited**

Your Company has made further investment of Rs 84.50 millions in Halaplay Technologies Private Limited

in pursuance with the investment agreement entered by the Company with them. Post this investment, the Company has acquired 36.66% equity Stake in Halaplay Technologies Private Limited on a fully diluted basis.

**e) Paper Boats Apps Private Limited**

Your Company has signed an Investment agreement with Paper Boat Apps and its promoters on 11th October, 2019 for investment upto Rs. 83.5 Crores in Paper Boat Apps Private Limited (Paper Boat Apps), a Mumbai based indie studio. The Company intends to acquire a majority stake of 51% at a pre-money valuation of Rs. 154 Crores. The said acquisition is subject to approval of shareholders at the ensuing general meeting of the Company. Paper Boat Apps is the creator and publisher of Kiddopia, an award winning, subscription based preschool edutainment app. The aforesaid acquisition is a part of series of strategic investment made by the Company in various gaming Companies in order to expand the business inorganically and create the value for the investors. The Company has already acquired 15.06% equity stake for an investment of Rs 246.92 millions as on the date of this report.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on the website of the Company. Particulars required to be disclosed pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure III** to the Boards' report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year under review, there was no change in the composition of the Board of Directors of the Company.

**a) Re-appointment**

Basis on the recommendation of Nomination, Remuneration & Compensation Committee and in accordance with the provisions of Section 152 of the Companies Act, 2013, read with the Rules made thereunder and the Articles of Association of the Company, Mr. Kuldeep Jain, Non –Executive Director (DIN: 02683041) of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. Accordingly, your Board recommends his re-appointment to the members. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

**b) Statement on Declaration by Independent Directors:**

All the Independent Directors have given their respective declarations under Sec 149 (6) and (7) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as Independent Directors as specified in Section 149 of the Companies Act, 2013 and Rules made thereunder and are independent of the management of the Company.

**c) Number of Meetings of Board of Directors:**

6 (Six) meetings of the Board of Directors of the Company were held during the year under review. Detailed

information of the meetings of the Board is included in the Report on Corporate Governance, which forms part of this Report.

**d) Formal Annual Evaluation**

The Nomination Remuneration & Compensation Committee of the Company has laid down the criteria for performance evaluation of the Board and individual directors including the independent Directors and Chairperson covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board Culture, execution and performance of specific duties, obligations and governance. It includes circulation of evaluation forms separately for evaluation of the Board, Independent Directors / Non-Executive Directors / Executive Directors and the Chairman of your Company.

The Board reviewed and analyzed the responses to the evaluation forms and accordingly completed the Board evaluation process for the financial year 2018-19.

**e) Company's Policy on Directors' Appointment and Remuneration**

The Nomination Remuneration & Compensation Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178, is appended as **Annexure IV** to this Report and is placed on the website of the Company.

**f) Key Managerial Personnel**

Mr. Vinav Agarwal ceased to be a Key Managerial Personnel (Company Secretary and Compliance Officer) upon his resignation w.e.f from 10<sup>th</sup> November, 2018. Mr. Turabbhai Chimthanawala was appointed as the Company Secretary of the Company and was designated as a Key Managerial Personnel with effect from 01<sup>st</sup> April, 2019.

**COMMITTEES OF THE BOARD**

**a) Audit Committee**

The Audit Committee comprises of Mr. Sasha Mirchandani, Mr. Probir Roy, Ms. Shobha Jagtiani and Mr. Nitish Mittersain as its Members. The Committee comprises of majority of Independent Directors with Mr. Sasha Mirchandani being the Chairman. The CFO of your Company is the permanent invitee. Further details relating to the Audit Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

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

The Nomination Remuneration & Compensation Committee comprises of Mr Probir Roy, Ms. Shobha Jagtiani and Mr. Kuldeep Jain as its members. Further details relating to the Nomination Remuneration & Compensation Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

**c) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises of Mr. Probir Roy, Ms. Shobha Jagtiani, Mr. Nitish Mittersain and Mr. Vikash Mittersain as its members. Further details relating to the Corporate Social

Responsibility Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

d) **Stakeholders Relationship Committee**

Stakeholders' Relationship Committee looks into matters relating to transfer/transmission of securities; non-receipt of dividends; non-receipt of annual report etc. Further details pertaining to Stakeholders Relationship Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the year under review is presented in a separate section and forming part of this Report.

**CORPORATE GOVERNANCE:**

Your Company is fully committed to follow good Corporate Governance practices and maintain the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values. The Report on Corporate Governance is presented in a separate section and forms part of this Report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

**INTERNAL FINANCIAL CONTROL:**

Your Company has in place adequate internal financial control system commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safe keeping of its assets, prevention and detection of frauds and errors, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed by the Audit Committee to maintain the highest standards of Internal Control. During the year under review, no material or serious observation has been received from the Auditors of your Company citing inefficiency or inadequacy of such controls. An extensive internal audit is carried out by M/s. R. Jaitlia and Co., Chartered Accountants and post audit reviews are also carried out to ensure follow up on the observations made.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The details of the same are explained in the Report on Corporate Governance.

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company has devised and adopted a Risk Management Policy and implemented a mechanism for risk assessment and management. The policy provides for identification of possible risks associated with the business of the Company,

assessment of the same at regular intervals and taking appropriate measures and controls to manage, mitigate and handle them. The key categories of risk jotted down in the policy are strategic risks, financial risks, operational risks and such other risk that may potentially affect the working of the Company. A copy of the risk management policy is placed on the website of the Company.

**STATUTORY AUDITORS:**

The term of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), Statutory Auditors of the Company will expire on conclusion of forthcoming Annual General meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Audit Committee has recommended to the Board for the appointment of M/s. Walker Chandiok & Co.LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013) Chartered Accountants, as the Statutory Auditor of the Company, to hold office for a period of 5 (five) consecutive years from the conclusion of 20<sup>th</sup> Annual General Meeting of Company till the conclusion of its 25<sup>th</sup> Annual General Meeting.

M/s. Walker Chandiok & Co.LLP, Chartered Accountants, have confirmed their eligibility to the effect that if their appointment is made by the members in the ensuing Annual General Meeting, it shall be within the prescribed limits and they have also confirmed that they are not disqualified for such appointment. Upon recommendation of Audit Committee, the Board of Directors of your Company has appointed M/s. Walker Chandiok & Co.LLP, Chartered Accountants, Mumbai, to hold the office as Statutory Auditors of the Company from the conclusion of 20<sup>th</sup> Annual General Meeting of Company till the conclusion of its 25<sup>th</sup> Annual General Meeting, subject to approval of shareholders. Necessary resolution and disclosures as per the Companies Act for appointment of the said Statutory Auditor will be included in the Notice of Annual General Meeting for seeking approval of members.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT:**

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

**INSTANCES OF FRAUD, IF ANY, REPORTED BY THE STATUTORY AUDITORS:**

During the year under review, the statutory auditors have not reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in the Board's Report.

**EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return of your Company as on March 31, 2019 in Form MGT-9, in accordance with Section 92(3) of the Companies Act, 2013 and the rules made thereunder, is given in **Annexure-V** to this Report. The same is also available on Company's website [www.nazara.com](http://www.nazara.com).

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The particulars of loans, guarantees and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to Financial Statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

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

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

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

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has zero tolerance for sexual harassment at workplace. While maintaining the highest governance norms, the Company has constituted an Internal Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There was no complaint received by committee on sexual harassment during the year under review.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

The particulars regarding the provisions of Section 134(3)(m) of the Companies Act, 2013 with respect to conservation of energy, technology absorption, etc. are given as follows:

### (A) Conservation of Energy

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

### (B) Technology absorption, adaptation and innovation

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

### (C) Foreign Exchange Earnings and Outgo:

(Rs in millions)

| Particulars                          | 2018-19 | 2017-18 |
|--------------------------------------|---------|---------|
| <b>Foreign Exchange Earnings:</b>    |         |         |
| Export of services at FOB value      | 248.93  | 472.23  |
| <b>Foreign Exchange Expenditure:</b> |         |         |
| Expenditure                          | 31.44   | 90.73   |

### DIRECTORS' RESPONSIBILITY STATEMENT:-

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013, the Directors hereby confirm and state that:

- in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on March 31, 2019 and of the profit and loss and cash flow of the company for the period ended 31<sup>st</sup> March, 2019;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts for the year ended March 31, 2019 on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MAINTAINENCE OF THE COST RECORDS:**

The provisions of Rule 8(5)(ix) of Companies (Accounts) Rules, 2014 of Section 134(3) of Companies Act, 2013 are not applicable to the Company.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:**

The Company has complied with the applicable secretarial standards of board (SS-1) & general meeting (SS-2) issued by the Institute of Companies Secretaries of India.

**GREEN INITIATIVES:**

Electronic copies of the Annual report 2019 for the 20<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode. Members may note that this Annual Report will also be available on the Company's website viz. [www.nazara.com](http://www.nazara.com). To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.

**CAUTIONARY STATEMENT:**

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in a separate Section in this Report, describing the Company's

objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

**ACKNOWLEDGEMENT:**

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

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

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

|                              |                          |
|------------------------------|--------------------------|
| <b>Vikash Mittersain</b>     | <b>Nitish Mittersain</b> |
| Chairman & Managing Director | Joint Managing Director  |
| DIN: 00156740                | DIN: 02347434            |

Place : **Mumbai**  
Date : **November 13, 2019**

**ANNEXURE - I**
**PARTICULARS OF EMPLOYEE STOCK OPTIONS SCHEMES**
**As required under Rule 12 of Companies (Share capital and Debentures) Rules, 2014**

| Nature of Disclosure                                                                                                                                                                                                 | Nazara Technologies<br>ESOP 2016 (ESOP, 2016) | Nazara Technologies<br>ESOP, 2017 (ESOP, 2017) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|
| a. No of Options outstanding at the beginning of the year                                                                                                                                                            | 7,42,634                                      | 5,62,733                                       |
| b. Options granted during the year                                                                                                                                                                                   | Nil                                           | Nil                                            |
| c. Options Vested during the year                                                                                                                                                                                    | Nil                                           | Nil                                            |
| d. Options exercised during the year                                                                                                                                                                                 | 4,99,350                                      | Nil                                            |
| e. The total number of shares arising as a result of exercise of option                                                                                                                                              | 4,99,350                                      | Nil                                            |
| f. Option lapsed during the year                                                                                                                                                                                     | Nil                                           | Nil                                            |
| g. The exercise price                                                                                                                                                                                                | Rs 234.32/- per Option                        | Rs. 282.91/- per Option                        |
| h. Variation of terms of options                                                                                                                                                                                     | NA                                            | NA                                             |
| i. Money realized by exercise of options                                                                                                                                                                             | Rs 117.01millions                             | NA                                             |
| j. Total number of options in force at the end of the year                                                                                                                                                           | 2,43,284                                      | 5,62,733                                       |
| k. Total number of options exercisable at the end of the year                                                                                                                                                        | 2,43,284                                      | 5,62,733                                       |
| l. Employee wise details of options granted to:-                                                                                                                                                                     |                                               |                                                |
| 1. Key Managerial Personnel                                                                                                                                                                                          | No Options were granted during the year       |                                                |
| 2. Any other employee who receives a grant in any other options in any one year of option amounting to five per cent or more of options granted during that year                                                     | No Options were granted during the year       |                                                |
| 3. Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. | No Options were granted during the year       |                                                |

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

Place: Mumbai  
Date: November 13, 2019

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

## ANNEXURE - II

### FORM AOC-1

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

(Amounts in millions)

#### Part "A": Subsidiaries

| Name of the Subsidiary Company                                                                                              | Nazara Technologies FZ LLC | Nazara Bangladesh Ltd                   | Nazara Pte Ltd       | Nazara Technologies  | NZMobile Nigeria Ltd    | Nazara Zambia Ltd    | NZ mobile Kenya Ltd   | Nazara Uganda Ltd         | NZworld Kenya LTD      |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------|----------------------|----------------------|-------------------------|----------------------|-----------------------|---------------------------|------------------------|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period.                    | 31.03.2019                 | 31.03.2019                              | 31.03.2019           | 31.03.2019           | 31.03.2019              | 31.03.2019           | 31.03.2019            | 31.03.2019                | 31.03.2019             |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | AED<br>Rate: 18.996        | BDT<br>Rate : 0.8318                    | USD<br>Rate : 69.773 | USD<br>Rate : 69.773 | NGN<br>Rate : 0.1929    | ZMW<br>Rate : 6.331  | KES<br>Rate : 0.690   | UGX<br>Rate : 0.01866     | KES<br>Rate : 0.690    |
| Share capital                                                                                                               | 50 Shares of AED 1000 each | 1,000 Ordinary Shares of Taka 100 each. | 800 Shares of USD 1  | 380 Shares of USD 10 | 1000000 Shares of NGN 1 | 15000 Shares of KR 1 | 1000 Share of KES 100 | 100 shares of UGX 100,000 | 100 shares of KES 1000 |
| Reserves & surplus                                                                                                          | 691.44                     | -2.73                                   | 276.50               | 841.75               | -44.48                  | -2.86                | 115.47                | -2.76                     | -12.02                 |
| Total assets                                                                                                                | 797.51                     | 46.76                                   | 324.12               | 909.52               | 191.83                  | 7.07                 | 227.91                | 14.36                     | 25.03                  |
| Total Liabilities                                                                                                           | 105.43                     | 49.06                                   | 47.57                | 67.51                | 235.87                  | 9.79                 | 112.36                | 16.84                     | 42.15                  |
| Investments                                                                                                                 | 86.98                      | -                                       | 48.71                | 0.93                 | -                       | -                    | 0.05                  | -                         | -                      |
| Turnover                                                                                                                    | 216.19                     | 1.14                                    | 213.92               | 252.77               | 82.73                   | 6.96                 | 68.99                 | 5.95                      | 1.20                   |
| Profit before taxation                                                                                                      | 86.20                      | -1.77                                   | 86.65                | 119.84               | -7.97                   | -1.46                | 28.97                 | 0.65                      | -24.62                 |
| Provision for taxation                                                                                                      | -                          | -                                       | 14.05                | 17.92                | -3.43                   | 0.12                 | 26.22                 | 0.20                      | -7.39                  |
| Profit after taxation                                                                                                       | 86.20                      | -1.77                                   | 72.60                | 101.92               | -4.54                   | -1.58                | 2.75                  | 0.45                      | -17.24                 |
| Proposed Dividend                                                                                                           | -                          | -                                       | -                    | -                    | -                       | -                    | -                     | -                         | -                      |
| % of shareholding                                                                                                           | 100%                       | 100%                                    | 100%                 | 100%                 | 99.90%                  | 99.98%               | 99.90%                | 99%                       | 70%                    |
| Date on which it became the Subsidiary of the Company                                                                       | 07.08.2011                 | 24.07.2014                              | 11.03.2013           | 29.03.2013           | 15.05.2013              | 27.05.2013           | 04.06.2013            | 31.10.2013                | 01.04.2018             |

Amount (in millions)

| Name of the Subsidiary Company                                                                                              | Nazara Pro Gaming Private Limited | Nextwave Multimedia Private Limited | Nodwin Gaming Private Limited |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------|-------------------------------|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period.                    | 31.03.2019                        | 31.03.2019                          | 31.03.2019                    |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR                               | INR                                 | INR                           |
| Share capital                                                                                                               | 10000 shares of Rs. 10 each       | 33335 shares of Rs. 100 each        | 13414 shares of Rs. 10 each   |
| Reserves & surplus                                                                                                          | -                                 | 155.874                             | 383.36                        |
| Total assets                                                                                                                | 0.099                             | 188.02                              | 585.21                        |
| Total Liabilities                                                                                                           | 0.025                             | 28.81                               | 201.71                        |
| Investments                                                                                                                 | -                                 | 38.06                               | 5.75                          |
| Turnover                                                                                                                    | -                                 | 146.94                              | 495.17                        |
| Profit before taxation                                                                                                      | (0.0265)                          | (113.74)                            | 10.97                         |
| Provision for taxation                                                                                                      | -                                 | 6.65                                | -                             |
| Profit after taxation                                                                                                       | (0.0265)                          | (132.99)                            | 8.83                          |
| Proposed Dividend                                                                                                           | -                                 | -                                   | -                             |
| % of shareholding                                                                                                           | 100                               | 52.38                               | 54.99%                        |
| Date on which it became the Subsidiary of the Company                                                                       | 16.05.2017                        | 22.12.2017                          | 10.01.2018                    |

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

Place : Mumbai  
Date : November 13, 2019

**Vikash Mittersain**  
Chairman & Managing Director  
DIN No. 00156740

**Nitish Mittersain**  
Joint Managing Director  
DIN No. 02347434

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

1. Names of subsidiaries which are yet to commence operations: **N.A.**

### Part “B”: Associates and Joint Ventures

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

| Name of associates |                                                                                               | Mastermind Sports Limited | Crimzoncode Technologies Private Limited | Halaplay Technologies Private Limited            |
|--------------------|-----------------------------------------------------------------------------------------------|---------------------------|------------------------------------------|--------------------------------------------------|
| 1.                 | Latest audited Balance Sheet Date                                                             | March 31, 2019            | March 31, 2019                           | March 31, 2019                                   |
| 2.                 | Shares of Associate held by the company on the year end                                       |                           |                                          |                                                  |
| (i)                | No. of Shares                                                                                 | 83,526 ordinary shares    | 1,366,728 Equity Shares                  | 25,266 Equity shares<br>30,500 Preference shares |
| (ii)               | Amount of Investment in Associates/Joint Venture (Amt. in millions)                           | 26.04                     | 16.85                                    | 210.51                                           |
| (iii)              | Extend of Holding%                                                                            | 26%                       | 35.53%                                   | 30.52%                                           |
| 3.                 | Description of how there is significant influence                                             | Associate Company         | Associate Company                        | Associate Company                                |
| 4.                 | Reason why the associate/joint venture is not consolidated                                    | N. A.                     | N.A                                      | N.A                                              |
| 5.                 | Net worth attributable to shareholding as per latest audited Balance Sheet (Amt. in millions) | 6.49                      | 14.96                                    | 81.24                                            |
| 6.                 | Profit/Loss for the year (Amt. in millions)                                                   | 0.96                      | (17.82)                                  | (287.85)                                         |
| i.                 | Considered in Consolidation                                                                   | Yes                       | Yes                                      | Yes                                              |

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

Place : Mumbai  
Date : November 13, 2019

**Vikash Mittersain**  
Chairman & Managing Director  
DIN No. 00156740

**Nitish Mittersain**  
Joint Managing Director  
DIN No. 02347434

### Annexure III

## Annual Report on Corporate Social Responsibility (CSR) Activities

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

| Sr. No. | Particulars                                                                                                                                                                                  |                                                                                                              |                                                                                                                          | Details                                                                                                                                                                                                                                                               |                                                                                                                                |                                                                  |                                                     |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------|
| 1       | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs |                                                                                                              |                                                                                                                          | The CSR policy of the Company lays down the guidelines to make CSR a key business process for sustainable development of the society. The CSR policy also encompasses the scope of CSR activities of the Company.                                                     |                                                                                                                                |                                                                  |                                                     |
| 2       | The Composition of the CSR Committee.                                                                                                                                                        |                                                                                                              |                                                                                                                          | 1. Mr. Probir Roy<br>2. Ms. Shobha Jagtiani<br>3. Mr. Vikash Mittersain<br>4. Mr. Nitish Mittersain                                                                                                                                                                   |                                                                                                                                |                                                                  |                                                     |
| 3       | Average net profit of the company for last three financial years                                                                                                                             |                                                                                                              |                                                                                                                          | Rs. 29,04,94,745/-                                                                                                                                                                                                                                                    |                                                                                                                                |                                                                  |                                                     |
| 4       | Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)                                                                                                                  |                                                                                                              |                                                                                                                          | Rs. 58,09,895/-                                                                                                                                                                                                                                                       |                                                                                                                                |                                                                  |                                                     |
| 5       | Details of CSR spent during the financial year.<br>a) Total amount to be spent for the financial year<br>b) Amount unspent , if any                                                          |                                                                                                              |                                                                                                                          | Rs. 58,09,895/-<br>Rs. 25,84,895/-                                                                                                                                                                                                                                    |                                                                                                                                |                                                                  |                                                     |
|         | c) Manner in which the amount spent during the financial year is detailed below:                                                                                                             |                                                                                                              |                                                                                                                          |                                                                                                                                                                                                                                                                       |                                                                                                                                |                                                                  |                                                     |
| Sr. No. | CSR Project or activity identified                                                                                                                                                           | Sector in which the project is covered                                                                       | Projects or Programs<br>1. Local Area or other<br>2. Specify the State and district where projects or programs was taken | Amount Outlay (Budget) project or program wise (Amount in Rs.)                                                                                                                                                                                                        | Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2) Overheads (Amount in Rs.) | Cumulative Expenditure upto the reporting period (Amount in Rs.) | Amount spent: Direct or through implementing agency |
| a.      | Contribution to Dr. B.K Goyal Heart Foundation                                                                                                                                               | Helping economically disadvantage receive treatment for heart disease                                        | Mumbai (Maharashtra)                                                                                                     | 15,00,000                                                                                                                                                                                                                                                             | 15,00,000                                                                                                                      | 15,00,000                                                        | Direct                                              |
| b.      | Contribution to Kerala Relief Fund                                                                                                                                                           | Providing relief to flood affected victims                                                                   | Kerala (India)                                                                                                           | 3,00,000                                                                                                                                                                                                                                                              | 3,00,000                                                                                                                       | 18,00,000                                                        | Through implementation agency                       |
| c.      | Contribution to Somaiya Vidyavihar Trust                                                                                                                                                     | Education                                                                                                    | Mumbai (Maharashtra)                                                                                                     | 1,25,000                                                                                                                                                                                                                                                              | 1,25,000                                                                                                                       | 19,25,000                                                        | Direct                                              |
| d.      | Contribution to Make-a-wish Foundation of India                                                                                                                                              | Promotion of children diagnosed with life-threatening medical condition                                      | Mumbai (Maharashtra)                                                                                                     | 10,00,000                                                                                                                                                                                                                                                             | 10,00,000                                                                                                                      | 29,25,000                                                        | Direct                                              |
| f.      | Contribution to Association of parents of mentally retarded children (ADHAR)                                                                                                                 | Providing lifelong care and protection, training, treatment and rehabilitation to mentally challenged adults | Mumbai (Maharashtra)                                                                                                     | 3,00,000                                                                                                                                                                                                                                                              | 3,00,000                                                                                                                       | 32,25,000                                                        | Direct                                              |
|         | Total                                                                                                                                                                                        |                                                                                                              |                                                                                                                          | 32,25,000                                                                                                                                                                                                                                                             | 32,25,000                                                                                                                      | 32,25,000                                                        |                                                     |
| 6       | In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:           |                                                                                                              |                                                                                                                          | During the year under review, the company has identified few CSR project and spent Rs.32,25,000/-on the said CSR Project adequately. However, the Company could not spend the balance amount as the Company could not identify any further projects for CSR activity. |                                                                                                                                |                                                                  |                                                     |
| 7.      | CSR Responsibility Statement                                                                                                                                                                 |                                                                                                              |                                                                                                                          | Implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.                                                                                                                                                       |                                                                                                                                |                                                                  |                                                     |

Place: Mumbai  
Date: November 13, 2019

**Vikash Mittersain**  
Chairman & Managing Director and  
Chairman of CSR Committee  
DIN: 00156740

**Probir Roy**  
Member of CSR Committee  
DIN: 00111961

## ANNEXURE - IV

### NOMINATION AND REMUNERATION POLICY

#### 1. Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “**Act**”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The Board has constituted a Nomination Remuneration and Compensation Committee (the “**NR Committee**”) which is in compliance with the requirements of the Companies Act, 2013

#### 2. Objectives of the NR Committee:

The NR Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- v. Devise a policy on diversity of Board of Directors; and
- vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- vii. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- viii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks

#### 3. Effective Date:

The following policy has been formulated by the NR Committee and adopted by the Board of Directors at its meeting held on 17<sup>th</sup> January, 2018.

This policy shall be operational with immediate effect.

#### 4. Definitions:

- “**Board**”:- Board means Board of Directors of the Company.

- “**Director**”:- Director means Director of the Company appointed in accordance with the Companies Act, 2013.
- “**NR Committee**”:- NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- “**Company**”:- Company means Nazara Technologies Limited.
- “**Independent Director**”:- As provided under the Companies Act, 2013, an Independent Director in relation to a company, means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director,—
  - a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - b) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - c) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - d) who, neither himself nor any of his relatives—
    - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
      - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
      - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
    - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

- (iv) is a Chief Executive or director, by whatever name called, of any non- profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- e) who possesses such other qualifications as may be prescribed.
- **“Key Managerial Personnel”:-** Key Managerial Personnel (‘KMP’) means-
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **“Senior Management”:-** The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### 5. Applicability:

The Policy is applicable to -

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

#### 6. Constitution of the NR Committee:

The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company’s policy and applicable statutory requirement. At present, the NR Committee comprises of following Directors:

| Name of the Director | Category               | Designation |
|----------------------|------------------------|-------------|
| Probir Roy           | Independent Director   | Chairman    |
| Shobha Jagtiani      | Independent Director   | Member      |
| Kuldeep Jain         | Non-Executive Director | Member      |

#### 7. General Appointment Criteria:

- i. The NR Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules

made thereunder, or any other enactment for the time being in force.

- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, and any other enactment for the time being in force which is applicable to the Company.

#### 8. Additional Criteria for Appointment of Independent Directors:

The NR Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head ‘Definitions’ and also their appointment shall be governed as per the provisions of Section 149 of the Companies Act, 2013 (as amended from time to time).

#### 9. Term / Tenure:

- i. Chairman/Managing Director/Whole-time Director
 

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the NR Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### 10. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the NR Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## 11. Criteria for Evaluation of Independent Director and the Board:

Following are the Criteria for evaluation of performance of Independent Directors and the Board.

The Directors including Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the company in implementing the best corporate governance practices,
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are members;
- (j) strive to attend the Board, Committee and general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- (n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## 12. Board diversity:

The Board of Directors may have the combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

## 13. Remuneration:

The NR Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director and KMP to the Board for their approval.

The level and composition of remuneration so determined by the NR Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required

to run the company successfully. The relationship of remuneration to performance should be made clear and should meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

### i Managing Director/Whole-time Director

- a) The compensation paid to the executive directors (including managing director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NR Committee will be within the overall limits specified under the Companies Act, 2013.
- b) Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Managing Director/Whole-time Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c) The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

### ii Non-executive Directors

- a. The Non- Executive Director may receive sitting fees for attending meetings of Board or NR Committee thereof. The remuneration/ commission/ compensation to the Non-executive Directors will be determined by the NR Committee and recommended to the Board for its approval.
- b. The remuneration payable by the Company to Non-executive Directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

### iii KMPs / Senior Management Personnel etc.

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

### iv Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel unless otherwise specifically provided under the Act.

## 14. Chairperson

- (i) Chairperson of the NR Committee shall be an Independent Director.
- (ii) Chairperson of the Company may be appointed as a member of the NR Committee but shall not be a Chairman of the NR Committee.

- (iii) In the absence of the Chairperson, the members of the NR Committee present at the meeting shall choose one amongst them to act as Chairperson.
- (iv) Chairman of the NR Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **15. Frequency of Meetings**

The meeting of the NR Committee shall be held at such regular intervals as may be required.

#### **16. NR Committee Members Interest**

A member of the NR Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

The NR Committee may invite such executives, as it considers appropriate, to be present at the meetings of the NR Committee.

#### **17. Secretary**

The Company Secretary of the Company shall act as Secretary of the NR Committee.

#### **18. Voting**

Matters arising for determination at NR Committee meetings shall be decided by a majority of votes of

Members present and voting and any such decision shall for all purposes be deemed a decision of the NR Committee.

#### **19. Minutes of the NR Committee Meeting**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the NR Committee meetings will be tabled at the subsequent Board and NR Committee meeting.

#### **20. Adoption, Changes and Disclosure of Information**

- i This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NR Committee.
- ii This policy may be reviewed at such intervals as the Board or NR Committee may deem necessary.
- iii Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

#### **21. Dissemination of Policy**

A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company

**ANNEXURE V**  
**EXTRACT OF ANNUAL RETURN**  
**FORM NO. MGT 9**

As on financial year ended on 31<sup>st</sup> March, 2019

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

**I. REGISTRATION & OTHER DETAILS:**

|    |                                                                            |                                                                                                                                       |
|----|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| 1. | CIN                                                                        | U72900MH1999PLC122970                                                                                                                 |
| 2. | Registration Date                                                          | 08/12/1999                                                                                                                            |
| 3. | Name of the Company                                                        | <b>NAZARA TECHNOLOGIES LIMITED</b>                                                                                                    |
| 4. | Category/Sub-category of the Company                                       | Non-Government Company Limited by Shares                                                                                              |
| 5. | Address of the Registered office & contact details                         | 51-57, Maker Chambers 3, Nariman Point, Mumbai -400021<br>+91 22-40330800                                                             |
| 6. | Whether listed company                                                     | No                                                                                                                                    |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | <b>Link Intime India Private Limited</b><br>C-101, 247, Park<br>LBS Marg Vikhroli,<br>Mumbai-400083<br>Contact Detail:+91 22 49186000 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1.      | Telecommunication                                | 61                              | 100.00                             |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sr. No. | Name & Address of the company                                                                                                                   | CIN / GLN             | Holding / Subsidiary / Associate    | % of shares held | Applicable Section |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------|------------------|--------------------|
| 1.      | Nazara Technologies FZ LLC<br>Bldg 9, G46, Dubai Media City,<br>Dubai, UAE, P. O. Box: 283753                                                   | -                     | Subsidiary                          | 100%             | 2(87)              |
| 2.      | Nazara PTE Limited<br>20, Maxwell Road, #09-17, Maxwell House,<br>Singapore (069113)                                                            | -                     | Subsidiary                          | 100%             | 2(87)              |
| 3.      | Nazara Pro Gaming Private Limited<br>51-57, Maker Chambers, 3, Nariman Point Mumbai<br>Mumbai City-400021                                       | U74999MH2017PTC294895 | Subsidiary                          | 100%             | 2(87)              |
| 4.      | Nextwave Multimedia Private Limited<br>First floor, Old No.98, New No.165 Avvai Shanmugam<br>Salai, Royapettah, Chennai,<br>Tamil Nadu - 600014 | U72300TN1995PTC030106 | Subsidiary                          | 52.83%           | 2(87)              |
| 5.      | Nodwin Gaming Private Limited<br>Flat No-1004 Ivory Court-1 Essel Tower M.G. Road ,<br>Iffco Chowk, Gurgaon, Haryana- 122001                    | U93000HR2014PTC051557 | Subsidiary                          | 54.99%           | 2(87)              |
| 6.      | NZWorld Kenya Limited<br>L.R. No. 209/65/14 West Park Suites Ojijo Road P.O.<br>Box 175-00606 Nairobi,<br>Kenya.                                | -                     | Stepdown<br>Subsidiary              | 70%              | 2(87)              |
| 7.      | Nazara Technologies, Mauritius<br>3 <sup>rd</sup> Floor Harbour front Building, President John<br>Kennedy Street, Port Louis, Mauritius         | -                     | Stepdown<br>Subsidiary<br>Companies | 100%             | 2(87)              |
| 8.      | Nazara Bangladesh Limited<br>45, Bijoynagar, Dhaka, Bangladesh.                                                                                 | -                     | Stepdown<br>Subsidiary<br>Companies | 99.90%           | 2(87)              |
| 9.      | NZMobile Nigeria Ltd<br>5 Shagamu Avenue, Off Association Avenue, Ilupeju,<br>Lagos, Nigeria.                                                   | -                     | Stepdown<br>Subsidiary<br>Companies | 99.90%           | 2(87)              |
| 10.     | Nazara Zambia Ltd<br>Plot No. 20, Mwatusanga Road, Woodlands, Lusaka,<br>Zambia                                                                 | -                     | Stepdown<br>Subsidiary<br>Companies | 99.98%           | 2(87)              |
| 11.     | NZ Mobile Kenya Ltd<br>Plot No. L.R. No. 1870/VI/260, 1st Floor, New Rehema<br>House, Raphta Road, Nairobi, P.O. Box 67486-00200                | -                     | Stepdown<br>Subsidiary<br>Companies | 99.90%           | 2(87)              |
| 12.     | Nazara Uganda Ltd<br>30 Regency Plaza, Lugogo by-pass P.o.s.t Box 1239,<br>Kampala, Uganda                                                      | -                     | Stepdown<br>Subsidiary<br>Companies | 99%              | 2(87)              |

| Sr. No. | Name & Address of the company                                                                                                                                          | CIN / GLN             | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|------------------|--------------------|
| 13      | Mastermind Sports Limited<br>Studio 011 2 Michael Road, London, England, SW6 2AD                                                                                       | 08433732              | Associate                        | 26%              | 2(6)               |
| 14      | Crimzoncode Technologies Private Limited<br>701, Floor 7 , Plot 212, East Wing, Tulsiani Chambers, Free Press Journal Marg, Nariman Point, Mumbai, Maharashtra- 400021 | U74120MH2015PTC267935 | Associate                        | 35.53%           | 2(6)               |
| 15      | Halaplay Technologies Private Limited<br>No. 14, 9th Main, 13th Cross, Sector 6, HSR Layout, Bangalore 560102                                                          | U74999KA2016PTC096173 | Associate                        | 30.52%           | 2(6)               |

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

##### (i) Category-wise Share Holding

| Category of Shareholders                                                          | No. of Shares held at the beginning of the year |           |                   |                   | No. of Shares held at the end of the year* |           |                   |                   | % Change during the year |
|-----------------------------------------------------------------------------------|-------------------------------------------------|-----------|-------------------|-------------------|--------------------------------------------|-----------|-------------------|-------------------|--------------------------|
|                                                                                   | Demat                                           | Physical  | Total             | % of Total Shares | Demat                                      | Physical  | Total             | % of Total Shares |                          |
| <b>A. Promoters</b>                                                               |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| <b>(1) Indian</b>                                                                 |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| a) Individual/ HUF                                                                | 1,475,585                                       | -         | 1,475,585         | 5.47              | 1,134,153                                  | -         | 1,134,153         | 4.13              | -1.34                    |
| b) Central Govt                                                                   | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| c) State Govt (s)                                                                 | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| d) Bodies Corp.                                                                   | 5,955,125                                       | -         | 5,955,125         | 22.08             | 5,955,125                                  | -         | 5,955,125         | 21.68             | 0.40                     |
| e) Banks / FI                                                                     | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| f) Any Other                                                                      | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| <b>Sub-Total (A)(1)</b>                                                           | <b>7,430,710</b>                                | <b>-</b>  | <b>7,430,710</b>  | <b>27.55</b>      | <b>7,089,278</b>                           | <b>-</b>  | <b>7,089,278</b>  | <b>25.81</b>      | <b>-1.74</b>             |
| <b>(2) Foreign</b>                                                                |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| a) NRIs -Individuals                                                              | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| b) Other -Individuals                                                             | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| c) Bodies Corp.                                                                   | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| d) Banks / FI                                                                     | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| e) Any Other                                                                      | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| <b>SUB Total (A)(2)</b>                                                           | <b>-</b>                                        | <b>-</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>                                   | <b>-</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoter (A)=(A)(1) + (A)(2)</b>                         | <b>7,430,710</b>                                | <b>-</b>  | <b>7,430,710</b>  | <b>27.55</b>      | <b>7,089,278</b>                           | <b>-</b>  | <b>7,089,278</b>  | <b>25.81</b>      | <b>-1.74</b>             |
| <b>B. Public Shareholding</b>                                                     |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| <b>1. Institutions</b>                                                            |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| a) Mutual Funds                                                                   | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| b) Banks / FI/Alternate Investment Limited                                        | 6,229,737                                       | -         | 6,229,737         | 23.10             | 6,202,150                                  | -         | 6,202,150         | 22.58             | -0.52                    |
| c) Central Govt                                                                   | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| d) State Govt(s)                                                                  | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| e) Venture Capital Funds                                                          | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| f) Insurance Companies                                                            | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| g) FIIs/ Foreign Portfolio Investor                                               | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| h) Foreign Venture Capital Funds                                                  | 6,120,210                                       | -         | 6,120,210         | 22.69             | 6,120,210                                  | -         | 6,120,210         | 22.28             | -0.41                    |
| i) Others (Asset Management Company)                                              | -                                               | -         | -                 | -                 | -                                          | -         | -                 | -                 | -                        |
| <b>Sub-Total (B)(1)</b>                                                           | <b>12,349,947</b>                               | <b>-</b>  | <b>12,349,947</b> | <b>45.79</b>      | <b>12,322,360</b>                          | <b>-</b>  | <b>12,322,360</b> | <b>44.85</b>      | <b>-0.93</b>             |
| <b>2. Non-Institutions</b>                                                        |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| <b>a) Bodies Corp.</b>                                                            |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| i) Indian                                                                         | 686,466                                         | -         | 686,466           | 2.55              | 859,366                                    | -         | 859,366           | 3.13              | 0.58                     |
| ii) Overseas                                                                      | -                                               | 1,035,828 | 1,035,828         | 3.84              | -                                          | 1,035,828 | 1,035,828         | 3.77              | -0.07                    |
| <b>b) Individuals</b>                                                             |                                                 |           |                   |                   |                                            |           |                   |                   |                          |
| i) Individual shareholders holding nominal share capital up to Rs. 2 lakh         | 458,294                                         | -         | 458,294           | 1.70              | 1,364,301                                  | -         | 1,364,301         | 4.97              | 3.27                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh | 4,801,057                                       | -         | 4,801,057         | 17.80             | 4,442,846                                  | -         | 4,442,846         | 16.17             | -3.07                    |

| Category of Shareholders                    | No. of Shares held at the beginning of the year |           |            |                   | No. of Shares held at the end of the year* |           |            |                   | % Change during the year |
|---------------------------------------------|-------------------------------------------------|-----------|------------|-------------------|--------------------------------------------|-----------|------------|-------------------|--------------------------|
|                                             | Demat                                           | Physical  | Total      | % of Total Shares | Demat                                      | Physical  | Total      | % of Total Shares |                          |
| c) Others (specify)                         | 209,282                                         | -         | 209,282    | 0.78              | 356,990                                    | -         | 356,990    | 1.30              | 0.52                     |
| Sub-total (B)(2)                            | 6,155,099                                       | 10,35,828 | 7,190,927  | 26.67             | 7,023,503                                  | 1,035,828 | 8,059,331  | 29.34             | 2.67                     |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 18,505,046                                      | 1,035,828 | 19,540,874 | 73.44             | 19,346,863                                 | 1,035,828 | 20,382,691 | 74.66             | 1.21                     |
| C. Shares held by Custodian for GDRs & ADRs | -                                               | -         | -          | -                 | -                                          | -         | -          | -                 | -                        |
| Grand Total (A+B+C)                         | 26,935,758                                      | 1,035,828 | 26,971,584 | 100.00            | 26,436,141                                 | 1,035,828 | 27,471,969 | 100               | -                        |

(ii) Shareholding of Promoters and Promoters' Group -

| Sr. No. | Shareholder's Name    | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year* |                                  |                                                  | % change in shareholding during the year |
|---------|-----------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|--------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|         |                       | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                          |
| 1       | Mr. Vikash Mittersain | 250                                       | 0.00                             | -                                                | 250                                  | 0.00                             | -                                                | 0.00                                     |
| 2       | Mr. Nitish Mittersain | 1,475,335                                 | 5.46                             | -                                                | 1,133,903                            | 4.13                             | -                                                | (1.33)                                   |
| 3.      | Mitter Infotech LLP   | 5,955,125                                 | 22.08                            | -                                                | 5,955,125                            | 21.68                            | -                                                | (0.4)                                    |

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

| Sr. No. | Name                               | Date               | Transaction | Shareholding at the beginning of the year |                                  | Cumulative Shareholdings during the year |                                  |
|---------|------------------------------------|--------------------|-------------|-------------------------------------------|----------------------------------|------------------------------------------|----------------------------------|
|         |                                    |                    |             | No. of shares                             | % of total shares of the Company | No. of shares                            | % of total shares of the Company |
| 1.      | Mr. Vikash Mittersain              |                    |             |                                           |                                  |                                          |                                  |
|         | At the beginning of the year       | April 1, 2018      | -           | 250                                       | -                                | -                                        | -                                |
|         | Increase/ Decrease during the year | -                  | Nil         | -                                         | -                                | -                                        | -                                |
|         | At the end of the year             | March 31, 2019     | -           | -                                         | -                                | 250                                      | -                                |
| 2.      | Mr. Nitish Mittersain              |                    |             |                                           |                                  |                                          |                                  |
|         | At the beginning of the year       | April 1, 2018      | -           | 1,475,335                                 | 5.47                             | 1,475,335                                | 5.47                             |
|         | Transfer                           | May 10, 2018       | (115,000)   |                                           |                                  | 1,360,335                                | 5.06                             |
|         | Transfer                           | May 11, 2018       | (55,000)    |                                           |                                  | 1,305,335                                | 4.86                             |
|         | Transfer                           | May 18, 2018       | (63,383)    |                                           |                                  | 1,241,952                                | 4.63                             |
|         | Transfer                           | May 21, 2018       | (20,353)    |                                           |                                  | 1,221,599                                | 4.56                             |
|         | Transfer                           | May 22, 2018       | (17,758)    |                                           |                                  | 1,203,841                                | 4.5                              |
|         | Transfer                           | May 24, 2018       | (20,523)    |                                           |                                  | 1,183,318                                | 4.43                             |
|         | Transfer                           | May 29, 2018       | (3,415)     |                                           |                                  | 1,179,903                                | 4.42                             |
|         | Transfer                           | June 1, 2018       | (12,000)    |                                           |                                  | 1,167,903                                | 4.38                             |
|         | Transfer                           | June 13, 2018      | (5,000)     |                                           |                                  | 1,162,903                                | 4.36                             |
|         | Transfer                           | June 15, 2018      | (6,000)     |                                           |                                  | 1,156,903                                | 4.34                             |
|         | Transfer                           | June 18, 2018      | (6,000)     |                                           |                                  | 1,150,903                                | 4.32                             |
|         | Transfer                           | June 21, 2018      | (5,000)     |                                           |                                  | 1,145,903                                | 4.3                              |
|         | Transfer                           | June 25, 2018      | (4,000)     |                                           |                                  | 1,141,903                                | 4.29                             |
|         | Transfer                           | June 26, 2018      | (5,000)     |                                           |                                  | 1,136,903                                | 4.27                             |
|         | Transfer                           | September 15, 2018 | (3000)      |                                           |                                  | 1,133,903                                | 4.13                             |
|         | At the end of the year             | March 31, 2019     | -           |                                           |                                  | 1,133,903                                | 4.13                             |
| 3.      | Mitter Infotech LLP                |                    |             |                                           |                                  |                                          |                                  |
|         | At the beginning of the year       | April 1, 2018      | -           | 5,955,125                                 | 22.08                            | -                                        | -                                |
|         | Increase/ decrease during the year | -                  | Nil         | -                                         | -                                | -                                        | -                                |
|         | At the end of the year             | March 31, 2019     | -           | -                                         | -                                | 5,955,125                                | 21.68*                           |

\* Change in percentage is due to increase in share capital of the Company during the year

(iv) Shareholding Pattern of top ten Shareholders:

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

| Sr. No. | For Each of the Top 10-Shareholders              | Date          | Transaction     | Shareholding at the beginning of the year |                                  | Cumulative Shareholdings during the year |                                  |
|---------|--------------------------------------------------|---------------|-----------------|-------------------------------------------|----------------------------------|------------------------------------------|----------------------------------|
|         |                                                  |               |                 | No. of shares                             | % of total shares of the Company | No. of shares                            | % of total shares of the Company |
| 1.      | <b>Westbridge Venture II Investments Holding</b> |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 6,121,210                                 | 22.69                            | -                                        | -                                |
|         | Increase/ decrease during the year               | -             | -               | -                                         | -                                | -                                        | -                                |
|         | At the end of the year                           | March 31,2019 | Closing Balance | -                                         | -                                | 6,121,210                                | 22.28*                           |
| 2.      | <b>Rakesh Jhunjhunwala</b>                       |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 3,294,310                                 | 12.21                            | -                                        | -                                |
|         | Increase/ decrease during the year               | -             | Nil             | -                                         | -                                | -                                        | -                                |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 3,294,310                                | 11.99*                           |
| 3.      | <b>IIFL Special Opportunity Fund</b>             |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 1,748,185                                 | 6.48                             | -                                        | -                                |
|         | Increase/ decrease during the year               | -             | -               | -                                         | -                                | -                                        | -                                |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 1,748,185                                | 6.36*                            |
| 4.      | <b>IIFL Special Opportunity Fund-Series 4</b>    |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 14,29,360                                 | 5.29                             | -                                        | -                                |
|         | Increase/ decrease during the year               | -             | -               | -                                         | -                                | -                                        | -                                |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 14,29,360                                | 5.20*                            |
| 5.      | <b>IIFL Special Opportunity Fund 5</b>           |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 1,211,695                                 | 4.49                             | -                                        | -                                |
|         | Transfer                                         | July 11,2019  | (6193)          |                                           |                                  | 11,205,502                               | 4.41                             |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 1,205,502                                | 4.41                             |
| 6.      | <b>IIFL Special Opportunity Fund-Series 2</b>    |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 1,126,625                                 | 4.17                             | -                                        | -                                |
|         | Increase/ decrease during the year               | -             | Nil             | -                                         | -                                | -                                        | -                                |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 1,126,625                                | 4.10*                            |
| 7.      | <b>IIFL Special Opportunity Fund-Series 3</b>    |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 5,63,945                                  | 2.09                             | -                                        | -                                |
|         | Transfer                                         | July 11,2019  | (21394)         | -                                         | -                                | 5,42,551                                 | 1.97                             |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 5,42,551                                 | 1.97                             |
| 8.      | <b>Emerging Investments Limited</b>              |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 5,50,810                                  | 2.04                             | -                                        | -                                |
|         | Increase/ decrease during the year               | -             | -               | -                                         | -                                | -                                        | -                                |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 5,50,810                                 | 2.21*                            |
| 9.      | <b>Turtle Entertainment GmbH</b>                 |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 485,018                                   | 1.79                             | -                                        | -                                |
|         | Increase/ decrease during the year               | -             | Nil             | -                                         | -                                | -                                        | -                                |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 485,018                                  | 1.76*                            |
| 10.     | <b>Manish Agarwal</b>                            |               |                 |                                           |                                  |                                          |                                  |
|         | At the beginning of the year                     | April 1,2018  | -               | 396,885                                   | 1.47                             | -                                        | -                                |
|         | Transfer                                         | May 10,2018   | (50,000)        | -                                         | -                                | 346,885                                  | 1.26                             |
|         | Allotment                                        | May 11,2018   | 256,075         | -                                         | -                                | 602,960                                  | 2.19                             |
|         | Transfer                                         | May 15,2018   | (22,034)        | -                                         | -                                | 580,926                                  | 2.11                             |
|         | Transfer                                         | May 16,2018   | (10,000)        | -                                         | -                                | 570,926                                  | 2.08                             |
|         | Transfer                                         | May 18,2018   | (93,506)        | -                                         | -                                | 477,420                                  | 1.74                             |
|         | Transfer                                         | May 28,2018   | (20,000)        | -                                         | -                                | 457,420                                  | 1.67                             |
|         | Transfer                                         | May 29,2018   | (14,679)        | -                                         | -                                | 442,741                                  | 1.61                             |
|         | Transfer                                         | July 06,2018  | (6,000)         | -                                         | -                                | 436,741                                  | 1.58                             |
|         | At the end of the year                           | March 31,2019 | -               | -                                         | -                                | 436,741                                  | 1.58                             |

\* Change in percentage is due to increase in share capital of the Company during the year

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No.   | Name                               | Date               | Transaction | Shareholding at the beginning of the year |                                  | Cumulative Shareholdings during the year |                                  |
|-----------|------------------------------------|--------------------|-------------|-------------------------------------------|----------------------------------|------------------------------------------|----------------------------------|
|           |                                    |                    |             | No. of shares                             | % of total shares of the Company | No. of shares                            | % of total shares of the Company |
| <b>1.</b> | <b>Mr. Vikash Mittersain</b>       |                    |             |                                           |                                  |                                          |                                  |
|           | At the beginning of the year       | April 1, 2018      | -           | 250                                       | -                                | -                                        | -                                |
|           | Increase/ Decrease during the year | -                  | Nil         | -                                         | -                                | -                                        | -                                |
|           | At the end of the year             | March 31, 2019     | -           | -                                         | -                                | 250                                      | -                                |
| <b>2.</b> | <b>Mr. Nitish Mittersain</b>       |                    |             |                                           |                                  |                                          |                                  |
|           | At the beginning of the year       | April 1, 2018      | -           | 1,475,335                                 | 5.47                             | 1,475,335                                | 5.47                             |
|           | Transfer                           | May 10, 2018       | (115,000)   |                                           |                                  | 1,360,335                                | 5.06                             |
|           | Transfer                           | May 11, 2018       | (55,000)    |                                           |                                  | 1,305,335                                | 4.86                             |
|           | Transfer                           | May 18, 2018       | (63,383)    |                                           |                                  | 1,241,952                                | 4.63                             |
|           | Transfer                           | May 21, 2018       | (20,353 )   |                                           |                                  | 1,221,599                                | 4.56                             |
|           | Transfer                           | May 22, 2018       | (17,758)    |                                           |                                  | 1,203,841                                | 4.5                              |
|           | Transfer                           | May 24, 2018       | (20,523)    |                                           |                                  | 1,183,318                                | 4.43                             |
|           | Transfer                           | May 29, 2018       | (3,415)     |                                           |                                  | 1,179,903                                | 4.42                             |
|           | Transfer                           | June 1, 2018       | (12,000)    |                                           |                                  | 1,167,903                                | 4.38                             |
|           | Transfer                           | June 13, 2018      | (5,000)     |                                           |                                  | 1,162,903                                | 4.36                             |
|           | Transfer                           | June 15, 2018      | (6,000)     |                                           |                                  | 1,156,903                                | 4.34                             |
|           | Transfer                           | June 18, 2018      | (6,000)     |                                           |                                  | 1,150,903                                | 4.32                             |
|           | Transfer                           | June 21, 2018      | (5,000)     |                                           |                                  | 1,145,903                                | 4.3                              |
|           | Transfer                           | June 25, 2018      | (4,000)     |                                           |                                  | 1,141,903                                | 4.29                             |
|           | Transfer                           | June 26, 2018      | (5,000)     |                                           |                                  | 1,136,903                                | 4.27                             |
|           | Transfer                           | September 15, 2018 | (3000)      |                                           |                                  | 1,133,903                                | 4.13                             |
|           | At the end of the year             | March 31, 2019     | -           |                                           |                                  | 1,133,903                                | 4.13                             |
| <b>3.</b> | <b>Mr. Kuldeep Jain</b>            |                    |             |                                           |                                  |                                          |                                  |
|           | At the beginning of the year       | April 1, 2018      |             | -                                         | -                                | -                                        | -                                |
|           | Increase/ decrease during the year | -                  | Nil         | -                                         | -                                | -                                        | -                                |
|           | At the end of the year             | March 31, 2019     |             | -                                         | -                                | -                                        | -                                |
| <b>4</b>  | <b>Mr. Sasha Mirchandani</b>       |                    |             |                                           |                                  |                                          |                                  |
|           | At the beginning of the year       | April 1, 2018      | -           | -                                         | -                                | -                                        | -                                |
|           | Increase/ decrease during the year | -                  | -           | -                                         | -                                | -                                        | -                                |
|           | At the end of the year             | March 31, 2019     | -           | -                                         | -                                | -                                        | -                                |
| <b>5</b>  | <b>Ms. Shobha Jagtiani</b>         |                    |             |                                           |                                  |                                          |                                  |
|           | At the beginning of the year       | April 1, 2018      | -           | -                                         | -                                | -                                        | -                                |
|           | Increase/ decrease during the year | -                  | -           | -                                         | -                                | -                                        | -                                |
|           | At the end of the year             | March 31, 2019     | -           | -                                         | -                                | -                                        | -                                |
| <b>6</b>  | <b>Mr. Probir Roy</b>              |                    |             |                                           |                                  |                                          |                                  |
|           | At the beginning of the year       | April 1, 2018      | -           | -                                         | -                                | -                                        | -                                |
|           | Increase/ decrease during the year | -                  | -           | -                                         | -                                | -                                        | -                                |
|           | At the end of the year             | March 31, 2019     | -           | -                                         | -                                | -                                        | -                                |

| Sr. No. | Name                               | Date          | Transaction | Shareholding at the beginning of the year |                                  | Cumulative Shareholdings during the year |                                  |
|---------|------------------------------------|---------------|-------------|-------------------------------------------|----------------------------------|------------------------------------------|----------------------------------|
|         |                                    |               |             | No. of shares                             | % of total shares of the Company | No. of shares                            | % of total shares of the Company |
| 7       | <b>Mr. Manish Agarwal</b>          |               |             |                                           |                                  |                                          |                                  |
|         | At the beginning of the year       | April 1,2018  | -           | 396,885                                   | 1.47                             | -                                        | -                                |
|         | Transfer                           | May 10,2018   | (50,000)    | -                                         | -                                | 346,885                                  | 1.26                             |
|         | Allotment                          | May 11,2018   | 256,075     | -                                         | -                                | 602,960                                  | 2.19                             |
|         | Transfer                           | May 15,2018   | (22,034)    | -                                         | -                                | 580,926                                  | 2.11                             |
|         | Transfer                           | May 16,2018   | (10,000)    | -                                         | -                                | 570,926                                  | 2.08                             |
|         | Transfer                           | May 18,2018   | (93,506)    | -                                         | -                                | 477,420                                  | 1.74                             |
|         | Transfer                           | May 28,2018   | (20,000)    | -                                         | -                                | 457,420                                  | 1.67                             |
|         | Transfer                           | May 29,2018   | (14,679)    | -                                         | -                                | 442,741                                  | 1.61                             |
|         | Transfer                           | July 06,2018  | (6,000)     | -                                         | -                                | 436,741                                  | 1.58                             |
|         | At the end of the year             | March 31,2019 | -           | -                                         | -                                | 436,741                                  | 1.58                             |
| 8       | <b>Mr. Rakesh Shah</b>             |               |             |                                           |                                  |                                          |                                  |
|         | At the beginning of the year       | April 1,2018  | -           | -                                         | -                                | -                                        | -                                |
|         | Allotment                          | May 11,2018   | 64,018      |                                           |                                  | 64,018                                   | 0.23                             |
|         | Transfer                           | May 29,2018   | (30,960)    |                                           |                                  | 33,058                                   | 0.12                             |
|         | At the end of the year             | March 31,2019 | -           |                                           |                                  | 33,058                                   | 0.12                             |
| 9       | <b>Mr. Vinav Agarwal</b>           |               |             |                                           |                                  |                                          |                                  |
|         | At the beginning of the year       | April 1,2018  | -           | -                                         | -                                |                                          |                                  |
|         | Increase/ decrease during the year | -             | -           | -                                         | -                                | -                                        | -                                |
|         | At the end of the year             | March 31,2019 | -           |                                           |                                  | -                                        | -                                |

\* Change in percentage is due to increase in share capital of the Company during the year

## V. INDEBTEDNESS:

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

(Amount in millions)

| Particulars                                                | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> | -                                | -               | -        | -                  |
| i) Principal Amount                                        | -                                | -               | -        | -                  |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |
| Change in Indebtedness during the financial year           | -                                | -               | -        | -                  |
| * Addition                                                 | -                                | -               | -        | -                  |
| * Reduction                                                | -                                | -               | -        | -                  |
| Net Change                                                 | -                                | -               | -        | -                  |
| <b>Indebtedness at the end of the financial year</b>       | -                                | -               | -        | -                  |
| i) Principal Amount                                        | -                                | -               | -        | -                  |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in millions.)

| Sr. No. | Particulars of Remuneration                                                         | Name of MD/WTD/Manager       |                         | Total Amount |
|---------|-------------------------------------------------------------------------------------|------------------------------|-------------------------|--------------|
|         |                                                                                     | Mr. Vikash Mittersain        | Mr. Nitish Mittersain   |              |
|         |                                                                                     | Chairman & Managing Director | Joint Managing Director |              |
| 1       | <b>Gross salary</b>                                                                 |                              |                         |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4.14                         | 22.01                   | 26.15        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 1.03                         | 2.99                    | 4.02         |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                            | 0                       | -            |
| 2       | <b>Stock Option</b>                                                                 | -                            | -                       | -            |
| 3       | <b>Sweat Equity</b>                                                                 | -                            | -                       | -            |
| 4       | <b>Commission - as % of profit - others, specify...</b>                             | -                            | -                       | -            |
| 5       | <b>Others, please specify: Employer PF Contribution</b>                             | 0.18                         | 1.20                    | 1.38         |
| 6       | <b>Others, PA</b>                                                                   | 0.29                         | 0.31                    | 0.6          |
| 7       | <b>Others (Exceptional employee benefit expense)</b>                                | -                            | -                       | -            |
| 8       | <b>Total (A)</b>                                                                    | <b>5.64</b>                  | <b>26.51</b>            | <b>32.15</b> |
|         | <b>Ceiling as per the Act</b>                                                       | N.A.                         | N.A.                    | NA           |

### B. Remuneration to other directors:

(Amount in Lakhs)

| Sr. No.              | Name of the Director  | Designation             | Sitting Fees | Commission | Others | Total Payment |
|----------------------|-----------------------|-------------------------|--------------|------------|--------|---------------|
| 1.                   | Mr. Probir Roy        | Independent Director    | 3.40         | -          | -      | 3.40          |
| 2.                   | Ms. Shobha Jagtiani   | Independent Director    | 2.90         | -          | -      | 2.90          |
| 3.                   | Mr. Sasha Mirchandani | Independent Director    | 2.00         | -          | -      | 2.00          |
| 4.                   | Mr. Kuldeep Jain      | Non- Executive Director | 2.00         | -          | -      | 2.00          |
| <b>Total (A+B+C)</b> |                       |                         | <b>10.30</b> | -          | -      | <b>10.30</b>  |

### C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Amount in Millions.)

| Sr. No. | Particulars of Remuneration                                                         | Key Managerial Personnel  |                         |                        |               |
|---------|-------------------------------------------------------------------------------------|---------------------------|-------------------------|------------------------|---------------|
|         |                                                                                     | CEO<br>Mr. Manish Agarwal | CS<br>Mr. Vinav Agarwal | CFO<br>Mr. Rakesh Shah | Total         |
| 1       | <b>Gross salary</b>                                                                 |                           |                         |                        |               |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 30.62                     | 0.38                    | 6.49                   | 37.49         |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                         | -                       | -                      | -             |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                         | -                       | -                      | -             |
| 2       | <b>Stock Option*</b>                                                                | 80.07                     | -                       | 20.02                  | 100.09        |
| 3       | <b>Sweat Equity</b>                                                                 | -                         | -                       | -                      | -             |
| 4       | <b>Commission</b>                                                                   | -                         | -                       | -                      | -             |
|         | <b>- as % of profit</b>                                                             |                           |                         |                        |               |
|         | <b>others, specify (Exceptional Employee Benefit expense)</b>                       | -                         | -                       | -                      | -             |
| 5       | <b>Others, Contribution to Provident Fund</b>                                       | 1.31                      | 0.02                    | 0.36                   | 1.69          |
|         | <b>Total</b>                                                                        | <b>112.00</b>             | <b>0.40</b>             | <b>26.87</b>           | <b>139.27</b> |

\*perquisite value of stock options of Nazara Technologies Limited exercised during the year

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                         | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|------------------------------|------------------------------|-------------------|-----------------------------------------------------------|------------------------------|------------------------------------|
| A. COMPANY                   |                              |                   |                                                           |                              |                                    |
| Penalty                      | NONE                         |                   |                                                           |                              |                                    |
| Punishment                   |                              |                   |                                                           |                              |                                    |
| Compounding                  |                              |                   |                                                           |                              |                                    |
| B. DIRECTORS                 |                              |                   |                                                           |                              |                                    |
| Penalty                      | NONE                         |                   |                                                           |                              |                                    |
| Punishment                   |                              |                   |                                                           |                              |                                    |
| Compounding                  |                              |                   |                                                           |                              |                                    |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |                                                           |                              |                                    |
| Penalty                      | NONE                         |                   |                                                           |                              |                                    |
| Punishment                   |                              |                   |                                                           |                              |                                    |
| Compounding                  |                              |                   |                                                           |                              |                                    |

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

**Place:** Mumbai  
**Date:** November 13, 2019

**VIKASH MITTERSAIN**  
Chairman & Managing Director  
DIN: 00156740

**NITISH MITTERSAIN**  
Joint Managing Director  
DIN: 02347434

## CORPORATE GOVERNANCE

Effective Corporate Governance practice is about commitment to values, ethical business conduct and constitutes strong fundamentals on which a successful commercial enterprise is built to last. The Company strives to follow the best corporate governance practices, develop best policies/guidelines. The Company believes that good Corporate Governance is much more than complying with legal and regulatory requirements. Our Company being an unlisted public limited Company, the disclosures required to be made on Corporate Governance in the Annual Report in terms of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), 2015 is not applicable to us. The disclosures reported under this section has been made on voluntary basis and contains the details of Corporate Governance systems and processes at Nazara Technologies Limited.

### I. BOARD OF DIRECTORS

Your Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 ("the Act"). Your Board represents a confluence of varied skills, experience and expertise from diverse background. The directors possess requisite qualification, experience and expertise in their respective functional areas, which enable them to discharge their responsibilities and provide effective leadership to the management.

The Composition of the Board complies with the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder. The total Board strength comprises of 6 (Six) Directors, out of which 2 (two) are Executive Directors (33.33% of the Board strength), 1(One) is Non-Executive Directors (16.67% of the Board strength) and 3 (three) are Independent Non- Executive Directors (50% of the Board strength) including 1 (One) Women Independent Director. The Chairman of the Board is an Executive Director.

Except Mr. Nitish Mittersain, being son of Mr. Vikash Mittersain, none of the other Directors are related to any other Director on the Board.

None of the Directors including the Independent Directors of the Company have resigned during the financial year 2018-19. During the year under review, the Board met 6 (Six) times on the 11<sup>th</sup> May, 2018, 11<sup>th</sup> June, 2018, 11<sup>th</sup> July, 2018, 31<sup>st</sup> August, 2018, 21<sup>st</sup> December, 2018 and 26<sup>th</sup> March, 2019. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013.

The composition of the Board of Directors of the Company and their attendance as on 31<sup>st</sup> March 2019 are as under:

| Sr. No. | Name of the Director  | Category                               | Attendance at the Board Meeting | Attendance at the last AGM held on September 26, 2019 | No of Equity shares held |
|---------|-----------------------|----------------------------------------|---------------------------------|-------------------------------------------------------|--------------------------|
| 1.      | Mr. Vikash Mittersain | Chairman and Managing Director         | 5/6                             | Yes                                                   | 250                      |
| 2.      | Mr. Nitish Mittersain | Joint Managing Director                | 6/6                             | Yes                                                   | 1,133,903                |
| 3.      | Mr. Kuldeep Jain      | Non-Executive Director                 | 4/6                             | No                                                    | -                        |
| 4.      | Ms. Shobha Jagtiani   | Non-Executive and Independent Director | 5/6                             | No                                                    | -                        |
| 5.      | Mr. Probir Roy        | Non-Executive and Independent Director | 6/6                             | No                                                    | -                        |
| 6.      | Mr. Sasha Mirchandani | Non-Executive and Independent Director | 4/6                             | No                                                    | -                        |

All Independent Directors are free from any business or other relationship that could materially influence their judgement. The Company has issued the formal letter of appointment to all the Independent Directors as prescribed under Schedule IV of the Act. The terms and conditions of their appointment is also available on the Company's website. [www.nazara.com](http://www.nazara.com). The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149(6) of the Act and they are qualified to act as Independent Directors.

### Directors' Profile

A brief resume of Directors, nature of their expertise in specific functional areas are put up on the Company's website.

### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company without the presence of Non-Independent Directors and the management was held on 13<sup>th</sup> November 2019, as required under Schedule IV of the Act. The Independent Directors reviewed and evaluated the performance of Non-Independent Directors and the Board of Directors as a whole; evaluated the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

### Board Evaluation

Details of methodology adopted for Board evaluation have been provided in the Board's Report.

## II. COMMITTEES OF THE BOARD:

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Act. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. The Board Committees play a vital role in improving the Board effectiveness in the areas where more focused and extensive discussions are required. As on 31<sup>st</sup> March, 2019, the Company has 4 Committees of the Board, namely

- Audit Committee;
- Nomination Remuneration & Compensation Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee;

Meeting of each Board Committee is convened by the respective Committee Chairman. The Board had accepted recommendations of all the committees of the Board, in the financial year 2018-19 which were mandatorily required. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of Board Committee meetings are placed before the Board for its information.

The role and composition of these committees, including the number of meetings held during the financial year and the related attendance are as follows:

### A. AUDIT COMMITTEE OF THE BOARD

#### Composition

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by Section 177 of the Act. The members of the Audit Committee possess financial / accounting expertise / exposure. As on March 31, 2019, the Audit Committee consisted of the following four (4) directors:

- i. Mr. Sasha Mirchandani
- ii. Mr. Nitish Mittersain,
- iii. Mr. Probir Roy
- iv. Ms. Shobha Jagtiani

Mr. Sasha Mirchandani is the Chairman of the Audit Committee.

During the year under review, the Audit Committee met 5 (Five) i.e 11<sup>th</sup> May, 2018, 11<sup>th</sup> July, 2018, 31<sup>st</sup> August, 2018, 21<sup>st</sup> December, 2018 and 26<sup>th</sup> March, 2019. The maximum gap between any two meetings was less than one hundred and twenty days.

The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder:

| Sr. No. | Name of the Director  | No. of Meeting Entitled to attend. | No. of Meeting Attended. |
|---------|-----------------------|------------------------------------|--------------------------|
| 1.      | Mr. Sasha Mirchandani | 5                                  | 4                        |
| 2.      | Mr. Nitish Mittersain | 5                                  | 5                        |
| 3.      | Mr. Probir Roy        | 5                                  | 5                        |
| 4.      | Mrs. Shobha Jagtiani  | 5                                  | 4                        |

The representatives of the Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings. Executives of Accounts & Finance Department and representatives of statutory auditors attend Audit Committee Meetings. The Company Secretary of the Company acts as the secretary to the Audit Committee.

#### Brief description of terms of Reference:

- a. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c. Review and monitor the auditor's independence and performance and the effectiveness of audit process;
- d. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions; and
  - vii) Qualifications and modified opinions in the draft audit report.
- f. Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- g. Scrutiny of inter-corporate loans and investments;
- h. Valuation of undertakings or assets of our Company, wherever it is necessary;
- i. Evaluation of internal financial controls and risk management systems;
- j. Approval or any subsequent modification of transactions of our Company with related parties;

- k. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- l. Approving or subsequently modifying transactions of our Company with related parties;
- m. Evaluating undertakings or assets of our Company, wherever necessary;
- n. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- o. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- p. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- q. Discussion with internal auditors on any significant findings and follow up thereon;
- r. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- s. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- t. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- u. Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- v. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- w. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and
- x. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time."

The powers of the Audit Committee will include the following:

- a. To investigate activity within its terms of reference;
- b. To seek information from any employees;
- c. To obtain outside legal or other professional advice; and
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and result of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the chief internal auditor; and
- f. Statement of deviations:
  - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations"

## **B. NOMINATION, REMUNERATION & COMPENSATION COMMITTEE:**

The Committee's constitution and terms of reference are in compliance with the provision of Section 178 of the Companies Act, 2013. As on March 31, 2019, the committee consisted of the following four (4) directors:

- i. Ms. Shobha Jagtiani,
- ii. Mr. Kuldeep Jain.
- iii. Mr. Probir Roy

Mr. Probir Roy is the Chairman of the Nomination, Remuneration & Compensation Committee.

The Nomination, Remuneration & Compensation Committee ('NRC') is led by an Independent Director and is primarily responsible for recommending candidates for appointment as Directors and KMPs and their remuneration, evaluation of performance of Directors and formulation of remuneration policy.

During the year under review, the Nomination, Remuneration & Compensation Committee met 2 (Two) times on 11<sup>th</sup> July, 2018 and 31<sup>st</sup> August, 2018. The recommendations of the NRC have been accepted by the Board.

The details of the attendance of members of the Nomination, Remuneration & Compensation Committee at their meetings held on the above dates are given hereunder:

| Sr. No. | Name of the Director | No. of Meeting Entitled to attend. | No. of Meeting Attended. |
|---------|----------------------|------------------------------------|--------------------------|
| 1.      | Mr. Probir Roy       | 2                                  | 2                        |
| 2.      | Ms. Shobha Jagtiani  | 2                                  | 2                        |
| 3.      | Mr. Kuldeep Jain     | 2                                  | 1                        |

### **Brief description of the terms of Reference**

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  - Formulation of criteria for evaluation of independent directors and the Board;
  - Devising a policy on Board diversity;
  - Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
  - Analysing, monitoring and reviewing various human resource and compensation matters;
  - Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  - Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
  - Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
    - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
  - Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

### **Remuneration Policy:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder, the Board has adopted a Policy on criteria for appointment of Directors, Key Managerial Personnel, Senior Management and their

remuneration. The Remuneration Policy is attached to this report as **Annexure III**

### **Remuneration of Directors**

All decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company in accordance with the Shareholders' approval on recommendation of Nomination Remuneration and Compensation Committee.

The details of remuneration paid to Executive Directors and to Non-Executive Directors for the Financial Year ended March 31, 2019 is provided hereinafter:

### **Details of Remuneration of Executive Directors for the Financial Year ended March 31, 2019:**

| Name                  | Salary | Sitting Fees | Commission | Benefits Perquisites & Allowances | Total |
|-----------------------|--------|--------------|------------|-----------------------------------|-------|
| Mr. Vikash Mittersain | 4.14   | -            | -          | 1.5                               | 5.64  |
| Mr. Nitish Mittersain | 22.01  | -            | -          | 4.5                               | 26.51 |

Details of Remuneration paid to the Non-Executive/ Independent Directors for the financial year ended March 31, 2019 are as under:

| Name of the Directors | Sittings Fees (for Board and its Committees) (Amount in Lakhs) |
|-----------------------|----------------------------------------------------------------|
| Mr. Probir Roy        | 3.40                                                           |
| Mr. Sasha Mirchandani | 2.00                                                           |
| Ms. Shobha Jagtiani   | 2.90                                                           |
| Mr. Kuldeep Jain      | 2.00                                                           |
| <b>Total</b>          | <b>10.30</b>                                                   |

### **C. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):**

The Stakeholders Relationship Committee is primarily responsible to review all matters connected to the Company's transfer of securities, satisfactory redressal of shareholders' / investors' / security holders' complaints and recommends measures for overall improvement in the quality of investor services. The Stakeholders Relationship Committee composition and the terms of reference meet the requirements of provisions Section 178 (5) of the Act. As on March 31, 2019, the Committee consisted of the following three (3) directors:

- Mr. Probir Roy,
- Ms. Shobha Jagtiani
- Mr. Vikash Mittersain.

Ms. Shobha Jagtiani is the Chairperson of the SRC Committee.

### **Brief description of the Terms of reference**

- Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;
- Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

- c. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- d. Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and
- e. Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

During the year under review, no meetings of the Stakeholder Relationship Committee was held as there were no matters to be undertaken by SRC committee.

#### **Investor Grievance Redressal**

All complaints have been redressed to the satisfaction of the shareholders. The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

| Type of Complaint                          | No of Complaints |
|--------------------------------------------|------------------|
| Non- receipt of Annual Report              | 0                |
| Non-receipt of dividend warrants           | 0                |
| Non- receipt of shares lodged for transfer | 0                |
| Others                                     | 0                |
| <b>Total</b>                               | <b>0</b>         |

As on March 31,2019, no complaints were outstanding.

#### **Reconciliation of Share Capital Audit:**

The Company conducts a reconciliation of share capital audit on a half year ended basis in accordance with requirements of Rule 9A of Companies (Prospectus and Allotment of Securities Regulation) 2014 read with Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. The Reconciliation of Share Capital Audit Report obtained from CS Manish Ghia of Manish Ghia & Associates, Company Secretaries, which has been submitted to the Registrar of Companies within the stipulated period, certifies that the equity shares of the Company held in the dematerialized form and in the physical form conforms to the issued and paid up equity share capital of the Company.

#### **D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

The Company has constituted a CSR Committee as required under Section 135 of the Act. The CSR Committee comprises of the members as stated below:

- i. Mr. Probir Roy,
- ii. Ms. Shobha Jagtiani and
- iii. Mr. Vikash Mittersain
- iv. Mr. Nitish Mittersain

Mr. Vikash Mittersain is the Chairman of the Corporate Social Responsibility Committee.

During the year under review, the Corporate Social Responsibility Committee met 1(One) time on the 31<sup>st</sup> August, 2018. The recommendations of CSR Committee have been accepted by the Board.

The CSR Committee recommends to the Board the activities to be undertaken during the year and the amount to be spent on these activities. The CSR Report forms part of this Annual Report.

The details of the attendance of the members at the foregoing Committee Meeting are as follows:

| Sr. No. | Name of the Director  | No. of Meeting Entitled to attend. | No. of Meeting Attended. |
|---------|-----------------------|------------------------------------|--------------------------|
| 1.      | Mr. Probir Roy        | 1                                  | 1                        |
| 2.      | Ms. Shobha Jagtiani   | 1                                  | 1                        |
| 3.      | Mr. Vikash Mittersain | 1                                  | 1                        |
| 4.      | Mr. Nitish Mittersain | 1                                  | 1                        |

#### **Brief description of the Terms of Reference:**

- a. Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- b. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c. Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- e. Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f. Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company."

The CSR Policy is available on website of the Company.

#### **SUBSIDIARY COMPANIES**

The financials of the subsidiary companies have been duly reviewed by the Audit Committee and the Board and also as part of consolidated financial statements. The Company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies.

## ANNUAL GENERAL MEETINGS

The details of the Annual General Meetings held in the last three years are as follows:

| Financial Year | Venue                                                                                                                                   | Date and time                   | Special Resolution passed                                                                                                                                                                       |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015-16        | 51-57, Maker Chambers 3, Mumbai – 400021                                                                                                | December 26, 2016 at 11.00 a.m  | 1. Approval of ESOP 2016.<br>2. Approval of ESOP 2016 for employees of subsidiary companies<br>3. Approval for grant of ESOP 2016 for employees exceeding 1% of the total issued share capital. |
| 2016-17        | 51-57, Maker Chambers 3, Nariman Point, Mumbai-400021                                                                                   | December 09, 2017 at 11.00 a.m  | No special resolution passed                                                                                                                                                                    |
| 2017-18        | Rangaswar Auditorium, Y B Chavan Centre, 7/8, General Jagannath Bhosale Marg, Opp Mantralaya, Nariman Point, Mumbai, Maharashtra-400021 | September 26, 2018 at 10:30 a.m | No special resolution passed                                                                                                                                                                    |

The Company has not passed any resolution through postal ballot/e-voting during the year under review.

## DISCLOSURES

### 1. Related Party Transactions

During the financial year under review, all Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval for such transactions which are of repetitive nature and are approved by the Audit Committee on omnibus basis for one financial year at a time. The detail of the transactions with related parties is disclosed in the financial statements for the financial year ended March 31, 2019.

### 2. Vigil Mechanism

The Board has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations framed "Whistle Blower Policy and Vigil Mechanism" ("the Policy"). Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Policy has been framed with a view to provide a mechanism for reporting of unethical behavior and frauds to the management. The mechanism provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee, in the exceptional

cases. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The said policy is also available on the Company's website [www.nazara.com](http://www.nazara.com)

### 3. Accounting Treatment in preparation of Financial Statements

The guidelines and accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.

## MEANS OF COMMUNICATION

The Company regularly interacts with shareholders through various mediums of communication such as, Annual Report, Press releases and Company's website etc

- Website:** The Company's website, ([www.nazara.com](http://www.nazara.com)) has a dedicated section for investor relations containing the financial results, shareholding pattern, annual reports, various policies adopted by the Board. Other general information like history of the Company, business carried out by the Company, its subsidiary(ies) and associate(s), details of the Board of Directors and Key Managerial Personnel of the Company, is also available on the Company's website, [www.nazara.com](http://www.nazara.com). The Company's Annual Report is also available on the website in user-friendly and downloadable form.
- Communication to shareholders on Email:** As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA), which helped in prompt delivery of document, reduce paper consumption and avoid loss of documents in transit.
- Annual Report:** The Annual Report containing, inter alia, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website ([www.nazara.com](http://www.nazara.com)).

## GENERAL SHAREHOLDER INFORMATION

### 1. Company Registration Details:

The Company is registered in Mumbai, Maharashtra. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs (MCA) is U72900MH1999PLC122970.

### 2. Registered and Corporate Office

Nazara Technologies Limited, 51-57, Maker Chambers 3, Nariman Point, Mumbai -400021

### 3. **Registrar and Share Transfer Agents**

The Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent. Its registered office at C-101, 247, Park LBS Marg Vikhroli, Mumbai- 400083. All shareholders 'correspondence relating to share transfer/ dematerialization of shares, transmission, dividend payment and any other queries should be forwarded to them or to the Company Secretary at the registered office of the Company.

### 4. **ISIN Number :- INE418L01021**

### 5. **Dematerialisation of Shares**

As on March 31, 2019, 96.22% of the Company's paid-up equity share capital is held in dematerialized form. For any assistance in conversion of the physical shares to demat form or vice versa, the investors may approach Link Intime India Private Limited at the address mentioned above.

### 6. **Payment of Depository Fees:**

Annual Custody / Issuer fee for the year 2019-20 has been paid by the Company to NSDL and CDSL

### 7. **Registering of e-mail Address**

Shareholders who have not yet registered their e-mail address for availing the facility of e-communication, are requested to register the same with the RTA (in case the shares are held in physical form) or their DP (in case the shares are held in dematerialized form) so as to enable the Company to serve them fast.

### 8. **Transfer of shares in Physical Form**

The Company's shares are compulsorily traded in the dematerialized form. In accordance with the circular of Ministry of Corporate Affairs, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialized form with the depositories i.e National Securities Depository Limited and Central Depository Services (India) Limited. Requests for transmission/transposition of shares held in physical form will however be attended to. In view of the above and the inherent benefits of holding securities in electronic form, we request the shareholders holding shares in physical form to opt for dematerialization.

## STANDALONE FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of Nazara Technologies Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Nazara Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the standalone Ind AS financial statements.

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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.

#### Responsibility of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Govind Ahuja**

Partner

Membership Number: 048966

UDIN: 19048966AAAADC8554

Place of Signature: Mumbai

Date: November 13, 2019

## Annexure 1 to the Independent Auditor's Report

**Re: Nazara Technologies Limited ("the Company")**

**Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investment made in subsidiary have been complied with by the Company. There are no other guarantees, securities or loans given in respect of which provisions of section 185 and 186 of the Act are applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues applicable to it. The provisions relating to sales tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales tax, duty of excise, duty of custom and value added tax are not applicable to the Company.
- (c) According to the information and explanation given to us, there are no dues of income-tax, goods and services tax and cess on account of any dispute. The provisions relating to sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Govind Ahuja**

Partner

Membership Number: 048966

UDIN: 19048966AAAADC8554

Place of Signature: Mumbai

Date: November 13, 2019

## **Annexure 2 to the independent auditor's report of even date on the standalone Ind AS financial statements of Nazara Technologies Limited ('the Company')**

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

To the Members of Nazara Technologies Limited

We have audited the internal financial controls over financial reporting of Nazara Technologies Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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.

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 system over financial reporting with reference to these standalone financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A Company's internal financial control over financial reporting with reference to these standalone 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Govind Ahuja**

Partner

Membership Number: 048966

UDIN: 19048966AAAADC8554

Place of Signature: Mumbai

Date: November 13, 2019

## Standalone balance sheet as at 31st March, 2019

(Rupees in million)

|                                                   | Notes | As at<br>March 31 2019 | As at<br>March 31 2018 |
|---------------------------------------------------|-------|------------------------|------------------------|
| <b>Assets</b>                                     |       |                        |                        |
| <b>Non-current assets</b>                         |       |                        |                        |
| Property, plant and equipment                     | 3     | 2.38                   | 5.02                   |
| Intangible assets                                 | 4     | 3.33                   | 7.44                   |
| Investments in subsidiaries and associates        | 5     | 1,585.82               | 1, 134.14              |
| Financial assets                                  |       |                        |                        |
| Investments                                       | 6     | 17.50                  | 9.00                   |
| Loans and deposits                                | 7     | 15.58                  | 13.67                  |
| Other financial assets                            | 8     | 40.19                  | 1.79                   |
| Deferred tax assets (net)                         | 32    | 22.95                  | 25.66                  |
| Other non-current assets                          | 9     | 23.47                  | 19.03                  |
|                                                   |       | <b>1,711.22</b>        | <b>1,215.75</b>        |
| <b>Current assets</b>                             |       |                        |                        |
| Financial assets                                  |       |                        |                        |
| Investments                                       | 6     | 801.51                 | 837.12                 |
| Loans and deposits                                | 7     | 1.94                   | 1.82                   |
| Trade receivables                                 | 10    | 71.54                  | 223.51                 |
| Cash and cash equivalent                          | 11    | 26.96                  | 25.46                  |
| Other bank balances                               | 11    | 1.65                   | -                      |
| Other financial assets                            | 12    | 39.81                  | 126.36                 |
| Other current assets                              | 13    | 42.46                  | 25.08                  |
|                                                   |       | <b>985.87</b>          | <b>1,239.35</b>        |
| <b>TOTAL ASSETS</b>                               |       | <b>2,697.09</b>        | <b>2,455.10</b>        |
| <b>EQUITY &amp; LIABILITIES</b>                   |       |                        |                        |
| <b>Equity</b>                                     |       |                        |                        |
| Equity share capital                              | 14    | 109.89                 | 107.89                 |
| Other equity                                      | 15    | 2,416.73               | 2,114.97               |
|                                                   |       | <b>2,526.62</b>        | <b>2,222.86</b>        |
| <b>LIABILITIES</b>                                |       |                        |                        |
| <b>Non-current liabilities</b>                    |       |                        |                        |
| Long term provisions                              | 16    | 15.68                  | 14.03                  |
|                                                   |       | <b>15.68</b>           | <b>14.03</b>           |
| <b>Current liabilities</b>                        |       |                        |                        |
| Financial liabilities                             |       |                        |                        |
| Trade payables due to                             | 17    |                        |                        |
| Micro and Small Enterprises                       |       | -                      | -                      |
| Other than Micro and Small Enterprises            |       | 108.86                 | 153.14                 |
| Other financial liabilities                       | 18    | 36.52                  | 41.19                  |
| Other current liabilities                         | 19    | 6.60                   | 9.82                   |
| Provisions                                        | 16    | 2.81                   | 2.78                   |
| Current tax liabilities (net)                     |       | -                      | 11.28                  |
|                                                   |       | <b>154.79</b>          | <b>218.21</b>          |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>             |       | <b>2,697.09</b>        | <b>2,455.10</b>        |
| <b>Summary of significant accounting policies</b> | 2.1   |                        |                        |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

**per Govind Ahuja**

Partner

Membership no: 048966

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

**Vikash Mittersain**

Chairman Cum

Managing Director

DIN-00156740

**Nitish Mittersain**

Managing Director

DIN-02347434

**Manish Agarwal**

Chief Executive Officer

**Rakesh Shah**

Chief Financial Officer

**Turabbhai Chimthanawala**

Company Secretary

Membership No : A52320

Place of Signature: Mumbai

Date : 13th November, 2019

Place of Signature: Mumbai

Date : 13th November, 2019

**Standalone statement of profit and loss for the year ended 31st Mar, 2019**

(Rupees in million)

|                                                                                     | Notes | For the year ended<br>March 31 2019 | For the year ended<br>March 31, 2018 |
|-------------------------------------------------------------------------------------|-------|-------------------------------------|--------------------------------------|
| <b>Income</b>                                                                       |       |                                     |                                      |
| Revenue from operations                                                             | 20    | 434.47                              | 663.54                               |
| Other income                                                                        | 21    | 119.59                              | 349.80                               |
| <b>Total income</b>                                                                 |       | <b>554.06</b>                       | <b>1,013.34</b>                      |
| <b>Expenses</b>                                                                     |       |                                     |                                      |
| Cost of content                                                                     |       | 43.14                               | 56.38                                |
| Advertising cost                                                                    |       | 69.70                               | 140.28                               |
| Employee benefits expense                                                           | 22    | 159.86                              | 254.26                               |
| Depreciation and amortisation expense                                               | 23    | 7.60                                | 11.59                                |
| Finance costs                                                                       | 24    | -                                   | 1.29                                 |
| Other expenses                                                                      | 25    | 242.32                              | 230.28                               |
| <b>Total expenses</b>                                                               |       | <b>522.62</b>                       | <b>694.08</b>                        |
| <b>Profit before tax and exceptional item</b>                                       |       | <b>31.44</b>                        | <b>319.26</b>                        |
| Exceptional item                                                                    | 26    | -                                   | (357.18)                             |
| <b>Profit / (loss) before tax</b>                                                   |       | <b>31.44</b>                        | <b>(37.92)</b>                       |
| Tax expense                                                                         |       |                                     |                                      |
| Current tax                                                                         |       | 6.82                                | 79.52                                |
| Deferred tax                                                                        |       | 2.44                                | (13.36)                              |
| <b>Total tax expense</b>                                                            |       | <b>9.26</b>                         | <b>66.16</b>                         |
| <b>Profit / (loss) for the year</b>                                                 |       | <b>22.18</b>                        | <b>(104.08)</b>                      |
| <b>Other comprehensive income</b>                                                   |       |                                     |                                      |
| Item that will not be reclassified subsequently to the statement of profit and loss |       |                                     |                                      |
| Remeasurements of post-employment benefit obligation                                |       | 0.97                                | 0.23                                 |
| Income tax relating items that will not be reclassified to profit or loss           |       | (0.27)                              | (0.07)                               |
| Item that will be reclassified subsequently to the statement of profit and loss     |       |                                     |                                      |
| Change in fair value of FVOCI debt instruments                                      |       | (0.66)                              | (1.31)                               |
| Income tax relating to items that will be reclassified to profit or loss            |       | 0.00                                | 0.13                                 |
| <b>Other comprehensive income / (loss) for the year, net of tax</b>                 |       | <b>0.04</b>                         | <b>(1.02)</b>                        |
| <b>Total Comprehensive Income/ (Loss) for the year</b>                              |       | <b>22.22</b>                        | <b>(105.10)</b>                      |
| <b>Earnings per equity share (nominal value of Rs 4 each)</b>                       | 30    |                                     |                                      |
| Basic                                                                               |       | 0.81                                | (4.11)                               |
| Diluted                                                                             |       | 0.80                                | (4.11)                               |
| <b>Summary of significant accounting policies</b>                                   | 2.1   |                                     |                                      |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

**per Govind Ahuja**

Partner

Membership no: 048966

**For and on behalf of the Board of directors of Nazara Technologies Limited**
**Vikash Mittersain**

Chairman Cum

Managing Director

DIN-00156740

**Nitish Mittersain**

Managing Director

DIN-02347434

**Manish Agarwal**

Chief Executive Officer

**Rakesh Shah**

Chief Financial Officer

**Turabbhai Chimthanawala**

Company Secretary

Membership No : A52320

Place of Signature: Mumbai

Date : 13th November, 2019

Place of Signature: Mumbai

Date : 13th November, 2019

## Standalone statement of cash flow for the year ended 31st March, 2019

(Rupees in million)

|                                                                                             | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>                                                  |                                      |                                      |
| Profit / (loss) before tax for the year                                                     | 31.44                                | (37.92)                              |
| Adjustments for :                                                                           |                                      |                                      |
| Fair value gain on mutual fund and tax free bonds                                           | (33.49)                              | (35.27)                              |
| Expense on employee stock option scheme                                                     | -                                    | 88.35                                |
| Depreciation and amortisation expense                                                       | 7.60                                 | 11.59                                |
| Bad debts                                                                                   | 2.71                                 | 1.21                                 |
| Provision for doubtful debts                                                                | 88.75                                | 67.57                                |
| Liabilities written back / provision no longer required                                     | (4.33)                               | (1.18)                               |
| Interest expenses                                                                           | -                                    | 1.29                                 |
| Unrealised foreign exchange loss                                                            | 36.09                                | 3.68                                 |
| Net gain on sale of current investments                                                     | (11.16)                              | (5.84)                               |
| Fair value gain on non current investments                                                  | (59.81)                              | -                                    |
| Interest income                                                                             | (5.41)                               | (4.25)                               |
| Dividend income                                                                             | (4.18)                               | (303.28)                             |
| Exceptional item (Refer Note 26)                                                            | -                                    | 357.18                               |
| <b>Operating cash flow before working capital changes</b>                                   | <b>48.21</b>                         | <b>143.13</b>                        |
| Working capital adjustments :                                                               |                                      |                                      |
| Increase / (decrease) in trade payables                                                     | (39.95)                              | 56.99                                |
| Increase in long-term provisions                                                            | 1.65                                 | 4.17                                 |
| Increase / (decrease) in short term provisions                                              | 0.03                                 | (0.93)                               |
| Increase / (decrease) in other current liabilities                                          | (7.90)                               | 12.51                                |
| (Increase) / decrease in trade receivables                                                  | 24.50                                | (179.85)                             |
| (Increase) in loans and advances                                                            | (2.03)                               | (38.93)                              |
| (Increase) in other non-current assets                                                      | (36.45)                              | -                                    |
| (Increase) / decrease in other current assets                                               | 69.20                                | (7.99)                               |
| Cash generated from operations                                                              | <b>57.26</b>                         | <b>(10.90)</b>                       |
| Direct taxes paid (net of refunds)                                                          | (24.80)                              | (64.73)                              |
| <b>Net cash flow from / (used in) operating activities (A)</b>                              | <b>32.46</b>                         | <b>(75.63)</b>                       |
| <b>Cash flow from investing activities</b>                                                  |                                      |                                      |
| Purchase of property, plant and equipment, including intangible assets under development    | (0.90)                               | (5.80)                               |
| Acquisition of shares in subsidiary / associates                                            | (227.35)                             | (657.65)                             |
| Purchase of non-current investments                                                         | (8.50)                               | (9.01)                               |
| Purchase of current investments                                                             | (248.64)                             | (530.00)                             |
| Proceeds from redemption/maturity of current investments                                    | 328.89                               | 458.48                               |
| Redemption / maturity of bank deposits (having original maturity of more than three months) | -                                    | 1.50                                 |
| Interest received on fixed deposits and loans given to subsidiary                           | 5.41                                 | 4.34                                 |
| Dividend received from subsidiary company                                                   | -                                    | 302.52                               |
| Dividends received on current Investments                                                   | 4.18                                 | -                                    |
| Increase in Other bank balances                                                             | (1.65)                               | -                                    |
| <b>Net cash flow (used in) investing activities (B)</b>                                     | <b>(148.56)</b>                      | <b>(435.62)</b>                      |

(Rupees in million)

|                                                                                    | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cash flow from financing activities</b>                                         |                                      |                                      |
| Dividend paid on equity shares (net of tax)                                        | -                                    | (300.38)                             |
| Short term loan availed                                                            | -                                    | 300.00                               |
| Repayment of short tem loan availed                                                | -                                    | (301.29)                             |
| Issue of equity shares (including premium)                                         | 117.60                               | 765.31                               |
| Issue of share on account of exercise of option (including premium)                | -                                    | (5.00)                               |
| <b>Net cash flow from financing activities (C )</b>                                | <b>117.60</b>                        | <b>458.64</b>                        |
| <b>Net decrease in cash and cash equivalents (A)+(B)+(C )</b>                      | <b>1.50</b>                          | <b>(52.61)</b>                       |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | 0.19                                 | (0.01)                               |
| Cash and cash equivalents at the beginning of the year                             | 25.27                                | 78.08                                |
| <b>Cash and cash equivalents at the end of the year (refer note 11)</b>            | <b>26.96</b>                         | <b>25.46</b>                         |
| <b>Cash and cash equivalents as above comprises of the following</b>               |                                      |                                      |
| Cash in hand                                                                       | 0.55                                 | 0.19                                 |
| Balances with bank                                                                 | 26.41                                | 25.27                                |
| <b>Total cash and cash equivalents (refer note 11)</b>                             | <b>26.96</b>                         | <b>25.46</b>                         |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

**For and on behalf of the Board of directors of Nazara Technologies Limited**
**per Govind Ahuja**

Partner

Membership no: 048966

**Vikash Mittersain**

Chairman Cum

Managing Director

DIN-00156740

**Nitish Mittersain**

Managing Director

DIN-02347434

**Manish Agarwal**

Chief Executive Officer

**Rakesh Shah**

Chief Financial Officer

**Turabbhai Chimthanawala**

Company Secretary

Membership No : A52320

Place of Signature: Mumbai

Date : 13th November, 2019

Place of Signature: Mumbai

Date : 13th November, 2019

## Standalone statement of changes in equity for the year ended 31st March, 2019

### (a) Equity shares:

of Rs 4 each issued, subscribed and fully paid

(Rupees in million)

|                                                | No of shares | Amount |
|------------------------------------------------|--------------|--------|
| At April 01, 2018                              | 2,69,72,619  | 107.90 |
| Add : Issue during the year - Exercise of ESOP | 4,99,350     | 2.00   |
| At March 31, 2019                              | 2,74,71,969  | 109.90 |

### (b) Other equity

|                                                                                           | Capital redemption reserve | Securities premium reserve | Retained earnings | Share based payment reserve | Capital contribution from shareholder | Total reserves and surplus | Debt instruments through other comprehensive income | Total other reserves | Total    |
|-------------------------------------------------------------------------------------------|----------------------------|----------------------------|-------------------|-----------------------------|---------------------------------------|----------------------------|-----------------------------------------------------|----------------------|----------|
| <b>As at April 1, 2017</b>                                                                | 1.30                       | -                          | 853.95            | 37.00                       | -                                     | 892.26                     | 6.45                                                | 6.45                 | 898.70   |
| (Loss) for the year                                                                       | -                          | -                          | (104.07)          | -                           | -                                     | (104.07)                   | -                                                   | -                    | (104.07) |
| Other comprehensive income for the year                                                   | -                          | -                          | 0.16              | -                           | -                                     | 0.16                       | (1.18)                                              | (1.18)               | (1.02)   |
| Addition on issue of shares                                                               | -                          | 1,191.67                   | -                 | -                           | -                                     | 1,191.67                   | -                                                   | -                    | 1,191.67 |
| Share issue expenses                                                                      | -                          | (5.00)                     | -                 | -                           | -                                     | (5.00)                     | -                                                   | -                    | (5.00)   |
| Utilised for issue of bonus shares                                                        | -                          | -                          | (79.70)           | -                           | -                                     | (79.70)                    | -                                                   | -                    | (79.70)  |
| Dividend paid (including dividend distribution tax)                                       | -                          | -                          | (300.38)          | -                           | -                                     | (300.38)                   | -                                                   | -                    | (300.38) |
| Expense on employee stock option scheme (refer note 33 (d))                               | -                          | -                          | -                 | 157.59                      | -                                     | 157.59                     | -                                                   | -                    | 157.59   |
| Share based payment on account of transfer of shares by a shareholder (refer note 33 (d)) | -                          | -                          | -                 | -                           | 357.18                                | 357.18                     | -                                                   | -                    | 357.18   |
| <b>As at March 31, 2018</b>                                                               | 1.30                       | 1,186.67                   | 369.96            | 194.59                      | 357.18                                | 2,109.71                   | 5.27                                                | 5.27                 | 2,114.97 |
| <b>As at April 1, 2018</b>                                                                | 1.30                       | 1,186.67                   | 369.96            | 194.59                      | 357.18                                | 2,109.71                   | 5.27                                                | 5.27                 | 2,114.97 |
| Profit for the year                                                                       | -                          | -                          | 22.18             | -                           | -                                     | 22.18                      | -                                                   | -                    | 22.18    |
| Addition during the year                                                                  | -                          | 115.01                     | -                 | -                           | -                                     | 115.01                     | -                                                   | -                    | 115.01   |
| Other comprehensive income for the year                                                   | -                          | -                          | 0.70              | -                           | -                                     | 0.70                       | (0.66)                                              | (0.66)               | 0.04     |
| Transfer to securities premium on exercise of options                                     | -                          | 103.19                     | -                 | (103.19)                    | -                                     | -                          | -                                                   | -                    | -        |
| Expense on employee stock option scheme (refer note 33 (d))                               | -                          | -                          | -                 | 164.53                      | -                                     | 164.53                     | -                                                   | -                    | 164.53   |
| <b>As at March 31, 2019</b>                                                               | 1.30                       | 1,404.87                   | 392.84            | 255.93                      | 357.18                                | 2,412.13                   | 4.61                                                | 4.61                 | 2,416.73 |

#### Notes:

- Capital redemption reserve**  
Capital redemption reserve was created on buyback of equity shares of the company in accordance with Provisions of Companies Act 2013
- Securities premium reserve**  
Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with provisions of Companies Act, 2013.
- Retained Earnings**  
Retained Earnings comprise of the Company's accumulated undistributed earnings
- Share based payment reserve**  
The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.
- Capital Contribution from shareholders**  
Share based payment by a shareholder

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

**per Govind Ahuja**

Partner

Membership no: 048966

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

**Vikash Mittersain**

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**Turabbhai Chimthanawala**

Company Secretary

Membership No : A52320

Place of Signature: Mumbai

Date : 13th November, 2019

Place of Signature: Mumbai

Date : 13th November, 2019

## Notes to the financial statement for the year ended 31st March, 2019

### 1. Corporate information

Nazara Technologies Limited (the "Company") incorporated in India on 8th December, 1999 as a Private Limited Company, is primarily engaged in providing subscription / download of games / other contents through consumer base in India and worldwide and digital support services to group companies. The registered office of the company is situated at 51-57, Maker chambers 3, Nariman point, Mumbai-400021.

The standalone financial statements (SFS) were authorized for issue in accordance with a resolution of Board of Directors on 13<sup>th</sup> November, 2019.

### 2. Basis of preparation and significant accounting policies:

#### 2.1 Basis of preparation:

The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

#### 2.2 Significant accounting, judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgments are:

- Estimation of useful life of property, plant and equipment and intangible asset Note 3 & 4
- Estimation of defined benefit obligation Note 31
- Impairment of financial assets & non-financial assets Note 35
- Estimation of fair value of unlisted securities Note 35
- Share based payment Note 33

#### 2.3 Summary of Significant accounting policies

##### a) Current versus non-current classification

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

- Expected to be 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 Company has identified period of twelve months as its operating cycle.

##### b) Foreign currency translation and transactions

###### Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

###### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the standalone financial statements of the reporting entity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### c) Revenue recognition

#### • Income from services

Service revenue mainly pertains to subscription / download of games / other contents and is recognized on straight line basis over period of subscription / download pack validity period.

Revenue from advertising services is recognized in the period in which advertisements are displayed

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised within other current financial assets.

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from 1 April, 2018.

Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the Standalone Statement of Profit and Loss is not restated. Impact on adoption of Ind AS 115 is not material.

#### • Other Operating Income

Other operating revenue mainly consists Technology Platform/ Digital Marketing / Administrative & Business Supporting/Recharge Services to subsidiaries and is recognized in the period in which services are rendered.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

#### • Other Income

Interest income is recorded using the effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or over a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. Interest income is included under the head "finance income" in the statement of profit and loss account.

Interest income is recognised using the effective method as set out in Ind AS 109 - Financial Instrument.

Recognition and Measurement, when it is possible that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

#### • Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

The right to receive dividend is generally established when shareholders approve the dividend.

### d) Income taxes

Income tax expense comprises of current and deferred tax.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961..

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future  
Deferred tax assets are recognized for all deductible temporary differences and the carry forward of any unused tax losses. 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 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
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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. Unrecognized 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 at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle applicable for bargain purchase gains. All other acquired tax benefits realized are recognized in profit and loss.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period."

#### e) Retirement and other employee benefits

Retirement benefit in the form of provident fund is defined contribution scheme. The Company has no obligation, other than the contribution payable to such schemes. The Company recognizes contribution payable to such schemes as an expense, when an employee renders the related service.

The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss -Service costs comprising current service costs and Net interest expense or income.

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 for the specific countries. 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 Company 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.

#### Compensated absence

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

#### Long-term employee benefits.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

**f) Financial instruments:**

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

**i. 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 OCI (FVTOCI)
- Debt instruments at fair value through profit and loss (FVTPL)

**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 finance 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 OCI (FVTOCI)**

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company 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 FVTOCI 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 company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, 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 the Profit and Loss

In addition, the company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

**Derecognition**

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; It evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair value through profit & loss and equity instruments recognized in OCI

The Company 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 Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. 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 Company 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.

## **ii. 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 Company's financial liabilities include trade payables, lease obligations, and other payables.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at 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.

## **iii. 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.

## **iv. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

**g) Investment in subsidiaries and Associates**

The Company has accounted for its investment in subsidiaries at cost. Investment in a subsidiary or an associate acquired in stages are accounted after re-measuring the equity interest held up to the date on which control or significant influence was first achieved, at its fair value on date of obtaining control or significant influence.

**h) Fair value measurement**

The company 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 Company.

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

The Company 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

Currently company carries those instruments where in level 1 inputs of the above mentioned fair value hierarchy is used.

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company 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 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 Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of 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.

**i) Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost net of accumulated impairment losses, if any. Capital work-in-progress comprises of expenditure incurred for construction of building.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment are eliminated from standalone financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant 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 Company are different from rates prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation. The range of useful lives of the property, plant and equipment are as follows:

| Property, plant and equipment | Useful lives estimated by the management (years) |
|-------------------------------|--------------------------------------------------|
| Furniture and fixtures        | 5 years                                          |
| Computer and Printers         | 3 years                                          |
| Office equipment              | 3 years                                          |
| Motor Car                     | 3 years                                          |

**j) 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 company and the cost of the asset can be measured reliably. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. The amortization period and the amortization method for an intangible asset with a finite useful life 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.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**k) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The impairment calculations are based on detailed budgets and forecast calculations for each of the Company's CGUs covering a period of five years and applying a long-term growth rate to project future cash flows after the fifth year.

Impairment losses of operations are 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.

**l) Lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Where the Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

**Operating lease:**

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis.

**m) Provisions, Contingent liabilities, Contingent assets and Commitments**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; 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.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

**n) Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost is recognized in employee benefits expense, together with a corresponding increase in Stock option outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

In respect of equity settled share based payment resulting from shareholders of the company to employees, the amount equivalent to the cost recorded by the Company is recorded at fair value of the shares as part of equity under Contribution from Shareholders.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**o) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for bonus elements and share split in equity shares, if any, issued during the year.

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.

**p) Cash and cash equivalents**

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

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

**q) Corporate Social Responsibility (CSR) Expenditure**

CSR expense is recognized as it is incurred by the company or when company has entered into any legal or constructive obligation for incurring such an expense.

## 2.4 STANDARDS ISSUED

**a) Effective during the year:**

The impact on account of applying Ind AS 115 "revenue from contracts with customers", applicable from 1st April 2018, on the financial statements of the company for the year ended and as at 31st March 2019 is insignificant.

**b) Not effective during the year:**

On 30th March, 2019, the Ministry of corporate affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the company from 1st April, 2019.

**I) Issue of Ind AS 116 - Leases**

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. as per Ind AS 116, the lessee will record in its financial statements all the non-cancellable portion of leasing arrangement. – Refer Note 40

**II) Amendment to Existing Standard**

The MCA has also carried out amendments of the following accounting standards

- i. Ind AS 12 – income Taxes
- ii. Ind AS 19 – employee benefits
- iii. Ind AS 23 – borrowing costs
- iv. Ind AS 28 - investment in associates and Joint Ventures
- v. Ind AS 109 - financial instruments
- vi. Ind AS 112 – Uncertainty over Income Tax Treatment

Application of above standards is not expected to have any significant impact on the company's financial statements.

# Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

## 3 Property, plant and equipment

|                                 | Property, plant and equipment |                   |                        |             |              |
|---------------------------------|-------------------------------|-------------------|------------------------|-------------|--------------|
|                                 | Computers                     | Office equipments | Furniture and fixtures | Vehicles    | Total        |
| <b>Cost</b>                     |                               |                   |                        |             |              |
| <b>As at March 31, 2017</b>     | <b>28.50</b>                  | <b>3.96</b>       | <b>1.51</b>            | <b>1.09</b> | <b>35.06</b> |
| Additions                       | 0.07                          | 0.26              | -                      | 2.67        | 3.00         |
| Disposals                       | -                             | -                 | -                      | -           | -            |
| <b>As at March 31, 2018</b>     | <b>28.57</b>                  | <b>4.22</b>       | <b>1.51</b>            | <b>3.76</b> | <b>38.06</b> |
| Additions                       | 0.16                          | 0.74              | -                      | -           | 0.90         |
| Disposals                       | -                             | -                 | -                      | -           | -            |
| <b>As at March 31, 2019</b>     | <b>28.73</b>                  | <b>4.96</b>       | <b>1.51</b>            | <b>3.76</b> | <b>38.96</b> |
| <b>Accumulated Depreciation</b> |                               |                   |                        |             |              |
| <b>As at March 31, 2017</b>     | <b>21.16</b>                  | <b>2.88</b>       | <b>1.16</b>            | <b>1.09</b> | <b>26.30</b> |
| Charge for the year             | 5.42                          | 0.68              | 0.13                   | 0.52        | 6.75         |
| <b>As at March 31, 2018</b>     | <b>26.58</b>                  | <b>3.56</b>       | <b>1.29</b>            | <b>1.61</b> | <b>33.05</b> |
| Charge for the year             | 1.94                          | 0.57              | 0.10                   | 0.89        | 3.51         |
| <b>As at March 31, 2019</b>     | <b>28.52</b>                  | <b>4.13</b>       | <b>1.39</b>            | <b>2.50</b> | <b>36.56</b> |
| <b>Net block</b>                |                               |                   |                        |             |              |
| <b>As at March 31, 2018</b>     | <b>1.99</b>                   | <b>0.66</b>       | <b>0.22</b>            | <b>2.15</b> | <b>5.01</b>  |
| <b>As at March 31, 2019</b>     | <b>0.21</b>                   | <b>0.83</b>       | <b>0.12</b>            | <b>1.26</b> | <b>2.40</b>  |

## 4 Intangible assets and intangible assets under development

|                             | Intangible assets |               |                            |              | Intangible asset (Games) under development |
|-----------------------------|-------------------|---------------|----------------------------|--------------|--------------------------------------------|
|                             | Computer software | NGDP Platform | Mygamma and Djuzz platform | Total        |                                            |
| <b>As at March 31, 2017</b> | <b>16.01</b>      | <b>7.20</b>   | <b>3.64</b>                | <b>26.85</b> | <b>1.40</b>                                |
| Additions                   | -                 | 4.20          | -                          | 4.20         | -                                          |
| Transfers                   | -                 | -             | -                          | -            | (1.40)                                     |
| <b>As at March 31, 2018</b> | <b>16.01</b>      | <b>11.40</b>  | <b>3.64</b>                | <b>31.05</b> | <b>-</b>                                   |
| Additions                   | -                 | -             | -                          | -            | -                                          |
| <b>As at March 31, 2019</b> | <b>16.01</b>      | <b>11.40</b>  | <b>3.64</b>                | <b>31.05</b> | <b>-</b>                                   |
| <b>Amortisation</b>         |                   |               |                            |              |                                            |
| <b>As at March 31, 2017</b> | <b>13.82</b>      | <b>1.33</b>   | <b>3.64</b>                | <b>18.78</b> | <b>-</b>                                   |
| Charge for the year         | 1.90              | 2.94          | -                          | 4.84         | -                                          |
| <b>As at March 31, 2018</b> | <b>15.72</b>      | <b>4.27</b>   | <b>3.64</b>                | <b>23.62</b> | <b>-</b>                                   |
| Charge for the year         | 0.29              | 3.80          | -                          | 4.09         | -                                          |
| <b>As at March 31, 2019</b> | <b>16.01</b>      | <b>8.07</b>   | <b>3.64</b>                | <b>27.71</b> | <b>-</b>                                   |
| <b>Net block</b>            |                   |               |                            |              |                                            |
| <b>As at March 31, 2018</b> | <b>0.29</b>       | <b>7.13</b>   | <b>-</b>                   | <b>7.43</b>  | <b>-</b>                                   |
| <b>As at March 31, 2019</b> | <b>0.00</b>       | <b>3.33</b>   | <b>-</b>                   | <b>3.34</b>  | <b>-</b>                                   |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 5 Investment in subsidiaries and associates

|                                                                           | As at<br>Mar 31, 2019 |                 | As at<br>March 31, 2018 |                 |
|---------------------------------------------------------------------------|-----------------------|-----------------|-------------------------|-----------------|
|                                                                           | No. of shares         | Amount          | No. of shares           | Amount          |
| <b><u>Investment in subsidiaries</u></b>                                  |                       |                 |                         |                 |
| <b>Unquoted equity shares</b>                                             |                       |                 |                         |                 |
| <b>Equity instruments at cost</b>                                         |                       |                 |                         |                 |
| <b>Nazara Technologies FZ LLC</b>                                         | 5,000                 | 0.64            | 5,000                   | 0.64            |
| Equity shares of AED 10 each                                              |                       |                 |                         |                 |
| <b>Nazara Pro Gaming Private Limited</b>                                  | 9,999                 | 0.10            | 9,999                   | 0.10            |
| Equity shares of Rs 10 each                                               |                       |                 |                         |                 |
| <b>Nazara Pte Limited</b>                                                 | 1,000                 | 0.05            | 1,000                   | 0.05            |
| Equity shares of SGD 1 each                                               |                       |                 |                         |                 |
| <b>Next Wave Multimedia Pvt Ltd</b>                                       | 17,460                | 528.24          | 17,460                  | 363.71          |
| Equity shares of Rs 100 each                                              |                       |                 |                         |                 |
| <b>Nodwin Gaming Private Limited</b>                                      | 7,376                 | 769.63          | 7,376                   | 769.63          |
| Equity shares of Rs 10 each                                               |                       |                 |                         |                 |
| <b><u>Investment in associates</u></b>                                    |                       |                 |                         |                 |
| <b>Halaplay Technologies Private Limited</b>                              | 16,522                | 160.00          | -                       | -               |
| Equity shares of Rs 10 each                                               |                       |                 |                         |                 |
| <b>Crimzoncode Education Private Limited</b>                              | 1,366,728             | 16.85           | -                       | -               |
| Equity shares of Rs 10 each                                               |                       |                 |                         |                 |
| <b>Compulsorily convertible preference share instruments</b>              |                       |                 |                         |                 |
| <b>Halaplay Technologies Private Limited</b>                              | 30,500                | 67.81           | -                       | -               |
| 0.1% cumulative compulsorily convertible preference shares of Rs 100 each |                       |                 |                         |                 |
| Share Application money given to Halaplay Technologies Private Limited    | -                     | 42.50           | -                       | -               |
| <b>Total</b>                                                              |                       | <b>1,585.82</b> |                         | <b>1,134.13</b> |

### 6 Non Current and Current Investments

|                                                                              | As at<br>March 31, 2019 |              | As at<br>March 31, 2018 |             |
|------------------------------------------------------------------------------|-------------------------|--------------|-------------------------|-------------|
|                                                                              | No. of shares           | Amount       | No. of Shares           | Amount      |
| <b><u>Non-current investments</u></b>                                        |                         |              |                         |             |
| <b>Investment in others</b>                                                  |                         |              |                         |             |
| <b>Equity instruments at fair value through profit and loss (fully paid)</b> |                         |              |                         |             |
| <b>Moonglab Technologies Private Limited</b>                                 | 3,294                   | 7.50         | 2,196                   | 5.00        |
| Equity shares of Rs 10 each                                                  |                         |              |                         |             |
| <b>Instasportz Consultancy Private Limited</b>                               | 1,171                   | 10.00        | -                       | -           |
| Equity shares of Rs 10 each                                                  |                         |              |                         |             |
| <b>Halaplay Technologies Private Limited</b>                                 | -                       | -            | 10                      | -           |
| Equity shares of Rs 10 each                                                  |                         |              |                         |             |
| <b>Compulsorily convertible preference share instruments at FVTPL</b>        |                         |              |                         |             |
| <b>Halaplay Technologies Private Limited</b>                                 | -                       | -            | 3,450                   | 4.00        |
| 0.1% cumulative compulsorily convertible preference shares of Rs 100 each    |                         |              |                         |             |
| <b>Total</b>                                                                 |                         | <b>17.50</b> |                         | <b>9.00</b> |

#### Note :

- During the year, the Company has invested Rs. 2.5 millions in one or more tranches in cash by acquiring 1098 equity shares of Rs. 2,277/- each in Moonglab Labs Technologies Limited ('Moonglab'). Post this investment, the Company owns 19.50% of equity shares in Moonglab.
- During the year, the Company invested Rs 16.85 million for 35.53% in Crimzoncode Education Private Limited in one or more tranches, on a fully diluted basis. Crimzoncode Education Private Limited is engaged in developing and marketing mobile games, especially related to quiz games

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 6 Non Current and Current Investments (Cont'd)

- 3) During the year, the Company has agreed to invest Rs.10 million for a 8.67% stake in Instasportz Consultancy Private Limited (Instasportz) pursuant to Agreement dated 11th July, 2018. Instasportz is engaged in the business of running sports and virtual reality entertainment zones across India and abroad.
- 4) In Oct 2017, the Company invested Rs 4.01 million in Halaplay Technologies Private Limited ("Halaplay" or "investee Company") by subscribing 10 equity shares and 3460 Compulsorily Convertible Preference Shares through rights issue
- Thereafter, the Company made following investment in the Halaplay :
- In May 2018, the Company invested Rs 4.01 million in Halaplay Technologies Private Limited ("Halaplay" or "investee Company") by subscribing 3460 Compulsorily Convertible Preference Shares through rights issue
- In July 2018, the Company invested Rs 10 million by subscribing 1331 Compulsorily Convertible Preference Shares through rights issue pursuant to Agreement dated July 11, 2018.
- In September 2018, the Company invested Rs 35 million by subscribing 4658 Compulsorily Convertible Preference Shares through rights issue pursuant to Agreement dated July 27, 2018.
- In December 2018, the Company invested Rs 34.99 million by subscribing 4657 Compulsorily Convertible Preference Shares through rights issue pursuant to Agreement dated July 27, 2018.
- Further, on March 13, 2019, the Company invested Rs. 40 million by subscribing 8256 Seed Equity Shares of Series A through Private Placement.
- On March 25, 2019, the Company invested Rs.42 million by subscribing 8256 Seed Equity Shares of Series A through Private Placement.
- Pursuant to agreement dated July 11, 2018 and July 27, 2018, each CCPS is entitled to the following rights :
- Cumulative dividend of 0.1% (zero point one percent) per annum ("Preferential Dividend"). In the event, dividend is announced on equity shares , they will be entitled to dividend on those shares on as if converted basis carry the same voting rights as are attached to Equity Shares Conversion into 1 equity share of Rs. 10 each at any time during period of 20 years at their discretion of CCPS holders, to those CCPS into Equity Shares, at a conversion price equivalent to 60% (Sixty Percent) of the per Equity Share value applicable at the time of Series-A Transaction.
- Accordingly, the Company has acquired 24.37 % of voting rights in the Halaplay on 1st March 2019. It has become an associate from this date and accordingly, the Company has fair valued the investment in the investee Company as on this date and has recorded the gain of Rs. 59.81 million as "Fair value gain on Investment at fair value through profit or loss".

### 6 Non Current and Current Investments (Cont'd)

|                                                                                      | As at<br>March 31, 2019 |               | As at<br>March 31, 2018 |               |
|--------------------------------------------------------------------------------------|-------------------------|---------------|-------------------------|---------------|
|                                                                                      | No of units             | Amount        | No of units             | Amount        |
| <b>Current investments</b>                                                           |                         |               |                         |               |
| <b>A. Investments in mutual funds</b>                                                |                         |               |                         |               |
| <b>Quoted investments at FVTPL</b>                                                   |                         |               |                         |               |
| SBIMF-Magnum income fund                                                             | 1,577,815.748           | 70.92         | 1,577,816               | 66.95         |
| BNP paribas flexi debt fund                                                          | 413,979.251             | 13.02         | 828,972                 | 24.59         |
| SBI ultra short term fund                                                            | -                       | -             | 4,515                   | 10.12         |
| ICICI prudential gilt fund                                                           | 670,604.312             | 42.79         | 670,604                 | 40.06         |
| Kotak gilt investment regular growth                                                 | 627,212.498             | 39.46         | 627,212                 | 36.55         |
| SBI short term fund                                                                  | 1,210,302.091           | 25.89         | 1,210,302               | 24.24         |
| SBI Credit Risk Fund Reg (G) (SBI Corporate)                                         | 2,858,784.188           | 85.34         | 2,858,784               | 79.85         |
| SBI debt fund series B – 33                                                          | 2,000,000.000           | 25.07         | 2,000,000               | 23.45         |
| SBI regular saving fund (refer below note 1)/SBI Magnum Medium Duration Fund Reg (G) | 3,470,651.132           | 112.32        | 3,470,651               | 104.80        |
| Birla sunlife saving fund                                                            | -                       | -             | 269                     | 0.09          |
| IIFL cash opportunities fund                                                         | -                       | -             | 6,434,612               | 77.74         |
| Birla sun life dynamic bond fund                                                     | -                       | -             | 339,552                 | 10.18         |
| Birla sun life short term opportunities fund                                         | -                       | -             | 368,370                 | 10.63         |
| BNP paribas medium term income fund                                                  | 783,447.325             | 11.40         | 783,447                 | 10.87         |
| DSP Credit Risk Fund - Regular Plan Growth                                           | 808,157.170             | 22.68         | 372,250                 | 10.65         |
| IDFC super saver income fund short term                                              | 641,350.427             | 24.42         | 641,350                 | 22.69         |
| L and T Credit Risk Fund (G)                                                         | 1,722,654.993           | 36.33         | 1,722,655               | 34.29         |
| Reliance short term fund                                                             | 853,280.180             | 29.64         | 853,280                 | 27.86         |
| SBI Banking and PSU FundRegG (treasury)                                              | 18,976.919              | 39.45         | 18,977                  | 36.55         |
| Tata short term bond fund                                                            | 351,135.925             | 11.40         | 351,136                 | 11.34         |
| UTI short term income fund                                                           | 1,075,644.675           | 24.21         | 1,075,645               | 22.72         |
| Aditya Birla SL Credit Risk Fund Reg (G)                                             | 799,315.786             | 10.93         | 799,316                 | 10.34         |
| Reliance Strategic Debt Fund (G)                                                     | 732,294.939             | 10.77         | 732,295                 | 10.26         |
| Aditya birla SL Short Term Opp Fund (G)                                              | 368,370.256             | 11.39         | 691,188                 | 69.31         |
| Aditya Birla SL Dynamic Bond Fund Reg (G)                                            | 339,551.656             | 10.73         | -                       | -             |
| <b>Total investment in mutual funds at fair value through profit and loss (A)</b>    |                         | <b>658.16</b> |                         | <b>776.13</b> |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 6 Non Current and Current Investments (Cont'd)

|                                                             | As at<br>March 31, 2019 |               | As at<br>March 31, 2018 |               |
|-------------------------------------------------------------|-------------------------|---------------|-------------------------|---------------|
|                                                             | No of units             | Amount        | No of units             | Amount        |
| <b>B. Investments in debentures</b>                         |                         |               |                         |               |
| <b>Quoted debentures at amortised cost</b>                  |                         |               |                         |               |
| IIFL wealth finance market linked debentures                | 780                     | 83.01         | -                       | -             |
| <b>Total investment in debentures at amortised cost (B)</b> |                         | <b>83.01</b>  | -                       | -             |
| <b>C. Investments in tax free bonds</b>                     |                         |               |                         |               |
| <b>Quoted bonds at FVOCI</b>                                |                         |               |                         |               |
| 7.39% HUDCO tax free bond series IIA                        | 7,007                   | 7.54          | 7,007                   | 7.69          |
| 7.39% HUDCO bond tax free bond series IIA                   | 7,529                   | 8.30          | 7,529                   | 8.31          |
| 7.35% IRFC tax free bond series IIA                         | 5,878                   | 6.56          | 5,878                   | 6.46          |
| 7.35% NABARD tax free bond series IIA                       | 5,010                   | 5.38          | 5,010                   | 5.49          |
| 7.35% NHAI tax free bond series IIA                         | 14,285                  | 15.29         | 14,285                  | 16.01         |
| 7.39% NHAI tax free bond series IIA                         | 15,419                  | 17.27         | 15,419                  | 17.03         |
| <b>Total investment in tax free bonds at FVOCI (C)</b>      |                         | <b>60.34</b>  |                         | <b>60.99</b>  |
| <b>Total current investments (A+B+C)</b>                    |                         | <b>801.51</b> |                         | <b>837.12</b> |

#### Note:

- Out of the above investment in mutual funds, investments having cost of Rs. 10.70 million pertaining to SBI Magnum Medium Duration Fund Reg (G) (previous name SBI regular saving fund) has been marked as lien against the bank guarantee of the Company as at March 31, 2019 ( March 31, 2018: Rs. 10.70 million )

### 7 Non Current and Current Loan and Deposits

|                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                    |                         |                         |
| <b>Unsecured, considered good</b>     |                         |                         |
| Security deposits                     | 13.58                   | 13.67                   |
| Loan to Inbox Digital Private Limited | 2.00                    | -                       |
| <b>Total</b>                          | <b>15.58</b>            | <b>13.67</b>            |
| <b>Current</b>                        |                         |                         |
| <b>Unsecured, considered good</b>     |                         |                         |
| Security deposits                     | -                       | 1.50                    |
| Loan to employees                     | 1.94                    | 0.32                    |
| <b>Total</b>                          | <b>1.94</b>             | <b>1.82</b>             |

### 8 Other Non-Current financial assets

|                                                                                        | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                                                                     |                         |                         |
| Fixed deposits with original maturity of more than 12 months (refer below note 11 (1)) | -                       | 1.65                    |
| Interest receivable                                                                    | -                       | 0.14                    |
| Other receivables (refer below note 27 (1))                                            | 40.19                   | -                       |
| <b>Total</b>                                                                           | <b>40.19</b>            | <b>1.79</b>             |

### 9 Other non-current Assets

|                                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------------|-------------------------|-------------------------|
| Prepaid Expense                                | 1.05                    | 3.00                    |
| Advance income -tax (net of provision for tax) | 22.42                   | 16.03                   |
| <b>Total</b>                                   | <b>23.47</b>            | <b>19.03</b>            |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 10 Trade receivables (Unsecured)

|                                                                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| considered good                                                            | 71.54                   | 223.51                  |
| considered having significant increase in credit risk                      | 159.09                  | 89.78                   |
| Less: Allowance for receivables having significant increase in credit risk | (159.09)                | (89.78)                 |
| <b>Total</b>                                                               | <b>71.54</b>            | <b>223.51</b>           |

### 11 Cash and cash equivalents and other bank balances

|                                                                    | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Cash and cash equivalents</b>                                   |                         |                         |
| Cash on hand                                                       | 0.55                    | 0.19                    |
| Balances with banks                                                |                         |                         |
| - in current accounts                                              | 26.41                   | 25.27                   |
| - in fixed Deposits with original maturity for less than 3 months  | -                       | -                       |
|                                                                    | <b>26.96</b>            | <b>25.46</b>            |
| <b>Other bank balances</b>                                         |                         |                         |
| Balances with banks                                                |                         |                         |
| - in fixed deposits with remaining maturity of less than 12 months | 1.65                    | -                       |
|                                                                    | <b>1.65</b>             | <b>-</b>                |
| <b>Total</b>                                                       | <b>28.61</b>            | <b>25.46</b>            |

#### Note:

- The fixed deposit aggregating to : Rs 1.65 Million (31 March, 2018: Rs 1.65 Million) is under lien to bank for issuing bank guarantee as security towards the due observance and performance of the terms and conditions of agreement executed with a customer, Bharat Sanchar Nigam Limited.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

|                      | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------|-------------------------|-------------------------|
| Balances with banks: |                         |                         |
| -On Current accounts | 26.41                   | 25.27                   |
| Cash on hand         | 0.55                    | 0.19                    |
| <b>Total</b>         | <b>26.96</b>            | <b>25.46</b>            |

### 12 Other current financial assets

|                                                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Current</b>                                                                    |                         |                         |
| <b>Unsecured, considered good</b>                                                 |                         |                         |
| Unbilled revenue                                                                  |                         |                         |
| - considered good                                                                 | 37.28                   | 52.07                   |
| - considered having significant increase in credit risk                           | 6.02                    | 9.15                    |
| Impairment Allowance (allowance for unbilled revenue)                             |                         |                         |
| - Less: Allowance for unbilled revenue having significant increase in credit risk | (6.02)                  | (9.15)                  |
| Other receivable from related parties (refer note 27 (1))                         | -                       | 35.20                   |
| Receivable from a subsidiary company (refer note 27 (1))                          | -                       | 37.04                   |
| Interest accrued but not due                                                      |                         |                         |
| - from banks                                                                      | 0.25                    | -                       |
| - from Tax free bond                                                              | 2.04                    | 2.05                    |
| - from loan given                                                                 | 0.24                    | -                       |
| <b>Total</b>                                                                      | <b>39.81</b>            | <b>126.36</b>           |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 13 Other current assets

|                                                                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Advances recoverable in cash or kind or for value to be received (refer note 1) below | 0.35                    | 0.82                    |
| Advance to vendors                                                                    | 2.42                    | 6.00                    |
| Prepaid expenses                                                                      | 17.97                   | 8.95                    |
| Balances with government authorities                                                  | 21.72                   | 9.31                    |
| <b>Total</b>                                                                          | <b>42.46</b>            | <b>25.08</b>            |

#### Note:

- 1) Out of the above amount Rs 0.01 is receivable from a related party (refer note 27) as on March 31, 2019 ( March 31, 2018 : Rs. 0.01)

### 14 Share capital

|                                                                                         | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Share capital</b>                                                                    |                         |                         |
| <b>Authorised shares</b>                                                                |                         |                         |
| 34,371,990 (March 31, 2018: 34,371,990) equity shares of Rs 4 each (refer note 1 below) | 137.49                  | 137.49                  |
| 1,251,204 (March 31, 2018: 1,251,204) preference shares of Rs 10 each                   | 12.51                   | 12.51                   |
|                                                                                         | <b>150.00</b>           | <b>150.00</b>           |
| <b>Issued, subscribed and fully paid up</b>                                             |                         |                         |
| 27,471,969 (March 31, 2018: 26,972,619) equity shares of Rs 4 each                      | 109.89                  | 107.89                  |
|                                                                                         | <b>109.89</b>           | <b>107.89</b>           |

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

##### Equity shares of Rs 4 each

| Name of the shareholder                    | As at<br>March 31, 2019 |           | As at<br>March 31, 2018 |           |
|--------------------------------------------|-------------------------|-----------|-------------------------|-----------|
|                                            | No of Shares            | % Holding | No of Shares            | % Holding |
| Mitter Infotech LLP                        | 5,955,125               | 21.68%    | 5,955,125               | 22.08%    |
| West Bridge Venture II Investment Holdings | 6,121,210               | 22.28%    | 6,121,210               | 22.69%    |
| Rakesh Jhunjhunwala                        | 3,294,310               | 11.99%    | 3,294,310               | 12.21%    |
| IIFL Special Opportunity Fund              | 1,456,320               | 5.30%     | 1,456,320               | 5.40%     |
| Nitish Mittersain *                        | 1,133,903               | 4.01%     | 1,475,335               | 5.47%     |

\* less than 5% in current year, presented for comparative purposes.

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

#### (b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

##### Equity shares of Rs 4 each (refer note 1 below)

| As at April 1, 2017                                         | No of Shares      | Amount        |
|-------------------------------------------------------------|-------------------|---------------|
| Share split and converted to equity shares of Rs 4 each     | 4,981,272         | 19.93         |
| Bonus shares issued during the period ( refer note 2 below) | 19,925,088        | 79.70         |
| Issued during the period                                    | 2,066,259         | 8.27          |
| <b>As at March 31, 2018</b>                                 | <b>26,972,619</b> | <b>107.90</b> |
| Add : Issue during the year - Exercise of ESOP              | 499,350           | 2.00          |
| <b>As at March 31, 2019</b>                                 | <b>27,471,969</b> | <b>109.90</b> |

#### Notes:

- On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each. Accordingly, the outstanding 1,992,509 equity shares having face value of Rs 10 each aggregating to Rs 19.93 million as at 27th December, 2017 were sub-divided into 4,981,272 equity shares having face value of Rs 4 each aggregating to Rs 19.93 million.
- On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalisation of reserves.
- On 23rd November, 2017 and 24th November, 2017, West Bridge Venture II Investment Holding sold/transferred 839,650 equity shares to financial investors and certain employees of the Company. Accordingly, West Bridge II Investment Holding is no longer the holding company and West Bridge Venture LLC is no longer the ultimate holding company from 24th November, 2017.

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 14 Share capital (Cont'd)

#### (c) Terms / rights attached to equity shares

##### 1. Voting rights

Each shareholder is entitled to one vote per equity share.

##### 2. Right as to dividend

The equity share holder is entitled to receive dividend as and when declared by the Board of Directors.

##### 3. Rights on further issue including anti dilution Rights:

In the event the Company proposes to make preferential issue of shares then 'West Bridge Ventures II Investment Holdings' ('Investor') have first right to subscribe on a pro-rata percentage of the entire issue on the basis of existing holding on a fully diluted basis so that the existing shareholding percentage in the Company remain same.

In addition to above, the investor have anti dilution rights including right to be allotted proportionate shares without consideration in case of certain events as defined in shareholder's agreement.

##### 4. Right of first offer, Right of Refusal and Tag Along Rights

In the event Investor propose to transfer all or part of their securities to any person, it shall first offer to Mitter Infotech LLP and two individual shareholders ('Founders'), a pro rata right to purchase all their shares. Investor shall have the right to exercise certain specified tag along rights in case the Founders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

In the event Emerging Investments Limited and other two company shareholders and one individual shareholders ('Other Shareholders') propose to transfer all or part of their securities to any person, investor and founders have pro rata right to purchase all their Shares.

##### 5. Drag Along Rights:

In case, the investor receives an offer for sale to third party, the Investor has the right to call upon the founders to sell their part of shareholding subject to certain specified conditions as defined in the AOA of the Company.

##### 6. Liquidation Preference:

In the Event of "Liquidation Event" as defined in shareholders agreement, equity shareholders will be entitled to receive consideration or proceed on a pro rata basis in the proportions of their ownership in the total paid up capital of the company on a fully diluted basis as defined in the AOA of the Company, after distribution of all preferential amounts.

"Liquidation event" shall (except for the issue of shares under an IPO) be deemed to include the following:-

- (a) Commencement of any proceedings for the voluntary winding up of the Company in accordance with the Act or the passing of an order of any court appointing a provisional liquidator or administrator in any other proceeding seeking the winding up of the Company; or
- (b) The consummation of a consolidation, merger, reorganization or other similar transaction (whether in one or a series of transactions) of the Company resulting in its Shareholders, collectively, retaining less than a majority of the voting power of the Company or the surviving entity immediately following such transaction after giving effect to any conversion exercise or exchange of any Securities convertible into or exercisable or exchangeable for, such voting Securities, or
- (c) Sale or transfer of more than 50% [fifty percent] of the then outstanding Shares by the Shareholders, such that the Shareholders, which shall include the Investor, prior to any such transaction, retain after such transaction less than 50% of voting power of the Company
- (d) The sale of, transfer of or creation of an encumbrance of any nature whatsoever or the appointment of a receiver in any proceedings, in more than 50% of the value of the assets and properties of the Company, including but not restricted to tangible and intangible assets of the Company, or any order of any court resulting in the sale of, transfer of or creation of an encumbrance of any nature whatsoever in more than 50% of the value of the assets and properties of the Company including but not restricted to tangible and intangible assets of the Company (whether in one or a series of transactions), which has not been vacated within 15 days of the passing of such order by the court. Subsection (d) would not apply to a case of consolidation, merger, reorganisation or other similar transaction referred to in sub-section (b)

The parties to the Waiver and Termination Agreement dated 17th January, 2018 and as amended by Amendment Agreement dated June 29, 2018 ("Termination Agreement"), waived and amended certain rights as available to Westbridge from the date of the execution of the Termination Agreement, including (i) the right of first refusal of our Promoters and Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer; (ii) the right of first refusal of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Mitter Infotech LLP in the Offer; and (iii) the drag along right of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer. Further, as per Termination Agreement, in case the initial public offering of the equity shares of the Company was not concluded by the IPO cut off date (i.e September 30, 2018), the provisions of Westbridge SHA that were waived or amended pursuant to the Termination Agreement were reinstated in their entirety and are operative and binding upon parties. Further, the Company was required carry out re-organisation of board, change in constitution of the Company and amendment of articles of association of the Company.

In June 24, 2019, the parties have entered into a Waiver and Termination Agreement wherein West bridge has waived the requirement of the Termination Agreement till December 31, 2019 related to appointment of directors and change in constitution of the Company. Further, in terms of the said agreement, certain provisions to Westbridge rights were amended, including (i) deletion of quorum requirements for the Board Meeting and (ii) approval of Westbridge in writing for certain reserved matters

##### 7. Other Rights:

- Investor have right to have their representation on the board of the Company with an affirmative voting right and decision on certain reserved matters such as change or alteration in the rights of any class of shareholders, change in share capital of the Company, undertaking any merger, acquisition, consolidation / amalgamation, change in the composition of board of directors and change in scope of business activity.

- Pursuant to the Share purchase agreement, Rakesh Jhunjhunwala and Utpal Seth acquired 263,545 and 2,780 equity shares of the Company respectively from Westbridge. Accordingly, Rakesh Jhunjhunwala and Utpal Seth have been given the following rights in the event the Company does not undertake an initial public offering and listing of our equity shares by 7<sup>th</sup> December, 2018:

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 14 Share capital (Cont'd)

- the first right to participate or the right to subscribe to all the equity shares in the fund raising by the Company with effect from 7<sup>th</sup> December, 2018;
- the Company shall not without the affirmative written consent of Rakesh Jhunjhunwala and Utpal Seth take certain actions such as raising new capital, change in scope of business, related party transactions, change in rights associated with the equity shares and acquisition of any company;
- tag along right in the event our Promoters transfer any equity shares with effect from 7<sup>th</sup> December, 2018; and
- execution of a restated shareholders agreement. Further, in the event the initial public offering of the Company is not completed within two years from the date of execution of the share purchase agreement, Rakesh Jhunjhunwala and Utpal Seth shall have the right to appoint a nominee director on the Board.

### (d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer (note 33)

### (e) Aggregate number of shares bought back during the period of five years immediately preceeding the reporting date:

|                                          | March 31, 2019 | March 31, 2018 |
|------------------------------------------|----------------|----------------|
| Equity shares bought back by the Company | No of shares   |                |
| FY 14-15                                 | 45,400         | 45,400         |
|                                          | <b>45,400</b>  | <b>45,400</b>  |

### (f) Bonus issue

| Aggregate number of equity shares issued as bonus by the Company:              | March 31, 2019     | March 31, 2018     |
|--------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                | No of shares       |                    |
| Equity shares allotted as fully paid bonus shares by capitalization of reserve | 1,99,25,088        | 1,99,25,088        |
|                                                                                | <b>1,99,25,088</b> | <b>1,99,25,088</b> |

### (g) Dividend distribution made

| Cash dividends on equity shares declared and paid           | March 31, 2019 | March 31, 2018 |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | Rs in million  |                |
| Interim dividend paid (including dividend distribution tax) | -              | 300.38         |
|                                                             | <b>-</b>       | <b>300.38</b>  |

#### Note

- Aggregate number of equity shares issued for consideration other than cash during last 5 years : During the year ended March 31, 2019 : NIL, As at March 2019 : 794,641 (as at March, 2018 : 794,641) (post adjustment of bonus and subdivision),

### 15 Other equity

|                                                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Reserves and surplus</b>                                                       |                         |                         |
| <b>Capital redemption reserve account</b>                                         |                         |                         |
| Opening balance                                                                   | 1.30                    | 1.30                    |
| <b>Closing balance</b>                                                            | <b>1.30</b>             | <b>1.30</b>             |
| <b>Securities premium account</b>                                                 |                         |                         |
| Opening balance                                                                   | 1,186.67                | -                       |
| Addition during the year                                                          | -                       | 1,191.67                |
| Addition during the year on exercise of ESOP                                      | 115.01                  | -                       |
| Transfer from share based payment reserve on exercise of option                   | 103.19                  | -                       |
| Less: share issue expenses                                                        | -                       | (5.00)                  |
| <b>Closing balance</b>                                                            | <b>1,404.87</b>         | <b>1,186.67</b>         |
| <b>Surplus in the statement of profit and loss and other comprehensive Income</b> |                         |                         |
| Opening balance                                                                   | 369.96                  | 853.95                  |
| Less:- utilised for issue of bonus shares                                         | -                       | (79.70)                 |
| Less:- utilised for dividend distribution                                         | -                       | (300.38)                |
| Add: Profit / (loss) for the year                                                 | 22.18                   | (104.07)                |
| Other comprehensive income for the year                                           | 0.70                    | 0.16                    |
| <b>Closing balance</b>                                                            | <b>392.84</b>           | <b>369.96</b>           |
| <b>Debt instrument through other Comprehensive Income</b>                         |                         |                         |
| Opening balance                                                                   | 5.27                    | 6.45                    |
| Other comprehensive income for the year                                           | (0.66)                  | (1.18)                  |
| <b>Closing balance</b>                                                            | <b>4.61</b>             | <b>5.27</b>             |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 15 Other equity (Cont'd)

|                                                                  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Share based payment reserve</b>                               |                         |                         |
| Opening balance                                                  | 194.59                  | 37.00                   |
| Additions during the year                                        | 164.53                  | 157.59                  |
| Less:- transfer to securities premium on exercise of options     | (103.19)                | -                       |
| <b>Closing balance</b>                                           | <b>255.93</b>           | <b>194.59</b>           |
| <b>Capital contribution from shareholder (refer note 33 (d))</b> |                         |                         |
| Opening balance                                                  | 357.18                  | -                       |
| Additions during the year                                        | -                       | 357.18                  |
| <b>Closing balance</b>                                           | <b>357.18</b>           | <b>357.18</b>           |
| <b>Total reserve and surplus</b>                                 | <b>2,416.73</b>         | <b>2,114.97</b>         |

#### Note:

- Capital redemption reserve was created on buyback of equity shares of the company.
- On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalisation of reserves

### 16 Provisions

|                                         | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                      |                         |                         |
| <b>Provisions for employee benefits</b> |                         |                         |
| Gratuity (refer note 31)                | 15.68                   | 14.03                   |
| <b>Total</b>                            | <b>15.68</b>            | <b>14.03</b>            |
| <b>Current</b>                          |                         |                         |
| <b>Provision for employee benefits</b>  |                         |                         |
| Compensated absences                    | 2.81                    | 2.78                    |
| <b>Total</b>                            | <b>2.81</b>             | <b>2.78</b>             |

### 17 Trade payables

|                                                    | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Trade payable</b>                               |                         |                         |
| Micro enterprises and small enterprises            | -                       | -                       |
| Other than micro enterprises and small enterprises | 108.86                  | 153.14                  |
| <b>Total</b>                                       | <b>108.86</b>           | <b>153.14</b>           |

#### Note

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

### 18 Other financial liabilities

|                                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------|-------------------------|-------------------------|
| Payable to employees                       | 22.51                   | 23.24                   |
| Payable for capital expenditure            | -                       | 2.00                    |
| Advances from customers (refer note below) | 14.01                   | 15.95                   |
| <b>Total</b>                               | <b>36.52</b>            | <b>41.19</b>            |

#### Note:

Advance from customers at 31 March 2019 includes Rs.13.99 million (31st March 2018 : Rs. 13.99 million) which may have to be refunded in an event the amount is required to pay entertainment tax on its revenue for the period till June 2017. The company has provided a bank guarantee of Rs.15.58 million to the customer.

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 19 Other current liabilities

|                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------|-------------------------|-------------------------|
| Tax deducted at source payable | 5.44                    | 7.00                    |
| Statutory liabilities          | 1.16                    | 2.82                    |
| <b>Total</b>                   | <b>6.60</b>             | <b>9.82</b>             |

### 20 Revenue from operations

|                                                                  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Revenue from contract with customers</b>                      |                                      |                                      |
| Revenue from subscription / download of games and other contents | 183.09                               | 556.37                               |
| Revenue from advertising services                                | 93.44                                | 107.17                               |
| <b>Other Operating Revenue</b>                                   |                                      |                                      |
| Technology Platform fees                                         | 76.42                                | -                                    |
| Digital Marketing fees                                           | 45.24                                | -                                    |
| Administrative and Business support Service                      | 36.28                                | -                                    |
| <b>Total</b>                                                     | <b>434.47</b>                        | <b>663.54</b>                        |

### 21 Other income

|                                                                               | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest Income on                                                            |                                      |                                      |
| - bank deposits                                                               | 1.36                                 | 0.17                                 |
| - tax free bonds                                                              | 4.05                                 | 4.07                                 |
| Dividend income on                                                            |                                      |                                      |
| -investment in subsidiaries                                                   | -                                    | 302.52                               |
| -current investments                                                          | 4.18                                 | 0.75                                 |
| Net gain on sale of current investments                                       | 11.16                                | 5.84                                 |
| Sundry balances written back                                                  | 4.33                                 | 1.18                                 |
| Fair value gain on financial instruments at fair value through profit or loss | 33.49                                | 35.27                                |
| Fair value gain on Investment at fair value through profit or loss            | 59.81                                | -                                    |
| Other income                                                                  | 1.21                                 | -                                    |
| <b>Total</b>                                                                  | <b>119.59</b>                        | <b>349.80</b>                        |

### 22 Employee benefits expense

|                                                          | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                                | 148.22                               | 151.11                               |
| Contribution to provident and other funds                | 7.95                                 | 8.57                                 |
| Expenses on employee stock option scheme (refer note 33) | -                                    | 88.35                                |
| Gratuity expense (refer note 31)                         | 2.80                                 | 4.85                                 |
| Staff welfare expenses                                   | 0.89                                 | 1.38                                 |
| <b>Total</b>                                             | <b>159.86</b>                        | <b>254.26</b>                        |

### 23 Depreciation and amortisation expenses

|                                                              | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (refer note 3) | 3.51                                 | 6.75                                 |
| Amortisation of intangible assets (refer note 4)             | 4.09                                 | 4.84                                 |
| <b>Total</b>                                                 | <b>7.60</b>                          | <b>11.59</b>                         |

### 24 Finance costs

|              | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--------------|--------------------------------------|--------------------------------------|
| Interest     | -                                    | 1.29                                 |
| <b>Total</b> | <b>-</b>                             | <b>1.29</b>                          |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 25 Other expenses

|                                                                     | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Content management charges                                          | 4.25                                 | 1.79                                 |
| Revenue share on subscription / download of games / other contents  | -                                    | 17.00                                |
| Consumables for development and testing                             | 0.24                                 | 0.39                                 |
| Rent expenses                                                       | 52.10                                | 37.71                                |
| Rates and taxes                                                     | 1.20                                 | 5.78                                 |
| Insurance charges                                                   | 1.63                                 | 2.14                                 |
| Repairs and maintenance                                             | 1.59                                 | 5.84                                 |
| Corporate social responsibility expenditure (refer note (ii) below) | 3.23                                 | 1.31                                 |
| Sales promotion and business development                            | 9.13                                 | 7.41                                 |
| Travelling and conveyance                                           | 10.80                                | 11.78                                |
| Communication expenses                                              | 1.31                                 | 1.23                                 |
| Printing and stationery                                             | 0.53                                 | 0.50                                 |
| Legal and professional fees                                         | 10.95                                | 29.31                                |
| Server charges                                                      | 10.28                                | 9.19                                 |
| Bad debts written off                                               | 2.71                                 | 1.21                                 |
| Allowance for doubtful debts and unbilled revenue                   | 88.75                                | 67.57                                |
| Payment to auditors (refer note (i) below)                          | 4.13                                 | 15.74                                |
| Loss on exchange fluctuation (net)                                  | 33.47                                | 8.59                                 |
| Directors fees                                                      | 1.03                                 | 0.56                                 |
| Miscellaneous expenses                                              | 4.99                                 | 5.23                                 |
| <b>Total</b>                                                        | <b>242.32</b>                        | <b>230.28</b>                        |

#### Notes:

#### (i) Payment to auditors

| Particulars                                                                       | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| As auditor                                                                        |                                      |                                      |
| - Audit fee                                                                       | 3.65                                 | 12.21                                |
| - Reimbursement of expenses                                                       | 0.11                                 | 0.32                                 |
| In other capacity                                                                 |                                      |                                      |
| - for other services                                                              | 0.37                                 | 14.16                                |
| Less: Fee for IPO related services disclosed as other receivables (refer note 12) | -                                    | (10.95)                              |
|                                                                                   | <b>4.13</b>                          | <b>15.74</b>                         |

#### (ii) Corporate social responsibilities

As per section 135 of the Companies Act 2013 and rules therein, the company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR).

Details of corporate social expenditures are as follows:

| Particulars                                       | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---------------------------------------------------|--------------------------------------|--------------------------------------|
| Gross amount required to be spent during the year | 3.44                                 | 6.25                                 |
| Amount spent during the period                    |                                      |                                      |
| i) Construction / acquisition of any asset        | -                                    | -                                    |
| i) On purposes other than (i) above               | 3.23                                 | 1.31                                 |
| <b>Total amount spent during the year</b>         | <b>3.23</b>                          | <b>1.31</b>                          |

### 26 Exceptional items

|                                                           | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Expense on Group share based payments (Refer Note 33 (d)) | -                                    | 357.18                               |
| <b>Total</b>                                              | <b>-</b>                             | <b>357.18</b>                        |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 27 Related party transactions

Related party disclosures as required by notified Ind AS 24 Related party disclosures" as given below

#### A) Names of the related parties and related party relationship

| Related parties where control exists                                    |                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ultimate holding company                                                | West Bridge Venture LLC (till 23rd November, 2017)                                                                                                                                                                                                                                                                     |
| Holding Company / Firm                                                  | West Bridge Venture II Investment Holdings (till 23rd November, 2017)                                                                                                                                                                                                                                                  |
| Subsidiaries                                                            | Nazara Technologies FZ LLC<br>Nazara Europe Limited (Dissolved on 2nd August, 2016)<br>Nazara Pte Ltd<br>Nazara Pro Gaming Private Limited (from 16th May, 2017)<br>Nextwave Multimedia Private Limited (from 22nd December, 2017)<br>Nodwin Gaming Private Limited (from 10th January, 2018)                          |
| Stepdown subsidiaries                                                   | Nazara Technologies<br>Nazara Zambia Limited<br>Nzmobile Nigeria Limited<br>Nzmobile Kenya Limited<br>Nazara Uganda Limited<br>Nazara Bangladesh Limited<br>Nzworld Kenya Limited                                                                                                                                      |
| Related parties with whom transactions have taken place during the year |                                                                                                                                                                                                                                                                                                                        |
| Entity with Significant influence                                       | West Bridge Venture II Investment Holdings (from 24th November, 2017)                                                                                                                                                                                                                                                  |
| Associate of subsidiary                                                 | Mastermind Sports Limited (from 22nd May, 2017)                                                                                                                                                                                                                                                                        |
| Associate                                                               | Crimzone Code Pvt Ltd (from 6th June, 2018) (formerly known as Jatia Education Private Limited)<br>Halaplay Technologies Pvt Ltd ( from 1st March, 2019 )                                                                                                                                                              |
| Key management personnel                                                | Vikash Mittersain - Chairman Cum Managing Director<br>Nitish Mittersain - Managing Director<br>Manish Agarwal - Chief Executive Officer<br>Rakesh Shah - Chief Financial Officer<br>Vinav Agarwal - Company Secretary (till 10th November, 2018)<br>Turabbhai Chimthanawala -Company Secretary ( from 1st April, 2019) |
| Enterprises owned or controlled by key management personnel             | Mitter Infotech LLP (formerly Mitter Infotech Pvt Ltd)                                                                                                                                                                                                                                                                 |

#### B) Related party transactions:

|                                                                                                                                               | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Remuneration to Key management personnel - As per contract with the Company</b>                                                            |                                      |                                      |
| Vikash Mittersain                                                                                                                             | 5.65                                 | 4.52                                 |
| Nitish Mittersain                                                                                                                             | 26.52                                | 24.54                                |
| Manish Agarwal                                                                                                                                | 31.93                                | 20.66                                |
| Rakesh Shah                                                                                                                                   | 6.84                                 | 6.55                                 |
| Vinav Agarwal                                                                                                                                 | 0.40                                 | 0.24                                 |
| <b>Exceptional employee benefit expense on account of share transferred by West Bridge Venture II Investment Holdings (refer note 33 (d))</b> |                                      |                                      |
| Nitish Mittersain                                                                                                                             | -                                    | 140.22                               |
| Manish Agarwal                                                                                                                                | -                                    | 216.96                               |
| <b>ESOPs to Key management personnel</b>                                                                                                      |                                      |                                      |
| Manish Agarwal                                                                                                                                | -                                    | 40.16                                |
| Rakesh Shah                                                                                                                                   | -                                    | 20.08                                |
| <b>Service rendered</b>                                                                                                                       |                                      |                                      |
| Nodwin Gaming Private Limited                                                                                                                 | -                                    | 1.00                                 |

**Notes to the financial statement for the year ended 31st March, 2019**

(Rupees in million)

**27 Related party transactions (Cont'd)**

|                                                                                                  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cost of content</b>                                                                           |                                      |                                      |
| Mastermind Sports Limited                                                                        | 0.91                                 | 2.07                                 |
| Crimzoncode Technologies Private Limited                                                         | 6.44                                 | -                                    |
| Moong labs Technologies Pvt Ltd                                                                  | 3.60                                 | -                                    |
| <b>Professional Fees</b>                                                                         |                                      |                                      |
| Nodwin Gaming Private Limited                                                                    | 0.50                                 | -                                    |
| <b>Dividend paid</b>                                                                             |                                      |                                      |
| Mitter Infotech LLP (formerly Mitter Infotech Private Limited)                                   | -                                    | 84.31                                |
| West Bridge Venture II Investment Holdings                                                       | -                                    | 204.29                               |
| Vikash Mittersain                                                                                | -                                    | 0.00*                                |
| Nitish Mittersain                                                                                | -                                    | 0.00*                                |
| <b>Dividend received</b>                                                                         |                                      |                                      |
| Nazara Pte Ltd                                                                                   | -                                    | 237.50                               |
| Nazara Technologies FZ LLC                                                                       | -                                    | 65.02                                |
| <b>Rent paid on behalf of</b>                                                                    |                                      |                                      |
| Nitish Mittersain                                                                                | -                                    | 5.12                                 |
| <b>Rent recovered from</b>                                                                       |                                      |                                      |
| Nitish Mittersain                                                                                | -                                    | 4.21                                 |
| <b>Additional cost of investment on account of group share based payment</b>                     |                                      |                                      |
| Nextwave Multimedia Private Limited (Refer note 33 (d) (ii))                                     | 164.53                               | 41.13                                |
| <b>Advance given</b>                                                                             |                                      |                                      |
| Nazara Pro Gaming Private Limited                                                                | -                                    | 0.00*                                |
| <b>Recovery of expenses on employee stock option scheme from subsidiary</b>                      |                                      |                                      |
| Nazara Technologies FZ LLC                                                                       | -                                    | 28.11                                |
| <b>Contribution from shareholder on account of share based payments (refer note 33 (d) (i) )</b> |                                      |                                      |
| West Bridge Venture II Investment Holdings                                                       | -                                    | 357.18                               |
| <b>Service fees charged</b>                                                                      |                                      |                                      |
| <b>Technology Platform Fees</b>                                                                  |                                      |                                      |
| Nazara Technologies FZ LLC                                                                       | 21.62                                | -                                    |
| Nazara Pte Limited                                                                               | 22.26                                | -                                    |
| Nazara Technologies                                                                              | 32.54                                | -                                    |
| <b>Digital Marketing Fees</b>                                                                    |                                      |                                      |
| Nazara Technologies FZ LLC                                                                       | 1.89                                 | -                                    |
| Nazara Pte Limited                                                                               | 4.81                                 | -                                    |
| Nazara Technologies                                                                              | 38.54                                | -                                    |
| <b>Administrative and Business support Service</b>                                               |                                      |                                      |
| Nazara Technologies FZ LLC                                                                       | 10.27                                | -                                    |
| Nazara Pte Limited                                                                               | 10.57                                | -                                    |
| Nazara Technologies                                                                              | 15.45                                | -                                    |
| <b>IPO expenses recoverable (refer note 1 below)</b>                                             |                                      |                                      |
| West Bridge Venture II Investment Holdings                                                       | 4.68                                 | 33.00                                |
| Mitter Infotech LLP                                                                              | 0.31                                 | 2.20                                 |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 27 Related party transactions (Cont'd)

#### C) Amounts outstanding as at the balance sheet date:

|                                                              | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| <b>Balance payables at year end</b>                          |                         |                         |
| Vikash Mittersain                                            | -                       | -                       |
| Nitish Mittersain                                            | -                       | 0.42                    |
| Mastermind Sports Limited                                    | 2.33                    | 2.07                    |
| Crimzoncode Education Pvt Ltd                                | 3.13                    | -                       |
| Moong labs Technologies Pvt Ltd                              | 0.43                    | -                       |
| Nodwin Gaming Private Limited                                | 0.54                    | -                       |
| <b>Advance given</b>                                         |                         |                         |
| Nazara Pro Gaming Private Limited                            | -                       | 0.00*                   |
| <b>Amount recoverable/(payables) from subsidiary company</b> |                         |                         |
| Nazara Technologies FZ LLC                                   | (1.85)                  | 37.04                   |
| Nazara Pte Limited                                           | 1.91                    | -                       |
| Nazara Technologies                                          | 39.05                   | -                       |
| <b>IPO expenses recoverable (refer note 1 below)</b>         |                         |                         |
| West Bridge Venture II Investment Holdings                   | 37.68                   | 33.00                   |
| Mitter Infotech LLP                                          | 2.51                    | 2.20                    |

#### D) Compensation of Key management personnel

|                                                             | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Short-term employee benefits                                | 68.27                                | 53.19                                |
| Post-employment benefits (refer note 2 below)               | 3.07                                 | 3.32                                 |
| Share based payment transactions                            | -                                    | 60.24                                |
| Exceptional employee benefit expense<br>(refer note 34 (d)) | -                                    | 357.18                               |
| <b>Total remuneration</b>                                   | <b>71.34</b>                         | <b>473.93</b>                        |

#### Notes:

- Other receivables comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) of the Company. As per understanding between the Company, West Bridge Venture II Investment Holdings and Mitter Infotech LLP, all the IPO expenses other than fees related to merchant bankers will be shared between them, while the merchant bankers' fees will be borne by West Bridge Venture II Investment Holdings and Mitter Infotech LLP.

Accordingly, the Company has charged its share of IPO expenses to the statement of profit and loss and recorded a receivable for the share of IPO expenses to be recovered from West Bridge Venture II Investment Holdings and Mitter Infotech LLP.

The Company has deferred its plan for IPO. However, based on understanding between the Company and the selling shareholders, the selling shareholders agreed for company to carry forward these expenses and reimburse it along with future IPO expenses on successful completion of IPO. This amount has been classified as Other Receivables under Other non-current financial assets (March 31, 2018 : Other current financial assets)

- Remuneration to key managerial personnel doesn't include provision made for gratuity and compensated absences as they are determined on actuarial basis for the Company
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

\* Amount is less than 0.01 million

### 28 Capital and others commitments

(Rupees in million)

|                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Other commitments</b>              |                         |                         |
| Cost of content and other commitments | 9.39                    | 23.18                   |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 29 Leases

#### Operating leases - Company as lessee

The Company's significant leasing arrangements are in respect of operating leases for office premises. The initial tenure of the lease are 36 months with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into lease. Leases include a clause to enable upward revision of the rental charge on an annual basis according to rate prescribed in the contract.

The future minimum lease rental receivable under non-cancellable operating leases in aggregate are as follows:

|                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------------------|-------------------------|-------------------------|
| Not later than one year                           | 51.02                   | -                       |
| Later than one year and not later than five years | 48.09                   | -                       |
| Later than five years                             | -                       | -                       |
|                                                   | <b>99.11</b>            | <b>-</b>                |

### 30 Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS computation:

|                                                                                      | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Basic</b>                                                                         |                                      |                                      |
| (Loss) / profit for the calculation of basic EPS                                     | 22.18                                | (104.08)                             |
| Weighted average number of equity shares in calculating basic EPS (refer note below) | 27,418,614                           | 25,340,961                           |
| <b>Earnings per share</b>                                                            | <b>0.81</b>                          | <b>(4.11)</b>                        |
| <b>Diluted</b>                                                                       |                                      |                                      |
| Profit for calculation of diluted EPS                                                | 22.18                                | (104.08)                             |
| Weighted average number of equity shares in calculating basic EPS                    | 27,418,614                           | 25,340,961                           |
| Effect of dilution on stock option granted (refer note 1 and 2 below)                | 164,988                              | -                                    |
| Weighted average number of equity shares outstanding (including dilutive)            | 27,583,602                           | 25,340,961                           |
| <b>Earnings per share</b>                                                            | <b>0.80</b>                          | <b>(4.11)</b>                        |

#### Note

- There are 541,880 potential equity shares as on 31st March, 2018, in the form of stock options granted to employees. As these are anti dilutive, the diluted earnings per share is same as basic earnings per share for the year ended March 31, 2018.
- There are 509,039 potential equity shares as on 31st March, 2019, in the form of stock options granted to employees.

### 31 Gratuity and post employment benefits

#### I) Defined Contribution plan

##### (a) Provident fund and ESIC

(Rupees in million)

|                                                                         | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------------------------------------------------|-------------------------|-------------------------|
| Company's contribution to provident fund and other funds charged to P&L | 7.95                    | 8.57                    |

#### II) Defined benefit plan

##### (a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This benefit is unfunded.

The following tables summarise the components of net gratuity benefit expense recognised in the statement of profit and loss and other comprehensive income.

#### A Balance Sheet

- The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

|                                                                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Liability at the beginning of the year</b>                                         | <b>14.03</b>            | <b>10.09</b>            |
| Interest cost                                                                         | 1.05                    | 0.68                    |
| Current service cost                                                                  | 1.75                    | 1.23                    |
| Past service cost                                                                     | -                       | 2.93                    |
| Benefits paid                                                                         | (0.18)                  | (0.67)                  |
| Re-measurements - Actuarial (Gain) / Loss - due to changes in demographic assumptions | -                       | -                       |
| Re-measurements - Actuarial (Gain) / Loss - due to changes Financial assumptions      | 0.30                    | (0.50)                  |
| Re-measurements - Actuarial (Gain) / Loss - due to changes experience adjustment      | (1.27)                  | 0.27                    |
| <b>Liability at the end of the year</b>                                               | <b>15.68</b>            | <b>14.03</b>            |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 31 Gratuity and post employment benefits (Cont'd)

#### ii) Balance sheet recociliation

|                                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------------|-------------------------|-------------------------|
| <b>Opening net liability</b>                   | <b>14.03</b>            | <b>10.09</b>            |
| Expense recognized in statement of P&L         | 2.80                    | 4.84                    |
| Expense recognized in OCI                      | (0.98)                  | (0.23)                  |
| Benefit paid directly by the employer          | (0.18)                  | (0.67)                  |
| <b>Amounts recognized in the balance sheet</b> | <b>15.67</b>            | <b>14.03</b>            |

### B Statement of profit & loss

#### i) Expense recognised in statement of profit or loss

|                                              | For the period ended<br>March 31, 2019 | For the period ended<br>March 31, 2018 |
|----------------------------------------------|----------------------------------------|----------------------------------------|
| Current service cost                         | 1.75                                   | 1.23                                   |
| Past service cost                            | -                                      | 2.93                                   |
| Net interest cost                            | 1.05                                   | 0.68                                   |
| <b>Expenses recognized in profit or loss</b> | <b>2.80</b>                            | <b>4.84</b>                            |

#### ii) Expense recognised in other comprehensive income

|                                        | For the period ended<br>March 31, 2019 | For the period ended<br>March 31, 2018 |
|----------------------------------------|----------------------------------------|----------------------------------------|
| Remeasurements actuarial (gain) / loss | (0.98)                                 | (0.23)                                 |
| <b>Net (income) / expense</b>          | <b>(0.98)</b>                          | <b>(0.23)</b>                          |

### C The principal assumptions used in determining gratuity obligations are shown below:

|                                  | As at<br>March 31, 2019                  | As at<br>March 31, 2018 |
|----------------------------------|------------------------------------------|-------------------------|
| Discount rate                    | 7.07%                                    | 7.50%                   |
| Future salary increases          | 10.00%                                   | 10.00%                  |
| Projected benefit obligation     | 6 years                                  | 6 years                 |
| Rate of employee turnover        | 15%                                      | 15%                     |
| Mortality rate during employment | Indian Assured lives Mortality (2006-08) |                         |
| Mortality rate after employment  |                                          | NA                      |

### D A quantitative sensitivity analysis for significant assumption as at balance sheet date are as shown below:

|                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------|-------------------------|-------------------------|
| Discount rate (- 1%)          | 0.74                    | 0.69                    |
| Discount rate (+ 1%)          | (0.67)                  | (0.62)                  |
| Salary escalation Rate (- 1%) | (0.44)                  | (0.43)                  |
| Salary escalation Rate (+ 1%) | 0.47                    | 0.45                    |
| Employee turnover (- 1%)      | 0.02                    | 0.03                    |
| Employee turnover (+ 1%)      | (0.02)                  | (0.03)                  |

**Methods and assumptions used in preparing sensitivity and their limitations:** The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions being constant. In practice, scenario may involve change in several assumptions where the stressed defined benefit obligation may be significantly impacted.

### E Maturity analysis of projected benefit obligation

|                         | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------|-------------------------|-------------------------|
| 1st following year      | 3.34                    | 1.80                    |
| 2nd following year      | 1.96                    | 2.78                    |
| 3rd following year      | 1.82                    | 1.68                    |
| 4th following year      | 1.70                    | 1.57                    |
| 5th following year      | 1.57                    | 1.47                    |
| Sum of years to 6 to 10 | 6.09                    | 5.54                    |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 32 Income taxes

#### A Income tax expense in the statement of profit and loss consists of:

|                                                                                               | For the period<br>ended March 31, 2019 | For the period<br>ended March 31, 2018 |
|-----------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Current income tax:</b>                                                                    |                                        |                                        |
| Income tax (current year)                                                                     | 6.82                                   | 79.52                                  |
| Deferred tax (credit)                                                                         | 2.44                                   | (13.36)                                |
| <b>Income tax expense reported in the statement of profit or loss</b>                         | <b>9.26</b>                            | <b>66.16</b>                           |
| <b>Income tax recognised in other comprehensive income</b>                                    |                                        |                                        |
| - Deferred tax expense arising on income and expense recognised in other comprehensive income | (0.86)                                 | (0.07)                                 |
| <b>Total</b>                                                                                  | <b>8.40</b>                            | <b>66.09</b>                           |

#### B The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

|                                                                       | For the period<br>ended March 31, 2019 | For the period<br>ended March 31, 2018 |
|-----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit/(Loss) before tax                                              | 31.44                                  | (37.92)                                |
| Enacted income tax rate in India                                      | 27.82%                                 | 34.61%                                 |
| Computed expected tax expense                                         | 8.75                                   | (13.12)                                |
| <b>Effect of:</b>                                                     |                                        |                                        |
| Income not considered for tax purpose                                 | (2.29)                                 | (1.67)                                 |
| Expenses not allowed for tax purpose                                  | 1.58                                   | 134.53                                 |
| other factor                                                          | 0.67                                   | 7.22                                   |
| Exceptional items                                                     |                                        |                                        |
| Differential tax impact of dividend from subsidiary                   | -                                      | (52.35)                                |
| Impact of capital gain on sale of investments                         | (1.11)                                 | (0.61)                                 |
| Other permanent differences                                           | -                                      | -                                      |
| Income taxed at special rate                                          | -                                      | (7.84)                                 |
| Difference in effective tax rate applied for DTA calculation          | 1.66                                   | -                                      |
| Item on which DTA not created in last year                            | -                                      | -                                      |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>9.26</b>                            | <b>66.16</b>                           |

#### C Deferred tax relates to the following: Balance sheet

|                                                                                                                                 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 3.36                    | 2.74                    |
| <b>Others</b>                                                                                                                   | -                       | -                       |
| Provision for doubtful receivables                                                                                              | 45.93                   | 28.81                   |
| Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis | 6.22                    | 4.95                    |
| Impact of revenue offered to tax but recorded in the statement of profit and loss in the subsequent year                        | 0.00                    | 0.57                    |
| Other items giving rise to temporary differences                                                                                | (32.56)                 | (11.41)                 |
| <b>Net deferred tax assets / (liabilities)</b>                                                                                  | <b>22.95</b>            | <b>25.66</b>            |

#### D Movement of deferred tax asset (net):

|                                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Opening balance as of 1 April                                     | 25.66                   | 12.25                   |
| Tax income/(expense) during the year recognised in profit or loss | (2.44)                  | 13.36                   |
| Tax income/(expense) during the year recognised in OCI            | (0.27)                  | 0.05                    |
| <b>Net deferred tax assets / (liabilities)</b>                    | <b>22.95</b>            | <b>25.66</b>            |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 33 Share based payments

- (a) During the year ended 31st March, 2019 ESOP 2016 and ESOP 2017 scheme was in operation.

Under the ESOP 2016, share options of the Company are granted to senior executives of the Company and its subsidiary employees with more than 12 months of service. The share options vest if within one years from the date of grant, the senior executive remains employed on such date. The Company has cross charged the expense at fair value to the Subsidiary in respect of the ESOPS granted to the employee of subsidiary.

The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted (comprising the vesting period and the exercise period) is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

- (b) The Company has provided the following equity settled share-based payment schemes to its senior management. The details of the ESOP schemes are as follows:

#### **ESOP 2016**

Details of ESOP 2016 are as follows:

| Particulars               |                                                                    |
|---------------------------|--------------------------------------------------------------------|
| Date of grant             | 2nd January, 2017                                                  |
| Date of board approval    | 24th November, 2016                                                |
| Date of member approval   | 26th December, 2016                                                |
| Number of options granted | 59,411 to eligible employees of the Company and subsidiary company |
| Method of settlement      | Equity                                                             |
| Vesting period            | One year                                                           |
| Exercise period           | Five years                                                         |
| Vesting conditions        | 100% vesting after one year                                        |
| Exercise price            | Rs 2,929                                                           |

Each option entitled 1 equity share of Rs.10 each to eligible employee of the Company and subsidiary

The details of activity under the scheme 2016 are summarised below:

| Particulars                                                           | March 31, 2019    | March 31, 2018    |
|-----------------------------------------------------------------------|-------------------|-------------------|
|                                                                       | Number of options | Number of options |
| Outstanding at the beginning of the year                              | 742,638           | 59,411            |
| Granted during the year                                               | -                 | -                 |
| Adjustment for bonus and subdivision of shares (refer note (i) below) | -                 | 683,227           |
| Exercised during the year                                             | 499,350           | -                 |
| Outstanding at the end of the year                                    | 243,288           | 742,638           |
| Exercisable at the end of the year                                    | 243,288           | 742,638           |
| Weighted average remaining contractual life (in years)                | 3.75 years        | 4.75 years        |

- (i) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs. 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each and issuance of bonus shares in the ratio of 4:1 with record date of 4th January 2018. Pursuant to this, the board of directors approved adjustment to exercise price and number of options to all outstanding stock options.

Accordingly, the outstanding 59,411 employee stock options convertible into equity shares of Rs 10 each were converted into 742,638 employee stock options convertible into 1 equity share of Rs 4 each and exercise price got revised from Rs 2929 per share to Rs 234.32 per share.

- (ii) There were no cancellations or modifications to the rewards during the year ended 31st March, 2019 and 31st March, 2018

#### **ESOP 2017**

Details of ESOP 2017 are as follows:

| Particulars               |                                                         |
|---------------------------|---------------------------------------------------------|
| Date of grant             | 17th January, 2018                                      |
| Date of board approval    | 11th December, 2017                                     |
| Date of member approval   | 15th December, 2017                                     |
| Number of options granted | 562,733 to eligible employees of the subsidiary company |
| Method of settlement      | Equity                                                  |
| Vesting period            | One year                                                |
| Exercise period           | Five years                                              |
| Vesting conditions        | 100% vesting after one year                             |
| Exercise price            | Rs 282.91                                               |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 33 Share based payments (Cont'd)

Each option entitled 1 equity share of Rs.4 each to eligible employee of the Company and subsidiary

The details of activity under the scheme 2017 are summarised below:

| Particulars                                            | March 31, 2019    | March 31, 2018    |
|--------------------------------------------------------|-------------------|-------------------|
|                                                        | Number of options | Number of options |
| Outstanding at the beginning of the year               | 562,733           | -                 |
| Granted during the year                                | -                 | 562,733           |
| Forfeited during the year                              | -                 | -                 |
| Exercised during the year                              | -                 | -                 |
| Outstanding at the end of the year                     | 562,733           | 562,733           |
| Exercisable at the end of the year                     | 562,733           | 562,733           |
| Weighted average remaining contractual life (in years) | 4.75 years        | 5.75 years        |

#### (c) The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

|                                          | ESOP 2017     | ESOP 2016     |
|------------------------------------------|---------------|---------------|
| Dividend yield (%)                       | 0.00%         | 0.00%         |
| Expected volatility (%)                  | 23.04%        | 25.00%        |
| Risk free interest rate (%)              | 7.16%         | 6.27%         |
| Spot price (Rs)                          | 563.03        | 4,524.33      |
| Exercise Price (Rs)                      | 282.91        | 2,928.75      |
| Expected life of options granted (years) | 3.5 years     | 3.5 years     |
| Model used                               | Black Scholes | Black Scholes |

The expected life of the share options are based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

#### (d) The expense recognised for employee service received during the year and the related balance sheet impact is shown in the following table:

|                                                                                                           | For the period ended<br>March 31, 2019 | For the period ended<br>March 31, 2018 |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Expense arising from equity-settled share based payment transactions                                      | -                                      | 88.35                                  |
|                                                                                                           | -                                      | <b>88.35</b>                           |
| <b>Amount recoverable from subsidiary company as at the year end:</b>                                     |                                        |                                        |
| Amount recoverable from subsidiary company on account of Share based payment (Nazara Technologies FZ LLC) | -                                      | 37.04                                  |
|                                                                                                           | -                                      | <b>37.04</b>                           |
| <b>Value of deemed investment in subsidiary as at the year end:</b>                                       |                                        |                                        |
| Investment in subsidiary on account of Group Share based payment (Nextwave Multimedia Private Limited)    |                                        |                                        |
| Opening                                                                                                   | 41.13                                  | -                                      |
| Granted during the year                                                                                   | 164.53                                 | 41.13                                  |
|                                                                                                           | <b>205.66</b>                          | <b>41.13</b>                           |
| <b>Capital contribution from a shareholders on account of share based payments</b>                        |                                        |                                        |
| Share based payment on account of transfer of shares by a shareholder (refer note (i) below)              | -                                      | 357.18                                 |
|                                                                                                           | -                                      | <b>357.18</b>                          |

#### Weighted average Share price for options exercised during the year

Weighted average share price

|           |        |        |
|-----------|--------|--------|
| ESOP 2016 | 547.00 | 361.95 |
| ESOP 2017 | -      | 563.03 |

#### Note:

- During the year ended 31 March, 2018, West Bridge transferred from its shareholding in the Company, 20,519 equity shares to Mr. Nitish Mittersain and 31,748 equity shares to Mr. Manish Agarwal, without consideration, in recognition of their contribution made towards the growth of the Company and preparing the Company for an IPO. In accordance with Ind AS 102 "Share based payments", the Company has recorded in the financial statements for the year ended 31 March, 2018, exceptional employee benefit expense of Rs 357.18 million represented by the fair value of the shares transferred by West Bridge, with a corresponding credit to equity as contribution from shareholder.
- During the year ended March 31, 2019, the Holding Company granted 562,733 stock options to the KMP's of its subsidiary Nextwave Multimedia Private Limited. In accordance with Ind AS 102 "Share based payments" an amount of Rs 164.53 million (March, 2018- Rs. 41.13 million ) is recorded represented by the proportionate fair value of the above grant.

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 34 Segment information

The Company presents standalone Ind AS financial statements along with the consolidated Ind AS financial statements. In accordance with Ind AS 108, segment reporting, the company has disclosed the segment information in the consolidated financial statements.

### 35 A Financial assets and financial liabilities

#### Financial assets at fair value

|                                                     | Carrying value          |                         |                         |                         |
|-----------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Investments in mutual funds                         | 658.16                  | 776.13                  | 658.16                  | 776.13                  |
| Investments in tax free bonds                       | 60.34                   | 60.99                   | 60.34                   | 60.99                   |
| Investment in Halaplay Technologies Private Limited | -                       | 4.01                    | -                       | 4.01                    |
| Investment in Moonglab Technologies Private Limited | 7.50                    | 5.00                    | 7.50                    | 5.00                    |
| <b>Total</b>                                        | <b>726.00</b>           | <b>846.13</b>           | <b>726.00</b>           | <b>846.13</b>           |

#### Financial assets and liabilities at amortised cost

|                                               | Carrying value          |                         |                         |                         |
|-----------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Financial assets - non-current</b>         |                         |                         |                         |                         |
| Security deposits                             | 15.58                   | 13.67                   | 15.58                   | 13.67                   |
| Fixed deposits with bank and interest accrued | 40.19                   | 1.79                    | 40.19                   | 1.79                    |
| <b>Financial assets - Current</b>             |                         |                         |                         |                         |
| Trade receivable                              | 71.54                   | 223.51                  | 71.54                   | 223.51                  |
| Cash and cash equivalents                     | 26.96                   | 25.46                   | 26.96                   | 25.46                   |
| Other bank balances                           | 1.65                    | -                       | 1.65                    | -                       |
| Investments in debentures                     | 83.01                   | -                       | 83.01                   | -                       |
| Security deposits                             | -                       | 1.50                    | -                       | 1.50                    |
| Loan to employees                             | 1.94                    | 0.32                    | 1.94                    | 0.32                    |
| Other financial assets                        | 39.81                   | 126.36                  | 39.81                   | 126.36                  |
| <b>Total assets</b>                           | <b>280.68</b>           | <b>392.61</b>           | <b>280.68</b>           | <b>392.61</b>           |
| <b>Financial liabilities</b>                  |                         |                         |                         |                         |
| Trade and other payables                      | 108.86                  | 153.14                  | 108.86                  | 153.14                  |
| Other financial liabilities                   | 22.51                   | 25.23                   | 22.51                   | 25.23                   |
| <b>Total liabilities</b>                      | <b>131.37</b>           | <b>178.37</b>           | <b>131.37</b>           | <b>178.37</b>           |

#### Notes:

- 1) The financial assets above do not include investments in subsidiaries & associates which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28
- 2) The management assessed that fair values of cash and cash equivalents, trade receivables, short term borrowings, trade payables, Interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. Their fair values of the remaining FVTPL financial asset are derived from quoted market price in active markets
- 3) The fair values of security deposits and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

### 35 B Fair value hierarchy for assets and liabilities

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

#### i) Level 1

Quoted (unadjusted) prices in active markets for identical assets or liabilities.

#### ii) Level 2

Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

#### iii) Level 3

Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 35 B Fair value hierarchy for assets and liabilities (Cont'd)

#### I The carrying amount and fair value measurement hierarchy for assets as at March 31, 2019 is as follow

|                                                     | Carrying Value | Fair Value    | Date of valuation | Fair value measurement using    |                               |                                 | Total         |
|-----------------------------------------------------|----------------|---------------|-------------------|---------------------------------|-------------------------------|---------------------------------|---------------|
|                                                     |                |               |                   | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |               |
|                                                     |                |               |                   | Level 1                         | Level 2                       | Level 3                         |               |
| Investments in mutual funds                         | 658.16         | 658.16        | March 31, 2019    | 658.16                          | -                             | -                               | 658.16        |
| Investments in tax free bonds                       | 60.34          | 60.34         | March 31, 2019    | 60.34                           | -                             | -                               | 60.34         |
| Investment in Moonglab Technologies Private Limited | 7.50           | 7.50          | March 31, 2019    | -                               | -                             | 7.50                            | 7.50          |
| <b>Total</b>                                        | <b>726.00</b>  | <b>726.00</b> |                   | <b>718.50</b>                   | <b>-</b>                      | <b>7.50</b>                     | <b>726.00</b> |

#### II The carrying amount and fair value measurement hierarchy for assets as at March 31, 2018:

|                                                     | Carrying Value | Fair Value    | Date of valuation | Fair value measurement using    |                               |                                 | Total         |
|-----------------------------------------------------|----------------|---------------|-------------------|---------------------------------|-------------------------------|---------------------------------|---------------|
|                                                     |                |               |                   | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |               |
|                                                     |                |               |                   | Level 1                         | Level 2                       | Level 3                         |               |
| Investments in mutual funds                         | 776.13         | 776.13        | March 31, 2018    | 776.13                          | -                             | -                               | 776.13        |
| Investments in tax free bonds                       | 60.99          | 60.99         | March 31, 2018    | 60.99                           | -                             | -                               | 60.99         |
| Investment in Halaplay Technologies Private Limited | 4.01           | 4.01          | March 31, 2018    | -                               | -                             | 4.01                            | 4.01          |
| Investment in Moonglab Technologies Private Limited | 5.00           | 5.00          | March 31, 2018    | -                               | -                             | 5.00                            | 5.00          |
| <b>Total</b>                                        | <b>846.13</b>  | <b>846.13</b> |                   | <b>837.12</b>                   | <b>-</b>                      | <b>9.01</b>                     | <b>846.13</b> |

There have been no transfers between Level 1, 2 and 3 during the period 31 March, 2019 and 31 March, 2018.

#### Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about significant unobservable inputs used in level 3 fair value measurement:

|                                                     | Valuation technique | Significant unobservable inputs                            | Range (weighted average) | Sensitivity of the input to fair value                                                                                                                                                                                                                                  |
|-----------------------------------------------------|---------------------|------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>March 31, 2019</b>                               |                     |                                                            |                          |                                                                                                                                                                                                                                                                         |
| Investment in Moonglab Technologies Private Limited | DCF method          | Long-term growth rate for cash flows for subsequent years. | 2.5% - 3.5%              | A 0.50 bps decrease in growth rate with a 0.50 bps increase in discount rate would reduce the Fair Value by Rs. 1.17 million; and an increase in growth rate by 0.50 bps with a decrease in discount rate by 0.50 bps would increase the fair value by Rs. 1.27 million |
|                                                     |                     | WACC                                                       | 28.31% - 29.31%          |                                                                                                                                                                                                                                                                         |

|                                                     |            |                                                            |                 |                                                                                                                                                                                                                                                               |
|-----------------------------------------------------|------------|------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>March 31, 2018</b>                               |            |                                                            |                 |                                                                                                                                                                                                                                                               |
| Investment in Halaplay Technologies Private Limited | DCF method | Long-term growth rate for cash flows for subsequent years. | 7.29% - 8.03%   | A 36 bps decrease in growth rate with a 49 bps increase in discount rate would reduce the Fair Value by Rs 8.3 million; and an increase in growth rate by 38 bps with a decrease in discount rate by 48 bps would increase the fair value by Rs 9.6 million.  |
|                                                     |            | WACC                                                       | 19.19% - 20.16% |                                                                                                                                                                                                                                                               |
| Investment in Moonglab Technologies Private Limited | DCF method | Long-term growth rate for cash flows for subsequent years. | 4.5% - 5.5%     | A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs 1.77 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs 2.02 million |
|                                                     |            | WACC                                                       | 19.50% - 20.50% |                                                                                                                                                                                                                                                               |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 36 Financial risk management objectives and policies

The Company's principal financial liabilities include trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds and debt.

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

#### 1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, mutual funds and debt investments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

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

**The following assumptions have been made in calculating the sensitivity analysis:**

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2019 and 31st March, 2018

#### 1(A) Equity/ Investment price risk

The Company has made several strategic investments (including unlisted subsidiaries, associates and other investee companies). Some of these are startups (early stage) companies whereas others are in their growth phase.

These unlisted investments are susceptible to market price risks (impairment) arising from uncertainties about the time of the gaming industry in India and globally, which could impact their recoverable values. The Company manages the equity price risk through diversification and invests across several gaming companies. The Company's Board of Directors review and approve all such investments. At the reporting date, the exposure to unlisted equity securities have been provided in Note 6

#### 1(B) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company did not enter into any derivative instruments for hedge or speculation. The year end foreign currency exposures are given below:

##### i) Amounts receivable in foreign currency on account of the following:

| Currency | Particulars            | As at March 31, 2019 |               | As at March 31, 2018 |               |
|----------|------------------------|----------------------|---------------|----------------------|---------------|
|          |                        | Amt in FC            | Amt in INR    | Amt in FC            | Amt in INR    |
| USD      | Cash and bank balances | 269,279              | 18.67         | 19,508               | 1.27          |
| AED      | Cash and bank balances | 2,790                | 0.05          | 2,790                | 0.05          |
| USD      | Trade receivable       | 616,086              | 42.71         | 624,765              | 40.56         |
| IRR      | Trade receivable       | -                    | -             | 91,333,427,775       | 109.60        |
| USD      | Other current assets   | 701,155              | 48.61         | 771,207              | 50.07         |
| AED      | Other current assets   | -                    | -             | 2,094,970            | 37.04         |
| IRR      | Other current assets   | -                    | -             | 15,664,260,750       | 17.23         |
|          |                        |                      | <b>110.04</b> |                      | <b>255.82</b> |

##### ii) Amounts payable in foreign currency on account of the following:

| Currency | Particulars    | As at March 31, 2019 |            | As at March 31, 2018 |            |
|----------|----------------|----------------------|------------|----------------------|------------|
|          |                | Amt in FC            | Amt in INR | Amt in FC            | Amt in INR |
| USD      | Trade payables | 378,191              | 26.22      | 832,741              | 54.06      |

#### Foreign currency sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax

|     | As at March 31, 2019 |             | As at March 31, 2018 |             |
|-----|----------------------|-------------|----------------------|-------------|
|     | 5% increase          | 5% decrease | 5% increase          | 5% decrease |
| USD | 4.19                 | (4.19)      | 1.89                 | (1.89)      |
| AED | 0.00                 | (0.00)      | 1.85                 | (1.85)      |
| IRR | -                    | -           | 6.34                 | (6.34)      |

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 36 Financial risk management objectives and policies (Cont'd)

#### 2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Exposure to credit risk

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

#### Trade receivables

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account factors such as default risk of industry, historical experience for customers etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

At 31st March, 2019 and 31st March, 2018 receivables (including unbilled) from Company's top 5 customers accounted for approximately 75.37% and 75.37%, respectively of all the receivables (including unbilled) outstanding. As at 31st March, 2019 receivable (including unbilled) from one top customer accounted for 29.22% of all receivable (including unbilled) outstanding (31st March 2018 : 39.99%). An impairment analysis is performed at each reporting date on an individual basis based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 35 A. The Company does not hold collateral as security.

The Company evaluates that there exists concentration of risk with respect to trade receivables due to its dependency on limited numbers of customers for a significant portion of receivables outstanding.

The inability to recover the amount payable by such top customers may have an adverse impact on their recoverability.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2019 and 31st March, 2018 is the carrying amounts as illustrated in note 35 A.

#### 3) Liquidity risk

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

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| As at March 31, 2019        | On Demand | Less than 1 year | 1 to 5 years | More than 5 years | Total         |
|-----------------------------|-----------|------------------|--------------|-------------------|---------------|
| Trade payables              | -         | 108.86           | -            | -                 | 108.86        |
| Other financial liabilities | -         | 22.51            | -            | -                 | 22.51         |
| <b>Total</b>                | -         | <b>131.37</b>    | -            | -                 | <b>131.37</b> |

| As at March 31, 2018        | On Demand | Less than 1 year | 1 to 5 years | More than 5 years | Total         |
|-----------------------------|-----------|------------------|--------------|-------------------|---------------|
| Trade payables              | -         | 153.14           | -            | -                 | 153.14        |
| Other financial liabilities | -         | 25.23            | -            | -                 | 25.23         |
| <b>Total</b>                | -         | <b>178.37</b>    | -            | -                 | <b>178.37</b> |

### 37 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary purpose is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital structure is governed by policies approved by Board of Directors and is monitored by various matrices, funding requirements are reviewed periodically.

### 38 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

## Notes to the financial statement for the year ended 31st March, 2019

(Rupees in million)

### 39 Events after the reporting period

#### Investments made

- i In April, 2019, the Company has invested Rs. 2.5 million in cash for acquiring 1098 equity shares of Rs. 2,277/- each in Moonglab Labs Technologies Limited ('Moonglab'). Post this investment, the Company owns 24.41% of equity shares in Moonglab.
- ii In April, 2019, the Company has invested Rs. 7.5 million in cash for acquiring 2143 equity shares of Rs. 3,500/- each for 15% of equity shares of Khichadi Technologies Private Limited, a company engaged in vernacular social contest platform - "Bakbuck".
- iii In May, 2019, the company has invested Rs. 55.90 million in cash for acquiring 27,95,000 equity shares of Rs. 20/- each for 63.63% of equity shares of Sports Unity Private Limited, a company engaged in online multiplayer quiz platform "Qunami" which provides experience of simulating a real cricket match.
- iv In May, 2019, the company has invested Rs. 84.5 million in cash for acquiring 17451 seed equity shares of Rs. 4,844/- each in Halaplay Technologies Limited ('Halaplay').

Post this investment, the Company owns 36.66% of Equity shares in Halaplay.

Further, the Company has also agreed to acquire 20 equity shares and 26,065 convertible preference shares from existing shareholders of Halaplay at value to be determined in future.

- v In August, 2019, the company has invested Rs. 438.40 million for 64.90% of equity share capital of Absolute Sports Private Limited ('Absolute Sports'), a company providing platform for sports news and opportunity to interact with fans for sports like football, cricket etc. The Company made this investment by acquiring 1877 equity shares of Rs. 3,196.17 each (including face value of Rs. 10) from existing shareholder for Rs. 6 million in cash and subscribing to 27,846 equity shares of Rs. 3,196.17 each (including face value of Rs. 10) each aggregating to Rs. 89.0 million in cash. Further, in September, 2019 company acquired 107,450 equity shares of Rs. 3,196.17 each (including face value of Rs. 10) from existing shareholders of Absolute Sports by issuing 4,71,740 Equity Shares of the Company at Rs. 728 (including face value Rs. 4) per share fully paid.
- vi In October 2019, Company has acquired 9.54% stake in Paper Boat Pvt Ltd ('Paper Boat') by acquiring 954 Equity Shares @ Rs. 154,000 for each share from Promoter. The company has paid Rs. 100 million towards the purchase of shares and balance contingent consideration of Rs. 46.92 million will be payable based on the Net revenue earned from the business over 12 months from the commencement of the second closing period.

Further, in November 2019, Company has acquired additional stake in Paper Boat Pvt Ltd by Subscribing to 650 Equity Shares @ Rs. 154,000 for each share totalling to Rs. 100 million. Total stake of the company post this investment in Paper Boat is 15.06%

#### Issue of Share Capital

- i In July 2019, the Company issued 34,959 equity shares of Rs 4 each at Rs. 728 per share to Azimuth Investment Limited for Rs. 25.45 million

### 40 Standards issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

Ind AS 116 will replace the existing leasing standard

i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company intends to adopt these standards from 1 April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Standalone Financial Statements.

## Notes to the financial statement for the year ended 31st March, 2019

### 40 Standards issued but not yet effective (Cont'd)

#### Amendments to existing standards

- Ind AS 112 – Uncertainty over Income Tax Treatment
- Ind AS 19 – Plan Amendment, Curtailment or Settlement
- Ind AS 109 – Prepayment Features with Negative Compensation
- Ind AS 23 – Borrowing Costs
- Ind AS 28 – Long-term Interests in Associates and Joint Ventures
- Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

#### For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

#### per Govind Ahuja

Partner

Membership no: 048966

#### For and on behalf of the Board of directors of Nazara Technologies Limited

#### Vikash Mittersain

Chairman Cum

Managing Director

DIN-00156740

#### Nitish Mittersain

Managing Director

DIN-02347434

#### Manish Agarwal

Chief Executive Officer

#### Rakesh Shah

Chief Financial Officer

#### Turabbhai Chimthanawala

Company Secretary

Membership No : A52320

Place of Signature: Mumbai

Date : 13th November, 2019

Place of Signature: Mumbai

Date : 13th November, 2019

## **CONSOLIDATED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Nazara Technologies Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Nazara Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2019, 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 notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associates as at March 31, 2019, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the consolidated Ind AS financial statements.

#### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates and to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures/joint operations.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 12 subsidiaries, whose Ind AS financial statements include total assets of Rs 3,317.45 million as at March 31, 2019, and total revenues of Rs 1,491.97 million and net cash outflows of Rs 424.57 million for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 9.47 million for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 3 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries and associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally

accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies and its associates companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 and associates, as noted in the 'Other matter' paragraph:
  - i. The Group and its associates does not have any pending litigations which would impact its consolidated financial position;
  - ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Govind Ahuja**

Partner

Membership Number: 048966

UDIN: 19048966AAAADD4867

Place of Signature: Mumbai

Date: November 13, 2019

## **Annexure 1 to the to the independent auditor's report of even date on the consolidated Ind AS financial statements of Nazara Technologies Limited ('the Company')**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our report of the consolidated Ind AS financial statement of Nazara Technologies Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Nazara Technologies Limited ("hereinafter referred to as the "Holding Company"), its subsidiary companies and its associate companies, which are incorporated in India, as of that date.

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

The respective Board of Director of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements**

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

## Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to its three subsidiaries and two associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

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**per Govind Ahuja**

Partner

Membership Number: 048966

UDIN: 19048966AAAADD4867

Place of Signature: Mumbai

Date: November 13, 2019

## Consolidated balance sheet as at 31st March, 2019

| (Rupees in million)                                |       |                         |                         |
|----------------------------------------------------|-------|-------------------------|-------------------------|
|                                                    | Notes | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Assets</b>                                      |       |                         |                         |
| <b>Non-current assets</b>                          |       |                         |                         |
| Property, plant and equipment                      | 3     | 15.46                   | 16.47                   |
| Goodwill on consolidation                          |       | 574.73                  | 574.73                  |
| Other Intangible assets                            | 4     | 597.28                  | 672.21                  |
| Intangible assets under development                | 4     | 6.83                    | 6.13                    |
| Investment in associates                           | 5     | 303.12                  | 22.10                   |
| Financial assets                                   |       |                         |                         |
| Investments                                        | 5     | 132.17                  | 115.85                  |
| Loans and deposits                                 | 6     | 15.92                   | 16.05                   |
| Other financial assets                             | 7     | -                       | 1.79                    |
| Deferred tax assets                                | 33    | 62.95                   | 63.62                   |
| Other non-current assets                           | 8     | 317.72                  | 300.23                  |
|                                                    |       | <b>2,026.18</b>         | <b>1,789.18</b>         |
| <b>Current assets</b>                              |       |                         |                         |
| Financial assets                                   |       |                         |                         |
| Investments                                        | 5     | 839.57                  | 867.56                  |
| Trade receivable                                   | 9     | 456.02                  | 430.96                  |
| Cash and cash equivalents                          | 10    | 532.62                  | 885.85                  |
| Other bank balances                                | 10    | 800.06                  | 289.08                  |
| Loans and deposits                                 | 6     | 8.06                    | 1.82                    |
| Other financial assets                             | 11    | 404.70                  | 381.45                  |
| Other current assets                               | 12    | 146.38                  | 100.12                  |
|                                                    |       | <b>3,187.41</b>         | <b>2,956.84</b>         |
| <b>TOTAL ASSETS</b>                                |       | <b>5,213.59</b>         | <b>4,746.02</b>         |
| <b>EQUITY &amp; LIABILITIES</b>                    |       |                         |                         |
| <b>Equity</b>                                      |       |                         |                         |
| Equity share capital                               | 13    | 109.91                  | 107.89                  |
| Other equity                                       | 14    | 4,024.06                | 3,454.14                |
|                                                    |       | <b>4,133.97</b>         | <b>3,562.03</b>         |
| Non-controlling interest                           |       | 354.64                  | 420.16                  |
|                                                    |       | <b>4,488.61</b>         | <b>3,982.19</b>         |
| <b>LIABILITIES</b>                                 |       |                         |                         |
| <b>Non-current liabilities</b>                     |       |                         |                         |
| Financial liabilities                              |       |                         |                         |
| Borrowings                                         | 15    | -                       | 0.20                    |
| Other financial liabilities                        | 16    | 68.16                   | 129.86                  |
| Deferred tax liabilities                           | 33    | 146.45                  | 180.83                  |
| Provisions                                         | 17    | 25.41                   | 20.48                   |
|                                                    |       | <b>240.02</b>           | <b>331.37</b>           |
| <b>Current liabilities</b>                         |       |                         |                         |
| Financial liabilities                              |       |                         |                         |
| Trade payables due to                              | 18    |                         |                         |
| Micro enterprises and small enterprises            |       | -                       | -                       |
| Other than micro enterprises and small enterprises |       | 370.20                  | 287.87                  |
| Other financial liabilities                        | 19    | 49.51                   | 53.24                   |
| Other current liabilities                          | 20    | 49.85                   | 63.16                   |
| Provisions                                         | 17    | 2.81                    | 2.78                    |
| Current tax liabilities (Net)                      |       | 12.59                   | 25.41                   |
|                                                    |       | <b>484.96</b>           | <b>432.46</b>           |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>              |       | <b>5,213.59</b>         | <b>4,746.02</b>         |
| <b>Summary of Significant Accounting Policies</b>  | 2.1   |                         |                         |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004

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

**per Govind Ahuja**  
Partner  
Membership no: 048966

**Vikash Mittersain**  
Chairman Cum  
Managing Director  
DIN-00156740

**Nitish Mittersain**  
Managing Director  
DIN-02347434

**Manish Agarwal**  
Chief Executive Officer

**Rakesh Shah**  
Chief Financial Officer

**Turabbhai Chimthanawala**  
Company Secretary  
Membership No : A52320

Place of Signature: Mumbai  
Date : 13th November, 2019

Place of Signature: Mumbai  
Date : 13th November, 2019

## Consolidated statement of profit and loss for the year ended 31st March, 2019

(Rupees in million)

|                                                                                     | Notes | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-------------------------------------------------------------------------------------|-------|--------------------------------------|--------------------------------------|
| <b>Income</b>                                                                       |       |                                      |                                      |
| Revenue from operations                                                             | 21    | 1,671.89                             | 1,705.47                             |
| Other income                                                                        | 22    | 163.08                               | 98.18                                |
| <b>Total income</b>                                                                 |       | <b>1,834.97</b>                      | <b>1,803.65</b>                      |
| <b>Expenses</b>                                                                     |       |                                      |                                      |
| Cost of content                                                                     |       | 124.57                               | 83.39                                |
| Advertising cost                                                                    |       | 243.03                               | 415.75                               |
| Employee benefits expense                                                           | 23    | 408.35                               | 371.97                               |
| Depreciation and amortisation expense                                               | 24    | 135.22                               | 42.17                                |
| Finance cost                                                                        | 25    | 8.76                                 | 9.55                                 |
| Other expenses                                                                      | 26    | 812.78                               | 388.73                               |
| <b>Total expenses</b>                                                               |       | <b>1,732.71</b>                      | <b>1,311.56</b>                      |
| <b>Profit before share of loss of an associate, exceptional item and tax</b>        |       | <b>102.26</b>                        | <b>492.09</b>                        |
| Share of net (loss) of associate by using equity method                             | 41    | (9.47)                               | (0.63)                               |
| Exceptional item (refer note 34 (d))                                                | 27    | -                                    | (357.18)                             |
| <b>Profit before tax</b>                                                            |       | <b>92.79</b>                         | <b>134.28</b>                        |
| Tax expense:                                                                        |       |                                      |                                      |
| Current tax                                                                         |       | 69.65                                | 143.65                               |
| Adjustment of tax relating to earlier periods                                       |       | 17.89                                | 2.02                                 |
| Deferred tax                                                                        |       | (38.54)                              | (23.50)                              |
| Total tax expenses                                                                  |       | 49.00                                | 122.17                               |
| <b>Profit for the year</b>                                                          |       | <b>43.79</b>                         | <b>12.11</b>                         |
| Attributable to:                                                                    |       |                                      |                                      |
| Equity holders of the parent                                                        |       | 108.34                               | 27.73                                |
| Non-controlling interest                                                            |       | (64.53)                              | (15.60)                              |
| <b>Other Comprehensive Income ('OCI')</b>                                           |       |                                      |                                      |
| Item that will not be reclassified subsequently to the statement of profit and loss |       |                                      |                                      |
| Remeasurements of post-employment benefit obligation                                |       | (0.83)                               | 0.21                                 |
| Income tax relating to items that will not be reclassified to profit or loss        |       | (0.67)                               | (0.07)                               |
| Item that will be reclassified subsequently to the statement of profit and loss     |       |                                      |                                      |
| Net profit / (loss) on FVOCI debt instruments                                       |       | 0.23                                 | (1.31)                               |
| Income tax relating to items that will be reclassified to profit or loss            |       | 0.00                                 | 0.13                                 |
| <b>Other comprehensive income/ (loss) for the year, net of tax</b>                  |       | <b>(1.27)</b>                        | <b>(1.04)</b>                        |
| <b>Total Comprehensive Income for the year</b>                                      |       | <b>42.52</b>                         | <b>11.07</b>                         |
| Attributable to:                                                                    |       |                                      |                                      |
| Equity holders of the parent                                                        |       | 108.05                               | 26.68                                |
| Non-controlling interest                                                            |       | (65.52)                              | (15.61)                              |
| <b>Earnings per equity shares of Rs. 4 each (in Rs.)</b>                            | 30    |                                      |                                      |
| -Basic earnings per share                                                           |       | 3.95                                 | 1.09                                 |
| -Diluted earnings per share                                                         |       | 3.88                                 | 1.08                                 |
| <b>Summary of significant accounting policies</b>                                   | 2.1   |                                      |                                      |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

**per Govind Ahuja**

Partner

Membership no: 048966

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

**Vikash Mittersain**

Chairman Cum  
Managing Director  
DIN-00156740

**Nitish Mittersain**  
Managing Director  
DIN-02347434

**Manish Agarwal**

Chief Executive Officer

**Rakesh Shah**  
Chief Financial Officer

**Turabbhai Chimthanawala**  
Company Secretary  
Membership No : A52320

Place of Signature: Mumbai  
Date : 13th November, 2019

Place of Signature: Mumbai  
Date : 13th November, 2019

## Consolidated statement of Cash Flows for the year ended 31st March, 2019

(Rupees in million)

|                                                                                           | For the year ended<br>31st March, 2019 | For the year ended<br>31st March, 2018 |
|-------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Cash flow from operating activities</b>                                                |                                        |                                        |
| Profit before tax for the year                                                            | 92.80                                  | 134.28                                 |
| Adjustments for :                                                                         |                                        |                                        |
| Fair value gain or loss on mutual fund                                                    | (33.49)                                | (27.89)                                |
| Fair value gain or loss on non current investments                                        | (59.81)                                | -                                      |
| Expenses on employee stock option scheme                                                  | 164.53                                 | 157.59                                 |
| Depreciation and amortisation expense                                                     | 135.22                                 | 42.16                                  |
| (Gain) on write off of fixed assets                                                       | (0.02)                                 | -                                      |
| Bad debts                                                                                 | 2.71                                   | 1.39                                   |
| Provision for gratuity                                                                    | (0.02)                                 | -                                      |
| Provision for doubtful debts                                                              | 91.86                                  | 70.89                                  |
| Liabilities written back / provision no longer required                                   | (7.83)                                 | (26.59)                                |
| Unrealised foreign exchange loss                                                          | 22.45                                  | 8.55                                   |
| Net gain on sale of current investments                                                   | (13.78)                                | (5.84)                                 |
| Interest income                                                                           | (35.96)                                | (32.85)                                |
| Interest expense                                                                          | 5.84                                   | 1.29                                   |
| Dividend income                                                                           | (4.18)                                 | (0.75)                                 |
| Exceptional item (refer note 27)                                                          | -                                      | 357.18                                 |
| Share of loss of an associate                                                             | 9.47                                   | 0.63                                   |
| <b>Operating cash flow before working capital changes</b>                                 | <b>369.78</b>                          | <b>680.04</b>                          |
| Working capital adjustments :                                                             |                                        |                                        |
| Increase / (decrease) in trade payables                                                   | 100.27                                 | 37.85                                  |
| Increase in long-term provisions                                                          | 2.50                                   | 7.02                                   |
| Increase / (decrease) in short-term provisions                                            | 13.94                                  | (0.81)                                 |
| (Decrease) in long-term borrowings                                                        | -                                      | (0.03)                                 |
| (Decrease) in short-term borrowings                                                       | -                                      | (41.74)                                |
| Increase / (decrease) in other current liabilities                                        | 7.18                                   | (23.40)                                |
| (Increase) in trade receivables                                                           | (150.95)                               | (182.30)                               |
| (Increase) in loans and advances                                                          | (30.14)                                | (294.59)                               |
| (Increase) in other non-current assets                                                    | (43.86)                                | -                                      |
| (Increase) / decrease in other current assets                                             | 15.19                                  | (68.99)                                |
| Cash generated from operations                                                            | 283.91                                 | 113.05                                 |
| Direct taxes paid (net of refunds)                                                        | (146.99)                               | (170.30)                               |
| <b>Net cash flow from / (used in) operating activities (A)</b>                            | <b>136.92</b>                          | <b>(57.25)</b>                         |
| <b>Cash flow from investing activities</b>                                                |                                        |                                        |
| Purchase of fixed assets, including intangible assets under development                   | (60.40)                                | (17.85)                                |
| Proceeds on deletion of fixed assets                                                      | 0.40                                   | 0.10                                   |
| Acquisition of share in subsidiary / associates                                           | (227.35)                               | -                                      |
| Purchase of non-current investments                                                       | (10.28)                                | (320.50)                               |
| Purchase of current investments                                                           | (253.64)                               | (322.94)                               |
| Proceeds from redemption/maturity of current investments                                  | 328.89                                 | 220.98                                 |
| Investment in bank deposits (having original maturity of more than three months)          | -                                      | (557.66)                               |
| Investment in bank deposits (having original maturity of more than three months)          | (493.18)                               | -                                      |
| Redemption/maturity of bank deposits (having original maturity of more than three months) | -                                      | 763.31                                 |
| Interest received on fixed deposits and bonds                                             | 35.19                                  | 39.55                                  |
| Dividends received from current investments                                               | 4.18                                   | -                                      |
| <b>Net cash flow (used in) investing activities (B)</b>                                   | <b>(676.19)</b>                        | <b>(195.01)</b>                        |

(Rupees in million)

|                                                                                    | For the year ended<br>31st March, 2019 | For the year ended<br>31st March, 2018 |
|------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Cash flow from financing activities</b>                                         |                                        |                                        |
| Short term loan availed                                                            | -                                      | 300.00                                 |
| Repayment of short term loan availed                                               | (0.20)                                 | (301.29)                               |
| Interest                                                                           | (1.26)                                 | -                                      |
| Issue of equity shares (including premium)                                         | 117.67                                 | 765.31                                 |
| Issue of shares on account of exercise of options (including premium)              | -                                      | (5.00)                                 |
| Dividend paid on equity shares                                                     | -                                      | (300.38)                               |
| <b>Net cash from financing activities (C )</b>                                     | <b>116.21</b>                          | <b>458.64</b>                          |
| <b>Net increase in cash and cash equivalents (A)+(B)+(C )</b>                      | <b>(423.04)</b>                        | <b>206.38</b>                          |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | 70.00                                  | 17.35                                  |
| Cash and cash equivalents at the beginning of the year                             | 885.66                                 | 648.37                                 |
| Add: cash and cash equivalents pursuant to business acquisition                    | -                                      | 13.70                                  |
| <b>Cash and cash equivalents at the end of the year (refer note 10)</b>            | <b>532.62</b>                          | <b>885.80</b>                          |
| <b>Cash and cash equivalents as per above comprises of the following</b>           |                                        |                                        |
| Cash in hand                                                                       | 0.75                                   | 0.20                                   |
| Balances with bank                                                                 | 474.53                                 | 881.33                                 |
| Deposit with original maturity of less than 3 months                               | 57.34                                  | 4.32                                   |
| <b>Total cash and cash equivalents (refer note 10)</b>                             | <b>532.62</b>                          | <b>885.85</b>                          |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004

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

**per Govind Ahuja**  
Partner  
Membership no: 048966

**Vikash Mittersain**  
Chairman Cum  
Managing Director  
DIN-00156740

**Nitish Mittersain**  
Managing Director  
DIN-02347434

**Manish Agarwal**  
Chief Executive Officer

**Rakesh Shah**  
Chief Financial Officer

**Turabbhai Chimthanawala**  
Company Secretary  
Membership No : A52320

Place of Signature: Mumbai  
Date : 13th November, 2019

Place of Signature: Mumbai  
Date : 13th November, 2019

## Consolidated statement of changes in equity for the year ended 31st March, 2019

### (a) Equity shares:

of Rs 4 each issued, subscribed and fully paid

(Rupees in million)

|                                                | No of shares | Amount |
|------------------------------------------------|--------------|--------|
| At April 01, 2018                              | 2,69,72,619  | 107.89 |
| Add : Issue during the year - Exercise of ESOP | 4,99,350     | 2.00   |
| At March 31, 2019                              | 2,74,71,969  | 109.89 |

### (b) Other equity

|                                                                                           | Reserves & Surplus         |                            |                   |                             |                                       |                                     |                    |                            | Other Reserves                                      |                                              |                      | Non-controlling Interest | Total    |
|-------------------------------------------------------------------------------------------|----------------------------|----------------------------|-------------------|-----------------------------|---------------------------------------|-------------------------------------|--------------------|----------------------------|-----------------------------------------------------|----------------------------------------------|----------------------|--------------------------|----------|
|                                                                                           | Capital redemption reserve | Securities premium reserve | Retained earnings | Share based payment reserve | Capital contribution from shareholder | Non-controlling interest put option | Statutory reserves | Total reserves and surplus | Debt instruments through other comprehensive Income | Foreign currency translation reserve account | Total other reserves |                          |          |
| As at April 1, 2017                                                                       | 1.30                       | -                          | 2,165.24          | 37.00                       | -                                     | -                                   | 0.45               | 2,203.99                   | 6.45                                                | 4.40                                         | 10.85                | -                        | 2,214.84 |
| On Acquisition                                                                            | -                          | -                          | -                 | -                           | -                                     | (126.25)                            | -                  | (126.25)                   | -                                                   | -                                            | -                    | 435.77                   | 309.51   |
| Profit / (loss) for the year                                                              | -                          | -                          | 27.73             | -                           | -                                     | -                                   | -                  | 27.73                      | -                                                   | -                                            | -                    | (15.60)                  | 12.13    |
| Other comprehensive income for the year                                                   | -                          | -                          | 0.15              | -                           | -                                     | -                                   | -                  | 0.15                       | (1.18)                                              | -                                            | (1.18)               | (0.00)                   | (1.04)   |
| Dividend paid (including dividend distribution tax)                                       | -                          | -                          | (300.38)          | -                           | -                                     | -                                   | -                  | (300.38)                   | -                                                   | -                                            | -                    | -                        | (300.38) |
| Addition on issue of shares                                                               | -                          | 1,191.67                   | -                 | -                           | -                                     | -                                   | -                  | 1,191.67                   | -                                                   | -                                            | -                    | -                        | 1,191.67 |
| Additions during the year (net)                                                           | -                          | -                          | -                 | -                           | -                                     | -                                   | -                  | -                          | -                                                   | 17.49                                        | 17.49                | -                        | 17.49    |
| Share issue expenses                                                                      | -                          | (5.00)                     | -                 | -                           | -                                     | -                                   | -                  | (5.00)                     | -                                                   | -                                            | -                    | -                        | (5.00)   |
| Utilised for issue of bonus shares                                                        | -                          | -                          | (79.70)           | -                           | -                                     | -                                   | -                  | (79.70)                    | -                                                   | -                                            | -                    | -                        | (79.70)  |
| Expense on employee stock option scheme (refer note 34 (d))                               | -                          | -                          | -                 | 157.59                      | -                                     | -                                   | -                  | 157.59                     | -                                                   | -                                            | -                    | -                        | 157.59   |
| Share based payment on account of transfer of shares by a shareholder (refer note 34 (d)) | -                          | -                          | -                 | -                           | 357.18                                | -                                   | -                  | 357.18                     | -                                                   | -                                            | -                    | -                        | 357.18   |
| As at 31 March, 2018                                                                      | 1.30                       | 1,186.67                   | 1,813.04          | 194.59                      | 357.18                                | (126.25)                            | 0.45               | 3,426.98                   | 5.27                                                | 21.89                                        | 27.16                | 420.16                   | 3,874.30 |
| As at April 1, 2018                                                                       | 1.30                       | 1,186.67                   | 1,813.04          | 194.59                      | 357.18                                | (126.25)                            | 0.45               | 3,426.98                   | 5.27                                                | 21.89                                        | 27.17                | 420.16                   | 3,874.30 |
| Profit / (loss) for the year                                                              | -                          | -                          | 108.34            | -                           | -                                     | -                                   | -                  | 108.34                     | -                                                   | -                                            | -                    | (65.52)                  | 42.82    |
| Other comprehensive income for the year                                                   | -                          | -                          | (0.51)            | -                           | -                                     | -                                   | -                  | (0.51)                     | 0.23                                                | -                                            | 0.23                 | -                        | (0.28)   |
| Adjustment during the year                                                                | -                          | -                          | -                 | -                           | -                                     | 66.28                               | -                  | 66.28                      | -                                                   | 116.00                                       | 116.00               | -                        | 182.28   |
| Addition on issue of shares                                                               | -                          | 115.05                     | -                 | -                           | -                                     | -                                   | -                  | 115.05                     | -                                                   | -                                            | -                    | -                        | 115.05   |
| Transfer to securities premium on exercise of options                                     | -                          | 103.19                     | -                 | (103.19)                    | -                                     | -                                   | -                  | -                          | -                                                   | -                                            | -                    | -                        | -        |
| Expense on employee stock option scheme (refer note 34)                                   | -                          | -                          | -                 | 164.53                      | -                                     | -                                   | -                  | 164.53                     | -                                                   | -                                            | -                    | -                        | 164.53   |
| As at 31 March, 2019                                                                      | 1.30                       | 1,404.91                   | 1,920.87          | 255.93                      | 357.18                                | (59.97)                             | 0.45               | 3,880.67                   | 5.50                                                | 137.89                                       | 143.40               | 354.64                   | 4,378.70 |

#### Notes:

- Capital redemption reserve:** Capital redemption reserve was created on buyback of equity shares of the company in accordance with Provisions of Companies Act 2013
- Securities premium reserve :** Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with provisions of Companies Act, 2013.
- Retained Earnings :** Retained Earnings comprise of the Company's accumulated undistributed earnings
- Share based payment reserve :** The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.
- Capital Contribution from shareholders :** Share based payment by a shareholder
- Statutory reserves:** Reserves created as per provision of United Arab Emirates law, 10% of the profit for the year should be transferred to statutory reserves restricted to accumulated amount of AED 25000 reserve. The reserve is not available for distribution except in the circumstances stipulated by the law
- Foreign currency translation reserve :** The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation serve.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants  
ICAI Firm Registration Number : 101049W/E300004

**per Govind Ahuja**

Partner  
Membership no: 048966

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

**Vikash Mittersain**

Chairman Cum  
Managing Director  
DIN-00156740

**Nitish Mittersain**

Managing Director  
DIN-02347434

**Manish Agarwal**

Chief Executive Officer

**Rakesh Shah**

Chief Financial Officer

**Turabbhai Chimthanawala**

Company Secretary  
Membership No : A52320

Place of Signature: Mumbai  
Date : 13th November, 2019

Place of Signature: Mumbai  
Date : 13th November, 2019

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 1. Corporate information

Nazara Technologies Limited (the "Company") incorporated in India on 8th December, 1999 as a Private Limited Company, is primarily engaged in providing subscription / download of games / other contents through consumer base in India and worldwide and digital support services to group companies. The registered office of the company is situated at 51-57, Maker chambers 3, Nariman point, Mumbai-400021..

The consolidated financial statements ('CFS') were authorized for issue in accordance with a resolution of the directors on 23<sup>rd</sup> October 2019

### 2. Basis of preparation and significant accounting policies:

#### 2.1. Basis of preparation:

The CFS of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable.

#### 2.2. Basis of consolidation:

The CFS comprises the Financial Statements of the Company and its subsidiaries (hereinafter referred together as "the Group") and its associate. The CFS of the Group have been prepared in accordance with the Indian Accounting Standard on "Consolidated Financial Statements" (Ind AS 110), "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.

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 31 March.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Ind AS consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (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

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests 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 incorporation | Ownership interest held by the Company |                      |
|-------------------------------------------------------------------------------|--------------------------|----------------------------------------|----------------------|
|                                                                               |                          | As at March 31, 2019                   | As at March 31, 2018 |
| <b>Subsidiaries</b>                                                           |                          |                                        |                      |
| Nazara Technologies FZ LLC                                                    | Dubai                    | 100.00%                                | 100.00%              |
| Nazara Europe Limited (Dissolved on 2 <sup>nd</sup> August, 2016)             | England                  | -                                      | -                    |
| Nazara Pte Ltd                                                                | Singapore                | 100.00%                                | 100.00%              |
| Nazara Pro Gaming Private Limited (invested on 16 <sup>th</sup> May, 2017)    | India                    | 100.00%                                | 100.00%              |
| Next Wave Multimedia Private Limited (invested on 22 <sup>nd</sup> Dec, 2017) | India                    | 52.38%                                 | 52.38%               |
| Nodwin Gaming Private Limited (invested on 10 <sup>th</sup> January, 2018)    | India                    | 54.99%                                 | 54.99%               |
| <b>Step-down-subsidiaries</b>                                                 |                          |                                        |                      |
| Nazara Technologies                                                           | Mauritius                | 100.00%                                | 100.00%              |
| Nazara Zambia Limited                                                         | Zambia                   | 99.98%                                 | 99.98%               |
| Nzmobile Nigeria Limited                                                      | Nigeria                  | 99.90%                                 | 99.90%               |
| Nzmobile Kenya Limited                                                        | Kenya                    | 99.90%                                 | 99.90%               |
| Nazara Uganda Limited                                                         | Uganda                   | 99.00%                                 | 99.00%               |
| Nzworld Kenya Limited                                                         | Kenya                    | 70%                                    | -                    |
| Nazara Bangladesh Limited                                                     | Bangladesh               | 100.00%                                | 100.00%              |
| <b>Associate</b>                                                              |                          |                                        |                      |
| Mastermind Sports Limited                                                     | United Kingdom           | 26%                                    | 24.69%               |
| Halaplay Technologies Pvt Ltd                                                 | India                    | 30.52%                                 | 8.89%                |
| Crimzoncode Education Private Limited                                         | India                    | 35.53%                                 | -                    |

### 2.3. Significant accounting, judgments, estimates and assumptions

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 key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

The areas involving critical estimates or judgments are:

- Estimation of fair value of unlisted securities – (Refer Note 36)
- Estimation of useful life of property, plant and equipment and intangible asset – Refer Note 3 & 4)
- Estimation of defined benefit obligation – (Refer Note 32)

### 2.4. Summary of significant accounting policies

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

#### b) Foreign currency translation and transactions

##### Functional and presentation currency

The consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

##### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### c) Revenue recognition

#### • Income from services

Service revenue mainly pertains to subscription / download of games / other contents and is recognized on straight line basis over period of subscription/ download pack validity period.

Revenue from advertising services is recognized in the period in which advertisements are displayed

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised within other current financial assets.

The Company has implemented new standard Ind-AS 115 'Revenue from Contracts with Customers' effective April 1, 2018 using cumulative method. The Group has evaluated its open arrangements and concluded that the new standard does not have any material impact.

Revenue from Telecom Value Added Services, net of credit notes, is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control as per the terms of revenue sharing arrangements. Control over a promised services refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those services. Control is usually transferred when services are received and used. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for services, net of taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

Revenue from sale of user licences for software application is recognized at point in time when the applications are functionally installed at the customer's location and customer obtains the control of asset as per the terms of the contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the Group transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Group expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

#### • Other Operating Income

Other operating revenue mainly consists to Technology Platform/ Digital Marketing / Administrative & Business Supporting/ Recharge Services to subsidiaries and is recognized based on completion of service.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

#### • Other Income

Interest income is recorded using the effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or over a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. Interest income is included under the head "finance income" in the statement of profit and loss account.

Interest income is recognised using the effective method as set out in Ind AS 109 - Financial Instrument.

Recognition and Measurement, when it is possible that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

#### • Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

The right to receive dividend is generally established when shareholders approve the dividend.

### d) Income taxes

Income tax expense comprises of current and deferred tax.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in respective tax jurisdictions where the Group operates.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle applicable for bargain purchase gains. All other acquired tax benefits realised are recognised in profit and loss.

### e) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share- based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost is recognized in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

In respect of equity settled share based payment resulting from shareholders of the group to employees, the amount equivalent to the cost recorded by the group is recorded at fair value of the shares as part of equity under Contribution from Shareholders.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

### f) Retirement and other employee benefits

Retirement benefit in the form of provident fund is defined contribution scheme. The Group has no obligation, other than the contribution payable to such scheme. The Group recognises contribution payable to such schemes as an expense, when an employee renders the related service.

The Group's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group recognises the service costs comprising current service costs and net interest expense or income in the net defined benefit obligation as an expense in the 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 for the specific countries. 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.

Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

#### Compensated absence

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

#### Long-term employee benefits.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

### g) Non-controlling interest put option and other liabilities

Any contract with a single or multiple settlement option that contains an obligation for the Group to purchase equity in a subsidiary for cash gives rise to a financial liability for the present value of the estimated cash flow. An amount equal to the financial liability is recorded in equity on initial recognition of a put option. The financial liability is subsequently remeasured through the Consolidated Statement of Profit and loss. Where considered significant, the Group's put options are discounted to their fair value as on initial recognition. The unwinding of the interest expense is charged through the Consolidated Statement of Profit and loss over the period to exercise.

The fair value of the put options over non-controlling interest in a subsidiary company is determined by using a discounted future cash flow analysis. The Group uses its judgment to select a variety of methods and assumptions made are based on market and Group specific conditions existing at each reporting period.

### h) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree if any. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

### i) Financial instruments:

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

#### i. Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following broad categories:

- Debt instruments assets at amortized cost
- Debt instruments at fair value through OCI (FVOCI)
- Debt instruments, derivatives and at fair value through profit and loss (FVTPL)

##### Debt instruments at amortised cost

A Debt instrument is measured at amortised cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes) and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables

##### Debt instruments at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are 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 recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### 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 FVTOCI, 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 the Profit and Loss

In addition, the Group may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Derecognition

When the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit and loss and equity instruments recognised in OCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the 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.

### ii. Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, lease obligations, and other payables.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at amortised cost

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Derivative financial instruments:

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

### iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### iv. Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### j) 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

Currently Group carries those instruments where in level 1 inputs of the above mentioned fair value hierarchy is used.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

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

For assets and liabilities that are recognised 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 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 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.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 36

### k) Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

In case of step up acquisition of associate, the fair value of the previously held investment at that date when significant influence is obtained is deemed to be cost for initial application of equity accounting

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equal or exceeds its interest in the associate which includes any long-term interest that, in substance, form part of the Group's net investment in the associate, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### l) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost net of accumulated impairment losses, if any. Capital work-in-progress comprises of expenditure incurred for construction of building.

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.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of Property, Plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives 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:

| Property, plant and equipment | Useful lives estimated by the management (years) |
|-------------------------------|--------------------------------------------------|
| Furniture and fixtures        | 5 years                                          |
| Computer and Printers         | 3 years                                          |
| Office equipments             | 3 years                                          |
| Motor Car                     | 3 years                                          |

### m) 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. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Developed Technology / Software and Non – compete acquired in a business combination are recognized at fair value at the acquisition date.

The useful lives of intangible assets are assessed as finite. The amortization period and the amortization method for an intangible asset with a finite useful life 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.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Cost of internally generated intangible games are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred unless it is towards capitalized development cost.

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- ▶ The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ▶ Its intention to complete the asset
- ▶ Its ability to use or sell the asset
- ▶ How the asset will generate future economic benefits
- ▶ The availability of adequate resources to complete the development and to use or sell the asset
- ▶ The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

The Group amortises internally generated games over period of 6 years.

### n) 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.

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.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

The impairment calculations are based on detailed budgets and forecast calculations for each of the Group's CGUs covering a period of five years and applying a long-term growth rate to project future cash flows after the fifth year.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of operations are recognised in the statement of profit and loss.

At each reporting date if there is an indication that previously recognised impairment losses no longer exist or have decreased, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed in the statement of profit and loss only to the extent of lower of its recoverable amount or carrying amount net of depreciation considering no impairment loss recognised in prior years only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

### o) Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Where the Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

#### Operating lease:

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis.

### p) Provisions, Contingent liabilities, Contingent assets and Commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

### q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for bonus elements and share split in equity shares, if any, issued during the year.

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.

### r) Segment reporting

Ind AS 108 establishes standards, for the way that business enterprises report information about operating segments and related disclosures about products, services and geographic areas, and major customers. The Group's operations predominately relate to mobile gaming services. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments.

Accordingly, information has been presented both along business segments and geographical segments. The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

Business segments of the Group are primarily mobile value added services (VAS), digital advertising services (Freemium) and organising events including e-sports tournaments (E-sports business).

Geographical segmentation is based on business sourced from that geographic region and delivered from both onsite and offsite locations. Middle East comprise of Dubai & Iran and Africa includes Nigeria, Kenya, Zambia, Uganda, Mauritius the Rest of the World comprises all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments include expenses incurred for rendering services which are categorized in relation to the associated turnover of the segment. Certain expenses which form part of significant component of total expenses, are not specifically allocable to specific segments as the underlying asset are used interchangeably. The Management believes that it is not practical to provide disclosures relating to those costs and expenses and accordingly, these expenses are separately disclosed as 'unallocated' and adjusted against total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments.

Geographical information on revenue and business segment revenue information are collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

### s) 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.

### t) Corporate Social Responsibility (CSR) Expenditure

CSR expense is recognized as it is incurred by the Group or when Group has entered into any legal or constructive obligation for incurring such an expense.

## 1.5 STANDARDS ISSUED

### a) Effective during the year:

The impact on account of applying Ind AS 115 "revenue from contracts with customers", applicable from 1st April 2018, on the financial statements of the company for the year ended and as at 31st March 2019 is insignificant.

### b) Not effective during the year:

On 30th March, 2019, the Ministry of corporate affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the company from 1st April, 2019.

### I) Issue of Ind AS 116 - Leases

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. as per Ind AS 116, the lessee will record in its financial statements all the non-cancellable portion of leasing arrangement. – Refer Note 41

### II) Amendment to Existing Standard

The MCA has also carried out amendments of the following accounting standards

- i. Ind AS 12 – income Taxes
- ii. Ind AS 19 – employee benefits
- iii. Ind AS 23 – borrowing costs
- iv. Ind AS 28 - investment in associates and Joint Ventures
- v. Ind AS 109 - financial instruments
- vi. Ind AS 112 – Uncertainty over Income Tax Treatment

Refer Note 43 for detailed description

Application of above standards is not expected to have any significant impact on the company's financial statements.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 3 Property, plant and equipment

|                                                      | Property, plant and equipment |                   |                        |             |              |
|------------------------------------------------------|-------------------------------|-------------------|------------------------|-------------|--------------|
|                                                      | Computers                     | Office equipments | Furniture and fixtures | Vehicles    | Total        |
| <b>Gross block as at March 31, 2017</b>              | <b>28.93</b>                  | <b>4.18</b>       | <b>1.56</b>            | <b>3.10</b> | <b>37.77</b> |
| Additions                                            | 0.97                          | 0.43              | 0.05                   | 2.67        | 4.12         |
| Additions on acquisition of subsidiaries             | 26.28                         | 8.10              | 3.78                   | 1.82        | 39.98        |
| Disposals                                            | (0.01)                        | -                 | -                      | (0.10)      | (0.11)       |
| *Adjustments                                         | 0.00                          | 0.00              | 0.00                   | 0.01        | 0.01         |
| <b>Gross block as at March 31, 2018</b>              | <b>56.17</b>                  | <b>12.71</b>      | <b>5.39</b>            | <b>7.50</b> | <b>81.77</b> |
| Additions                                            | 4.57                          | 2.72              | 3.11                   | -           | 10.41        |
| Disposals                                            | -                             | -                 | -                      | (0.39)      | (0.39)       |
| *Adjustments                                         | (0.00)                        | 0.02              | (0.05)                 | 0.14        | 0.10         |
| <b>Gross block as at March 31, 2019</b>              | <b>60.73</b>                  | <b>15.45</b>      | <b>8.45</b>            | <b>7.25</b> | <b>91.89</b> |
| <b>Depreciation</b>                                  |                               |                   |                        |             |              |
| <b>Accumulated depreciation as at March 31, 2017</b> | <b>21.53</b>                  | <b>3.06</b>       | <b>1.21</b>            | <b>1.73</b> | <b>27.51</b> |
| Depreciation for the year                            | 6.24                          | 1.12              | 0.25                   | 1.19        | 8.80         |
| Additions on acquisition of subsidiaries             | 18.98                         | 5.66              | 3.10                   | 1.24        | 28.98        |
| *Adjustments                                         | 0.00                          | 0.00              | 0.00                   | 0.01        | 0.01         |
| <b>Accumulated depreciation as at March 31, 2018</b> | <b>46.75</b>                  | <b>9.84</b>       | <b>4.56</b>            | <b>4.17</b> | <b>65.30</b> |
| Depreciation for the year                            | 6.29                          | 2.31              | 0.77                   | 1.69        | 11.06        |
| Disposals                                            | -                             | 0.02              | -                      | -           | 0.02         |
| *Adjustments                                         | (0.01)                        | 0.02              | (0.05)                 | 0.09        | 0.05         |
| <b>Accumulated depreciation as at March 31, 2019</b> | <b>53.03</b>                  | <b>12.19</b>      | <b>5.28</b>            | <b>5.95</b> | <b>76.43</b> |
| <b>Net block</b>                                     |                               |                   |                        |             |              |
| <b>As at March 31, 2018</b>                          | <b>9.42</b>                   | <b>2.87</b>       | <b>0.82</b>            | <b>3.33</b> | <b>16.47</b> |
| <b>As at March 31, 2019</b>                          | <b>7.71</b>                   | <b>3.26</b>       | <b>3.17</b>            | <b>1.30</b> | <b>15.46</b> |

\* Represents exchange difference resulting from translation of fixed assets relating to non-integral operations

### 4 Intangible assets

|                                                      | Other intangible assets |               |                                |               |                            |              |               | Intangible asset (Games) under development |
|------------------------------------------------------|-------------------------|---------------|--------------------------------|---------------|----------------------------|--------------|---------------|--------------------------------------------|
|                                                      | Computer software       | NGDP Platform | Developed technology/ software | Non-compete   | Mygamma and Djazz platform | License      | Total         |                                            |
| <b>Gross block</b>                                   |                         |               |                                |               |                            |              |               |                                            |
| <b>Gross block as at April 1, 2017</b>               | <b>16.01</b>            | <b>7.20</b>   | -                              | -             | <b>3.64</b>                |              | <b>26.85</b>  | <b>1.40</b>                                |
| Additions                                            | 7.57                    | 4.20          | -                              | -             | -                          |              | 11.77         | 3.37                                       |
| Additions on acquisition of subsidiaries             | 69.35                   | -             | 497.81                         | 135.10        | -                          |              | 702.26        | 2.76                                       |
| Transfer                                             | -                       | -             | -                              | -             | -                          |              | -             | (1.40)                                     |
| <b>Gross block as at March 31, 2018</b>              | <b>92.93</b>            | <b>11.40</b>  | <b>497.81</b>                  | <b>135.10</b> | <b>3.64</b>                |              | <b>740.88</b> | <b>6.13</b>                                |
| Additions                                            | 37.72                   |               |                                |               |                            | 10.09        | 47.82         | 0.70                                       |
| <b>Gross block as at March 31, 2019</b>              | <b>130.65</b>           | <b>11.40</b>  | <b>497.81</b>                  | <b>135.10</b> | <b>3.64</b>                | <b>10.09</b> | <b>788.69</b> | <b>6.83</b>                                |
| <b>Amortisation</b>                                  |                         |               |                                |               |                            |              |               |                                            |
| <b>Accumulated amortisation as at April 1, 2017</b>  | <b>13.83</b>            | <b>1.33</b>   | -                              | -             | <b>3.63</b>                |              | <b>18.78</b>  | -                                          |
| Amortisation for the year                            | 5.81                    | 2.94          | 18.51                          | 6.11          | -                          |              | 33.37         | -                                          |
| Additions on acquisition of subsidiaries             | 16.53                   | -             | -                              | -             | -                          |              | 16.53         | -                                          |
| Disposals                                            | -                       | -             | -                              | -             | -                          |              | -             | -                                          |
| <b>Accumulated amortisation as at March 31, 2018</b> | <b>36.17</b>            | <b>4.27</b>   | <b>18.51</b>                   | <b>6.11</b>   | <b>3.63</b>                |              | <b>68.67</b>  | -                                          |
| Amortisation for the year                            | 11.20                   | 3.80          | 85.77                          | 22.52         |                            | 0.86         | 124.15        | -                                          |
| Disposals                                            | (1.41)                  |               |                                |               |                            |              | (1.41)        | -                                          |
| <b>Accumulated amortisation as at March 31, 2019</b> | <b>45.98</b>            | <b>8.07</b>   | <b>104.29</b>                  | <b>28.62</b>  | <b>3.64</b>                | <b>0.86</b>  | <b>191.42</b> | -                                          |
| <b>Net block</b>                                     |                         |               |                                |               |                            |              |               |                                            |
| <b>As at March 31, 2018</b>                          | <b>56.76</b>            | <b>7.13</b>   | <b>479.30</b>                  | <b>128.99</b> | <b>0.01</b>                |              | <b>672.21</b> | <b>6.13</b>                                |
| <b>As at March 31, 2019</b>                          | <b>84.67</b>            | <b>3.33</b>   | <b>393.53</b>                  | <b>106.48</b> | -                          | <b>9.24</b>  | <b>597.28</b> | <b>6.83</b>                                |

\* Represents exchange difference resulting from translation of fixed assets relating to non-integral operations

# Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

## 5 Financial assets - investments

|      |                                                                              | As at<br>March 31, 2019 |        | As at<br>March 31, 2018 |        |
|------|------------------------------------------------------------------------------|-------------------------|--------|-------------------------|--------|
|      |                                                                              | No of shares            | Amount | No of shares            | Amount |
|      | <b>Non-current investments</b>                                               |                         |        |                         |        |
|      | <b>Investment in Associates</b>                                              |                         |        |                         |        |
|      | <b>Halaplay Technologies Private Limited ( Refer below note 4)</b>           | 16,522                  | 160.00 | -                       | -      |
|      | Equity shares of Rs 10 each (including goodwill of Rs. 194.51 million)       |                         |        |                         |        |
|      | <b>Halaplay Technologies Private Limited ( Refer below note 4)</b>           | 30,500                  | 61.44  | -                       | -      |
|      | 0.1% cumulative compulsorily convertible preference shares of Rs 100 each    |                         |        |                         |        |
|      | Application Money Given to Halaplay Technologies Pvt Ltd                     | 8,774                   | 42.50  | -                       | -      |
|      | <b>Crimzoncode Education Private Limited</b>                                 |                         |        |                         |        |
|      | Equity shares of Rs 10 each                                                  | 1366728                 | 13.50  | -                       | -      |
|      | (including goodwill of Rs. 12.81 million)                                    |                         |        |                         |        |
|      | <b>Mastermind Sports Ltd</b>                                                 |                         |        |                         |        |
|      | Equity shares of USD 0.01 each                                               | 83,526                  | 25.67  | 77,957                  | 22.10  |
|      | (including goodwill of Rs. 25.15 million)                                    |                         |        |                         |        |
|      | <b>Total Investment in associates</b>                                        | -                       | 303.12 | -                       | 22.10  |
| (i)  | <b>Investment in others</b>                                                  |                         |        |                         |        |
|      | <b>Equity instruments at fair value through profit and loss (fully paid)</b> |                         |        |                         |        |
|      | <b>Halaplay Technologies Private Limited ( Refer below note 4)</b>           |                         |        |                         |        |
|      | Equity shares of Rs 10 each                                                  | -                       | -      | 10                      | 0.01   |
|      | <b>Halaplay Technologies Private Limited ( Refer below note 4)</b>           |                         |        |                         |        |
|      | 0.1% cumulative compulsorily convertible preference shares of Rs 100 each    | -                       | -      | 3,450                   | 4.00   |
|      | <b>Hashcube Inc</b>                                                          | 24,51,546               | 21.97  | 24,51,546               | 19.72  |
|      | Convertible preference shares of USD 0.00001 each                            |                         |        |                         |        |
|      | <b>Moonglab Technologies Private Limited</b>                                 | 3,294                   | 7.50   | 2,196                   | 5.00   |
|      | Equity shares of Rs 10 each                                                  |                         |        |                         |        |
|      | <b>Instasportz Consultancy Private Limited</b>                               | 1,171                   | 10.00  | -                       | -      |
|      | Equity shares of Rs 10 each                                                  |                         |        |                         |        |
|      | <b>Afk Gaming Private Limited</b>                                            | 2,783                   | 5.75   | 2,783                   | 5.75   |
|      | Equity shares of Rs 10 each                                                  |                         |        |                         |        |
|      | <b>Total investment in equity instruments</b>                                |                         | 45.22  |                         | 34.48  |
| (ii) | <b>Investments in debentures</b>                                             |                         |        |                         |        |
|      | <b>Quoted bonds at amortized cost</b>                                        |                         |        |                         |        |
|      | 6.38% debentures in Emirates NBD                                             | 2,000.00                | 14.75  | 2,000.00                | 13.80  |
|      | 5.75% debentures Tata Motor                                                  | 2,000.00                | 15.27  | 2,000.00                | 14.31  |
|      | 4.88% debentures Jubilant Pharma Ltd                                         | 2,000.00                | 14.23  | 2,000.00                | 13.31  |
|      | 4.50% debentures GlenMark                                                    | 2,000.00                | 14.09  | 2,000.00                | 13.18  |
|      | 5.25% debentures JSW Steel                                                   | 2,000.00                | 14.37  | 2,000.00                | 13.44  |
|      | 5.30% debentures Marble II                                                   | 2,000.00                | 14.25  | 2,000.00                | 13.33  |
|      | <b>Total investment in debenture</b>                                         |                         | 86.96  |                         | 81.37  |
|      | <b>Total non-current investments (i+ii)</b>                                  |                         | 132.17 |                         | 115.85 |

### Note:

- During the year, the Company has invested Rs. 2.5 millions in one or more tranches in cash by acquiring 1098 equity shares of Rs. 2,277/- each in Moonglab Labs Technologies Limited ('Moonglab'). Post this investment, the Company owns 19.50% of equity shares in Moonglab.
- During the year, the Company invested Rs 16.85 million for 35.53% in Crimzoncode Education Private Limited in one or more tranches, on a fully diluted basis. Crimzoncode Education Private Limited is engaged in developing and marketing mobile games, especially related to quiz games
- During the year, the Company has agreed to invest Rs.10 million for a 8.67% stake in Instasportz Consultancy Private Limited (Instasportz) pursuant to Agreement dated 11th July ,2018. Instasportz is engaged in the business of running sports and virtual reality entertainment zones across India and abroad.
- In Oct 2017, the Company invested Rs 4.01 million in Halaplay Technologies Private Limited ("Halaplay" or "investee Company") by subscribing 10 equity shares and 3460 Compulsorily Convertible Preference Shares through rights issue

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 5 Financial assets - investments (Contd.)

Thereafter, the Company made following investment in the Halaplay :

In May 2018, the Company invested Rs 4.01 million in Halaplay Technologies Private Limited ("Halaplay" or "investee Company") by subscribing 3460 Compulsorily Convertible Preference Shares through rights issue

In July 2018, the Company invested Rs 10 million by subscribing 1331 Compulsorily Convertible Preference Shares through rights issue pursuant to Agreement dated July 11, 2018.

In September 2018, the Company invested Rs 35 million by subscribing 4658 Compulsorily Convertible Preference Shares through rights issue pursuant to Agreement dated July 27, 2018.

In December 2018, the Company invested Rs 34.99 million by subscribing 4657 Compulsorily Convertible Preference Shares through rights issue pursuant to Agreement dated July 27, 2018.

Further, on March 13, 2019, the Company invested Rs. 40 million by subscribing 8256 Seed Equity Shares of Series A through Private Placement.

On March 25, 2019, the Company invested Rs.42 million by subscribing 8256 Seed Equity Shares of Series A through Private Placement.

Pursuant to agreement dated July 11, 2018 and July 27, 2018, each CCPS is entitled to the following rights :

Cumulative dividend of 0.1% (zero point one percent) per annum ("Preferential Dividend"). In the event, dividend is announced on equity shares , they will be entitled to dividend on those shares on as if converted basis.

carry the same voting rights as are attached to Equity Shares

conversion into 1 equity share of Rs. 10 each at any time during period of 20 years

at their discretion of CCPS holders, to those CCPS into Equity Shares, at a conversion price equivalent to 60% (Sixty Percent) of the per Equity Share value applicable at the time of Series-A Transaction.

Accordingly, the Company has acquired 24.37% of voting rights in the Halaplay on 1st March 2019. It has become an associate from this date and accordingly, the Company has fair valued the investment in the investee Company as on this date and has recorded the gain of Rs. 59.81 million as "Fair value gain on Investment at fair value through profit or loss".

Further, since the Company holds rights equivalent to ownership interest, the Company has done equity accounting for Halaplay considering fully diluted holding.

|          |                                                                                  | As at<br>March 31, 2019 |               | As at<br>March 31, 2018 |               |
|----------|----------------------------------------------------------------------------------|-------------------------|---------------|-------------------------|---------------|
|          |                                                                                  | Number of<br>units      | Amount        | Number of<br>units      | Amount        |
| <b>A</b> | <b>Current investments</b>                                                       |                         |               |                         |               |
|          | <b>Investments in mutual funds</b>                                               |                         |               |                         |               |
|          | <b>Quoted investments at FVTPL</b>                                               |                         |               |                         |               |
|          | SBIMF-Magnum income fund                                                         | 15,77,816               | 70.92         | 15,77,816               | 66.95         |
|          | BNP paribas flexi debt fund                                                      | 4,13,979                | 13.02         | 8,28,972                | 24.59         |
|          | SBI ultra short term fund                                                        | -                       | -             | 4,515                   | 10.12         |
|          | ICICI prudential gilt fund                                                       | 6,70,604                | 42.79         | 6,70,604                | 40.06         |
|          | Kotak gilt investment regular growth                                             | 6,27,212                | 39.46         | 6,27,212                | 36.55         |
|          | SBI short term fund                                                              | 12,10,302               | 25.89         | 12,10,302               | 24.24         |
|          | SBI corporate bond                                                               | 28,58,784               | 85.34         | 28,58,784               | 79.85         |
|          | SBI debt fund series B – 33                                                      | 20,00,000               | 25.07         | 20,00,000               | 23.45         |
|          | SBI regular saving fund (refer note below)                                       | 34,70,651               | 112.32        | 34,70,651               | 104.80        |
|          | Birla sunlife saving fund                                                        | -                       | -             | 269                     | 0.09          |
|          | IIFL cash opportunities fund                                                     | -                       | -             | 64,34,612               | 77.74         |
|          | Birla sun life dynamic bond fund                                                 | 3,39,552                | 10.73         | 3,39,552                | 10.18         |
|          | Birla sun life short term opportunities fund                                     | 3,68,370                | 11.39         | 3,68,370                | 10.63         |
|          | BNP paribas medium term income fund                                              | 7,83,447                | 11.40         | 7,83,447                | 10.87         |
|          | DSP black rock income opportunities fund                                         | 8,08,157                | 22.68         | 3,72,250                | 10.65         |
|          | IDFC super saver income fund short term                                          | 6,41,350                | 24.42         | 6,41,350                | 22.69         |
|          | L&T income opportunities fund                                                    | 17,22,655               | 36.33         | 17,22,655               | 34.29         |
|          | Reliance short term fund                                                         | 8,53,280                | 29.64         | 8,53,280                | 27.86         |
|          | SBI treasury advantage fund                                                      | 18,977                  | 39.45         | 18,977                  | 36.55         |
|          | Tata short term bond fund                                                        | 3,51,136                | 11.40         | 3,51,136                | 11.34         |
|          | UTI short term income fund                                                       | 10,75,645               | 24.21         | 10,75,645               | 22.72         |
|          | Aditya Birla Sun Life Corporate Bond Fund regular growth                         | 7,99,316                | 10.93         | 7,99,316                | 10.34         |
|          | Reliance Corporate Bond Fund-Growth Plan                                         | 7,32,295                | 10.77         | 7,32,295                | 10.26         |
|          | Aditya Birla Mutual fund                                                         | 1,09,408                | 38.06         | 1,09,408                | 30.44         |
|          | Aditya Birla Sunlife Cash Plus                                                   | -                       | -             | 6,91,188                | 69.31         |
|          | <b>Total investment in mutual funds at fair value through profit or loss (A)</b> |                         | <b>696.22</b> |                         | <b>806.57</b> |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 5 Financial assets - investments (Contd.)

|          |                                                        | As at<br>March 31, 2019 |               | As at<br>March 31, 2018 |               |
|----------|--------------------------------------------------------|-------------------------|---------------|-------------------------|---------------|
|          |                                                        | Number of<br>units      | Amount        | Number of<br>units      | Amount        |
| <b>B</b> | <b>Investments in debentures</b>                       |                         |               |                         |               |
|          | <b>Quoted bonds at amortised cost</b>                  |                         |               |                         |               |
|          | IIFL Wealth Finance market linked debentures           | 780.00                  | 83.01         | -                       | -             |
|          | <b>Total investment in debentures at cost (B)</b>      |                         | <b>83.01</b>  |                         | <b>-</b>      |
| <b>C</b> | <b>Investments in tax free bonds</b>                   |                         |               |                         |               |
|          | <b>Quoted bonds at FVOCI</b>                           |                         |               |                         |               |
|          | 7.39% HUDCO tax free bond series IIA                   | 7,007                   | 7.54          | 7,007                   | 7.69          |
|          | 7.39% HUDCO bond tax free bond series IIA              | 7,529                   | 8.30          | 7,529                   | 8.31          |
|          | 7.35% IRFC tax free bond series IIA                    | 5,878                   | 6.56          | 5,878                   | 6.46          |
|          | 7.35% NABARD tax free bond series IIA                  | 5,010                   | 5.38          | 5,010                   | 5.49          |
|          | 7.35% NHAI tax free bond series IIA                    | 14,285                  | 15.29         | 14,285                  | 16.01         |
|          | 7.39% NHAI tax free bond series IIA                    | 15,419                  | 17.27         | 15,419                  | 17.03         |
|          | <b>Total investment in tax free bonds at FVOCI (C)</b> |                         | <b>60.34</b>  |                         | <b>60.99</b>  |
|          | <b>Total current investments (A + B + C)</b>           |                         | <b>839.57</b> |                         | <b>867.56</b> |

**Note:**

Out of the above investment in mutual funds, investments having cost of Rs. 10.70 million pertaining to SBI regular saving fund has been marked as lien against the bank guarantee of the company as at March 31, 2019 ( March 31, 2018: 10.70 million)

### 6 Financial assets - loans and deposits

|                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                    |                         |                         |
| <b>Unsecured, considered good</b>     |                         |                         |
| Security deposits                     | 13.92                   | 16.05                   |
| Loan to Inbox Digital Private Limited | 2.00                    | -                       |
| <b>Total</b>                          | <b>15.92</b>            | <b>16.05</b>            |
| <b>Current</b>                        |                         |                         |
| <b>Unsecured, considered good</b>     |                         |                         |
| Security deposits                     | 8.06                    | 1.50                    |
| <b>Total</b>                          | <b>8.06</b>             | <b>1.82</b>             |

### 7 Non-current - other financial assets

|                                                              | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Fixed deposits with original maturity of more than 12 months | -                       | 1.65                    |
| Interest receivable                                          | -                       | 0.14                    |
| <b>Total</b>                                                 | <b>-</b>                | <b>1.79</b>             |

### 8 Other non-current Assets

|                                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------------|-------------------------|-------------------------|
| Advance to vendor                              | 200.03                  | 241.43                  |
| Advance income -tax (net of provision for tax) | 70.45                   | 58.81                   |
| Other receivable (refer below note 28 (1))     | 47.24                   | -                       |
| <b>Total</b>                                   | <b>317.72</b>           | <b>300.23</b>           |

### 9 Trade receivables (Unsecured)

|                                                                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| considered good                                                            | 456.02                  | 430.96                  |
| considered having significant increase in credit risk                      | 177.58                  | 104.30                  |
| Less: Allowance for receivables having significant increase in credit risk | (177.58)                | (104.30)                |
| <b>Total</b>                                                               | <b>456.02</b>           | <b>430.96</b>           |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 10 Cash & cash equivalents and other bank balances

|                                                                    | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Cash and cash equivalents</b>                                   |                         |                         |
| Cash on hand                                                       | 0.75                    | 0.20                    |
| Balances with banks                                                |                         |                         |
| - on current accounts                                              | 474.53                  | 881.33                  |
| - deposits with original maturity for less than 3 months           | 57.34                   | 4.32                    |
|                                                                    | <b>532.62</b>           | <b>885.85</b>           |
| <b>Other bank balances</b>                                         |                         |                         |
| Balances with banks                                                |                         |                         |
| - in fixed deposits with remaining maturity of less than 12 months | 800.06                  | 289.08                  |
|                                                                    | <b>800.06</b>           | <b>289.08</b>           |
| <b>Total</b>                                                       | <b>1,332.68</b>         | <b>1,174.93</b>         |

#### Note

The fixed deposit aggregating to 31 March, 2019 : Rs 1.65 Million (31 March, 2018: Rs 1.65 Million) is under lien to bank for issuing bank guarantee as security towards the due observance and performance of the terms and conditions of agreement executed with a customer, Bharat Sanchar Nigam Limited. After the note ends, previous Rs. 1.65 million was reported under Non-current - other financial assets.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

|                                                              | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Balances with banks:                                         |                         |                         |
| - on current accounts                                        | 474.53                  | 881.33                  |
| - deposits with original maturity for less than three months | 57.34                   | 4.32                    |
| Cash on hand                                                 | 0.75                    | 0.20                    |
| <b>Total</b>                                                 | <b>532.62</b>           | <b>885.85</b>           |

### 11 Other current financial assets

|                                                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>                                                 |                         |                         |
| Interest accrued but not due                                                      |                         |                         |
| - from banks , tax free bonds and loan given                                      | 13.28                   | 11.36                   |
| Unbilled revenue (refer note below)                                               |                         |                         |
| - considered good                                                                 | 391.42                  | 328.27                  |
| - considered having significant increase in credit risk                           | -                       | 9.41                    |
| - Less: Allowance for unbilled revenue having significant increase in credit risk | -                       | (9.41)                  |
| Other receivable from related parties (refer note 28 (1))                         | -                       | 41.82                   |
| <b>Total</b>                                                                      | <b>404.70</b>           | <b>381.45</b>           |

- 1) On account of Ind AS 115, Revenue from Contracts with Customers, unbilled revenue where the right to consideration is unconditional upon passage of time is classified as financial assets.

### 12 Other current assets

|                                                                  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| Advances recoverable in cash or kind or for value to be received | 0.35                    | 3.23                    |
| Loan to Employees                                                | 1.94                    | -                       |
| Advance to vendors                                               | 7.07                    | 14.98                   |
| Prepaid expenses                                                 | 64.57                   | 34.34                   |
| Balance with government authorities                              | 72.45                   | 47.57                   |
| <b>Total</b>                                                     | <b>146.38</b>           | <b>100.12</b>           |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 13 Statement of share capital

|                                                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Share capital</b>                                                  |                         |                         |
| <b>Authorised shares</b>                                              |                         |                         |
| 34,371,990 (March 31, 2018: 34,371,990) equity shares of Rs 4 each    | 137.49                  | 137.49                  |
| 1,251,204 (March 31, 2018: 1,251,204) preference shares of Rs 10 each | 12.51                   | 12.51                   |
|                                                                       | <b>150.00</b>           | <b>150.00</b>           |
| <b>Issued, subscribed and paid-up</b>                                 |                         |                         |
| 27,471,969 (March 31, 2018: 26,972,619) equity shares of Rs 4 each    | 109.91                  | 107.89                  |
|                                                                       | <b>109.91</b>           | <b>107.89</b>           |

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

| <b>Equity shares of Rs 4 each</b>          |                      |           |                      |           |
|--------------------------------------------|----------------------|-----------|----------------------|-----------|
| Name of the shareholder                    | As at March 31, 2019 |           | As at March 31, 2018 |           |
|                                            | No of shares         | % Holding | No of shares         | % Holding |
| Mitter Infotech LLP                        | 59,55,125            | 21.68%    | 59,55,125            | 22.08%    |
| West Bridge Venture II Investment Holdings | 61,21,210            | 22.28%    | 61,21,210            | 22.69%    |
| Rakesh Jhunjunwala                         | 32,94,310            | 11.99%    | 32,94,310            | 12.21%    |
| IIFL Special Opportunity Fund              | 14,56,320            | 5.30%     | 14,56,320            | 5.40%     |
| Nitish Mittersain                          | 11,33,903            | 4.01%     | 14,75,335            | 5.47%     |

\* less than 5% in current year, presented for comparative purposes.

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

#### (b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| <b>Equity shares of Rs 4 each</b>                                             |                    |               |
|-------------------------------------------------------------------------------|--------------------|---------------|
|                                                                               | No of shares       | Amount        |
| <b>As at April 1, 2017</b>                                                    |                    |               |
| <b>Opening balance</b>                                                        | -                  | -             |
| Share split and converted to equity shares of Rs 4 each ( refer note 1 below) | 49,81,272          | 19.93         |
| Bonus shares issued during the period ( refer note 2 above)                   | 1,99,25,088        | 79.70         |
| Issued during the period                                                      | 20,66,259          | 8.27          |
| <b>As at March 31, 2018</b>                                                   | <b>2,69,72,619</b> | <b>107.89</b> |
| Add : Issue during the year - Exercise of ESOP                                | 4,99,350           | 2.00          |
| <b>As at March 31, 2019</b>                                                   | <b>2,74,71,969</b> | <b>109.89</b> |

#### Notes:

- On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of ₹ 10/- each into 2.5 fully paid up equity share having face value of ₹ 4/- each. Accordingly, the outstanding 1,992,509 equity shares having face value of ₹ 10 each aggregating to ₹ 19.93 million as at 27th December, 2017 were sub-divided into 4,981,272 equity shares having face value of ₹ 4 each aggregating to ₹ 19.93 million.
- On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalisation of reserves.
- On 23rd November, 2017 and 24th November, 2017, West Bridge Venture II Investment Holding sold/transferred 839,650 equity shares to financial investors and certain employees of the Company. Accordingly, West Bridge II Investment Holding is no longer the holding company and West Bridge Venture LLC is no longer the ultimate holding company from 24th November, 2017.

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

- Voting rights  
Each shareholder is entitled to one vote per equity share
- Right as to dividend  
The equity share holder is entitled to receive dividend as and when declared by the Board of Directors
- Rights on further issue including anti dilution Rights:  
In the event the Company proposes to make preferential issue of shares then 'West Bridge Ventures II Investment Holdings' ('Investor') have first right to subscribe on a pro-rata percentage of the entire issue on the basis of existing holding on a fully diluted basis so that the existing shareholding percentage in the Company remain same.  
In addition to above, the investor have anti dilution rights including right to be allotted proportionate shares without consideration in case of certain events as defined in shareholder's agreement.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 13 Statement of share capital (Contd.)

#### 4. Right of first offer, Right of Refusal and Tag Along Rights

In the event Investor propose to transfer all or part of their securities to any person, it shall first offer to Mitter Infotech LLP and two individual shareholders ('Founders'), a pro rata right to purchase all their shares. Investor shall have the right to exercise certain specified tag along rights in case the Founders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

In the event Emerging Investments Limited and other two company shareholders and one individual shareholders ('Other Shareholders') propose to transfer all or part of their securities to any person, investor and founders have pro rata right to purchase all their Shares.

#### 5. Drag Along Rights:

In case, the investor receives an offer for sale to third party, the Investor has the right to call upon the founders to sell their part of shareholding subject to certain specified conditions as defined in the AOA of the Company.

#### 6. Liquidation Preference:

In the Event of "Liquidation Event" as defined in shareholders agreement, equity shareholders will be entitled to receive consideration or proceed on a pro rata basis in the proportions of their ownership in the total paid up capital of the company on a fully diluted basis as defined in the AOA of the Company, after distribution of all preferential amounts.

"Liquidation event" shall (except for the issue of shares under an IPO) be deemed to include the following:-

- Commencement of any proceedings for the voluntary winding up of the Company in accordance with the Act or the passing of an order of any court appointing a provisional liquidator or administrator in any other proceeding seeking the winding up of the Company; or
- The consummation of a consolidation, merger, reorganization or other similar transaction (whether in one or a series of transactions) of the Company resulting in its Shareholders, collectively, retaining less than a majority of the voting power of the Company or the surviving entity immediately following such transaction after giving effect to any conversion exercise or exchange of any Securities convertible into or exercisable or exchangeable for, such voting Securities, or
- Sale or transfer of more than 50% [fifty percent] of the then outstanding Shares by the Shareholders, such that the Shareholders, which shall include the Investor, prior to any such transaction, retain after such transaction less than 50% of voting power of the Company.
- The sale of, transfer of or creation of an encumbrance of any nature whatsoever or the appointment of a receiver in any proceedings, in more than 50% of the value of the assets and properties of the Company, including but not restricted to tangible and intangible assets of the Company, or any order of any court resulting in the sale of, transfer of or creation of an encumbrance of any nature whatsoever in more than 50% of the value of the assets and properties of the Company including but not restricted to tangible and intangible assets of the Company (whether in one or a series of transactions), which has not been vacated within 15 days of the passing of such order by the court. Subsection (d) would not apply to a case of consolidation, merger, reorganisation or other similar transaction referred to in sub-section (b)

The parties to the Waiver and Termination Agreement dated 17th January, 2018 and as amended by Amendment Agreement dated June 29, 2018 ("Termination Agreement"), waived and amended certain rights as available to Westbridge from the date of the execution of the Termination Agreement, including (i) the right of first refusal of our Promoters and Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer; (ii) the right of first refusal of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Mitter Infotech LLP in the Offer; and (iii) the drag along right of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer. Further, as per Termination Agreement, in case the initial public offering of the equity shares of the Company was not concluded by the IPO cut off date (i.e September 30, 2018), the provisions of Westbridge SHA that were waived or amended pursuant to the Termination Agreement were reinstated in their entirety and are operative and binding upon parties. Further, the Company was required carry out re-organisation of board, change in constitution of the Company and amendment of articles of association of the Company.

In June 24, 2019, the parties have entered into a Waiver and Termination Agreement wherein West bridge has waived the requirement of the Termination Agreement till December 31, 2019 related to appointment of directors and change in constitution of the Company. Further, in terms of the said agreement, certain provisions to Westbridge rights were amended, including (i) deletion of quorum requirements for the Board Meeting and (ii) approval of Westbridge in writing for certain reserved matters

#### 7. Other Rights:

- Investor have right to have their representation on the board of the Company with an affirmative voting right and decision on certain reserved matters such as change or alteration in the rights of any class of shareholders, change in share capital of the Company, undertaking any merger, acquisition, consolidation / amalgamation, change in the composition of board of directors and change in scope of business activity.
- Pursuant to the Share purchase agreement, Rakesh Jhunjunwala and Utpal Seth acquired 263,545 and 2,780 equity shares of the Company respectively from Westbridge. Accordingly, Rakesh Jhunjunwala and Utpal Seth have been given the following rights in the event the Company does not undertake an initial public offering and listing of the Company's equity shares by December 7, 2018:
  - the first right to participate or the right to subscribe to all the equity shares in the fund raising by the Company with effect from December 7, 2018;
  - the Company shall not without the affirmative written consent of Rakesh Jhunjunwala and Utpal Seth take certain actions such as raising new capital, change in scope of business, related party transactions, change in rights associated with the equity shares and acquisition of any company;
  - tag along right in the event our Promoters transfer any equity shares with effect from December 7, 2018; and
  - execution of a restated shareholders agreement. Further, in the event the initial public offering of the Company is not completed within two years from the date of execution of the Share purchase agreement, Rakesh Jhunjunwala and Utpal

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 13 Statement of share capital (Contd.)

Seth shall have the right to appoint a nominee director on the Board.

#### (e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 34.

#### (f) Aggregate number of shares bought back during the period of five years immediately preceeding the reporting date:

|                                          | March 31, 2019 | March 31, 2018 |
|------------------------------------------|----------------|----------------|
| Equity shares bought back by the Company | No of shares   |                |
| FY 14-15                                 | 45,400         | 45,400         |
|                                          | <b>45,400</b>  | <b>45,400</b>  |

#### (h) Bonus issue

|                                                                                 | March 31, 2019     | March 31, 2018     |
|---------------------------------------------------------------------------------|--------------------|--------------------|
| Aggregate number of equity shares issued as bonus by the Company                | No of shares       |                    |
| Equity shares allotted as fully paid bonus shares by capitalization of reserves | 1,99,25,088        | 1,99,25,088        |
|                                                                                 | <b>1,99,25,088</b> | <b>1,99,25,088</b> |

#### (i) Dividend distribution made

|                                                             | March 31, 2019 | March 31, 2018 |
|-------------------------------------------------------------|----------------|----------------|
| Cash dividends on equity shares declared and paid           | Rs in million  |                |
| Interim dividend paid (including dividend distribution tax) | -              | 300.38         |
|                                                             | <b>-</b>       | <b>300.38</b>  |

#### Note:

Aggregate number of equity shares issued for consideration other than cash during last 5 years : During the year ended March 31, 2019 : NIL, As at March 2019 : 794,641 (as at March, 2018 : 794,641) (post adjustment of bonus and subdivision),

### 14 Other equity

|                                                                      | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Reserves and surplus</b>                                          |                         |                         |
| <b>Capital redemption reserve account</b>                            |                         |                         |
| Opening Balance                                                      | 1.30                    | 1.30                    |
| Add:- transferred from surplus in the statement of profit and loss   | -                       | -                       |
| <b>Closing balance</b>                                               | <b>1.30</b>             | <b>1.30</b>             |
| <b>Securities premium reserve</b>                                    |                         |                         |
| Opening Balance                                                      | 1,186.67                | -                       |
| Addition during the year                                             | -                       | 1,191.67                |
| Addition during the year on exercise of ESOP                         | 115.01                  | -                       |
| Add:- transfer from share based payment reserves on exercise of ESOP | 103.19                  | -                       |
| Less: share issue expenses                                           | -                       | (5.00)                  |
| <b>Closing balance</b>                                               | <b>1,404.87</b>         | <b>1,186.67</b>         |
| <b>Retained earnings</b>                                             |                         |                         |
| Opening Balance                                                      | 1,813.04                | 2,165.24                |
| Less:- utilised for issue of bonus shares                            | -                       | (79.70)                 |
| Less:- utilised for dividend distribution                            | -                       | (300.38)                |
| Profit during the year                                               | 108.34                  | 27.73                   |
| Other comprehensive income for the year                              | (0.51)                  | 0.15                    |
| <b>Closing balance</b>                                               | <b>1,920.87</b>         | <b>1,813.04</b>         |
| <b>Debt instrument through other Comprehensive Income</b>            |                         |                         |
| Opening balance                                                      | 5.27                    | 6.45                    |
| Other comprehensive income for the year                              | 0.23                    | (1.18)                  |
|                                                                      | <b>5.50</b>             | <b>5.27</b>             |
| <b>Share based payment reserve</b>                                   |                         |                         |
| Opening Balance                                                      | 194.59                  | 37.00                   |
| Additions during the year                                            | 164.53                  | 157.59                  |
| Less:- transfer to securities premium on exercise of options         | (103.19)                | -                       |
| <b>Closing balance</b>                                               | <b>255.93</b>           | <b>194.59</b>           |
| <b>Capital contribution from shareholder (refer note 34 d (ii))</b>  |                         |                         |
| Opening Balance                                                      | 357.18                  | -                       |
| Additions during the year                                            | -                       | 357.18                  |
| <b>Closing balance</b>                                               | <b>357.18</b>           | <b>357.18</b>           |
| <b>Non-controlling put option</b>                                    |                         |                         |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 14 Other equity (Contd.)

|                                             | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------------|-------------------------|-------------------------|
| Opening Balance                             | (126.25)                | -                       |
| Adjustment during the year                  | 66.28                   | (126.25)                |
| <b>Closing balance</b>                      | <b>(59.97)</b>          | <b>(126.25)</b>         |
| <b>Statutory reserve</b>                    | <b>0.45</b>             | <b>0.45</b>             |
| <b>Foreign currency translation reserve</b> |                         |                         |
| Opening Balance                             | 21.93                   | 4.40                    |
| Additions during the year                   | 116.00                  | 17.49                   |
| <b>Closing balance</b>                      | <b>137.93</b>           | <b>21.89</b>            |
| <b>Total reserves and surplus</b>           | <b>4,024.06</b>         | <b>3,454.14</b>         |

#### Note:

- Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.
- Capital redemption reserve was created on buyback of equity shares of the company.

### 15 Non-current borrowings

|                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------|-------------------------|-------------------------|
| <b>Non-current borrowings</b> |                         |                         |
| <b>Unsecured</b>              |                         |                         |
| Car loan                      | -                       | 0.20                    |
| <b>Total</b>                  | <b>-</b>                | <b>0.20</b>             |

### 16 Non-current other financial liability

|                                                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------------------------|-------------------------|-------------------------|
| Non-controlling interest put options and other liabilities | 68.16                   | 129.86                  |
| <b>Total</b>                                               | <b>68.16</b>            | <b>129.86</b>           |

#### Note:

The Company had acquired control over Nextwave on 22nd December 2017 and also had entered into Put Options with Non-controlling interest. The Options are exercisable on March 31, 2019 (Second Closing date) and March 31, 2020 (third closing date) for additional stake based on achievement of PAT targets of Nextwave. The purchase consideration on second closing date and third closing date will be based on the threshold defined as per the terms of the arrangement subject to maximum pay-out to non-controlling interest of Rs.100 million for the second and Rs 100 million for the third closing date. The options have been fair valued on initial recognition and subsequently unwinding of interest expense is charged to the consolidated statement of profit and loss. Accordingly, in the current year, the options exercisable on second closing date have lapsed and the liability of Rs. 68.17 million on the second closing date has been reversed due to the non-achievement of the PAT targets and subsequent unwinding of interest of Rs. 1.89 million has been charged to the consolidated statement of profit and loss.

### 17 Provisions

|                                          | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------|-------------------------|-------------------------|
| <b>Non-current</b>                       |                         |                         |
| <b>Provisions for employees benefits</b> |                         |                         |
| Provision for gratuity (refer note 32)   | 25.41                   | 20.48                   |
| <b>Total</b>                             | <b>25.41</b>            | <b>20.48</b>            |
| <b>Current</b>                           |                         |                         |
| <b>Provision for employee benefits</b>   |                         |                         |
| Compensated absences                     | 2.81                    | 2.78                    |
| <b>Total</b>                             | <b>2.81</b>             | <b>2.78</b>             |

### 18 Trade payables

|                                                    | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Trade payables</b>                              |                         |                         |
| Micro enterprises and small enterprises            | -                       | -                       |
| Other than micro enterprises and small enterprises | 370.20                  | 287.88                  |
| <b>Total</b>                                       | <b>370.20</b>           | <b>287.88</b>           |

#### Note:

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 19 Other financial liabilities

|                                            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------------------|-------------------------|-------------------------|
| Payable to employees                       | 24.96                   | 28.07                   |
| Payable for capital expenditure            | -                       | 4.75                    |
| Advances from customers (refer note below) | 24.55                   | 20.42                   |
| <b>Total</b>                               | <b>49.51</b>            | <b>53.24</b>            |

#### Note:

Advance from customers at 31 March 2019 includes Rs.13.99 million ( 31st March 2018 : 13.99 million) which may have to be refunded in an event the amount is required to pay entertainment tax on its revenue for the period till June 2017. The company has provided a bank guarantee of Rs.15.58 million to the customer.

### 20 Other current liabilities

|                                | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--------------------------------|-------------------------|-------------------------|
| Tax deducted at source payable | 25.95                   | 53.55                   |
| Statutory liabilities          | 23.90                   | 9.60                    |
| <b>Total</b>                   | <b>49.85</b>            | <b>63.15</b>            |

### 21 Revenue from operations

|                                                                  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from contract with customers                             |                                      |                                      |
| Revenue from subscription / download of games and other contents | 939.85                               | 1,517.01                             |
| Revenue from advertising services                                | 240.38                               | 152.06                               |
| Revenue from e-sports business                                   | 491.66                               | 36.40                                |
| <b>Total</b>                                                     | <b>1,671.89</b>                      | <b>1,705.47</b>                      |

**Note:** Revenue disaggregation as per geography has been included in segment information (refer note 35a).

### 22 Other income

|                                                                               | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Interest Income on                                                            |                                      |                                      |
| - bank deposits                                                               | 26.14                                | 30.03                                |
| - tax free bonds                                                              | 4.05                                 | 4.07                                 |
| - Rent expenses                                                               | 1.00                                 | -                                    |
| - Non Current Investment                                                      | 4.77                                 | -                                    |
| - long term bonds                                                             | -                                    | 2.36                                 |
| Dividend income on current investments                                        | 4.18                                 | 0.75                                 |
| Net gain on sale of current investments                                       | 13.78                                | 5.84                                 |
| Sundry balances written back                                                  | 3.01                                 | 26.59                                |
| Fair value gain on financial instruments at fair value through profit or loss | 33.49                                | 28.33                                |
| Fair value gain on Investment at fair value through profit or loss            | 59.81                                | -                                    |
| Other income                                                                  | 12.85                                | 0.22                                 |
| <b>Total</b>                                                                  | <b>163.08</b>                        | <b>98.18</b>                         |

### 23 Employee benefit expense

|                                                          | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                                | 229.02                               | 196.34                               |
| Contribution to provident and other funds                | 8.29                                 | 8.58                                 |
| Expenses on employee stock option scheme (refer note 34) | 164.53                               | 157.59                               |
| Gratuity expenses (refer note 32)                        | 4.28                                 | 7.77                                 |
| Staff welfare expenses                                   | 2.23                                 | 1.69                                 |
| <b>Total</b>                                             | <b>408.35</b>                        | <b>371.97</b>                        |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 24 Depreciation and amortisation expenses

|                                                  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of tangible assets (refer note 3)   | 135.22                               | 8.80                                 |
| Amortisation of intangible assets (refer note 4) | -                                    | 33.37                                |
| <b>Total</b>                                     | <b>135.22</b>                        | <b>42.17</b>                         |

### 25 Finance costs

|                                   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Interest net (refer note 1 below) | 5.68                                 | 4.91                                 |
| Bank charges                      | 3.08                                 | 4.64                                 |
| <b>Total</b>                      | <b>8.76</b>                          | <b>9.55</b>                          |

#### Note:

Amount includes gross Rs. 6.48 million for the year ended March 31, 2019 (March 31, 2018: 3.60 million) on account of unwinding of interest on non controlling interest put option.

### 26 Other expenses

|                                                                     | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Content management charges                                          | 4.25                                 | 1.79                                 |
| Event expenses                                                      | 215.63                               | 3.51                                 |
| Revenue share on subscription/download of games/other contents      | -                                    | 17.00                                |
| Consumables for development and testing                             | 0.24                                 | 0.39                                 |
| Rent expenses                                                       | 102.23                               | 43.63                                |
| Rates and taxes                                                     | 3.42                                 | 19.87                                |
| Insurance charges                                                   | 4.20                                 | 2.96                                 |
| Repairs and maintenance                                             | 13.71                                | 7.67                                 |
| Corporate social responsibility expenditure (refer note (ii) below) | 3.23                                 | 1.31                                 |
| Sales promotion and business development                            | 30.20                                | 12.05                                |
| Travelling and conveyance                                           | 79.14                                | 29.41                                |
| Communication expenses                                              | 8.34                                 | 4.05                                 |
| Printing and stationery                                             | 0.64                                 | 0.54                                 |
| Discount Allowed                                                    | 0.90                                 | -                                    |
| Legal and professional fees                                         | 38.94                                | 65.24                                |
| Server charges                                                      | 79.31                                | 35.31                                |
| Bad debts written off                                               | 2.78                                 | 1.39                                 |
| Allowance for doubtful debts and unbilled revenue                   | 91.86                                | 70.89                                |
| Payment to auditors (refer note (iii) below)                        | 9.26                                 | 15.74                                |
| Loss on exchange fluctuation (net)                                  | 50.00                                | 38.19                                |
| Director Fees                                                       | 7.03                                 | -                                    |
| Miscellaneous expenses                                              | 67.47                                | 17.79                                |
| <b>Total</b>                                                        | <b>812.78</b>                        | <b>388.73</b>                        |

#### Note:

#### (i) Corporate social responsibilities

As per section 135 of the Companies Act 2013 and rules therein, the Group is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR).

Details of corporate social expenditures are as follows:

| Particulars                                       | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---------------------------------------------------|--------------------------------------|--------------------------------------|
| Gross amount required to be spent during the year | 3.44                                 | 6.29                                 |
| Amount spent during the year                      |                                      |                                      |
| i) Construction / acquisition of any asset        | -                                    | -                                    |
| ii) On purposes other than (i) above              | 3.23                                 | 1.31                                 |
| <b>Total amount spent during the year</b>         | <b>3.23</b>                          | <b>1.31</b>                          |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 26 Other expenses (Contd.)

#### (iii) Payment to auditors include payment to subsidiary auditors

|                                                                                   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| As auditor                                                                        |                                      |                                      |
| - Audit fee                                                                       | 9.26                                 | 28.27                                |
| - Reimbursement of expenses                                                       | 0.11                                 | 0.32                                 |
| In other capacity                                                                 |                                      |                                      |
| - for other services                                                              | 7.07                                 | 16.62                                |
| Less: Fee for IPO related services disclosed as other receivables (refer note 11) |                                      | (10.95)                              |
|                                                                                   | <b>16.44</b>                         | <b>34.26</b>                         |

### 27 Exceptional items

|                                                           | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Expense on group share based payments (refer note 34 (d)) | -                                    | 357.18                               |
| <b>Total</b>                                              | <b>-</b>                             | <b>357.18</b>                        |

### 28 Related party disclosures

"Related Party disclosures as required by notified Ind AS 24 Related party disclosures" as given below

#### A) Names of the related parties and related party relationship

##### Related parties where control exists

|                                                                                |                                                                       |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <b>Ultimate holding company</b>                                                | West Bridge Venture LLC (till 23rd November, 2017)                    |
| <b>Holding Company / Firm</b>                                                  | West Bridge Venture II Investment Holdings (till 23rd November, 2017) |
| <b>Related parties with whom transactions have taken place during the year</b> |                                                                       |
| <b>Entity with Significant influence</b>                                       | West Bridge Venture II Investment Holdings (from 24th November, 2017) |
| <b>Associate of subsidiary</b>                                                 | Mastermind Sports Limited (from 22nd May, 2017)                       |
| <b>Associate</b>                                                               | Crimzone Code Pvt Ltd (from 6th June, 2018)                           |
|                                                                                | Halaplay Technologies Pvt Ltd ( from 1st March, 2019)                 |
| <b>Key management personnel</b>                                                | Vikash Mittersain - Chairman Cum Managing Director                    |
|                                                                                | Nitish Mittersain - Managing Director                                 |
|                                                                                | Manish Agarwal - Chief Executive Officer                              |
|                                                                                | Rakesh Shah - Chief Financial Officer                                 |
|                                                                                | James Savio Saldanha - Chief Executive Officer Middle East and Africa |
|                                                                                | Vinav Agarwal - Company Secretary ( till 10th November, 2018)         |
|                                                                                | Turabbhai Chimthanawala -Company Secretary ( from 1st April, 2019)    |
| <b>Enterprises owned or controlled by key management personnel</b>             | Mitter Infotech LLP (formerly Mitter Infotech Pvt Ltd)                |

#### B) Related party transactions:

| Particulars                                                                                                                                       | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Remuneration to Key management personnel</b>                                                                                                   |                                      |                                      |
| Vikash Mittersain                                                                                                                                 | 5.65                                 | 4.52                                 |
| Nitish Mittersain                                                                                                                                 | 26.52                                | 24.54                                |
| Manish Agarwal                                                                                                                                    | 31.93                                | 20.66                                |
| Rakesh Shah                                                                                                                                       | 6.84                                 | 6.55                                 |
| James Savio Saldanha                                                                                                                              | 15.51                                | 19.59                                |
| Vinav Agarwal                                                                                                                                     | 0.40                                 | 0.24                                 |
| <b>Exceptional employee benefit expense on account of share transferred by West Bridge Venture II Investment Holdings (refer note 34 (d) (i))</b> |                                      |                                      |
| Nitish Mittersain                                                                                                                                 | -                                    | 140.22                               |
| Manish Agarwal                                                                                                                                    | -                                    | 216.96                               |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 28 Related party disclosures (Cont'd)

|                                                                                                         |      |        |
|---------------------------------------------------------------------------------------------------------|------|--------|
| <b>Employee benefit cost for ESOPs granted to Key management personnel</b>                              |      |        |
| Manish Agarwal                                                                                          | -    | 40.16  |
| Rakesh Shah                                                                                             | -    | 20.08  |
| <b>Cost of content</b>                                                                                  |      |        |
| Mastermind Sports Limited                                                                               | 4.30 | 2.07   |
| Crimzone Code Pvt Ltd                                                                                   | 6.44 |        |
| <b>Dividend paid</b>                                                                                    |      |        |
| Mitter Infotech LLP (formerly Mitter Infotech Private Limited)                                          | -    | 84.31  |
| West Bridge Venture II Investment Holdings                                                              | -    | 204.29 |
| Vikash Mittersain                                                                                       | -    | 0.00*  |
| Nitish Mittersain                                                                                       | -    | 0.00*  |
| <b>Rent paid on behalf of</b>                                                                           |      |        |
| Vikash Mittersain                                                                                       | -    | -      |
| Nitish Mittersain                                                                                       | -    | 5.12   |
| <b>Rent recovered from</b>                                                                              |      |        |
| Vikash Mittersain                                                                                       | -    | -      |
| Nitish Mittersain                                                                                       | -    | 4.21   |
| <b>Capital contribution from shareholder on account of share based payments (refer note 34 (d) (i))</b> |      |        |
| West Bridge Venture II Investment Holdings                                                              | -    | 357.18 |
| <b>IPO expenses recoverable (refer note 1 below)</b>                                                    |      |        |
| West Bridge Venture II Investment Holdings                                                              | 4.68 | 39.20  |
| Mitter Infotech LLP                                                                                     | 0.33 | 2.61   |

### C) Amounts outstanding as at the balance sheet date:

|                                                      | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Balance payables at year end</b>                  |                         |                         |
| Nitish Mittersain                                    | -                       | 0.42                    |
| Mastermind Sports Limited                            | 3.88                    | 2.07                    |
| <b>IPO expenses recoverable (refer note 1 below)</b> |                         |                         |
| West Bridge Venture II Investment Holdings           | 43.88                   | 39.20                   |
| Mitter Infotech LLP                                  | 2.94                    | 2.61                    |

### D) Compensation of Key management personnel

|                                                              | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Short-term employee benefits                                 | 83.78                                | 72.78                                |
| Post-employment benefits (refer note 2 below)                | 3.07                                 | 3.32                                 |
| Share based payment transactions                             | -                                    | 60.23                                |
| Exceptional employee benefit expense (refer note 34 (d) (i)) | -                                    | 357.18                               |
| <b>Total remuneration</b>                                    | <b>86.85</b>                         | <b>493.51</b>                        |

#### Notes:

- Other receivables comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) of the Company. As per understanding between the Company, West Bridge Venture II Investment Holdings and Mitter Infotech LLP, all the IPO expenses other than fees related to merchant bankers will be shared between them, while the merchant bankers' fees will be borne by West Bridge Venture II Investment Holdings and Mitter Infotech LLP.

Accordingly, the Company has charged its share of IPO expenses to the statement of profit and loss and recorded a receivable for the share of IPO expenses to be recovered from West Bridge Venture II Investment Holdings and Mitter Infotech LLP.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 28 Related party disclosures (Cont'd)

The Company has deferred its plan for IPO. However, based on understanding between the Company and the selling shareholders, the selling shareholders agreed for company to carry forward these expenses and reimburse it along with future IPO expenses on successful completion of IPO. This amount has been classified as Other Receivables under Other non-current financial assets (March 31, 2018 : Other current financial assets)

- 2) Remuneration to key managerial personnel doesn't include provision made for gratuity and compensated absences as they are determined on actuarial basis for the Company.
- 3) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operations. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

\* Amount is less than 0.01 million

### 29 Commitments and contingencies

|                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Other commitments</b>              |                         |                         |
| Cost of content and other commitments | 9.39                    | 23.18                   |

### 30 Earnings per share

The following table reflects the income and share data used in the basic and diluted ESP computation:

|                                                                                       | As at<br>March 31, 2018 | As at<br>March 31, 2018 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Basic</b>                                                                          |                         |                         |
| Profit attributable to equity shareholders of parent for the calculation of basic EPS | 108.34                  | 27.73                   |
| Weighted average number of equity shares in calculating basic EPS (refer note below)  | 2,74,18,614             | 2,53,40,961             |
| <b>Earnings per share</b>                                                             | <b>3.95</b>             | <b>1.09</b>             |
| <b>Diluted</b>                                                                        |                         |                         |
| Profit attributable to equity shareholders of parent for calculation of diluted EPS   | 108.34                  | 27.73                   |
| Weighted average number of equity shares in calculating basic EPS                     | 2,74,18,614             | 2,53,40,961             |
| Effect of dilution on stock option granted (refer note 1 and 2 below)                 | 5,09,039                | 3,17,899                |
| Weighted average number of equity shares outstanding (including dilutive)             | 2,79,27,653             | 2,56,58,860             |
| <b>Earnings per share</b>                                                             | <b>3.88</b>             | <b>1.09</b>             |

- 1) There are 541,880 potential equity shares as on 31st March, 2018, in the form of stock options granted to employees. As these are anti dilutive, the diluted earnings per share is same as basic earnings per share for the year ended March 31, 2018.
- 2) There are 509,039 potential equity shares as on 31st March, 2019, in the form of stock options granted to employees.

### 31 Leases

#### Operating leases - Company as lessee

The Company's significant leasing arrangements are in respect of operating leases for office premises. The initial tenure of the lease are 36 months with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into lease. Leases include a clause to enable upward revision of the rental charge on an annual basis according to rate prescribed in the contract.

The future minimum lease rental receivable under non-cancellable operating leases in aggregate are as follows:

|                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------------------|-------------------------|-------------------------|
| Not later than one year                           | 51.02                   | -                       |
| Later than one year and not later than five years | 48.09                   | -                       |
| Later than five years                             | -                       | -                       |
| <b>Total</b>                                      | <b>99.10</b>            | <b>-</b>                |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 32 Gratuity and post employment benefits

#### I) Defined Contribution plan

##### (a) Provident fund and ESIC

|                                                                         | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Company's contribution to provident fund and other funds charged to P&L | 8.29                                 | 8.58                                 |

#### II) Defined benefit plan

##### (a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This benefit is unfunded.

The following tables summarise the components of net gratuity benefit expense recognised in the statement of profit and loss and other comprehensive income.

#### A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

|                                                                                     | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Liability at the beginning of the year</b>                                       | <b>16.92</b>            | <b>10.09</b>            |
| Interest cost                                                                       | 1.27                    | 0.79                    |
| Current service cost                                                                | 2.19                    | 1.45                    |
| Past service cost                                                                   | -                       | 5.47                    |
| Benefits paid                                                                       | (0.18)                  | (0.67)                  |
| Re-measurements - Actuarial (Gain)/Loss - due to changes in demographic assumptions | 0.03                    | -                       |
| Re-measurements - Actuarial (Gain)/Loss - due to changes financial assumptions      | 0.21                    | (0.59)                  |
| Re-measurements - Actuarial (Gain)/Loss - due to changes experience adjustment      | (2.23)                  | 0.38                    |
| <b>Liability at the end of the year</b>                                             | <b>18.21</b>            | <b>16.92</b>            |

##### ii) Balance sheet recconciliation

|                                                    | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----------------------------------------------------|-------------------------|-------------------------|
| Opening net liability                              | 16.92                   | 10.09                   |
| Expense recognized in statement of profit and loss | 3.46                    | 7.10                    |
| Expense recognized in OCI                          | 1.68                    | (0.21)                  |
| Liability acquired on acquisition                  | -                       | 0.61                    |
| Benefit paid directly by the employer              | (0.18)                  | (0.67)                  |
| <b>Amounts recognized in the balance sheet</b>     | <b>21.88</b>            | <b>16.92</b>            |

#### B Statement of profit & loss

i) Expense recognised in statement of profit or loss

|                                              | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Current service cost                         | 2.77                                 | 1.45                                 |
| Past service cost                            | -                                    | 5.47                                 |
| Net interest cost                            | 1.42                                 | 0.79                                 |
| Expense on acquisition                       | 1.12                                 | (0.61)                               |
| <b>Expenses recognized in profit or loss</b> | <b>5.31</b>                          | <b>7.10</b>                          |

ii) Expense recognised in other comprehensive Income

|                                        | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|----------------------------------------|--------------------------------------|--------------------------------------|
| Remeasurements actuarial (gain) / loss | (1.99)                               | (0.21)                               |
| <b>Net (income)</b>                    | <b>(1.99)</b>                        | <b>(0.21)</b>                        |

In respect of Nazara Technologies FZ LLC, gratuity payable as at 31st March, 2019: Rs 3.53 million and gratuity expense during the year ended 31st March, 2019: Rs (0.025) million

In respect of Nazara Technologies FZ LLC, gratuity payable as at 31st March, 2018: Rs 3.57 million and gratuity expense during the year ended 31st March, 2018: Rs 0.68 million)

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 32 Gratuity and post employment benefits (Contd.)

#### C The principal assumptions used in determining gratuity obligations are shown below:

| Particulars                      | As at<br>March 31, 2019                  | As at<br>March 31, 2018 |
|----------------------------------|------------------------------------------|-------------------------|
| Discount rate                    | 7.07%-7.70%                              | 7.35%-7.56%             |
| Future salary increases          | 10%-15%                                  | 10%-15%                 |
| Salary increase frequency        |                                          |                         |
| Projected benefit obligation     | 6 years                                  | 6 years                 |
| Rate of employee turnover        | 10%-20%                                  | 5%-20%                  |
| Mortality rate during employment | Indian Assured lives Mortality (2006-08) |                         |
| Mortality rate after employment  | NA                                       |                         |

#### D A quantitative sensitivity analysis for significant assumption as at balance sheet date are as shown below:

| Particulars                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------|-------------------------|-------------------------|
| Discount rate (- 1%)          | 4.03                    | 0.90                    |
| Discount rate (+ 1%)          | 2.58                    | (0.81)                  |
| Salary Escalation Rate (- 1%) | 2.67                    | (0.47)                  |
| Salary Escalation Rate (+ 1%) | 3.87                    | 0.50                    |
| Employee turnover (- 1%)      | 3.31                    | 0.18                    |
| Employee turnover (+ 1%)      | 3.20                    | (0.17)                  |

**Methods and assumptions used in preparing sensitivity and their limitations:** The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions being constant. In practice, scenario may involve change in several assumptions where the stressed defined benefit obligation may be significantly impacted.

#### E Maturity analysis of projected benefit obligation

| Particulars             | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------|-------------------------|-------------------------|
| 1st following year      | 4.12                    | 2.02                    |
| 2nd following year      | 2.70                    | 3.06                    |
| 3rd following year      | 2.53                    | 1.94                    |
| 4th following year      | 2.39                    | 1.84                    |
| 5th following year      | 2.27                    | 1.75                    |
| Sum of years to 6 to 10 | 9.94                    | 6.75                    |

### 33 Income tax

#### A Income tax expense in the statement of profit and loss consists of:

|                                                                                       | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Current income tax:</b>                                                            |                                      |                                      |
| Income tax (current year)                                                             | 69.65                                | 143.65                               |
| Income tax (earlier year)                                                             | 17.89                                | 2.02                                 |
| Deferred tax charge/ (credit)                                                         | (38.54)                              | (23.50)                              |
| <b>Income tax expense reported in the statement of profit or loss</b>                 | <b>49.00</b>                         | <b>122.17</b>                        |
| <b>Income tax recognised in other comprehensive income</b>                            |                                      |                                      |
| - Deferred tax arising on income and expense recognised in other comprehensive income | (1.26)                               | 0.06                                 |
| <b>Total</b>                                                                          | <b>47.74</b>                         | <b>122.23</b>                        |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 33 Income tax (Contd.)

**B The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**

|                                                                               | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit before tax                                                             | 92.79                                | 134.28                               |
| Enacted income tax rate in India                                              | 27.82%                               | 34.61%                               |
| Computed expected tax expense                                                 | 25.81                                | 46.48                                |
| Effects of unrecognized deferred tax assets                                   | (1.42)                               | 18.62                                |
| Effect of Profit considered in Rs.                                            | 0.86                                 | -                                    |
| Effects of overseas tax laws                                                  | (23.98)                              | (51.92)                              |
| Effects of differential overseas tax rates                                    | (24.41)                              | (65.95)                              |
| Tax paid at lower rate                                                        | 3.37                                 | 4.67                                 |
| Expenses not allowed for tax purpose                                          | 53.97                                | (11.66)                              |
| Income not considered for tax purpose                                         | (3.56)                               | -                                    |
| Effect of tax paid on dividend received                                       | -                                    | 52.35                                |
| Impact of capital gain on sale of investments                                 | (1.11)                               | (8.46)                               |
| Overseas Tax Incentives                                                       | (0.90)                               | -                                    |
| Utilization of previously unrecognized tax losses                             | (5.26)                               | -                                    |
| Other factor                                                                  | 1.33                                 | -                                    |
| Other premanent differences                                                   | 3.03                                 | 12.17                                |
| Effect of deferred tax on undistributed profit on Subsidiaries and Associates | (0.79)                               | -                                    |
| Tax of earlier years                                                          | 22.06                                | 2.04                                 |
| Exceptional items                                                             | -                                    | 123.83                               |
| <b>Total income tax expense</b>                                               | <b>49.00</b>                         | <b>122.17</b>                        |

### C Deferred tax relates to the following: Balance sheet

|                                                                                                                                 | Balance sheet           |                         |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting  | (7.62)                  | 1.64                    |
| Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis | 35.90                   | 31.10                   |
| Provision for doubtful debts                                                                                                    | 45.93                   | 28.81                   |
| Intangible Assets                                                                                                               | (134.49)                | (169.23)                |
| Deferred tax Liability on Business combination as on acquisition date                                                           | -                       | (2.37)                  |
| Deferred revenue taxed in current year                                                                                          | 0.00                    | 0.57                    |
| Other items giving rise to temporary differences                                                                                | (23.22)                 | (7.73)                  |
| <b>Net deferred tax assets/(liabilities)</b>                                                                                    | <b>(83.50)</b>          | <b>(117.21)</b>         |

### D Reconciliation of deferred tax assets (net):

|                                                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Opening balance as of 1 April                                         | (117.21)                | 40.68                   |
| Tax income/(expense) during the period recognised in profit or loss   | 9.20                    | 23.49                   |
| Tax income/(expense) during the period recognised in OCI              | 1.19                    | 0.07                    |
| Deferred tax Liability created on Intangible assets                   | 29.35                   | (176.08)                |
| Deferred tax Liability on Business combination as on acquisition date | -                       | (2.37)                  |
| Exchange rate diff - due to subsidiaries                              | (6.02)                  | (3.00)                  |
| <b>Closing balance</b>                                                | <b>(83.50)</b>          | <b>(117.21)</b>         |

### E Deferred tax relates to the following: Statement of profit or loss

|                                                                                                                                 | Statement of profit or loss          |                                      |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                                                                 | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting  | (9.26)                               | 0.07                                 |
| Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis | 4.80                                 | 2.69                                 |
| Provision for doubtful debts                                                                                                    | 17.12                                | 17.96                                |
| Reversal fo deferred tax liability on identified assets                                                                         | 34.74                                | 6.84                                 |
| Deferred revenue taxed in current year                                                                                          | 2.37                                 | (1.06)                               |
| Exchange rate difference due to subsidiaries                                                                                    | (0.57)                               | 3.01                                 |
| Other items giving rise to temporary differences                                                                                | (10.68)                              | (6.01)                               |
| <b>Net deferred tax credit/ (charge)</b>                                                                                        | <b>38.54</b>                         | <b>23.49</b>                         |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 33 Income Tax (Contd.)

#### F Note on undistributed profit of subsidiaries

The Group has not recognised deferred tax liability associated with undistributed earnings of its subsidiaries as it cannot control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The taxable temporary differences relating to investment in subsidiaries associated with respect to undistributed earnings for which a deferred tax liability has not been created:

|                                                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Undistributed Earnings                                                | 211.22                  | 94.81                   |
| Unrecognised deferred tax liabilities relating to the above temporary | 29.36                   | 17.68                   |

### 34 Share based payments

- (a) During the year ended 31st March, 2019 ESOP 2016 and ESOP 2017 scheme was in operation.

Under the ESOP 2016, share options of the Company are granted to senior executives of the Company and its subsidiary employees with more than 12 months of service. The share options vest if within one years from the date of grant, the senior executive remains employed on such date. The Company has cross charged the expense at fair value to the Subsidiary in respect of the ESOPS granted to the employee of subsidiary.

The fair value of the share options is estimated at the grant date using black scholes pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted (comprising the vesting period and the exercise period) is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

- (b) The Company has provided the following equity settled share-based payment schemes to its senior management. The details of the ESOP schemes are as follows:

#### **ESOP 2016**

Details of ESOP 2016 are as follows:

| Particulars               |                                                                    |
|---------------------------|--------------------------------------------------------------------|
| Date of grant             | 2nd January, 2017                                                  |
| Date of board approval    | 24th November, 2016                                                |
| Date of member approval   | 26th December, 2016                                                |
| Number of options granted | 59,411 to eligible employees of the Company and subsidiary company |
| Method of settlement      | Equity                                                             |
| Vesting period            | One year                                                           |
| Exercise period           | Five years                                                         |
| Vesting conditions        | 100% vesting after one year                                        |
| Exercise price            | Rs 2,929                                                           |

The details of activity under the scheme 2016 are summarised below:

| Particulars                                                        | March 31, 2019    | March 31, 2018    |
|--------------------------------------------------------------------|-------------------|-------------------|
|                                                                    | Number of options | Number of options |
| Outstanding at the beginning of the year                           | 7,42,638          | 59,411            |
| Adjustment for bonus and subdivision of shares                     | -                 | 6,83,227          |
| Forfeited during the year                                          | -                 | -                 |
| Exercised during the year                                          | 4,99,350          | -                 |
| Outstanding at the end of the year                                 | 2,43,288          | 7,42,638          |
| Exercisable at the end of the year                                 | 2,43,288          | 7,42,638          |
| Weighted average remaining contractual life (in years) at year end | 3.75 years        | 4.75 years        |

- (i) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each and issuance of bonus shares in the ratio of 4:1 with record date of 4th January, 2018.

Pursuant to this, the board of directors approved adjustment to exercise price and number of options to all outstanding stock options.

Accordingly, the outstanding 59,411 employee stock options convertible into equity shares of Rs 10 each were converted into 742,638 employee stock options convertible into 1 equity share of Rs 4 each and exercise price got revised from Rs. 2929 per share to Rs. 234.32 per share.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 34 Share based payments (Contd.)

(ii) There were no cancellations or modifications to the rewards during the year ended 31st March, 2019 and 31st March, 2018.

#### ESOP 2017

Details of ESOP 2017 are as follows:

| Particulars               |                                                         |
|---------------------------|---------------------------------------------------------|
| Date of grant             | 17th January, 2018                                      |
| Date of board approval    | 11th December, 2017                                     |
| Date of member approval   | 15th December, 2017                                     |
| Number of options granted | 562,733 to eligible employees of the subsidiary company |
| Method of settlement      | Equity                                                  |
| Vesting period            | One year                                                |
| Exercise period           | Five years                                              |
| Vesting conditions        | 100% vesting after one year                             |
| Exercise price            | Rs 282.91                                               |

The details of activity under the scheme 2017 are summarised below:

| Particulars                                            | March 31, 2019    | March 31, 2018    |
|--------------------------------------------------------|-------------------|-------------------|
|                                                        | Number of options | Number of options |
| Outstanding at the beginning of the year               | 5,62,733          | -                 |
| Granted during the year                                | -                 | 5,62,733          |
| Forfeited during the year                              | -                 | -                 |
| Exercised during the year                              | -                 | -                 |
| Outstanding at the end of the year                     | 5,62,733          | 5,62,733          |
| Exercisable at the end of the year                     | 5,62,733          | -                 |
| Weighted average remaining contractual life (in years) | 4.75 years        | 5.75 years        |

(c) The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

|                                          | ESOP 2017     | ESOP 2016     |
|------------------------------------------|---------------|---------------|
| Dividend yield (%)                       | 0%            | 0.00%         |
| Expected volatility (%)                  | 23.04%        | 25.00%        |
| Risk free interest rate (%)              | 7.16%         | 6.27%         |
| Spot price (Rs)                          | 563.03        | 4,524.33      |
| Exercise Price (Rs)                      | 282.91        | 2,928.75      |
| Expected life of options granted (years) | 3.5 years     | 3.5 years     |
| Model used                               | Black Scholes | Black Scholes |

The expected life of the share options are based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(d) The expense recognised for employee service received during the year and the related balance sheet impact is shown in the following table:

|                                                                                              | For the period ended<br>March 31, 2019 | For the period ended<br>March 31, 2018 |
|----------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Expense arising from equity-settled share based payment transactions                         | 164.53                                 | 157.59                                 |
|                                                                                              | <b>164.53</b>                          | <b>157.59</b>                          |
| <b>Capital contribution from a shareholder on account of share based payments</b>            |                                        |                                        |
| Share based payment on account of transfer of shares by a shareholder (refer note (i) below) | -                                      | 357.18                                 |
|                                                                                              | -                                      | <b>357.18</b>                          |
| <b>Weighted average Share price for options exercised during the year</b>                    |                                        |                                        |
|                                                                                              | <b>ESOP 2017</b>                       | <b>ESOP 2016</b>                       |
| Weighted average share price                                                                 | -                                      | 547.00                                 |

#### Note:

- During the year ended 31 March, 2018, West Bridge transferred from its shareholding in the Company, 20,519 equity shares to Mr. Nitish Mittersain and 31,748 equity shares to Mr. Manish Agarwal, without consideration, in recognition of their contribution made towards the growth of the Company and preparing the Company for an IPO. In accordance with Ind AS 102 "Share based payments", the Company has recorded in the financial statements for the year ended 31 March, 2018, exceptional employee benefit expense of Rs 357.18 million represented by the fair value of the shares transferred by West Bridge, with a corresponding credit to equity as contribution from shareholder.
- During the year ended March 31, 2018, the Holding Company granted 562,733 stock options to the KMP's of its subsidiary Nextwave Multimedia Private Limited. In accordance with Ind AS 102 "Share based payments" an amount of Rs 164.53 million (2018- Rs. 41.13 million) is recorded represented by the proportionate fair value of the above grant.

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 35 Segment information

#### A Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Group. The Group has identified the following segments as reporting segments based on the information reviewed by CODM:

1. subscription business comprising of Subscription/download of games/other contents business and other businesses having less than 10% group revenue
2. Freemium business comprising of advertising services
3. E-sports business comprising of e-sports events, sponsorship and media rights licensing marketing

#### B Segment revenue and Segment Results

| Description                                             | As at and for the year ended March 31, 2019     |                   |                                                              |          | As at and for the year ended March 31, 2018     |                   |                                                              |          |
|---------------------------------------------------------|-------------------------------------------------|-------------------|--------------------------------------------------------------|----------|-------------------------------------------------|-------------------|--------------------------------------------------------------|----------|
|                                                         | Subscription / download of games/other contents | Freemium business | Business of organising events including e-sports tournaments | Total    | Subscription / download of games/other contents | Freemium business | Business of organising events including e-sports tournaments | Total    |
| <b>Revenue</b>                                          | 939.85                                          | 240.38            | 491.66                                                       | 1,671.89 | 1,517.01                                        | 152.06            | 36.40                                                        | 1,705.47 |
| Results:                                                | -                                               | -                 | -                                                            | -        | -                                               | -                 | -                                                            | -        |
| Segment results                                         | 394.18                                          | (103.76)          | 5.78                                                         | 296.20   | 716.52                                          | (52.48)           | (4.95)                                                       | 659.10   |
| Unallocated corporate expense                           | -                                               | -                 | -                                                            | (357.00) | -                                               | -                 | -                                                            | (264.94) |
| Other income                                            | -                                               | -                 | -                                                            | 163.08   | -                                               | -                 | -                                                            | 98.18    |
| <b>Profit before exceptional item and tax</b>           | -                                               | -                 | -                                                            | 102.28   | -                                               | -                 | -                                                            | 492.35   |
| Share of net (loss) of associate by using equity method | -                                               | -                 | -                                                            | (9.47)   | -                                               | -                 | -                                                            | (0.63)   |
| Exceptional item                                        | -                                               | -                 | -                                                            | -        | -                                               | -                 | -                                                            | (357.18) |
| <b>Profit before tax</b>                                | -                                               | -                 | -                                                            | 92.81    | -                                               | -                 | -                                                            | 134.53   |
| Tax expense                                             | -                                               | -                 | -                                                            | 49.00    | -                                               | -                 | -                                                            | 122.16   |
| <b>Profit for the year</b>                              | -                                               | -                 | -                                                            | 43.81    | -                                               | -                 | -                                                            | 12.37    |
| <b>Segment assets</b>                                   | 2,054.50                                        | 573.71            | 1317.31                                                      | 3945.58  | 1,898.47                                        | 627.01            | 1,231.58                                                     | 3,757.03 |
| Unallocated corporate assets                            | -                                               | -                 | -                                                            | 1268.02  | -                                               | -                 | -                                                            | 988.97   |
| <b>Total assets</b>                                     | -                                               | -                 | -                                                            | 5,213.60 | -                                               | -                 | -                                                            | 4,746.00 |
| <b>Segment liabilities</b>                              | 197.66                                          | 55.95             | 201.71                                                       | 455.32   | 269.92                                          | 227.64            | 164.26                                                       | 661.82   |
| Unallocated corporate liabilities                       | -                                               | -                 | -                                                            | 269.68   | -                                               | -                 | -                                                            | 101.92   |
| <b>Total liabilities</b>                                | -                                               | -                 | -                                                            | 725.00   | -                                               | -                 | -                                                            | 763.74   |
| <b>Other disclosures</b>                                | -                                               | -                 | -                                                            | -        | -                                               | -                 | -                                                            | -        |
| Investments in an associate                             | -                                               | -                 | -                                                            | 303.12   | -                                               | -                 | -                                                            | 22.10    |
| Depreciation                                            | -                                               | -                 | -                                                            | 135.22   | -                                               | -                 | -                                                            | 42.17    |

#### Note

- 1 There is no inter segment revenue and entire revenue is from external customers only.

#### Reconciliation of assets:

| Description                         | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------------|----------------------|----------------------|
| <b>Segment assets</b>               | <b>3945.58</b>       | <b>3,757.03</b>      |
| <b>Non-current assets</b>           |                      |                      |
| Property, plant and equipment       | 2.40                 | 5.02                 |
| Intangible assets                   | 3.33                 | 7.44                 |
| Intangible assets under development | -                    | -                    |
| Investment                          | 287.45               | -                    |
| Financial assets                    | -                    | -                    |
| Loans and deposits                  | 13.58                | 13.67                |
| Other financial assets              | -                    | 1.79                 |
| Deferred tax assets                 | 22.96                | 25.66                |
| Other non-current assets            | 63.67                | 16.03                |
| <b>Current assets</b>               |                      |                      |
| Financial assets                    | -                    | -                    |
| Investments                         | 801.52               | 837.12               |
| Cash and cash equivalents           | 28.61                | 25.46                |
| Loans and deposits                  | -                    | 1.82                 |
| Other financial assets              | 2.53                 | 37.25                |
| Other current Assets                | 41.99                | 17.70                |
| <b>Total assets</b>                 | <b>5,213.60</b>      | <b>4,746.00</b>      |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 35 Segment information (Contd.)

#### Reconciliation of liabilities:

| Description                    | As at<br>March 31, 2019 | As at<br>March 31, 2017 |
|--------------------------------|-------------------------|-------------------------|
| <b>Segment liabilities</b>     | <b>455.32</b>           | <b>661.82</b>           |
| <b>Non-current liabilities</b> |                         |                         |
| Provisions                     | 15.68                   | 14.03                   |
| 'Other financial liabilities   | 68.16                   | -                       |
| Deferred tax assets (net)      | 134.49                  | -                       |
| <b>Current liabilities</b>     |                         |                         |
| Financial liabilities          |                         |                         |
| Trade payables                 | 23.65                   | 51.33                   |
| Other current liabilities      | 24.89                   | 22.50                   |
| Provisions                     | 2.81                    | 2.78                    |
| Current tax liabilities (net)  | -                       | 11.28                   |
| <b>Total liabilities</b>       | <b>725.00</b>           | <b>763.74</b>           |

#### (a) Revenue from External Customers

| Segment Revenue      | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|----------------------|--------------------------------------|--------------------------------------|
| India                | 482.79                               | 319.14                               |
| Iran                 | -                                    | 269.45                               |
| Middle east          | 216.19                               | 325.39                               |
| Africa               | 325.51                               | 346.76                               |
| Rest of the world    | 647.40                               | 444.73                               |
| <b>Total revenue</b> | <b>1,671.89</b>                      | <b>1,705.47</b>                      |

#### (b) Carrying amount of segment assets and addition to fixed assets and intangible assets

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located.

| Particulars       | Carrying amount of<br>segment assets | Addition to<br>fixed assets and<br>intangible assets | Carrying amount<br>of segment<br>assets | Addition to<br>fixed assets and<br>intangible assets |
|-------------------|--------------------------------------|------------------------------------------------------|-----------------------------------------|------------------------------------------------------|
|                   | As at March 31, 2019                 |                                                      | As at March 31, 2018                    |                                                      |
| India             | 2,609.88                             | 28.00                                                | 2,745.95                                | 1,332.82                                             |
| Iran              | -                                    | -                                                    | 137.74                                  | -                                                    |
| Middle east       | 797.51                               | 0.32                                                 | 675.30                                  | 0.04                                                 |
| Africa            | 1,301.92                             | 25.29                                                | 726.02                                  | -                                                    |
| Rest of the world | 370.89                               | 5.31                                                 | 338.57                                  | -                                                    |
| <b>Total</b>      | <b>5,080.19</b>                      | <b>58.92</b>                                         | <b>4,623.57</b>                         | <b>1,332.86</b>                                      |

### 36 Financial assets and financial liabilities

#### A Financial assets at fair value

| Particulars                                           | Carrying value          |                         | Fair value              |                         |
|-------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                       | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Investments in mutual fund                            | 696.22                  | 806.57                  | 696.22                  | 806.57                  |
| Investments in tax free bonds                         | 60.34                   | 60.99                   | 60.34                   | 60.99                   |
| Investments in convertible preference shares          | 21.97                   | 19.72                   | 21.97                   | 19.72                   |
| Investment in Halaplay Technologies Private Limited   | -                       | 4.01                    | -                       | 4.01                    |
| Investment in Instasportz Consultancy Private Limited | 10.00                   | -                       | 10.00                   | -                       |
| Investment in Moonglab Technologies Private Limited   | 7.50                    | 5.00                    | 7.50                    | 5.00                    |
| Investment in Afk Gaming Private Limited              | 5.75                    | 5.75                    | 5.75                    | 5.75                    |
| <b>Total</b>                                          | <b>801.78</b>           | <b>902.04</b>           | <b>801.78</b>           | <b>902.04</b>           |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 36 Financial assets and financial liabilities (Contd.)

#### Financial assets and liabilities at amortised cost

| Particulars                                   | Carrying value          |                         | Amortised Cost          | Amortised cost          |
|-----------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                               | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Financial assets - Non-current</b>         |                         |                         |                         |                         |
| Security deposits                             | 15.92                   | 16.05                   | 15.92                   | 16.05                   |
| Fixed deposits with bank and interest accrued | -                       | 1.79                    | -                       | 1.79                    |
| Investments in debentures                     | 86.96                   | 81.37                   | <b>84.30</b>            | 78.31                   |
| <b>Financial assets - current</b>             |                         |                         |                         |                         |
| Trade receivable                              | 456.02                  | 430.96                  | 456.02                  | 430.96                  |
| Cash and cash equivalents                     | 532.62                  | 885.85                  | 532.62                  | 885.85                  |
| Other bank balances                           | 800.06                  | 289.08                  | 800.06                  | 289.08                  |
| Investments in debentures                     | 83.01                   | -                       | 83.01                   | -                       |
| Security deposits and loan to employees       | 8.06                    | 1.82                    | 8.06                    | 1.82                    |
| Other financial assets                        | 404.70                  | 381.45                  | 404.70                  | 381.45                  |
| <b>Total assets</b>                           | <b>2,387.35</b>         | <b>2,088.37</b>         | <b>2,384.69</b>         | <b>2,085.31</b>         |
| <b>Financial liabilities - Non-current</b>    |                         |                         |                         |                         |
| Borrowings                                    | -                       | 0.20                    | -                       | 0.20                    |
| <b>Financial liabilities - current</b>        |                         |                         |                         |                         |
| Trade payable                                 | 370.20                  | 287.87                  | 370.20                  | 287.87                  |
| Other financial liabilities                   | 49.51                   | 53.24                   | 49.51                   | 53.24                   |
| <b>Total liabilities</b>                      | <b>419.70</b>           | <b>341.32</b>           | <b>419.70</b>           | <b>341.32</b>           |

#### Notes:

- 1) The management assessed that fair values of cash and cash equivalents, trade receivables, short term borrowings, trade payables, interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. Their fair values of the remaining FVTPL financial asset are derived from quoted market price in active markets
- 2) The fair values of security deposits and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

### 36B Fair value hierarchy

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

#### i) Level 1

quoted (unadjusted) prices in active markets for identical assets or liabilities.

#### ii) Level 2

other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

#### iii) Level 3

techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data. The following table provides the fair value measurements hierarchy of the Group's assets and liabilities.

#### I The carrying amount and fair value measurement hierarchy for assets as at March 31, 2019 is as follow

| Particulars                                           | Carrying Value | Fair Value    | Date of Valuation | Fair value measurement using             |                                         |                                           | Total         |
|-------------------------------------------------------|----------------|---------------|-------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|---------------|
|                                                       |                |               |                   | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |               |
| Investments in convertible preference shares          | 21.97          | 21.97         | March 31, 2019    | -                                        | -                                       | 21.97                                     | 21.97         |
| Investments in mutual fund                            | 696.22         | 696.22        | March 31, 2019    | 696.22                                   | -                                       | -                                         | 696.22        |
| Investments in tax free bonds                         | 60.34          | 60.34         | March 31, 2019    | 60.34                                    | -                                       | -                                         | 60.34         |
| Investment in Instasportz Consultancy Private Limited | 10.00          | 10.00         | March 31, 2019    | -                                        | -                                       | 10.00                                     | 10.00         |
| Investment in Moonglab Technologies Private Limited   | 7.50           | 7.50          | March 31, 2019    | -                                        | -                                       | 7.50                                      | 7.50          |
| Investment in Afk Gaming Private Limited              | 5.75           | 5.75          | March 31, 2019    | -                                        | -                                       | 5.75                                      | 5.75          |
| <b>Total</b>                                          | <b>801.78</b>  | <b>801.78</b> |                   | <b>756.56</b>                            | <b>-</b>                                | <b>45.22</b>                              | <b>801.78</b> |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 36B Fair value hierarchy (Cont'd)

#### II The carrying amount and fair value measurement hierarchy for assets as at March 31, 2018 is as follow

| Particulars                                         | Carrying Value | Fair Value    | Date of Valuation | Fair value measurement using             |                                         |                                           | Total         |
|-----------------------------------------------------|----------------|---------------|-------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|---------------|
|                                                     |                |               |                   | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |               |
| Investments in convertible preference shares        | 19.72          | 19.72         | March 31, 2018    | -                                        | -                                       | 19.72                                     | 19.72         |
| Investments in mutual fund                          | 806.57         | 806.57        | March 31, 2018    | 806.57                                   | -                                       | -                                         | 806.57        |
| Investments in tax free bonds                       | 60.99          | 60.99         | March 31, 2018    | 60.99                                    | -                                       | -                                         | 60.99         |
| Investment in Halaplay Technologies Private Limited | 4.01           | 4.01          | March 31, 2018    | -                                        | -                                       | 4.01                                      | 4.01          |
| Investment in Moonglab Technologies Private Limited | 5.00           | 5.00          | March 31, 2018    | -                                        | -                                       | 5.00                                      | 5.00          |
| Investment in Afk Gaming Private Limited            | 5.75           | 5.75          | March 31, 2018    | -                                        | -                                       | 5.75                                      | 5.75          |
| <b>Total</b>                                        | <b>902.04</b>  | <b>902.04</b> |                   | <b>867.56</b>                            | <b>-</b>                                | <b>34.48</b>                              | <b>902.04</b> |

#### III The carrying amount and fair value measurement hierarchy for liabilities as at March 31, 2019:

| Particulars                                                | Carrying Value | Fair Value   | Date of Valuation | Fair value measurement using             |                                         |                                           | Total        |
|------------------------------------------------------------|----------------|--------------|-------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|--------------|
|                                                            |                |              |                   | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |              |
| Non-controlling interest put options and other liabilities | 68.16          | 68.16        | March 31, 2019    | -                                        | -                                       | 68.16                                     | 68.16        |
| <b>Total</b>                                               | <b>68.16</b>   | <b>68.16</b> |                   | <b>-</b>                                 | <b>-</b>                                | <b>68.16</b>                              | <b>68.16</b> |

#### IV The carrying amount and fair value measurement hierarchy for liabilities as at March 31, 2018:

| Particulars                                                | Carrying Value | Fair Value    | Date of Valuation | Fair value measurement using             |                                         |                                           | Total         |
|------------------------------------------------------------|----------------|---------------|-------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|---------------|
|                                                            |                |               |                   | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |               |
| Non-controlling interest put options and other liabilities | 129.86         | 129.86        | March 31, 2018    | -                                        | -                                       | 129.86                                    | 129.86        |
| <b>Total</b>                                               | <b>129.86</b>  | <b>129.86</b> |                   | <b>-</b>                                 | <b>-</b>                                | <b>129.86</b>                             | <b>129.86</b> |

(Rupees in million)

#### V Assets measured at amortized cost

| Particulars                                                                                                  | Asset measured at amortised cost for which fair value is disclosed |                                          |                                         |                                           |        |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------|-----------------------------------------|-------------------------------------------|--------|
|                                                                                                              | Date of Valuation                                                  | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total  |
| Investments in debentures                                                                                    | March 31, 2019                                                     | 167.31                                   | -                                       | -                                         | 167.31 |
| Investments in debentures                                                                                    | March 31, 2018                                                     | 78.31                                    | -                                       | -                                         | 78.31  |
| There have been no transfer between Level 1,2 and 3 during the period 31st March, 2019 and 31st March, 2018. |                                                                    |                                          |                                         |                                           |        |

#### Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about significant unobservable inputs used in level 3 fair value measurement:

|                                                                       | Valuation technique | Significant unobservable inputs                            | Range (weighted average) | Sensitivity of the input to fair value                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------|---------------------|------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                       | March 31, 2019      |                                                            |                          |                                                                                                                                                                                                                                                                     |
| Unquoted convertible preference shares of Investments in Hashcube Inc | DCF method          | Long-term growth rate for cash flows for subsequent years. | 1.5% - 2.5%              | A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by ₹ 3.69 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by ₹ 4.56 million.        |
|                                                                       |                     | WACC                                                       | 10.87% - 11.87%          |                                                                                                                                                                                                                                                                     |
| Investment in Moonglab Technologies Private Limited                   | DCF method          | Long-term growth rate for cash flows for subsequent years. | 2.5% - 3.5%              | A 0.50 bps decrease in growth rate with a 0.50 bps increase in discount rate would reduce the Fair Value by ₹ 1.17 million; and an increase in growth rate by 0.50 bps with a decrease in discount rate by 0.50 bps would increase the fair value by ₹ 1.27 million |
|                                                                       |                     | WACC                                                       | 28.31% - 29.31%          |                                                                                                                                                                                                                                                                     |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 36B Fair value hierarchy (Cont'd)

|                                                                                                   |            |                                                            |                 |                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment in Instasportz Consultancy Private Limited                                             | DCF method | Long-term growth rate for cash flows for subsequent years. | 7.5% - 8.5%     | A 0.50 bps decrease in growth rate with a 0.50 bps increase in discount rate would reduce the Fair Value by ₹ 5.97 million; and an increase in growth rate by 0.50 bps with a decrease in discount rate by 0.50 bps would increase the fair value by ₹ 6.87 million. |
|                                                                                                   |            | WACC                                                       | 14.50% - 15.50% |                                                                                                                                                                                                                                                                      |
| Non-controlling interest put options and other liabilities in Nextwave Multimedia Private Limited | WACC       |                                                            | 10.00 - 11.00%  | A 50 bps decrease in discount rate would increase the fair value by Rs 0.63 million; and an increase in discount rate by 50 bps would decrease the fair value by Rs 0.62 million.                                                                                    |
| <b>March 31, 2018</b>                                                                             |            |                                                            |                 |                                                                                                                                                                                                                                                                      |
| Unquoted convertible preference shares of Investements in Hashcube Inc                            | DCF method | Long-term growth rate for cash flows for subsequent years. | 4.5% - 5.5%     | A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs 26.45 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs 36.04 million.     |
|                                                                                                   |            | WACC                                                       | 11% -12%        |                                                                                                                                                                                                                                                                      |
| Investment in Halaplay Technologies Private Limited                                               | DCF method | Long-term growth rate for cash flows for subsequent years. | 7.29% - 8.03%   | A 36 bps decrease in growth rate with a 49 bps increase in discount rate would reduce the Fair Value by Rs 8.3 million; and an increase in growth rate by 38 bps with a decrease in discount rate by 48 bps would increase the fair value by Rs 9.6 million.         |
|                                                                                                   |            | WACC                                                       | 19.19% - 20.16% |                                                                                                                                                                                                                                                                      |
| Investment in Moonglab Technologies Private Limited                                               | DCF method | Long-term growth rate for cash flows for subsequent years. | 4.5% - 5.5%     | A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs 1.77 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs 2.02 million        |
|                                                                                                   |            | WACC                                                       | 19.50% - 20.50% |                                                                                                                                                                                                                                                                      |
| Non-controlling interest put options and other liabilities in Nextwave Multimedia Private Limited | DCF method | WACC                                                       | 10.00% - 11.00% | A 50 bps decrease in discount rate would increase the fair value by Rs 1.02 million; and an increase in discount rate by 50 bps would decrease the fair value by Rs 1.00 million.                                                                                    |

### 37 Financial risk management objectives and policies

The Company's principal financial liabilities include trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds and debt.

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

#### 1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, mutual funds and debt investments.

The sensitivity analyses in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

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

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2019 and 31st March, 2018.

#### 1(A) Equity/ Investment price risk

The Company has made several strategic investments (including unlisted subsidiaries, associates and other investee companies). Some of these are startups (early stage) companies whereas others are in their growth phase.

These unlisted investments are susceptible to market price risks (impairment) arising from uncertainties about the time of the gaming industry in India and globally, which could impact their recoverable values. The Company manages the equity price risk through diversification and invests across several gaming companies. The Company's Board of Directors review and approve all such investments. At the reporting date, the exposure to unlisted equity securities have been provided in Note 6

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 37 Financial risk management objectives and policies (Cont'd)

#### 1(B) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

#### (i) Forward Contract (Derivatives):

One of the subsidiary of the Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade payables details of which are given below:

Forward contract outstanding as at balance sheet date:

March 31, 2019 Buy US \$ Nil

Hedging of creditors

March 31, 2018 Buy US \$ Nil

Hedging of creditors

#### (ii) Amounts receivable in foreign currency on account of the following:

| Currency | Particulars             | As at<br>March 31, 2019 |           | As at<br>March 31, 2018 |           |
|----------|-------------------------|-------------------------|-----------|-------------------------|-----------|
|          |                         | Amt in FC               | Amt in Rs | Amt in FC               | Amt in Rs |
| USD      | Cash and bank balances  | 5.63                    | 391.06    | 4.74                    | 308.01    |
|          | Trade receivable        | 3.02                    | 209.09    | 2.18                    | 141.07    |
|          | Other current assets    | 3.58                    | 248.62    | 2.08                    | 135.13    |
|          | Security deposits       | -                       | -         | 0.03                    | 2.06      |
|          | Non-current investments | -                       | -         | 0.65                    | 42.45     |
| AED      | Trade receivable        | 1.87                    | 144.13    | -                       | -         |
|          | Cash and bank balances  | 31.65                   | 598.49    | 21.26                   | 375.98    |
|          | Trade receivable        | 1.38                    | 26.01     | 2.82                    | 49.90     |
|          | Other current assets    | 4.36                    | 82.52     | 9.29                    | 164.35    |
|          | Security deposits       | 0.02                    | 0.34      | 0.02                    | 0.32      |
| IRR      | Non-current investments | -                       | -         | 4.60                    | 81.37     |
|          | Trade receivable        | -                       | -         | 91,333.43               | 109.60    |
| NGN      | Other current assets    | -                       | -         | 15,664.26               | 18.80     |
|          | Cash and bank balances  | 212.03                  | 40.90     | 155.09                  | 27.98     |
| KES      | Trade receivable        | 161.32                  | 31.12     | 36.02                   | 6.50      |
|          | Other current assets    | 252.52                  | 48.71     | 258.28                  | 46.59     |
| ZMW      | Cash and bank balances  | 234.19                  | 161.36    | 486.52                  | 313.08    |
|          | Trade receivable        | 2.31                    | 1.59      | 4.39                    | 2.83      |
| UGX      | Other current assets    | 24.67                   | 17.00     | 16.24                   | 10.45     |
|          | Cash and bank balances  | 0.64                    | 3.62      | 0.11                    | 0.76      |
| BDT      | Trade receivable        | 0.27                    | 1.53      | 0.28                    | 1.90      |
|          | Other current assets    | 0.23                    | 1.31      | 0.11                    | 0.75      |
| BDT      | Cash and bank balances  | 471.35                  | 8.81      | 291.20                  | 5.13      |
|          | Trade receivable        | -                       | -         | 99.46                   | 1.75      |
| BDT      | Other current assets    | 171.57                  | 3.21      | 124.36                  | 2.19      |
|          | Cash and bank balances  | 35.94                   | 29.66     | 36.11                   | 28.26     |
| BDT      | Trade receivable        | 3.76                    | 3.10      | 1.79                    | 1.40      |
|          | Other current assets    | 14.71                   | 12.14     | 16.68                   | 13.06     |
|          |                         |                         | 2,064.32  |                         | 1,891.67  |

#### (iii) Amounts payable in foreign currency on account of the following:

| Currency | Particulars   | As at<br>March 31, 2019 |           | As at<br>March 31, 2018 |           |
|----------|---------------|-------------------------|-----------|-------------------------|-----------|
|          |               | Amt in FC               | Amt in Rs | Amt in FC               | Amt in Rs |
| USD      | Trade payable | 1.73                    | 120.17    | 1.56                    | 99.75     |
| EUR      | Trade payable |                         |           |                         |           |
| SGD      | Trade payable | 0.01                    | 0.54      | -                       | -         |
| GBP      | Trade payable | 0.00                    | 0.18      | -                       | -         |
| AED      | Trade payable | 0.92                    | 17.46     | 1.85                    | 32.17     |
| NGN      | Trade payable | 11.52                   | 2.22      | 46.92                   | 8.31      |
| KES      | Trade payable | 6.46                    | 4.45      | 58.98                   | 36.47     |
| ZMW      | Trade payable | 0.12                    | 0.71      | 0.88                    | 5.62      |
| UGX      | Trade payable | 30.56                   | 0.57      | 91.21                   | 1.60      |
| BDT      | Trade payable | 0.74                    | 0.61      | 0.64                    | 0.49      |
|          |               |                         | 146.90    |                         | 184.41    |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 37 Financial risk management objectives and policies (Cont'd)

#### Foreign currency sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax

| Currency         | March 31, 2019 |                | March 31, 2018 |                |
|------------------|----------------|----------------|----------------|----------------|
|                  | 5% increase    | 5% decrease    | 5% increase    | 5% decrease    |
| USD              | 2.65           | (2.65)         | 2.17           | (2.17)         |
| NPR              | 0.88           | (0.88)         |                |                |
| EUR              | 7.40           | (7.40)         |                |                |
| AED              |                |                | 1.85           | (1.85)         |
| BDT              | 0.40           | (0.40)         | 0.38           | (0.38)         |
| LKR              | 0.26           | (0.26)         | 0.56           | (0.56)         |
| IRR              |                |                | 6.42           | (6.42)         |
| IDR              | 0.29           | (0.29)         | 2.14           | (2.14)         |
| Other currencies | 0.38           | (0.38)         | 0.29           | (0.29)         |
| <b>Total</b>     | <b>12.27</b>   | <b>(12.27)</b> | <b>13.81</b>   | <b>(13.81)</b> |

5% increase or decrease in foreign exchange rates will have the following impact on equity

| Currency     | March 31, 2019 |                 | March 31, 2018 |                |
|--------------|----------------|-----------------|----------------|----------------|
|              | 5% increase    | 5% decrease     | 5% increase    | 5% decrease    |
| USD          | 36.43          | (36.43)         | 27.06          | (27.06)        |
| IRR          |                |                 | 6.42           | (6.42)         |
| EUR          | 7.21           | (7.21)          |                |                |
| SGD          | (0.03)         | 0.03            |                |                |
| GBP          | (0.01)         | 0.01            |                |                |
| AED          | 34.49          | (34.49)         | 32.55          | (32.55)        |
| NGN          | 13.23          | (13.23)         | 3.53           | (3.53)         |
| KES          | 8.77           | (8.77)          | 14.92          | (14.92)        |
| ZMW          | 0.29           | (0.29)          | 0.15           | (0.15)         |
| UGX          | 0.57           | (0.57)          | 0.37           | (0.37)         |
| BDT          | 2.21           | (2.21)          | 2.12           | (2.12)         |
| <b>Total</b> | <b>103.17</b>  | <b>(103.17)</b> | <b>87.11</b>   | <b>(87.11)</b> |

### 2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Exposure to credit risk

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

#### Trade receivables

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account factors such as default risk of industry, historical experience for customers etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

At March 31, 2019 and March 31, 2018 receivable (including unbilled) from Group's top 5 customers accounted for approximately 40.61% and 38.13%, respectively of all the receivables (including unbilled) outstanding. As at March 31, 2019 receivable (including unbilled) from one top customer accounted for 14.10% ( March 31, 2018 17.16%) of all receivable (including unbilled) outstanding. An impairment analysis is performed at each reporting date on an individual basis based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 36.A The Group does not hold collateral as security.

The Group evaluates that there exists concentration of risk with respect to trade receivables due to its dependency on a limited number of customers for a significant portion of receivables outstanding.

The inability to recover the amount payable by such top customers may have an adverse impact on their recoverability.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in 36A.

### 3) Liquidity risk

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

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 37 Financial risk management objectives and policies (Cont'd)

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| As at March 31, 2019        | Less than 1 year | 1 to 5 years | More than 5 years | Total         |
|-----------------------------|------------------|--------------|-------------------|---------------|
| Borrowings                  |                  | -            | -                 | -             |
| Trade payables              | 370.20           | -            | -                 | 370.20        |
| Other financial liabilities | 49.51            | -            | -                 | 49.51         |
| <b>Total</b>                | <b>419.70</b>    | <b>-</b>     | <b>-</b>          | <b>419.70</b> |

| As at March 31, 2018        | Less than 1 year | 1 to 5 years | More than 5 years | Total         |
|-----------------------------|------------------|--------------|-------------------|---------------|
| Trade payables              | 287.87           | -            | -                 | 287.87        |
| Other financial liabilities | 53.24            | -            | -                 | 53.24         |
| <b>Total</b>                | <b>341.11</b>    | <b>-</b>     | <b>-</b>          | <b>341.11</b> |

### 38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary purpose is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital structure is governed by policies approved by Board of Directors and is monitored by various matrices, funding requirements are reviewed periodically.

### 39 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

### 40 Disclosure as per Schedule III of the Companies Act 2013

Statement showing shares of entities in consolidated net assets and consolidated statement of profit and loss as at and for the year ended March 31, 2019

| Name of the entity in the Group                                | Net assets i.e. total assets minus total liabilities |                 | Share in profit and loss    |               | Share in total comprehensive income / loss |               |
|----------------------------------------------------------------|------------------------------------------------------|-----------------|-----------------------------|---------------|--------------------------------------------|---------------|
|                                                                | As % of consolidated net assets                      | Amount          | As % of consolidated profit | Amount        | As % of consolidated profit                | Amount        |
| <b>(A) Holding company</b>                                     |                                                      |                 |                             |               |                                            |               |
| Nazara Technologies Limited, India                             | 42.04%                                               | 1,737.94        | 20.13%                      | 21.81         | 20.22%                                     | 21.85         |
| <b>(B) Subsidiaries</b>                                        |                                                      |                 |                             |               |                                            |               |
| Nazara Technologies FZ LLC, Dubai                              | 16.74%                                               | 692.08          | 79.57%                      | 86.20         | 79.77%                                     | 86.20         |
| Nazara Pte Ltd, Singapore                                      | 6.69%                                                | 276.55          | 67.01%                      | 72.60         | 68.01%                                     | 73.49         |
| Nazara Pro Gaming Private Limited (from 16th May, 2017)        | 0.00%                                                | 0.07            | -0.02%                      | (0.03)        | -0.02%                                     | (0.03)        |
| Nextwave Multimedia Private Limited (from 12th December, 2017) | 3.85%                                                | 159.21          | -86.52%                     | (93.74)       | -86.73%                                    | (93.72)       |
| Nodwin Gaming Private Limited (10th January, 2018)             | 9.28%                                                | 383.50          | -50.03%                     | (54.20)       | -51.30%                                    | (55.44)       |
| <b>(C) Stepdown subsidiaries</b>                               |                                                      |                 |                             |               |                                            |               |
| Nazara Technologies, Mauritius                                 | 20.37%                                               | 842.01          | 94.07%                      | 101.92        | 94.31%                                     | 101.92        |
| Nzmobile Nigeria Limited, Nigeria                              | -1.07%                                               | (44.04)         | -4.19%                      | (4.54)        | -4.20%                                     | (4.54)        |
| Nzmobile Kenya Limited, Kenya                                  | 2.80%                                                | 115.55          | 2.54%                       | 2.75          | 2.54%                                      | 2.75          |
| Nazara Zambia Limited, Zambia                                  | -0.07%                                               | (2.72)          | -1.46%                      | (1.58)        | -1.46%                                     | (1.58)        |
| Nazara Uganda Limited, Uganda                                  | -0.06%                                               | (2.49)          | 0.41%                       | 0.45          | 0.42%                                      | 0.45          |
| Nazara Bangladesh Limited, Bangladesh                          | -0.06%                                               | (2.29)          | -1.63%                      | (1.77)        | -1.64%                                     | (1.77)        |
| Nzworld Kenya Limited                                          | -0.29%                                               | (11.95)         | -11.14%                     | (12.07)       | -11.16%                                    | (12.07)       |
| <b>(D) Associate of subsidiary</b>                             |                                                      |                 |                             |               |                                            |               |
| Mastermind Sports Limited (from 22nd May, 2017)                | 0.01%                                                | 0.26            | 0.24%                       | 0.26          | 0.24%                                      | 0.26          |
| <b>(E) Associate of Holding Company</b>                        |                                                      |                 |                             |               |                                            |               |
| Crimzone Code Pvt Ltd (from 6th June, 2018)                    | -0.08%                                               | (3.35)          | -3.09%                      | (3.35)        | -3.10%                                     | (3.35)        |
| Halaplay Technologies Pvt Ltd (from 1st March, 2019)           | -0.15%                                               | (6.38)          | -5.89%                      | (6.38)        | -5.90%                                     | (6.38)        |
| <b>Total</b>                                                   | <b>100.00%</b>                                       | <b>4,133.96</b> | <b>100.00%</b>              | <b>108.34</b> | <b>100.00%</b>                             | <b>108.07</b> |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 40 Disclosure as per Schedule III of the Companies Act 2013 (Cont'd)

Statement showing shares of entities in consolidated net assets and consolidated statement of profit and loss as at and for the year ended March 31, 2018

| Name of the entity in the Group                                | Net assets i.e. total assets minus total liabilities |                 | Share in profit and loss    |              | Share in total comprehensive income / loss |              |
|----------------------------------------------------------------|------------------------------------------------------|-----------------|-----------------------------|--------------|--------------------------------------------|--------------|
|                                                                | As % of consolidated net assets                      | Amount          | As % of consolidated profit | Amount       | As % of consolidated profit                | Amount       |
| <b>(A) Holding company</b>                                     |                                                      |                 |                             |              |                                            |              |
| Nazara Technologies Limited, India                             | 42.70%                                               | 1,520.96        | -1534.89%                   | (427.81)     | -1597.52%                                  | (428.84)     |
| <b>(B) Subsidiaries</b>                                        |                                                      |                 |                             |              |                                            |              |
| Nazara Technologies FZ LLC, Dubai                              | 17.10%                                               | 609.17          | 570.27%                     | 158.95       | 592.12%                                    | 158.95       |
| Nazara Pte Ltd, Singapore                                      | 5.33%                                                | 189.96          | 277.38%                     | 77.31        | 288.01%                                    | 77.31        |
| Nazara Pro Gaming Private Limited (from 16th May, 2017)        | 0.00%                                                | 0.11            | -                           | -            | 0.00%                                      | -            |
| Nextwave Multimedia Private Limited (from 12th December, 2017) | 3.58%                                                | 127.64          | -54.64%                     | (15.23)      | -56.74%                                    | (15.23)      |
| Nodwin Gaming Private Limited (10th January, 2018)             | 10.58%                                               | 376.91          | -7.69%                      | (2.14)       | -7.99%                                     | (2.14)       |
| <b>(C) Stepdown subsidiaries</b>                               |                                                      |                 |                             |              |                                            |              |
| Nazara Technologies, Mauritius                                 | 8.15%                                                | 290.43          | 731.19%                     | 203.80       | 759.20%                                    | 203.80       |
| Nzmobile Nigeria Limited, Nigeria                              | 3.24%                                                | 115.39          | -16.32%                     | (4.55)       | -16.94%                                    | (4.55)       |
| Nzmobile Kenya Limited, Kenya                                  | 7.95%                                                | 283.16          | 143.44%                     | 39.98        | 148.93%                                    | 39.98        |
| Nazara Zambia Limited, Zambia                                  | 0.06%                                                | 2.03            | 5.20%                       | 1.45         | 5.40%                                      | 1.45         |
| Nazara Uganda Limited, Uganda                                  | 0.21%                                                | 7.40            | 1.17%                       | 0.33         | 1.21%                                      | 0.33         |
| Nazara Bangladesh Limited, Bangladesh                          | 1.11%                                                | 39.64           | -12.86%                     | (3.59)       | -13.36%                                    | (3.59)       |
| <b>(D) Associate of subsidiary</b>                             |                                                      |                 |                             |              |                                            |              |
| Mastermind Sports Limited (from 22nd May, 2017)                | -0.02%                                               | (0.63)          | -2.25%                      | (0.63)       | -2.34%                                     | (0.63)       |
| <b>Total</b>                                                   | <b>100.00%</b>                                       | <b>3,562.17</b> | <b>100.00%</b>              | <b>27.87</b> | <b>100.00%</b>                             | <b>26.84</b> |

### 41 Materially partly owned subsidiaries

#### a) Investment in Subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

#### Information regarding non-controlling interest

|                                                            | March 31, 2019 | March 31, 2018 |
|------------------------------------------------------------|----------------|----------------|
| Accumulated balances of material non-controlling interest: |                |                |
| Next Wave Multimedia Private Limited                       | 75.82          | 60.79          |
| Nodwin Gaming Private Limited                              | 172.61         | 169.65         |
| (Loss) allocated to material non-controlling interest:     |                |                |
| Next Wave Multimedia Private Limited                       | (63.32)        | (13.82)        |
| Nodwin Gaming Private Limited                              | 2.97           | (1.79)         |

#### Summarised statement of profit and loss for the period

|                                              | Next Wave Multimedia Private Limited | Nodwin Gaming Private Limited | Next Wave Multimedia Private Limited     | Nodwin Gaming Private Limited           |
|----------------------------------------------|--------------------------------------|-------------------------------|------------------------------------------|-----------------------------------------|
|                                              | March 31, 2019                       | March 31, 2019                | from December 22, 2017 to March 31, 2018 | from January 10, 2018 to March 31, 2018 |
| Revenue                                      | 154.06                               | 501.25                        | 45.53                                    | 37.28                                   |
| Production Expenses                          | 37.84                                |                               | 5.06                                     | 1.38                                    |
| Employee benefit                             | 195.55                               | 26.90                         | 52.94                                    | 10.42                                   |
| Finance Cost                                 | 1.26                                 | 0.06                          | 4.25                                     | 0.96                                    |
| Depreciation & amortization                  | 9.32                                 | 3.99                          | 0.03                                     | 0.03                                    |
| Other Expenses                               | 23.84                                | 459.32                        | 7.20                                     | 29.53                                   |
| Profit(Loss) before exceptional item and tax | (113.75)                             | 10.97                         | (23.96)                                  | (5.04)                                  |
| Income tax expense                           | 19.25                                | 2.14                          | 5.13                                     | (1.13)                                  |
| Profit(Loss) for the year                    | (132.99)                             | 8.83                          | (29.08)                                  | (3.91)                                  |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 41 Materially partly owned subsidiaries (Cont'd)

|                                                                              | Next Wave Multimedia Private Limited | Nodwin Gaming Private Limited | Next Wave Multimedia Private Limited     | Nodwin Gaming Private Limited           |
|------------------------------------------------------------------------------|--------------------------------------|-------------------------------|------------------------------------------|-----------------------------------------|
|                                                                              | March 31, 2019                       | March 31, 2019                | from December 22, 2017 to March 31, 2018 | from January 10, 2018 to March 31, 2018 |
| Other omprehensive income                                                    |                                      |                               |                                          |                                         |
| Items that will not be reclassified subsequently to the to profit or loss    |                                      |                               |                                          |                                         |
| Remeasurements of post-employment benefit obligation                         | 0.03                                 | (1.84)                        | 0.09                                     | (0.11)                                  |
| Income tax relating to items that will not be reclassified to profit or loss |                                      | (0.40)                        | (0.02)                                   | 0.03                                    |
| Other comprehensive income/(loss) for the year                               | 0.03                                 | (2.24)                        | 0.07                                     | (0.08)                                  |
| Total comprehensive income/(loss) for the year                               | (132.96)                             | 6.59                          | (29.01)                                  | (3.99)                                  |
| Attributable to non-controlling interests                                    | (63.32)                              | 2.97                          | (13.82)                                  | (1.79)                                  |

The subsidiary had no contingent liabilities or capital commitments as at 31st March, 2019 and 31st March, 2018

| Summarised balance sheet:- | Next Wave Multimedia Private Limited | Nodwin Gaming Private Limited | Next Wave Multimedia Private Limited | Nodwin Gaming Private Limited |
|----------------------------|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------|
| Non- current Assets        | 89.48                                | 209.12                        | 69.36                                | 251.47                        |
| Current Assets             | 98.53                                | 376.09                        | 73.37                                | 172.48                        |
| Current Liabilities        | 14.04                                | 198.77                        | 12.71                                | 46.33                         |
| Non- current Liabilities   | 14.76                                | 2.94                          | 2.38                                 | 0.71                          |
| <b>Total equity</b>        | <b>159.21</b>                        | <b>383.49</b>                 | <b>127.64</b>                        | <b>376.91</b>                 |
| <b>Attributable to:</b>    |                                      |                               |                                      |                               |
| Equity holders of parent   | 83.39                                | 210.88                        | 66.86                                | 207.26                        |
| Non-controlling interest   | 75.82                                | 172.61                        | 60.79                                | 169.65                        |

| Summarised cash flow information:-          | Next Wave Multimedia Private Limited | Nodwin Gaming Private Limited | Next Wave Multimedia Private Limited | Nodwin Gaming Private Limited |
|---------------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------|
|                                             | As at March 31, 2019                 | As at March 31, 2019          | As at March 31, 2018                 | As at March 31, 2018          |
| Operating activities                        | 51.90                                | (25.08)                       | 7.54                                 | (282.93)                      |
| Investing activities                        | (29.55)                              | 1.06                          | (41.95)                              | 0.83                          |
| Financing activities                        | (1.46)                               | -                             | -                                    | -                             |
| Net (decrease) in cash and cash equivalents | 20.89                                | (24.02)                       | (34.41)                              | (282.10)                      |

#### a) Investment in an Associate

The Group has interest in associates as under.

All the entity are private entities that is not listed on any public exchange. The Group's interest in associates entities is accounted for using the equity method in the consolidated financial statements.

| Associates                    | Activites                                                                                                                                      | Holding % |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Halaplay Technologies Pvt Ltd | Daily Fantasy Sports (DFS) platform that empowers serious and casual sports enthusiasts to play cash based quick, simple and interesting games | 30.52%    |
| Mastermind Sports Limited     | Value added services                                                                                                                           | 26%       |
| Crimzone Code Pvt Ltd         | Providing download of games and digital advertising services                                                                                   | 35.53%    |

The following table illustrates the summarised financial information of the Group's investment

#### i) Summarised financial information for Associates

##### Summaries statement of net assets:-

|                                   | Halaplay Technologies Pvt Ltd | Mastermind Sports Limited | Crimzone Code Pvt Ltd |
|-----------------------------------|-------------------------------|---------------------------|-----------------------|
|                                   | As at March 31, 2019          | As at March 31, 2019      | As at March 31, 2019  |
| Total current assets              | 167.36                        | 17.98                     | 4.65                  |
| Total Non-current assets          | 49.70                         | 0.33                      | 13.82                 |
| Total current Liabilities         | 134.02                        | 11.77                     | 0.29                  |
| Total Non-current liabilities     | 1.80                          | 0.05                      | 3.22                  |
| <b>Equity</b>                     | <b>81.24</b>                  | <b>6.49</b>               | <b>14.96</b>          |
| Carrying amount of the investment | 221.44                        | 25.67                     | 13.50                 |

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 41 Materially partly owned subsidiaries (Cont'd)

#### Summaries statement of profit and loss:-

|                                             | Halaplay Technologies Pvt Ltd | Mastermind Sports Limited | Crimzone Code Pvt Ltd |
|---------------------------------------------|-------------------------------|---------------------------|-----------------------|
|                                             | March 31, 2019                | March 31, 2019            | March 31, 2019        |
| Finance cost                                |                               |                           |                       |
| Revenue                                     | 224.97                        | 7.72                      | 9.99                  |
| Employee benefit                            | 11.01                         |                           | 4.03                  |
|                                             | 0.29                          |                           | 0.00                  |
| Depreciation & amortization                 | 0.22                          | -                         | 2.74                  |
| Other Expenses                              | 499.89                        | 6.76                      | 21.03                 |
| <b>Loss before tax</b>                      | <b>(286.44)</b>               | <b>0.96</b>               | <b>-17.82</b>         |
| Income tax expense                          | (1.41)                        | 0.00                      |                       |
| Loss for the year                           | (287.85)                      | 0.96                      | -17.82                |
| Total comprehensive loss for the year       | (287.85)                      | 0.96                      | (17.90)               |
| <b>Group's share of (loss) for the year</b> | <b>(6.38)</b>                 | <b>0.26</b>               | <b>(3.35)</b>         |

The associate had no contingent liabilities or capital commitments as at 31st March, 2019 and 31st March, 2018

### ii) Reconciliation of net equity in Associates

|                                                       | Halaplay Technologies Pvt Ltd | Mastermind Sports Limited | Crimzone Code Pvt Ltd |
|-------------------------------------------------------|-------------------------------|---------------------------|-----------------------|
|                                                       | March 31, 2019                | March 31, 2019            | March 31, 2019        |
| Opening balance of investment                         | -                             | 22.10                     | -                     |
| Add : Additional Investement                          | 227.82                        | 3.31                      | 16.85                 |
| Add: Share of total comprehensive (loss) for the year | (6.38)                        | 0.26                      | (3.35)                |
| <b>Closing balance of investment</b>                  | <b>221.44</b>                 | <b>25.67</b>              | <b>13.50</b>          |

### 42 Events after the reporting period

#### Investments made

- In April, 2019, the Company has invested Rs. 2.5 million in cash for acquiring 1098 equity shares of Rs. 2,277/- each in Moonglab Labs Technologies Limited ('Moonglab'). Post this investment, the Company owns 24.41% of equity shares in Moonglab.
- In April, 2019, the Company has invested Rs. 7.5 million in cash for acquiring 2143 equity shares of Rs. 3,500/- each for 15% of equity shares of Khichadi Technologies Private Limited, a company engaged in vernacular social contest platform -"Bakbuck".
- In May, 2019, the company has invested Rs. 55.90 million in cash for acquiring 27,95,000 equity shares of Rs. 20/- each for 63.63% of equity shares of Sports Unity Private Limited, a company engaged in online multiplayer quiz platform "Qunami" which provides experience of simulating a real cricket match.
- In May, 2019, the company has invested Rs. 84.5 million in cash for acquiring 17451 seed equity shares of Rs. 4,844/- each in Halaplay Technologies Limited ('Halaplay').

Post this investment, the Company owns 36.66% of Equity shares in Halaplay.

Further, the Company has also agreed to acquire 20 equity shares and 26,065 convertible preference shares from existing shareholders of Halaplay at value to be determined in future.

- In August, 2019, the company has invested Rs. 438.40 million for 64.90% of equity share capital of Absolute Sports Private Limited ('Absolute Sports'), a company providing platform for sports news and opportunity to interact with fans for sports like football, cricket etc. The Company made this investment by acquiring 1877 equity shares of Rs. 3,196.17each (including face value of Rs.10) from existing shareholder for Rs.6 million in cash and subscribing to 27,846 equity shares of Rs. 3,196.17each (including face value of Rs.10) each aggregating to Rs. 89.0 million in cash. Further, in September, 2019 company acquired 107,450 equity shares of Rs. 3,196.17each (including face value of Rs.10) from existing shareholders of Absolute Sports by issuing 4,71,740 Equity Shares of the Company at Rs. 728 (including face value Rs.4) per share fully paid.
- In Oct 2019, Company has acquired 9.54% stake in Paper Boat Pvt Ltd ('Paper Boat') by acquiring 954 Equity Shares @ Rs.154,000 for each share from Promoter. The company has paid Rs.100 million towards the purchase of shares and balance contingent consideration of Rs.46.92 million will be payable based on the Net revenue earned from the business over 12 months from the commencement of the second closing period.

Further, Company has acquired additional stake in Paper Boat Pvt Ltd by Subscribing to 650 Equity Shares @154,000 for each share totalling to Rs.100 million. Total stake of the Company in Paper Boat post this investment is 15.06%

#### Issue of Share Capital

In July 2019, the Company issued 34,959 equity shares of Rs 4 each at Rs. 728 per share to Azimuth Investment Limited for Rs.25.45 million

## Notes to the consolidated financial statement for the year ended 31st March, 2019

(Rupees in million)

### 43 Standards issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

Ind AS 116 will replace the existing leasing standard

i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company intends to adopt these standards from 1 April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Consolidated Financial Statements.

#### Amendments to existing standards

**Ind AS 112 – Uncertainty over Income Tax Treatment**

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

**Ind AS 109 – Prepayment Features with Negative Compensation**

**Ind AS 23 – Borrowing Costs**

**Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

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

**per Govind Ahuja**

Partner

Membership no: 048966

**Vikash Mittersain**

Chairman Cum

Managing Director

DIN-00156740

**Nitish Mittersain**

Managing Director

DIN-02347434

**Manish Agarwal**

Chief Executive Officer

**Rakesh Shah**

Chief Financial Officer

**Turabbhai Chimthanawala**

Company Secretary

Membership No : A52320

Place of Signature: Mumbai

Date : 13th November, 2019

Place of Signature: Mumbai

Date : 13th November, 2019



## NAZARA TECHNOLOGIES LIMITED

CIN: U72900MH1999PLC122970

Regd. Office: 51-57, Maker Chambers 3, Nariman Point, Mumbai-400021

Tel.: +91-22-40330800 Fax: +91-22-22810606 Email: info@nazara.com Website: www.nazara.com

## NOTICE

**NOTICE** is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of **NAZARA TECHNOLOGIES LIMITED** will be held on Monday, the 23<sup>rd</sup> day of December, 2019 at 11.00 a.m. at the Registered Office of the Company situated at 51-57, Maker Chambers 3, Nariman Point, Mumbai-400021 to transact the following business:

### ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statements (including Consolidated Audited Financial Statements) of the Company for the year ended 31<sup>st</sup> March, 2019 together with Board's Report and Auditors' Report thereon.
- (2) To appoint a Director in place of Mr. Kuldeep Jain (DIN: 02683041), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) Appointment of M/s. Walker Chandiok & Co LLP Chartered Accountants (Registration No.001076N/NS00013) as Statutory Auditors of the Company:-

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

**"RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of audit Committee, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Registration No. 001076N/NS00013), be and is hereby appointed as the Statutory Auditors of the Company, in place of retiring auditors M/s. S .R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. ICAI FRN: 101049W/E300004) to hold office for the period of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit.

### SPECIAL BUSINESS:

#### ITEM NO 4:- INCREASE IN LOANS AND INVESTMENTS LIMITS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the "Approvals") as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to make loan to any person or other body corporate/ give guarantee or provide security in connection with a loan taken by subsidiaries / associates or any person or other body corporate or to acquire by way of subscription, purchase or otherwise securities of anybody corporate on such terms and conditions as the Board, may, in its absolute discretion deem fit, notwithstanding the fact that the aggregate of the investments, so far made, or securities so far provided, loan/guarantee so far given by the Company along with the proposed investments which exceeds 60% of the paid up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher, provided that the maximum amount of investment made or loan/ guarantee given / security provided by the Company shall not exceed the sum of Rs. 400 Crores (Rupees Four Hundred Crores only) at any point of time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally

to do all such acts, deeds and things as may be required or necessary to give effect to the above resolution.”

**ITEM NO 5: OFFER AND ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH ON PRIVATE PLACEMENT BASIS:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (as may be amended from time to time), provisions of Articles of Association of the Company and such other applicable laws or guidelines and other approvals, consents, permissions and sanctions and in terms of Share Swap Agreement dated November 27, 2019 entered Crimzoncode Technologies Private Limited and Mr. Devavrat Jatia and Mr. Ujjawal Misra and the Company as may be necessary, the consent of the members be and is hereby accorded to offer and issue 17,995 (Seventeen Thousand Nine Hundred and Ninety Five) equity shares of face value of Rs. 4/- each (Rupees Four Only) at a premium of Rs. 724/- (Rupees Seven Hundred and Twenty Four only) aggregating to Rs. 1,31,00,360/- (Rupees One Crore Thirty-One Lakhs Three Hundred and Sixty only) based on the valuation report issued by registered valuer CA Harsh Chandrakant Ruparelia, Chartered Accountant for consideration other than cash (i.e. swap of 24,79,480 equity shares of Crimzoncode Technologies Private Limited with equity shares of the Company) on Private Placement basis to the following person(s)/entity (“**the proposed allottee**”) as detailed below:

| Sr. No. | Details of the proposed allottee (Name, Address)                                                         | No. of Equity Shares of Rs. 4/- each to be allotted |
|---------|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1.      | Mr. Devavrat Jatia<br><b>Address:</b> 81, Jatia Sadan, Ground Floor, Worli Sea Face, Worli Mumbai 400018 | 17,995                                              |

**RESOLVED FURTHER THAT** the aforesaid Equity Shares shall rank *pari-passu* in all respect with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the offer, issue and allotment, utilization of the proceeds of the issue of the shares, execute all such deeds, documents, agreements and writings as may be necessary and to take such other steps that are incidental and ancillary in this regard.”

**ITEM NO.6: OFFER AND ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH ON PRIVATE PLACEMENT BASIS:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (as may be amended from time to time), provisions of Articles of Association of the Company and such other applicable laws or guidelines and other approvals, consents, permissions and sanctions as may be necessary and in terms of Investment Agreement dated October 11, 2019 entered amongst Paper Boat Apps Private Limited, the Company and promoters as amended by First Amendment Agreement dated October 15, 2019 and Second Amendment Agreement dated November 29, 2019 (“**Investment Agreement**”) in relation to the acquisition of equity shares (**Sale Shares**) of Paper Boat Apps Private Limited (hereinafter referred to as “**Acquisition Transaction**”) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members be and is hereby accorded to offer and issue 4,12,088 (Four Lakh Twelve Thousand and Eighty Eight ) equity shares of face value of Rs. 4/- each (Rupees Four Only) at a premium of Rs. 724/- aggregating to Rs. 30,00,00,064/- (Rupees Thirty Crores and Sixty Four Only) based on the valuation report issued by registered valuer CA Harsh Chandrakant Ruparelia, Chartered Accountant (Registered Valuer), for consideration other than cash (i.e. swap of sale shares of Paper Boat Apps Private Limited with equity shares of the Company), being part discharge of Purchase Consideration for the Acquisition Transaction on private placement/preferential basis to the following person(s)/entity (“**the proposed allottees**”) as detailed below:

| Sr. No.      | Name of the Proposed Allottee(s)                                                                        | No. of Equity Shares of Rs. 4/- each to be allotted |
|--------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1            | Ms. Anshu Dhanuka<br><b>Address:</b> 23, Happy Home Soc, Nehru Road, Vile Parle-East, Mumbai 400057     | 206,044                                             |
| 2            | Mr. Anupam Dhanuka<br><b>Address:</b> 23 Happy Home Society, Nehru Road, Vile Parle-East, Mumbai 400057 | 206,044                                             |
| <b>TOTAL</b> |                                                                                                         | <b>412,088</b>                                      |

**RESOLVED FURTHER THAT** the aforesaid Equity Shares shall rank *pari-passu* in all respect with the existing Equity Shares (including right to receive dividend or other corporate benefits, if any) of the Company.

**RESOLVED FURTHER THAT** the aforesaid issue and allotment of equity shares will be subject to fulfilment of terms and conditions as mentioned in the Investment Agreement.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the offer, issue and allotment, utilization of the proceeds of the issue of the shares, execute all such deeds, documents, agreements and writings as may be necessary and to take such other steps that are incidental and ancillary in this regard."

By Order of the Board of Directors,  
**Nazara Technologies Limited**

Date : 29<sup>th</sup> November, 2019  
Place: Mumbai

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

#### IMPORTANT NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOTE BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE INSTRUMENT APPOINTING PROXY,SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
- The Statement pursuant to the provisions of pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this Annual General Meeting (AGM), is annexed. Additional information with respect to Appointment of the Statutory Auditors of the Company, as proposed under Item No. 3 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.
- Members/Proxies are requested to bring their duly filed in Attendance slip along with their copy of Annual Report to the Meeting. Corporate members are requested to send duly certified copy of the Board Resolution passed pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the AGM (including through e-voting).
- Brief resume of Directors proposed to be appointed/re-appointed at the ensuing AGM in accordance with Secretarial Standard on General Meeting (SS-2) issued

by the Institute of Company Secretaries of India (ICSI) is annexed to the Notice. The Company is in receipt of disclosures/consents from the Directors pertaining to their appointment/re-appointment.

- The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the AGM.
- Members holding shares in physical form are requested to notify immediately changes, if any, in their address or bank mandate to the Company/Registrar & Share Transfer Agents (RTA) i.e. Link Intime India Private Limited quoting their Folio Number and Bank Account Details along with self-attested documentary proofs. Members holding shares in the dematerialized (electronic) form may update such details with their respective Depository Participants. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
- Ministry of Corporate Affairs of India has mandated the transfer of securities of unlisted public companies in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares that are held by them in physical form.
- Members desirous of seeking any information relating to the accounts and operations of the Company are requested to address their queries to the Company Secretary of the Company at least 7 (Seven) days in advance of the meeting to enable the Company to provide the information required at the meeting.
- Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voter Identity Card, etc. having photo identity) while attending the meeting.
- Members who hold shares in dematerialized form are requested to bring their client ID and DP ID for easier identification of attendance at the meeting. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
- Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in DEMAT form are therefore requested to submit their PAN details to their respective Depository Participants with whom they have their DEMAT account(s). Members holding shares in physical form can submit their PAN details to the RTA of the Company.
- Non Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with

complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable if such details were not furnished earlier.

13. To comply with the provisions of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company shall be required to update its database by incorporating some additional details of its members in its records.

Members are therefore are requested to kindly submit their e-mail ID and other details vide the e-mail updation form attached with this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and returning the same by post.

The e-mail ID provided shall be updated subject to successful verification of their signatures as per records available with the RTA of the Company.

14. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) for which purpose the Board of Directors of the Company ('the Board') have engaged the services of Link Intime India Private Limited ("LI IPL"). The Board has appointed M/s. Manish Ghia & Associates, Company Secretaries as the Scrutinizer for this purpose.
15. Members, who cast their votes by remote e-voting, may attend the AGM but will not be entitled to cast their votes once again
16. During the voting period, members can login to LI IPL's e-voting platform any number of times till they have voted on all the resolutions. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
17. Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrars and Transfer Agents / Depository Participant(s) for sending future communication(s) in electronic form.
18. The Notice of the 20th AGM and instructions for e-voting along with Attendance Slip and Proxy Form are being sent by electronic mode to all members whose e-mail address are registered with the Company/Depository Participant(s) unless member has requested for hard copy of the same. For members who have not registered their e-mail address, physical copies of the aforesaid documents are being sent by permitted mode.

The route map showing directions to reach the venue of the Annual General Meeting is annexed.

#### 19. Voting through electronic means:

- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the

Companies (Management and Administration) Rules, 2014 as amended from time to time and SS-2 issued by the ICSI, the Company is pleased to offer e-voting facility to its members to cast their votes electronically on the resolutions mentioned in the Notice of the 20<sup>th</sup> AGM of the Company, dated 29<sup>th</sup> November, 2019 (the AGM Notice).

- b. The Company has engaged the services of LI IPL to provide the e-voting facility. The facility of voting through polling papers shall also be made available at the venue of the 20<sup>th</sup> AGM. The members who have already cast their votes through e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
  - c. The e-voting period begins on Thursday, December 19, 2019 (9:00 am) and ends on Sunday December 22, 2019 (5.00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, December 16, 2019 may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - d. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, December 16, 2019. A person whose name is recorded in the Register of Members maintained by Registrar and Share Transfer Agent or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Monday, December 16, 2019 shall be entitled to avail the facility of e-voting as well as voting at the meeting through polling paper.
  - e. The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the Scrutinizer for scrutinizing the process of e-voting and voting through poll paper at the AGM in a fair and transparent manner.
  - f. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Monday, December 16, 2019 may obtain the login ID and Password by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or to the company at [cs@nazara.com](mailto:cs@nazara.com).
- If you have forgot your password, you can reset your password by using "Forgot User details/password" or "Physical User Reset Password" option available on <https://instavote.linkintime.co.in> or Call us:- Tel: 022-49186000.
- g. The Chairman shall, at the AGM, at the end of the discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who shall be present at the AGM but have not casted votes by availing the e-voting facility.

The Scrutinizer, after scrutinizing the votes cast at the

meeting through poll papers and e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company at [www.nazara.com](http://www.nazara.com) and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>.

Information and other instructions relating to e-voting are as under:

### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice /documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to give their consent by providing their e-mail addresses to the Company or to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.

### Instructions for shareholders to vote electronically:

#### E-Voting is optional

Event No.: 190307

#### Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

- Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- Click on "Login" tab, available under 'Shareholders' section.
- Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- Your User ID details are given below:
  - Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
- Your Password details are given below:

If you are using e-Voting system of LIPL: for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of

your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

|                     | For Shareholders holding shares in Demat Form or Physical Form                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                 | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>                                     |
| DOB/ DOI            | Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.                                                                                                                                                                                                                                                              |
| Bank Account Number | Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (4-c).</li> </ul> |

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

#### If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

#### ❖ **Cast your vote electronically**

1. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
2. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

3. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
4. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
6. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

#### ❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

## **STATEMENT PURSUANT TO THE PROVISION OF SECTION 102 OF THE COMPANIES ACT, 2013:**

### **ITEM NO 3:-**

M/s. S. R. Batliboi & Associates LLP., Chartered Accountants (Firm Registration No. 101049W/E300004) were re-appointed as statutory auditors of the company in 2014. In terms of their re-appointment made at the 15th AGM held on 30.09.2014, they are holding office of the auditors up to the conclusion of the 20<sup>th</sup> AGM and will retire at the conclusion of this 20<sup>th</sup> AGM.

Accordingly, as per Sec 139 of the Companies Act, 2013, M/s. Walker Chandio & Co LLP, Chartered Accountant (Firm Registration No.001076N/NS00013) is proposed to be appointed as statutory auditors of the Company, for a period of 5 years, commencing from the conclusion of 20<sup>th</sup> AGM till the conclusion of the 25<sup>th</sup> AGM.

M/s. Walker Chandio & Co LLP, Chartered Accountant, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice. The Board recommends the Resolution at Item No. 3 to be passed as an ordinary resolution

### **ITEM NO 4:-**

The members of the Company had vide resolution passed on June 09, 2019 by way of postal ballot had authorized the Board of Directors to give loans to any person, provide guarantees and/or securities for loans taken by other persons, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body(ies) corporate, as may be required from time to time upto an amount of Rs.250 Crores (Rupees Two Hundred Fifty Crores Only), notwithstanding the limits prescribed under Section 186 of the Companies Act, 2013.

As per the provisions of Section 186 of the Companies Act, 2013 a Company, without approval of the shareholders by passing a Special Resolution, cannot give any loan to any person or other body corporate/give any guarantee or provide security in connection with a loan to any other body corporate or person or acquire by way of subscription, purchase or otherwise, securities of anybody corporate exceeding-

- i) Sixty per cent of its paid up capital, free reserves and securities premium account or
- ii) One hundred per cent of its free reserves and securities premium account, whichever is more,

Your Company is constantly reviewing opportunities for expansion of its business operations and therefore it may require to provide financial support to meet long term financial

and working capital requirements by way of loan(s) and/or guarantee(s) and/or security (ies) / investment in securities of such subsidiaries / joint ventures / associate companies / other bodies corporate.

Members may note that in order to grow business inorganic way, the Company needs funds for further acquisition, the Board of Directors at its meeting held on 13<sup>th</sup> November, 2019, proposed seeking Members approval for enhancement of limits u/s. 186 of the Companies Act, 2013 upto Rs. 400 Crores (Rupees Four Hundred Crore Only) by authorising the Board to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made and/or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate as they may in their absolute discretion deem beneficial and in the interest of the Company upto an amount of Rs. 400 Crores over and above the limits available under Section 186 of the Companies Act, 2013 which inter alia provides for limits of higher of 60% of Paid-up Share Capital, Free Reserves and Securities Premium Account or 100% of Free Reserves and Securities Premium Account.

The Board of Directors accordingly recommends the resolution as set out at Item No. 4 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

#### **ITEM No.5:-**

In order to avail various opportunities for further growth of the Company and with a strategic view to consolidate the Company's shareholding in CrimzonCode Technologies Private Limited ("**CrimzonCode**"), the Company has entered into Share Swap Agreement dated November 27, 2019, with Crimzoncode Technologies Private Limited, Mr. Devavrat Jatia and Mr. Ujjawal Misra for acquisition of 24,79,480 equity shares of Rs. 10/- each of CrimzonCode representing 64.47% of the paid up share capital.

CrimzonCode Technologies Private Limited is engaged in the business of design, development, creation, marketing, acquisition, licensing, assignment or otherwise deal in all kinds of branded and original contents, internet based games, mobile games, interactive games, multiuser games, support application software's, as well as all kinds of multimedia solutions including various themes and wallpapers, games, songs videos and any other games.

In consideration of said transaction, your Board at its meeting held on 13<sup>th</sup> November, 2019 subject to approval by the members, has proposed to offer and issue 17,995 (Seventy Thousand Nine Hundred and Ninety Five) equity shares of face value of Rs. 4/- each (Rupees Four Only) at a premium of Rs. 724/- (Rupees Seven Hundred and Twenty Four Only) aggregating to Rs. 1,31,00,360/- ( Rupees One Crore Thirty-One Lakhs Three Hundred and Sixty only) for consideration other than cash on Private Placement basis.

Section 42 read with section 62(1)(c) of Companies Act, 2013, provides, inter alia, that whenever a company is offering or making an invitation to subscribe its securities and increase the subscribed share capital of the company by issue of further shares or any securities, such shares or securities may be offered to any persons, whether or not those person are holder of the equity shares of the company or employees of the company, it is required to obtain prior approval of the Shareholders by way of a Special Resolution for each of the offers or invitations.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of section 42 read with section 62(1)(c) and other applicable provisions of Companies Act, 2013 and such other approval as may be necessary, to issue and allot securities as stated in the Special Resolution.

**The disclosures as required under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 are given here-in-below:**

#### **(i) The objects of the issue:**

To explore further growth opportunities, the Company proposes to consolidate its stake in Crimzoncode Technologies Private Limited upon acquisition of 100% equity stake pursuant to share swap agreement dated November 27, 2019.

#### **(ii) Intention of Promoters, Directors or Key Managerial Personnel to Subscribe to the offer:**

None of the Directors, Key Managerial Personnel and Promoters of the Company intends to subscribe to this Private Placement offer authorized by the resolution. None of the Directors or Promoters of Company or their relatives is concerned or interested in the passing of this resolution.

#### **(iii) The Total Number of Equity Shares to be issued:**

17,995 (Seventy Thousand Nine Hundred and Ninety Five) equity shares of face value of Rs. 4/- (Rupees Four Only) at a premium of Rs. 724/- aggregating to Rs. 1,31,00,360/- (Rupees One Crore Thirty-One Lakhs Three Hundred and Sixty only) for consideration other than cash on Private Placement basis.

#### **(iv) The Price at which the allotment is proposed:**

The issue price per share is Rs. 728/- (Rupees Seven Hundred and Twenty Eight Only) including a premium of Rs. 724/- (Rupees Seven Hundred and Twenty Four Only).

#### **(v) Basis on which the price has been arrived at along with report of the Registered Valuer:**

The issue price is determined based on the valuation report of CA Harsh Chandrakant Ruparelia, Chartered Accountant (Registered Valuer) dated 12<sup>th</sup> November, 2019.

- (vi) **The relevant date with reference to which the price has been arrived at:**

The Relevant date is 30<sup>th</sup> September, 2019.

- (vii) **The class or classes of persons to whom the allotment is proposed to be made:**

Other than existing shareholders and Promoters.

- (viii) **The proposed time within which the allotment shall be completed:**

The allotment of equity shares as proposed under the Special Resolution will be completed within a period of 12 months from the passing of this resolution.

- (ix) **The number of persons to whom allotment on private placement basis have already been made during the year, in terms of number of securities as well as price:**

The Company has issued and allotted the following securities to five persons during the year 19-20:

34,959 Equity shares of Rs. 4 each at a premium of Rs. 724/- aggregating to Rs. 2,54,50,152/- to Azimuth Investments Limited.

4,71,740 Equity Shares of Rs. 4/- at a premium of Rs. 724/- aggregating to Rs.34,34,26,720/- to four Shareholders of Absolute Sports Private Limited

- (x) **Identity of the proposed allottees and the percentage of post private placement offer capital that may be held by them:**

| Sr. No. | Name of the proposed allottees | Before Preferential Offer |             | Post preferential Offer |             |
|---------|--------------------------------|---------------------------|-------------|-------------------------|-------------|
|         |                                | No. of Equity Shares      | %           | No. of Equity Shares    | %           |
| 1.      | Deva rat Jatia                 | NIL                       | 0.00        | 17,995                  | 0.06        |
|         | <b>Total</b>                   | <b>NIL</b>                | <b>0.00</b> | <b>17,995</b>           | <b>0.06</b> |

- (xi) **The change in control, if any, in the company that would occur consequent to the preferential offer:**

There shall be no change in the control of the management or control of the Company pursuant to the issue of the equity shares as the majority shares shall be held by the Promoters.

- (xii) **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

The shares are issued for consideration other than cash (i.e. Swap of 24,79,480 shares of Rs.10/- each of Crimzoncode with 17,995 Equity shares of Rs. 4/- each of the Company) in accordance with the provisions of Share Swap Agreement dated November 27, 2019 entered between the Company, Crimzoncode Technologies Private Limited, Mr. Devavrat Jatia and Mr. Ujjawal Misra on private placement basis.

- (xiii) **The pre issue and post issue shareholding pattern of the company in the following format-**

Shareholding pattern before and after issue is as follows:

| S. No. | Category                 | Pre Issue          |                   | Post Issue         |                   |
|--------|--------------------------|--------------------|-------------------|--------------------|-------------------|
|        |                          | No. of shares held | % of shareholding | No. of shares held | % of shareholding |
| A      | Promoters' holding :     |                    |                   |                    |                   |
| 1      | Indian:                  |                    |                   |                    |                   |
|        | Individual               | 1,011,703          | 3.62              | 1,011,703          | 3.61              |
|        | Bodies Corporate         | 5,955,125          | 21.28             | 5,955,125          | 21.27             |
|        | <b>Sub Total:</b>        | <b>6,966,828</b>   | <b>24.90</b>      | <b>6,966,828</b>   | <b>24.88</b>      |
| 2      | Foreign Promoters        | -                  | -                 |                    |                   |
|        | <b>Sub Total (A)</b>     | <b>6,966,828</b>   | <b>24.90</b>      | <b>6,966,828</b>   | <b>24.88</b>      |
| B      | Non Promoters' holding:  |                    |                   |                    |                   |
| 1      | Institution Investors    | 12,690,629         | 45.36             | 12,690,629         | 45.33             |
| 2      | Non- Institution:        |                    |                   |                    |                   |
| a.     | Body Corporate           | 1,912,812          | 6.75              | 1,912,812          | 6.83              |
| b.     | Indian Public            | 6,034,296          | 21.57             | 6,034,296          | 21.55             |
|        | <b>Proposed Allottee</b> |                    |                   |                    |                   |
|        | Devavrat Jatia           | -                  | -                 | 17,995             | 0.06              |
| c      | Others                   | 374,103            | 1.34              | 374,103            | 1.34              |
|        | <b>Sub Total (B)</b>     | <b>21,011,840</b>  | <b>75.10</b>      | <b>21,029,835</b>  | <b>75.12</b>      |
|        | <b>Grand Total (A+B)</b> | <b>27,978,668</b>  | <b>100.00</b>     | <b>27,996,663</b>  | <b>100</b>        |

**\* At present, 8,06,017 number of stock options issued under Employee Stock Option Plans of the Company are in force. The Post Shareholding pattern shall stand change subject to exercise of stock options by the employees, if any.**

Relevant documents are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting. Additionally, copies of the relevant documents are available for inspection at the corporate office of the Company and will also be made available at the Meeting.

The Board of Directors of the Company believes that the proposed Private Placement issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommends the special resolution for your approval at Item No. 5 of this Notice.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution.

#### Item No 7:

The following terms used in the proposed resolution/ explanatory statement hereinafter have the meaning as set forth herein below:

- Allotment Shares-** 412088 (Four Lakh Twelve Thousand and Eighty Eight) Equity Shares of INR 4/- each of the Company proposed to be issued and allotted to the proposed allottees on preferential allotment basis for consideration other than cash aggregating to INR 30,00,00,064.
- Acquisition Transaction-** proposed acquisition by the Company of Sale Shares in the Paper Boat Apps Private Limited from the respective Sellers by way of issue and allotment of Equity Shares in the company on private placement basis.

• **Proposed Allottee(s)/Sellers –**

| Sr. No       | Name of the Proposed Allottees | No of Equity Shares to be allotted |
|--------------|--------------------------------|------------------------------------|
| 1            | Ms. Anshu Dhanuka              | 206,044                            |
| 2            | Mr. Anupam Dhanuka             | 206,044                            |
| <b>Total</b> |                                | <b>412,088</b>                     |

• **Purchase Consideration:** Consideration for acquisition of Sale Shares to be discharged in the following manner:

- o Partly by way of cash amounting to INR 10,00,00,000 to Ms. Anshu Dhanuka (Indian Rupees Ten Crores Only)
- o Partly by way of issue and allotment of 412088 equity shares of Rs 4/- each at a price of Rs 728/- per share amounting to INR 30,00,00,064/- (Indian Rupees Thirty Crores and Sixty Four Only) to the aforesaid allottees

In addition to the Purchase Consideration as specified above, Nazara shall, within a period of 30 (Thirty) days from the later of (a) completion of 1 (one) year from the Second Closing Date – I(a) of the Investment Agreement; or (b) the Company achieving the Second Closing Target Revenue, further pay to the Promoters, Purchase Consideration-II in respect of sale shares.

- **Purchase Consideration –II** - shall mean an aggregate consideration of (a) INR 10,00,00,000/- (Rupees Ten Crores only) as cash; and (b) 1,85,440 (One Lakh Eighty Five Thousand Four Hundred and Forty only) number of fully diluted Nazara Equity Shares, having a fair market value (with respect to Nazara Equity Shares) of no more than INR 13,50,00,000/- (Rupees Thirteen Crore Fifty Lakh only) as consideration other than cash payable by Nazara to the Promoters in accordance with the Investment Agreement in respect of Sale Shares and balance payment for acquisition of 954 equity shares of Paper Boat Apps Private Limited from Mr. Anupam Dhanuka, in the following manner:

| Promoter       | Purchase Consideration-II (in cash) (Rupees) | Purchase Consideration-II (other than cash) Number of Nazara Equity Shares |
|----------------|----------------------------------------------|----------------------------------------------------------------------------|
| Anshu Dhanuka  | 5,00,00,000                                  | 92,720                                                                     |
| Anupam Dhanuka | 5,00,00,000                                  | 92,720                                                                     |
| <b>Total</b>   | <b>10,00,00,000</b>                          | <b>1,85,440</b>                                                            |

It is further clarified that the aforesaid purchase consideration –II shall not be payable if the conditions as mentioned in the Investment Agreement is not fulfilled.

- **Sale Shares:** 3818 Equity shares of INR 10/- each in Paper Boat Apps Private Limited. (Ms. Anshu Dhanuka 2386 Equity Shares and Mr. Anupam Dhanuka 1432 Equity Shares).

The Board at their meeting held on 13<sup>th</sup> November, 2019 has considered the proposal of acquisition of majority stake in the Paper Boat Apps Private Limited from the Sellers pursuant to the Investment Agreement dated 11<sup>th</sup> October, 2019 amongst the Company, Paper Boat Apps Private Limited and others so as to make it a subsidiary of the Company.

As approved by the Board of Directors of the Company and subject to receipt of all requisite approvals and in order to discharge part of the purchase consideration for the Acquisition Transaction, the Company is proposing to issue and allot the Allotment Shares and discharge the part of the purchase consideration by way of cash.

Paper Boat Apps Private Limited, a Mumbai based indie studio today, is the creator and publisher of Kiddopia, an award winning, subscription based preschool edutainment app. Kiddopia offers a wide array of interactive games and activities that foster cognitive development, self-expression and also social-emotional learning. The aforesaid proposed acquisition will help the Company to expand its business.

Section 42 read with section 62(1)(c) of Companies Act, 2013, provides, *inter alia*, that whenever a company is offering or making an invitation to subscribe its securities and increase the subscribed share capital of the company by issue of further shares or any securities, such shares or securities may be offered to any persons, whether or not those person are holder of the equity shares of the company or employees of the company, it is required to obtain prior approval of the Shareholders by way of a Special Resolution for each of the offers or invitations.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of section 42 read with section 62(1) (c) and other applicable provisions of Companies Act, 2013 and such other approval as may be necessary, to issue and allot securities as stated in the Special Resolution.

**The disclosures as required under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 are given here-in-below:**

(i) **The objects of the issue:**

To order to avail opportunities for further growth of the Company and with a strategic view to acquire majority stake in Paper Boat Apps Private Limited.

(ii) **Intention of Promoters, Directors or Key Managerial Personnel to Subscribe to the offer:**

None of the Directors, Key Managerial Personnel and Promoters of the Company intends to subscribe to this Private Placement offer authorized by the resolution. None of the Directors or Promoters of Company or their relatives is concerned or interested in the passing of this resolution.

(iii) **The Total Number of Equity Shares to be issued:**

412,088(Four Lakh Twelve Thousand and Eighty Eight) equity shares of Rs. 4/- (Rupees Four Only) each at premium of Rs. 724/- (Rupees Seven Hundred and Twenty Four Only) aggregating to Rs. 30,00,00,064/- (Rupees Thirty Crores and Sixty Four Only) for consideration other than cash on Private Placement basis.

(iv) **The Price at which the allotment is proposed:**

The issue price per share is Rs. 728/- (Rupees Seven Hundred and Twenty Eight Only) including a premium of Rs. 724/- (Rupees Seven Hundred and Twenty Four Only).

(v) **Basis on which the price has been arrived at along with report of the Registered Valuer:**

The issue price is determined based on the valuation report of CA Harsh Chandrakant Ruparelia, Chartered Accountant (Registered Valuer) dated 12<sup>th</sup> November, 2019.

(vi) **The relevant date with reference to which the price has been arrived at:**

The Relevant date is 30<sup>th</sup> September, 2019.

(vii) **The class or classes of persons to whom the allotment is proposed to be made:**

Other than existing shareholders and Promoters.

(viii) **The proposed time within which the allotment shall be completed:**

The allotment of equity shares as proposed under the Special Resolution will be completed within a period of 12 months from the passing of this resolution.

(ix) **The number of persons to whom allotment on private placement basis have already been made during the year, in terms of number of securities as well as price:**

The Company has issued and allotted the following securities to five persons during the year 2019-20:

- 34,959 Equity shares of Rs. 4/- each at a premium of Rs. 724/- aggregating to Rs. 2,54,50,152/- to Azimuth Investments Limited.
- 4,71,740 Equity Shares of Rs. 4/- at a premium of Rs. 724/- aggregating to Rs.34,34,26,720/- to four Shareholders of Absolute Sports Private Limited

(x) **Identity of the proposed allottees and the percentage of post private placement offer capital that may be held by them:**

| Sr. No. | Name of the proposed allottees | Before Preferential Offer |             | Post preferential Offer |             |
|---------|--------------------------------|---------------------------|-------------|-------------------------|-------------|
|         |                                | No. of Equity Shares      | %           | No. of Equity Shares    | %           |
| 1.      | Ms. Anshu Dhanuka              | NIL                       | 0.00        | 2,06,044                | 0.72        |
| 2.      | Mr. Anupam Dhanuka             | NIL                       | 0.00        | 2,06,044                | 0.73        |
|         | <b>Total</b>                   | <b>NIL</b>                | <b>0.00</b> | <b>4,12,088</b>         | <b>1.45</b> |

(xii) **The change in control, if any, in the company that would occur consequent to the preferential offer:**

There shall be no change in the control of the management or control of the Company pursuant to the issue of the equity shares as the majority shares shall be continue to be held by the Promoters.

(xiii) **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

It is proposed that the part of Purchase Consideration shall be discharged by issuing the Allotment Shares to the Sellers on a proportionate basis in addition to aggregate cash consideration mentioned above. The equity shares are issued for consideration other than cash (i.e. Swap of 3818 shares of Rs.10/- each of Paper Boat Apps Private Limited with 4,21,088 Equity shares of Rs. 4/- each of the Company) in accordance with the provisions of Investment Agreement dated 11<sup>th</sup> October, 2019 entered between the Company, Paper Boat Apps Private Limited and others.

(xiv) **The pre issue and post issue shareholding pattern of the company in the following format-**

Shareholding pattern before and after issue is as follows:

| S. No. | Category                       | Pre Issue          |                   | Pre-Issue (considering full allotment of Equity shares mentioned at item no 5) |                   | Post-Issue (considering full allotment of Equity shares mentioned at item no 6) |                   |
|--------|--------------------------------|--------------------|-------------------|--------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------|-------------------|
|        |                                | No. of shares held | % of shareholding | No. of shares held                                                             | % of shareholding | No. of shares held                                                              | % of shareholding |
| A      | <b>Promoters' holding :</b>    |                    |                   |                                                                                |                   |                                                                                 |                   |
| 1      | Indian:                        |                    |                   |                                                                                |                   |                                                                                 |                   |
|        | Individual                     | 1,011,703          | 3.62              | 1,011,703                                                                      | 3.61              | 1,011,703                                                                       | 3.56              |
|        | Bodies Corporate               | 5,955,125          | 21.28             | 5,955,125                                                                      | 21.27             | 5,955,125                                                                       | 20.96             |
|        | Sub Total:                     | 6,966,828          | 24.90             | 6,966,828                                                                      | 24.88             | 6,966,828                                                                       | 24.52             |
| 2      | Foreign Promoters              | -                  | -                 | -                                                                              | -                 | -                                                                               | -                 |
|        | <b>Sub Total (A)</b>           | <b>6,966,828</b>   | <b>24.90</b>      | <b>6,966,828</b>                                                               | <b>24.88</b>      | <b>6,966,828</b>                                                                | <b>24.52</b>      |
| B      | <b>Non Promoters' holding:</b> |                    |                   |                                                                                |                   |                                                                                 |                   |
| 1      | Institution Investors          | 12,690,629         | 45.36             | 12,690,629                                                                     | 45.33             | 12,690,629                                                                      | 44.67             |
| 2      | Non- Institution:              |                    |                   |                                                                                |                   |                                                                                 |                   |
| A      | Bodies Corporate               | 1,912,812          | 6.75              | 1,912,812                                                                      | 6.83              | 1,912,812                                                                       | 6.73              |
| B      | Indian Public                  | 6,034,296          | 21.57             | 6,052,291                                                                      | 21.61             | 6,052,291                                                                       | 21.30             |
|        | <b>Proposed Allottees</b>      | -                  | -                 | -                                                                              | -                 | -                                                                               | -                 |
|        | Ms. Anshu Dhanuka              | -                  | -                 | -                                                                              | -                 | 2,06,044                                                                        | 0.72              |
|        | Mr. Anupam Dhanuka             | -                  | -                 | -                                                                              | -                 | 2,06,044                                                                        | 0.73              |
| C      | Others                         | 374,103            | 1.34              | 374,103                                                                        | 1.34              | 374,103                                                                         | 1.32              |
|        | <b>Sub Total (B)</b>           | <b>21,011,840</b>  | <b>75.10</b>      | <b>21,029,835</b>                                                              | <b>75.12</b>      | <b>21,441,923</b>                                                               | <b>75.48</b>      |
|        | <b>Grand Total (A+B)</b>       | <b>27,978,668</b>  | <b>100.00</b>     | <b>27,996,663</b>                                                              | <b>100.00</b>     | <b>28,408,751</b>                                                               | <b>100.00</b>     |

***\* At present, 8,06,017 number of stock options issued under Employee Stock Option Plans of the Company are in force. The Post Shareholding pattern shall stand change subject to exercise of stock options by the employees, if any.***

Relevant documents are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting. Additionally, copies of the relevant documents are available for inspection at the corporate office of the Company and will also be made available at the Meeting.

The Board of Directors of the Company believes that the proposed Private Placement issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommends the special resolution for your approval at Item No. 6 of this Notice.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution.

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

**Date : 29<sup>th</sup> November, 2019  
Place: Mumbai**

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

**Registered Office:  
51-57, Maker Chambers 3,  
Nariman Point, Mumbai -400021**

In pursuance of SS -2 issued by the ICSI, details of Director seeking appointment/re-appointment at the ensuing Annual General Meeting (AGM) is as follows:

|                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the Director</b>                                                                                                                                        | Kuldeep Jain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>DIN</b>                                                                                                                                                         | 02683041                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Date of Birth (Age)</b>                                                                                                                                         | January 27,1975                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Nationality</b>                                                                                                                                                 | Indian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Date of Appointment as Director</b>                                                                                                                             | September 21,2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Designation</b>                                                                                                                                                 | Non- Executive Director, liable to retire by rotation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Qualification</b>                                                                                                                                               | 1. Post Graduate Diploma in Management from IIM, Ahmedabad<br>2. Chartered Accountant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Experience/ Expertise</b>                                                                                                                                       | Over a decade experience in global consulting firm and presently he is the managing director of Clean Max Enviro Energy Solutions Private Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Terms &amp; Conditions of Appointment/Re-appointment</b>                                                                                                        | Non-Executive Director, liable to retire by rotation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Relationship with other Directors of the Company</b>                                                                                                            | Mr. Kuldeep Jain is not related to any Director, or Key Managerial Personnel (KMP) of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Number of Meetings of the Board attended during the year</b>                                                                                                    | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Shareholding in the Company (Equity Shares of Rs. 4/- each)</b>                                                                                                 | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>List of Directorships in other Companies</b>                                                                                                                    | <ol style="list-style-type: none"> <li>1. Yasi Biosoft Private Limited</li> <li>2. Clean Max Energy Ventures Private Limited</li> <li>3. Chitradurga Renewable Energy India Private Limited</li> <li>4. Cleanmax Ipp 1 Private Limited</li> <li>5. Cleanmax Ipp 2 Private Limited</li> <li>6. Clean Max Photovoltaic Private Limited</li> <li>7. Clean Max Mercury Power Private Limited</li> <li>8. Cmes Jupiter Private Limited</li> <li>9. Cmes Power 1 Private Limited</li> <li>10. Cmes Power 2 Private Limited</li> <li>11. Cmes Saturn Private Limited</li> <li>12. Cmes Universe Private Limited</li> <li>13. Cmes Animo Private Limited</li> <li>14. Cmes Infinity Private Limited</li> <li>15. Cmes Rhea Private Limited</li> <li>16. Cmes Urja Private Limited</li> <li>17. Clean Max Power Projects Private Limited</li> <li>18. Clean Max Enviro Energy Solutions Private Limited</li> </ol> |
| <b>List of Chairmanship or membership of various Committees in others public Companies (includes only Audit Committee and Stakeholders Relationship Committee)</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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## NAZARA TECHNOLOGIES LIMITED

CIN: U72900MH1999PLC122970

Regd. Office: 51-57, Maker Chambers 3, Nariman Point, Mumbai - 400021

Tel.: +91-22-40330800 Fax: +91-22-22810606 Email: info@nazara.com Website: www.nazara.com

### FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

|                                                                            |  |
|----------------------------------------------------------------------------|--|
| Registered Folio/DP ID & Client ID                                         |  |
| Name of the Shareholder(s)                                                 |  |
| Father's/Mother's/Spouse's Name                                            |  |
| Address (Registered Office Address in case the Member is a Body Corporate) |  |
| E-mail ID                                                                  |  |
| PAN or CIN(in case of Body Corporate)                                      |  |
| UIN (Aadhar Number)                                                        |  |
| Occupation                                                                 |  |
| Residential Status                                                         |  |
| Nationality                                                                |  |
| In case member is a minor, name of the guardian                            |  |
| Date of birth of the Member                                                |  |

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the Member

**Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. " Link Intime Pvt. Ltd.; C-101, 247 Park, LBS Road, Vikhroli West, Mumbai, Maharashtra- 400083**

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

**For Nazara Technologies Limited,**

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

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**Form No. MGT-11****PROXY FORM**

{Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014}

**20<sup>th</sup> ANNUAL GENERAL MEETING ON MONDAY, THE 23<sup>RD</sup> DAY OF DECEMBER, 2019.**

|                                                                                                |  |
|------------------------------------------------------------------------------------------------|--|
| Name of the member(s):                                                                         |  |
| Name(s) of the Joint Holder, if any:                                                           |  |
| Registered address:                                                                            |  |
| E-mail Id:                                                                                     |  |
| Folio / DP ID and Client ID<br>(Applicable to investors holding shares in Dematerialized Form) |  |

I/We being a member(s) of ..... shares of the above named Company, hereby appoint:

- (1) Name .....  
Address .....  
Email id ..... Signature ..... Or failing him/her;
- (2) Name .....  
Address .....  
Email id ..... Signature ..... Or failing him/her;
- (3) Name .....  
Address .....  
Email id ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held on Monday, the 23<sup>rd</sup> day of December, 2019 at 51-57, Maker Chambers 3, Nariman Point Mumbai -400021 India, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions                                                                                                                                                                                                                         |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | <b>Ordinary Business</b>                                                                                                                                                                                                            |
| 1.             | To receive, consider and adopt the Audited Financial Statements (including Consolidated Audited Financial Statements) of the Company for the year ended 31st March, 2019 together with Board's Report and Auditors' Report thereon. |
| 2.             | To appoint a Director in place of Mr. Kuldeep Jain (DIN: 02683041), Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.                                                         |
| 3.             | Appointment of M/s. Walker Chandio & Co LLP Chartered Accountants (Registration No.001076N/NS00013) as Statutory Auditors of the Company.                                                                                           |
|                | <b>Special Business</b>                                                                                                                                                                                                             |
| 4.             | Increase in Loans and Investments Limits                                                                                                                                                                                            |
| 5.             | Offer and Issue of Equity Shares for Consideration other than Cash on Private Placement Basis                                                                                                                                       |
| 6.             | Offer and Issue of Equity Shares for Consideration other than Cash on Private Placement Basis                                                                                                                                       |

Signed this ..... day of ....., 2019

Signature of the shareholder .....

Signature of the Proxy holder(s) .....

Affix  
Revenue  
Stamp

**NOTE:**

- THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- In case of multiple proxies, the proxy later in time shall be accepted.
- Proxy need not be the shareholder of the Company





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### ATTENDANCE SLIP

**20<sup>TH</sup> ANNUAL GENERAL MEETING ON MONDAY, THE 23<sup>RD</sup> DAY OF DECEMBER, 2019.**

|                                                                                |  |
|--------------------------------------------------------------------------------|--|
| Registered Folio / DP ID and Client ID                                         |  |
| Name and address of the shareholder(s)<br>Joint Holder (1)<br>Joint Holder (2) |  |
| No. of shares held                                                             |  |

I/We hereby record my/our presence at the 20th Annual General Meeting of the members of the Company held on Monday, the 23<sup>rd</sup> day of December, 2019 at the 51-57, Maker Chambers 3, Nariman Point Mumbai - 400021, India.

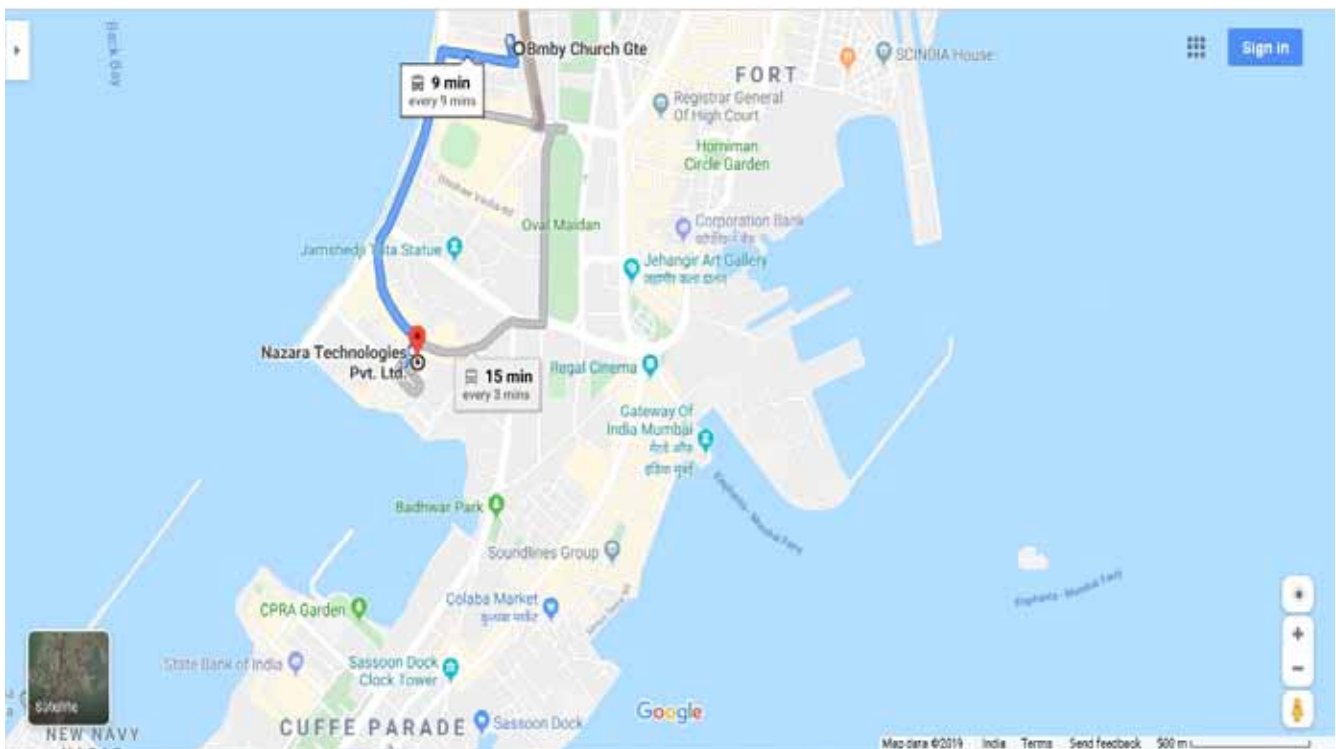
.....  
Member's/Proxy's name (**IN BLOCK LETTER**)

.....  
Member's /Proxy's Signature

**Note:**

Please fill in the Folio/DP ID/Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE HALL OF THE MEETING**.

### ROUTE MAP OF THE 20<sup>TH</sup> AGM VENUE



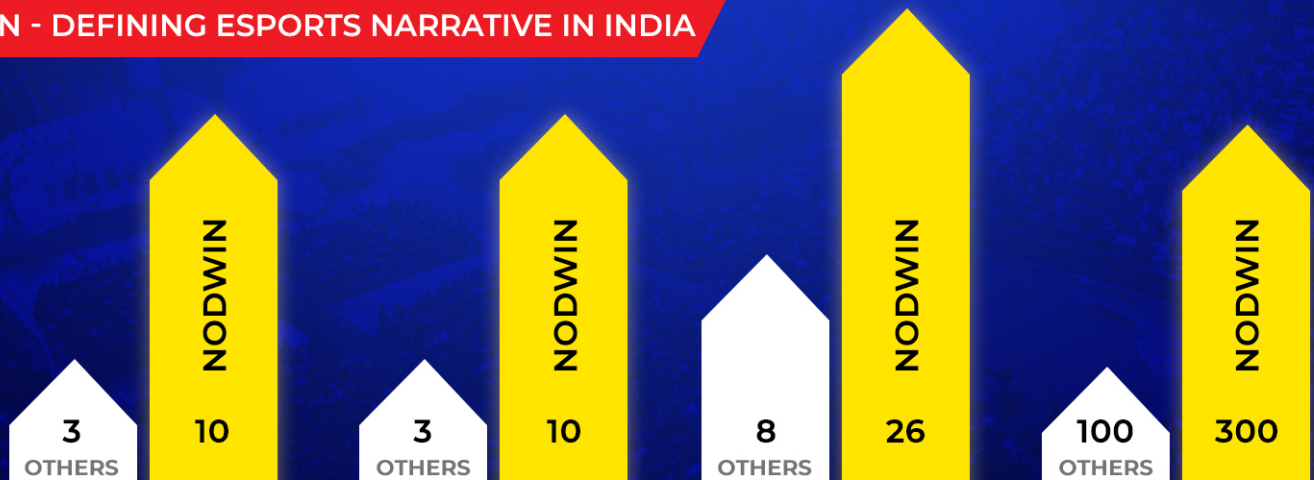


# ESPORTS

USHERING IN THE NEW FORM OF GAMING  
NAZARA-NODWIN

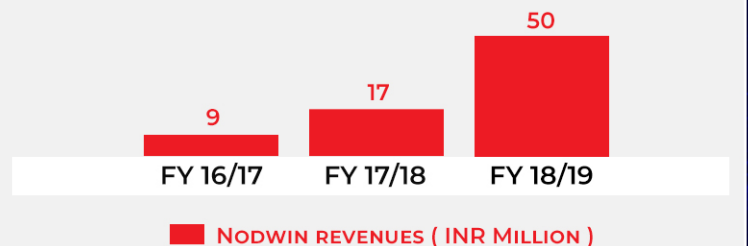
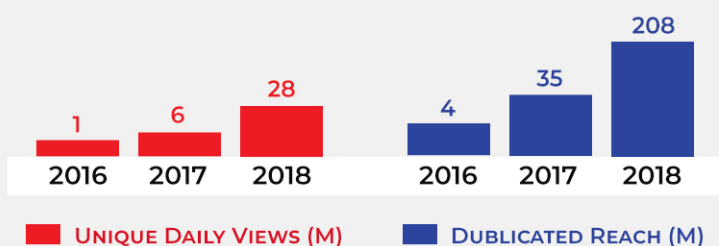


## NODWIN - DEFINING ESPORTS NARRATIVE IN INDIA



| Year | Unique IP Market Share | Unique Events Market Share | Unique Event Day Market Share | Prize Pool Market Share |
|------|------------------------|----------------------------|-------------------------------|-------------------------|
| 2017 | 62.5%                  | 70%                        | 76.5%                         | 75%                     |
| 2018 | 77%                    | 77%                        | 84%                           | 76%                     |

NODWIN : 3X Growth in revenues in FY 19/FY 18.



# NAZARA 2.0

Transition from VAS company to Diversified Interactive Gaming & Sports Media Platform.



**LEADERSHIP IN HIGH GROWTH VERTICLES WITH  
VERY STRONG LOCAL CONTENT MOAT**

**Esports # 1 ( 80% market share )**

**Cricket Mobile game # 1 ( 60% market share )**

**Sports Fantasy # 2**

**Kids Mobile Gaming # 1**

**Leading Player in real money gaming quiz ( nascent category )**

Nazara Technologies Limited

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