Significant accounting policies and other explanatory information to the standalone financial statements

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

1. Significant accounting policies

i) Corporate information

Nazara Technologies Limited (the "Company") incorporated in India on December 8, 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 November 23, 2020.

ii) Basis of preparation

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') and Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other relevant provisions of the Act.

The standalone financial statements have been prepared on a historical cost convention and accrual basis, except for the certain financial assets and liabilities that are measured at fair value.

The Company has uniformly applied the accounting policies during the periods presented, except for new accounting standards adopted by the Company.

Monetary amounts are expressed in Indian Rupee (₹) and are rounded off to millions, except for earning per share. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

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

The standalone financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statement of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

Previous year figures have been regrouped/re-arranged, wherever necessary.

iii) 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.

iv) Foreign currency transactions and translations

i. Functional currency

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

ii. Transactions and translations

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).

v) **Use of estimates and judgements**

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

The areas involving significant judgement and estimates are as follows:

- Estimation of useful life of property and equipment and intangible asset
- Estimation of defined benefit obligation
- Impairment of non-financial assets
- Estimation of fair value of unlisted securities
- Non-cash and contingent consideration
- Share based payment
- Expected credit loss
- Estimated value and useful life of ROU asset
- Estimation of uncertainties relating to pandemic Covid-19

• Estimation of useful life of property and equipment and intangible asset

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management at the time the asset is acquired and reviewed periodically, including at each financial year end, determines the useful lives and residual values of Company's assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may affect their life, such as changes in technology. The estimated useful life is reviewed at least annually.

• Estimation of defined benefit obligation

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

• Impairment of non-financial assets

Property and equipment and intangible assets are tested for impairment whenever events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The calculation of value in use and fair value involves use of significant estimates and assumptions, which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

• Estimation of fair value of unlisted securities

The Company follows the guidance of Ind AS 109 – Financial Instruments: to determine the fair value of its investment in equity instruments, using market and income approaches. The market approach includes the use of financial metrics and ratios of comparable companies, such as revenue, earnings, comparable performance multiples, recent financial rounds and the level of marketability of the investments. The selection of comparable companies requires management judgment and is based on a number of factors, including comparable company sizes, growth rates and development stages. The income approach includes the use of discounted cash flow model, which requires significant estimates regarding the investees' revenue, costs, and discount rates based on the risk profile of comparable companies. Estimates of revenue and costs are developed using available historical and forecast data. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

• Non-cash and contingent consideration

Estimating fair value of non-cash consideration, including contingent consideration, in respect of acquisition of investment in subsidiary/s or associate/s involves management judgement. Fair value of the equity shares of the Company is determined based on weighted average price at which the most recent financials rounds occurred in the past one year.

The fair value of the contingent consideration, when the arrangement involves future delivery of fixed number of equity shares, is estimated to be acquisition date fair value of equity shares of the Company and those payable in cash are discounted using incremental borrowing rate (IBR) of the Company.

The estimate also includes probability of achieving the performance target/s. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management.

Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

• Share based payment

Significant accounting policies and other explanatory information to the standalone financial statements

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

The Company is required to evaluate the terms to determine whether share-based payment is equity settled or cash settled. Judgment is required to do this evaluation. Further, the Company is required to measure the fair value of equity settled transactions with employees at the grant date of the equity instruments. The basis and assumptions used in these calculations are disclosed within Note 32. The aforementioned inputs entered in to the option valuation model that we use to determine the fair value of our share awards are subjective estimates, changes to these estimates will cause the fair value of our share-based awards, and related share-based compensations expense we record to vary.

• Expected credit loss

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

• Estimated value and useful life of ROU asset

Ind AS 116 requires the lessee to determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

When it is reasonably certain to exercise extension option and not to exercise termination option, the Company includes such extended term and ignore termination option in determination of lease term.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has taken indicative rates from its bankers and used them for Ind AS 116 calculation purposes.

• Estimation of uncertainties relating to pandemic Covid-19

The Covid-19 has brought unprecedented uncertainty across the globe (including all places of business our Company and clients operates in). While the Company has quickly adopted to alternate business continuity scenario, the uncertainly still prevails regarding the timelines of resuming to normal work conditions. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company, including in respect of each long-term investments that the Company has invested into.

From business perspective, the Company is buoyed with the resilience of digital and interactive gaming market in these challenging times and are confident of its ability to maintain Company's market share as a leading gaming organization. This included launching of several new games and products which are received positive response from the users/ subscribers.

While there is a sharp surge in demand for digital and interactive games, primarily on account of work from home restrictions, the management of the Company will remain committed to further investing into our business and that of our investee entities to drive top line profitable growth in business. In addition, the Company has been quite frugal in its financial matters and prudent in its investment decisions, while monitoring the evolving market conditions closely, to ensure its own continuity and mitigating the risk impacting the business segment it operates in.

Management has evaluated short-term as well as long-term impact of the Covid-19 pandemic on the gaming and e-sports industry, and in particular on the Group and believes that the pandemic will not have a significant negative effect on the Company's financial position and results of its operation. In preparation of these financial statements, the Group has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets, impact on revenues and estimates of operating costs. Based on current indicators of future economic conditions, the Group has sufficient liquidity and expects to fully recover the carrying amount of its assets. In addition, the management has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

However, in view of the volatility in the global economic conditions pursuant to this pandemic; the impact of Covid-19 on the Group's financial statements may differ from the estimate as on the date of the approval of the financial statements. The Group will continue to closely monitor any material changes to future economic conditions.

vi) **Revenue recognition**

Revenue arises mainly from Income from services, other operating income, other income and dividends.

To determine whether the Company should recognize revenues, the Company follows 5-step process:

a. identifying the contract, or contracts, with a customer

b. identifying the performance obligations in each contract

c. determining the transaction price

d. allocating the transaction price to the performance obligations in each contract

e. recognizing revenue when, or as, we satisfy performance obligations by transferring the promised goods or services

Income from services

Revenue from subscription / download of games / other contents, including gamified early learning application is recognized when a promise in a customer contract (performance obligation) has been satisfied, usually over the period of subscription. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for services, net of credit notes, discounts etc. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative standalone selling price.

Revenue from advertising services, including performance-based advertising, is recognized after the underlying performance obligations have been satisfied, usually in the period in which advertisements are displayed.

Revenue from online skill based real money games is recognised over the period of league or match.

Revenue is reported on a gross or net basis based on management's assessment of whether the Group is acting as a principal or agent in the transaction. The Group is unable to determine the amount on a gross basis, usually in respect of arrangement with telco service providers, revenue is reported on net basis. The determination of whether the Group act as a principal or an agent in a transaction is based on an evaluation of whether the good or service are controlled prior to transfer to the customer.

The Group derives its advertising revenue from advertisement contracts with online advertising networks, and exchanges. Advertising revenues are net of amounts due to advertising network and exchanges. The Group is not the primary obligor in the relevant arrangements, since the Group do not have pricing discretion, and establishes or maintains a direct relationship with the advertiser.

Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment, and excluding variable considerations such as volume or cash discounts and taxes or duties collected on behalf of the government.

Revenue is 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.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer and presented as 'Deferred revenue'. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customer's'.

Unbilled revenues are classified as a financial asset where the right to consideration is unconditional upon passage of time.

Other operating 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 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.

vii) **Financial instrument**

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

a) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three broad categories:

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

Significant accounting policies and other explanatory information to the standalone financial statements

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Financial asset at amortized cost

A financial asset 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.

Financial asset at fair value through other comprehensive income (FVOCI)

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

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

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial asset at fair value through profit and loss (FVTPL)

FVTPL is a residual category and any financial asset which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

All equity investments (except investment in subsidiary, associate and joint venture) included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

Derecognition

When the 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 and 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. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial asset measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at 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.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Reclassification of financial assets

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

viii) **Income tax**

Income tax expense comprises current and deferred income tax. It is recognized in net profit in the Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i) Current tax

Provision for current tax is made under the tax payable method, based on the liability computed, after taking credit for allowances and exemptions as per the provisions of Income Tax Act, 1961.

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

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

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(All amounts in ₹ million, except share and per share data, unless otherwise stated)

ii) 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.

ix) Property and equipment

All items of property and equipment are initially recorded at cost. Cost of property and equipment comprises purchase price, non-refundable taxes, levies, and any directly attributable cost of bringing the asset to its working condition for the intended use. After initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of an item of property and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property and equipment.

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

Property and equipment are eliminated from standalone financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property and equipment and gains or losses arising from disposal of property and equipment are 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:

Nature of Assets	Useful Life
Furniture and fixtures	5 years
Office equipment	3 years
Computer equipment	3 years
Motor car	3 years

x) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is charged to profit or loss in the period in which the expenditure is incurred.

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Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

xi) **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.

xii) **Lease**

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

The Company as lessee

The Company's leased assets consist of leases for building. The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a. the contract involves the use of an identified asset

b. the Company has substantially all the economic benefits from use of the asset through the period of the lease and

c. the Company has the right to direct the use of the asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (ROU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. ROU asset are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU assets. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment.

The Company applies IAS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets above.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in consolidated statement of income.

Lease liability payments are classified as cash used in financing activities in the consolidated statement of cash flows.

Significant accounting policies and other explanatory information to the standalone financial statements

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

xiii) **Cash and cash equivalents**

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

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

xiv) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xv) **Provisions, contingent liabilities and contingent assets**

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

xvi) **Employee benefits**

Post-employment benefits

The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the year in which the employees render services.

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

The Company 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.

Short - term employee benefits

All employee benefits which are due within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service. All short-term employee benefits are accounted on undiscounted basis during the accounting year based on services rendered by employees.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Significant accounting policies and other explanatory information to the standalone financial statements

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

Share-based payments

Employees (including senior executives) of the Company and its subsidiary 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 or debited to investment in subsidiary (in respect of employee stock options granted to an employee rendering services to a subsidiary), together with a corresponding increase in stock option outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised or an increase in investment in subsidiary for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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.

xvii) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders after taking into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xviii) **Segment reporting**

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

xix) **Investment in subsidiaries, associates and joint venture**

The Company has accounted for its investment in subsidiaries or associates or joint venture at cost less impairment. The Company assesses investments in subsidiaries, associates and joint venture for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary, associate or joint venture. The recoverable amount of such investment is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

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

xx) **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 the Company carries those instruments where in level 1 inputs of the above-mentioned fair value hierarchy is used.

Significant accounting policies and other explanatory information to the standalone financial statements

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

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.

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.

xxi) **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.

xxii) **Recent accounting pronouncement adopted as on April 1, 2019**

On April 1, 2019, the Company adopted Ind AS 116, Leases, which applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Company has made use of the following practical expedients available in its transition to Ind AS 116 –

(a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019,

(b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application,

(c) The Company excluded the initial direct costs from measurement of the ROU asset,

(d) The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low value assets on the date of initial application.

On adoption of Ind AS 116,

(a) the Company has recognized ROU asset of ₹ 86.25 million and corresponding lease liability of the same value,

(b) prepaid rent (including a portion of interest free security deposit) amounting ₹ 8.72 million on leasehold assets, which were earlier classified under "other current assets" have been reclassified to ROU assets

(c) lease escalation liability amounting ₹ 1.87 million, which were earlier classified under 'other current liabilities' have been adjusted to ROU assets

During the year ended March 31, 2020, the Company recognized in the statement of profit and loss –

(a) Depreciation expense from ROU assets [refer note 22]

(b) Interest expenses on lease liabilities (refer note 23)

Refer note 4 (a) for additions to ROU assets during the year ended March 31, 2020 and carrying amount of ROU assets as at March 31, 2020 by class of underlying asset. Lease payments during the period are disclosed under financing activities in the statement of cash flows. The comparatives as at and for the year ended March 31, 2019 have not been retrospectively restated.

The adoption of Ind AS 116 did not have any material impact on the Company's statement of profit and loss and earnings per share. The difference between the lease obligation as of April 1, 2019 under Ind AS 17 and the value of the lease liabilities as of that date is primarily on account of measurement and discounting the lease liabilities to the present value in accordance with Ind AS 116.

	Amount (₹ million)
Operating lease commitments as at March 31, 2019	99.11
(Less): Impact of discounting on opening lease liability	(12.86)
Lease liability recognized as at April 1, 2019	86.25

New accounting standards not yet adopted by the Company.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no standards that are issued but not yet effective on March 31, 2020.

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

3 Property and equipment

	Computer equipments	Office equipments	Furniture and fixtures	Vehicles	Total
Gross Block (at cost)					
As at April 1, 2018	**28.57**	**4.17**	**1.51**	**3.76**	**38.01**
Additions	0.16	0.74	-	-	0.90
Deletions	-	-	-	-	-
As at March 31, 2019	**28.73**	**4.91**	**1.51**	**3.76**	**38.91**
Additions	0.25	-	-	-	0.25
Deletions	-	-	-	-	-
As at March 31, 2020	**28.98**	**4.91**	**1.51**	**3.76**	**39.16**
Accumulated Depreciation					
As at April 1, 2018	**26.58**	**3.56**	**1.29**	**1.61**	**33.04**
For the year	1.94	0.57	0.10	0.89	3.50
Deletions	-	-	-	-	-
As at March 31, 2019	**28.52**	**4.13**	**1.39**	**2.50**	**36.54**
For the year	0.13	0.41	0.10	0.89	1.53
Deletions	-	-	-	-	-
As at March 31, 2020	**28.65**	**4.54**	**1.49**	**3.39**	**38.07**
Net block					
As at March 31, 2019	**0.21**	**0.78**	**0.12**	**1.26**	**2.37**
As at March 31, 2020	**0.33**	**0.37**	**0.02**	**0.37**	**1.09**

4 (a) Right-of-use of assets

Particulars	Right-of-use of assets	Total
Gross Block (at cost)		
As at April 1, 2018	**-**	**-**
Additions	-	-
Deletions	-	-
As at March 31, 2019	**-**	**-**
Additions (refer note 27)	93.10	93.10
Deletions	-	-
As at March 31, 2020	**93.10**	**93.10**
Accumulated Depreciation		
As at April 1, 2018	**-**	-
For the year	-	-
Deletions	-	-
As at March 31, 2019	**-**	**-**
For the year	46.48	46.48
Deletions	-	-
As at March 31, 2020	**46.48**	**46.48**
Net block		
As at March 31, 2019	**-**	**-**
As at March 31, 2020	**46.62**	**46.62**

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

4 (b) Intangible assets

	Computer software	NGDP Platform	Mygamma and Djuzz platform	Total
Gross Block (at cost)				
As at April 1, 2018	16.01	**11.40**	**3.64**	**31.05**
Additions	-	-	-	**-**
Deletions	-	-	-	**-**
As at March 31, 2019	**16.01**	**11.40**	**3.64**	**31.05**
Additions	2.86	-	-	2.86
Deletions	-	-	-	-
As at March 31, 2020	**18.87**	**11.40**	**3.64**	**33.91**
Accumulated Amortisation				
As at April 1, 2018	**15.72**	**4.27**	**3.64**	**23.63**
For the year	0.29	3.80	-	4.09
Deletions	-	-	-	-
As at March 31, 2019	**16.01**	**8.07**	**3.64**	**27.72**
For the year	0.57	2.47	-	3.04
Deletions	-	-	-	-
As at March 31, 2020	**16.58**	**10.54**	**3.64**	**30.76**
Net block				
As at March 31, 2019	**-**	**3.33**	**0.00**	**3.33**
As at March 31, 2020	**2.29**	**0.86**	**0.00**	**3.15**

5 Non current and current Investments

		As at			
		March 31, 2020		March 31, 2019	
		No. of shares	Amount	No. of shares	Amount
a.	**Non-current investments**				
	Investment in subsidiaries				
	Unquoted equity and preference shares (at cost)				
	Equity instruments at cost				
	Nazara Technologies FZ LLC Equity shares of AED 10 each, fully paid up	5,000	0.64	5,000	0.64
	Nazara Pro Gaming Private Limited Equity shares of ₹ 10 each, fully paid up	9,999	0.10	9,999	0.10
	Nazara Pte Limited Equity shares of SGD 1 each, fully paid up	1,000	0.05	1,000	0.05
	Next Wave Multimedia Private Limited Equity shares of ₹ 100 each, fully paid up	17,460	528.24	17,460	528.24
	Nodwin Gaming Private Limited Equity shares of ₹ 10 each, fully paid up	7,376	769.63	7,376	769.63
	Paper Boat Apps Private Limited (refer note A below) Equity shares of ₹ 10 each, fully paid up	5,422	835.10	-	-
	Absolute Sports Private Limited (refer note B below) Equity shares of ₹ 10 each, fully paid up	137,173	438.43	-	-
	Crimzoncode Education Private Limited (refer note C below) Equity shares of ₹ 10 each, fully paid up	3,846,208	20.32	-	-
	Halaplay Technologies Private Limited (refer note F below) Equity shares of ₹ 100 each, fully paid up	47,867	230.50	-	-
	Compulsorily convertible preference share instruments (at cost)				

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

5 Non current and current Investments (Cont'd)

		As at			
		March 31, 2020		March 31, 2019	
		No. of shares	Amount	No. of shares	Amount
	Halaplay Technologies Private Limited (refer note F below) 0.1% cumulative compulsorily convertible preference shares of ₹ 100 each, fully paid up	30,500	147.81	-	-
	Investment in associates				
	Unquoted equity instrument (at cost)				
	Crimzoncode Technologies Private Limited Equity shares of ₹ 10 each, fully paid up	-	-	1,366,728	16.85
	Halaplay Technologies Private Limited (refer note F below) Equity shares of ₹ 100 each, fully paid up	-	-	16,522	80.00
	Moonglab Technologies Private Limited (refer note D below) Equity shares of ₹ 10 each, fully paid up	4,392	10.00	-	-
	Compulsorily convertible preference share instruments (at cost)				
	Halaplay Technologies Private Limited 0.1% cumulative compulsorily convertible preference shares of ₹ 100 each, fully paid up	-	-	30,500	147.81
	Unquoted equity instrument (at cost)				
	Share Application money given to Halaplay Technologies Private Limited	-	-	-	42.50
	Investment in Joint venture				
	Unquoted equity instrument (at cost)				
	Sports Unity Private Limited (refer note H below) Equity shares of ₹ 10 each, fully paid up	3,045,000	60.90	-	-
	Total (a)		**3,041.72**		**1,585.82**
b.	**Investment in others**				
	Unquoted equity and preference shares (at fair value through profit and loss)				
	Moonglab Technologies Private Limited Equity shares of ₹ 10 each, fully paid up	-	-	3,294	7.50
	Instasportz Consultancy Private Limited (refer note E below) Equity shares of ₹ 10 each, fully paid up	1,171	10.00	1,171	10.00
	Compulsorily convertible preference share instruments (at fair value through profit and loss)				
	Khichadi Technologies Private Limited (refer note G below) 0.01% compulsorily convertible preference shares of ₹ 100 each, fully paid up	2,143	7.50	-	-
	Total (b)		**17.50**		**17.50**
c.	**Impairment on investments**				
	Halaplay Technologies Private Limited (refer note 33) (Loss on fair value of investment)		26.19		-
	Total (c)		**26.19**		**-**
	Total (a+b-c)		**3,033.03**		**1,603.32**

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

5 Non current and current Investments (Cont'd)

A In case of Paper Boat Apps Private Limited ('Paperboat'), consideration towards acquisition of Paper Boat is as follows;

	No. of shares	Fair value of shares	Total Consideration
Issuance of equity	597,528	728	435.00
Cash consideration	NA	NA	400.10

(*) consideration (i.e. 185,440 equity share and cash of ₹ 100.00 million) shall be payable on target revenue being achieved by the acquiree during the agreed time period.

B A portion of total includes cash consideration as ₹ 95.00 million and issued 471,740 fully paid-up equity share to the shareholders of Absolute Sports Private Limited.

C During the year, on further investment in equity shares relationship has changed from associate to subsidiary (Includes issuance of 17,995 fully paid-up equity share to the shareholders of Crimzoncode Technologies Private Limited [Crimzoncode]). Accordingly, investment in equity shares were fair valued on the date the Company acquired control and recorded a loss of ₹ 9.63 million. The adjusted fair value is considered as revised cost of investment in equity shares of Crimzoncode.

D During the year ended March 31, 2019, the Company has invested ₹ 2.50 millions in one or more tranches in cash by acquiring a total 1,098 equity shares of ₹ 2,277 each in Moonglab Technologies Limited (‘Moonglab’). Post this investment, the Company owns 19.50% of equity shares in Moonglab as at March 31, 2019.

During the year ended March 31, 2020, the Company further invested ₹ 2.50 million for acquisition of additional equity (1,098 equity shares @ ₹ 2,277 per equity share). Post the acquisition of additional equity in Moonglab in April 2019, the Company holds 24.41% in Moonglab, therefore providing right of significant influence. Accordingly, the Company has disclosed the investment in Moonglab within ‘Investment in associates’ for the year ended March 31, 2020.

E During the previous year, the Company had agreed to invest ₹ 10.00 million for a 8.67% stake in Instasportz Consultancy Private Limited (Instasportz) pursuant to Agreement dated July 11, 2018. Instasportz is engaged in the business of running sports and virtual reality entertainment zones across India and abroad.

F The Company made following investment in the Halaplay :

During the year ended March 31, 2019, the Company invested ₹ 84.00 million in Halaplay Technologies Private Limited (“Halaplay” or “investee Company”) by subscribing 14,104 Compulsorily Convertible Preference Shares (‘CCPS’) through rights issue pursuant to Agreement dated July 11, 2018 and July 27, 2018. In addition, the Company invested ₹ 80 million by subscribing 16,522 Seed Equity Shares of Series A through Private Placement in March 2019. Further, the Company invested share application money pending allotment amounting ₹ 42.50 million for additional investment in Seed Equity Shares.

Pursuant to agreement dated July 11, 2018 and July 27, 2018, each CCPS is entitled to cumulative dividend of 0.1% (zero point one percent) per annum (“Preferential Dividend”). In the event, dividend is announced on equity shares, the preferred shareholders will be entitled to dividend on those shares on as if converted basis. As of March 31, 2019, CCPS shall be converted into fixed ratio (6,910 CCPS in 1:1 ratio and 10,644 CCPS in 1:2.2162 ratio), subject to anti-dilution rights and appropriate adjustment in the event of any stock dividend, stock split, combination, anti-dilution or any other similar recapitalisation.

Accordingly, the Company has acquired 24.37% of voting rights in the Halaplay become an associate on March 1, 2019. Accordingly, the Company has fair valued the investment and recorded the gain of ₹ 59.81 million in the year ended March 31, 2019 within “Fair value gain on Investment at fair value through profit or loss”.

During the current year, the Company invested additional ₹ 108.00 million in Halaplay and 31,345 Seed Equity Shares were issued in lieu of the additional investment and share application money pending allotment. As at March 31, 2020, the Company holds 38.40% in Halaplay.

The Company invested in Halaplay and had interest in associate till April 8, 2019. From April 8, 2019, the Company acquired control over Halaplay after co-investor Delta Corp Limited relinquished its decision making rights over significant and relevant matters.

G In April 2019, the Company invested ₹ 7.50 million in cash for acquiring 2,143 equity shares of ₹ 3,500 each of Khichadi Technologies Private Limited (‘Khichadi’), a company engaged in vernacular social contest platform, namely Bakbuck. As at March 31, 2020, the Company holds 16.67% in Khichadi (on a diluted basis).

H During the year ended March 31, 2020, the Company invested ₹ 60.90 million in cash for acquiring 3,045,000 equity shares of ₹ 20 per equity shares of Sports Unity Private Limited (‘Sports Unity’), a company engaged in online multiplayer quiz platform, namely Qunami, which provides experience of simulating a real cricket match. The Company holds 62.53% in Sports Unity.

The Company had control over sports unity from May 10, 2019 to January 15, 2020, however this control was transitionary in nature and hence the Company had accounted for Sports Unity as joint control since inception. Accordingly, the Company has disclosed the investment in Sports Unity Private Limited within ‘Investment in Joint Ventures’ for the year ended March 31, 2020.

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

5 Non current and current Investments (Cont'd)

		As at			
		March 31, 2020		March 31, 2019	
		No of units	Amount	No of units	Amount
b	**Current investments**				
	Investments in mutual funds at FVTPL (unquoted)				
	Aditya Birla SL Short Term Opp Fund (G)	368,370	12.22	368,370	11.39
	ICICI Prudential Gilt Fund	254,376	18.22	670,604	42.79
	IDFC Bond Fund Short Term Plan Reg (G)	641,350	26.64	641,350	24.42
	Reliance Short Term Fund	853,280	32.23	853,280	29.64
	SBI Banking and PSU Fund Reg (G)	18,977	43.28	18,977	39.45
	SBI Credit Risk Fund Reg (G)	881,261	27.94	2,858,784	85.34
	SBI Magnum Medium Duration Fund Reg (G) (refer below note 1)	1,402,279	50.53	3,470,651	112.32
	SBI Magnum Income Fund	238,959	12.10	1,577,816	70.92
	SBI Short Term Fund	1,210,302	28.22	1,210,302	25.89
	Kotak Gilt Investment Regular Growth	-	-	627,212	39.46
	BNP Paribas Flexi Debt Fund	-	-	413,979	13.02
	Tata Short Term Bond Fund	-	-	351,136	11.40
	UTI Short Term Income Fund	-	-	1,075,645	24.21
	SBI debt fund series B – 33	-	-	2,000,000	25.07
	DSP Credit Risk Fund - Regular Plan Growth	-	-	808,157	22.68
	L and T Credit Risk Fund (G)	-	-	1,722,655	36.33
	Tata short term bond fund	-	-	351,136	11.40
	Aditya Birla SL Credit Risk Fund Reg (G)	-	-	799,316	10.93
	Reliance Strategic Debt Fund (G)	-	-	732,295	10.77
	Aditya Birla SL Dynamic Bond Fund Reg (G)	-	-	339,552	10.73
	Total investment in mutual funds at FVTPL (a)		**251.38**		**658.16**
	Investments in debentures at amortised cost (quoted)				
	IIFL wealth finance market linked debentures	-	-	780	83.01
	Total investment in debentures at amortised cost (b)		**-**		**83.01**
	Investments in tax free bonds at FVOCI				
	7.39% HUDCO tax free bond series IIA	7,007	8.14	7,007	7.54
	7.39% HUDCO bond tax free bond series IIA	7,529	8.40	7,529	8.30
	7.35% IRFC tax free bond series IIA	5,878	6.63	5,878	6.56
	7.35% NABARD tax free bond series IIA	5,010	5.58	5,010	5.38
	7.35% NHAI tax free bond series IIA	14,285	16.14	14,285	15.29
	7.39% NHAI tax free bond series IIA	15,419	29.83	15,419	17.27
	Total investment in tax free bonds at FVOCI (c)		**74.72**		**60.34**
	Aggregate amount of unquoted investments (a+c)		326.10		718.50
	Aggregate amount of quoted investments (b)		-		83.01
	Grand Total		**326.10**		**801.51**

Note:

1) Out of the above investment in mutual funds, investments having cost of ₹ 9.18 million (March 31, 2019: ₹ 9.18 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.

6 Loans

	As at	
	March 31, 2020	March 31, 2019
Non-current		
Unsecured, considered good		
Security deposits	15.36	13.58
Loan to Inbox Digital Private Limited (*)	2.00	2.00
Loan to employees (#)	11.99	-
Total	**29.35**	**15.58**

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

6 Loans (Cont'd)

	As at	
	March 31, 2020	**March 31, 2019**
Current		
Unsecured, considered good		
Loan given to related party, repayable on demand (refer note 25)		
Crimzoncode Education Private Limited (Interest @ 13% p.a.)	4.78	-
Halaplay Technologies Private Limited (Interest @ 13% p.a.)	2.50	-
Nazara Pro Gaming Private Limited (Interest @ 13% p.a.)	4.27	-
Loan to employees (#)	6.09	1.94
Total	**17.64**	**1.94**

(*) The Company has an option to convert loan into fully paid equity share at any time from the date of loan agreement, wherein the Company is not expecting to exercise the option.

(#) includes ₹ 13.29 million receivable from related party (refer note 25)

7 Other non-current financial assets

	As at	
	March 31, 2020	**March 31, 2019**
Expenses recoverable from related parties (refer note 25)	40.19	40.19
Total	**40.19**	**40.19**

8 Other non-current assets

	As at	
	March 31, 2020	**March 31, 2019**
Prepaid expense	1.50	1.05
Prepaid employee perquisite	1.59	-
Advance income-tax, net of provision for tax (refer note 30)	14.63	22.42
Total	**17.72**	**23.47**

9 Trade receivables (Unsecured)

	As at	
	March 31, 2020	**March 31, 2019**
Considered good (*)	84.55	71.54
Considered having significant increase in credit risk	96.52	159.09
Less: Allowance for receivables having significant increase in credit risk	(96.52)	(159.09)
Total	**84.55**	**71.54**
(*) includes receivable from related party (refer note 25).	**54.06**	**40.96**

10 Cash and cash equivalents

		As at	
		March 31, 2020	**March 31, 2019**
i)	**Cash and cash equivalents**		
	Cash on hand	0.80	0.55
	Balances with banks		
	- in current accounts	38.24	26.41
		39.04	**26.96**
ii)	**Bank balances other than cash and cash equivalents**		
	- in fixed deposits with remaining maturity of less than 12 months	-	1.65
		-	**1.65**
	Total	**39.04**	**28.61**

Note:

The fixed deposit aggregating to March 31, 2020 : Nil (March 31, 2019 : ₹ 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.

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

10 Cash and cash equivalents (Cont'd)

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

	As at	
	March 31, 2020	**March 31, 2019**
Balances with banks:		
-On Current accounts	38.24	26.41
-Cash on hand	0.80	0.55
Total	**39.04**	**26.96**

11 Other current financial assets

	As at	
	March 31, 2020	**March 31, 2019**
Current		
Unsecured, considered good		
Unbilled revenue (**)		
- considered good	38.18	37.28
- considered having significant increase in credit risk	6.02	6.02
- Less: Allowance for receivables having significant increase in credit risk	(6.02)	(6.02)
Interest accrued but not due		
- from banks	-	0.25
- from tax free bond	2.05	2.04
- from loan given (*)	0.61	0.24
Total	**40.84**	**39.81**
(**) includes unbilled revenue from related parties (refer note 25)	**2.29**	**-**
(*) includes interest accrued but not due from loan given to related party (refer note 25)	**0.23**	**0.12**

12 Other current assets

	As at	
	March 31, 2020	**March 31, 2019**
Advances recoverable in cash or kind or for value to be received	-	0.35
Advance to vendors	0.11	2.42
Prepaid expenses	4.93	9.25
Prepaid rent (refer note 27)	-	8.72
Prepaid employee perquisite	0.79	-
Balances with government authorities	12.95	21.72
Total	**18.78**	**42.46**

13 Share capital

	As at	
	March 31, 2020	**March 31, 2019**
Share capital		
Authorised shares		
34,371,990 (March 31, 2019: 34,371,990) equity shares of ₹ 4 each	137.49	137.49
1,251,204 (March 31, 2019: 1,251,204) preference shares of ₹ 10 each	12.51	12.51
	150.00	**150.00**
Issued, subscribed and fully paid up		
27,996,663 (March 31, 2019: 27,471,969) equity shares of ₹ 4 each	111.99	109.89
	111.99	**109.89**

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

Equity shares of ₹ 4 each

Name of the shareholder	As at			
	March 31, 2020		**March 31, 2019**	
	No. of Shares	**% Holding**	**No. of Shares**	**% Holding**
Mitter Infotech LLP	5,955,125	21.27%	5,955,125	21.68%
West Bridge Venture II Investment Holdings	6,121,210	21.86%	6,121,210	22.28%
Rakesh Jhunjhunwala	3,294,310	11.77%	3,294,310	11.99%
IIFL Special Opportunity Fund	1,748,185	6.24%	1,456,320	5.30%
IIFL Special Opportunity Fund - Series 4	1,429,360	5.11%	1,059,429	(*) 3.86%

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

(*) less than 5% in previous year, presented for comparative purpose.

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

13 Share capital (Cont'd)

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

Equity shares of ₹ 4 each	No. of Shares	Amount
As at April 1, 2018	26,972,619	107.89
Add : Issued during the year	499,350	2.00
As at March 31, 2019	**27,471,969**	**109.89**
As at April 1, 2019	**27,471,969**	**109.89**
Add : Issued during the year	524,694	2.10
As at March 31, 2020	**27,996,663**	**111.99**

(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; or

   (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).

7. Termination agreement:

   The parties to the Waiver and Termination Agreement dated January 17, 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 to carry out re-organisation of board, change in constitution of the Company and amendment of articles of association of the Company.

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

13 Share capital (Cont'd)

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.

Management has not yet decided the IPO cut-off date, accordingly, the matter on further waiver of the requirements of Termination agreement dated June 24, 2019 as mentioned above is under the discussion among the parties, and until that time the requirements of the aforesaid termination agreement has not been given effect to.

8. 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 on December 8, 2017 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 December 7, 2018:

(i) 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;

(ii) 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;

(iii) tag along right in the event our Promoters transfer any equity shares with effect from December 7, 2018; and

(iv) 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. Such right have not been exercised by them.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 31.

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

	March 31, 2020	March 31, 2019
	No. of shares	
Equity shares bought back by the Company		
Financial Year 2014-2015	45,400	45,400
	45,400	**45,400**

(f) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:

	March 31, 2020	March 31, 2019
	No. of shares	
Equity shares allotted as fully paid bonus shares by capitalization of reserve	19,925,088	19,925,088
	19,925,088	**19,925,088**

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

	March 31, 2020	March 31, 2019
	No. of shares	
Equity shares allotted for consideration other than cash		
Financial Year 2019-20 (refer note 5B and 5C)	489,735	-
Financial Year 2017-18	794,641	794,641
	1,284,376	**794,641**

14 Other equity

	As at	
	March 31, 2020	March 31, 2019
Reserves and surplus		
Capital redemption reserve account		
Opening balance	1.30	1.30
Addition / deletion during the year	-	-
Closing balance	**1.30**	**1.30**
Securities premium		
Opening balance	1,404.87	1,186.67
Addition during the year	379.88	-
Addition during the year on exercise of ESOP	-	115.01
Transfer from share based payment reserve on exercise of option	-	103.19
Closing balance	**1,784.75**	**1,404.87**

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

14 Other equity (Cont'd)

	As at	
	March 31, 2020	**March 31, 2019**
Surplus in the statement of profit and loss and other comprehensive income		
Opening balance	392.84	369.96
Add: Profit for the year	75.91	22.18
Other comprehensive income for the year	0.18	0.70
Closing balance	**468.93**	**392.84**
Debt instrument through Other Comprehensive Income		
Opening balance	4.61	5.27
Other comprehensive income / (loss) for the year	14.38	(0.66)
Closing balance	**18.99**	**4.61**
Share based payment reserve		
Opening balance	255.93	194.59
Additions during the year	-	164.53
Less: Transfer to securities premium on exercise of options	-	(103.19)
Closing balance	**255.93**	**255.93**
Other equity		
Opening balance	-	-
Additions during the year (refer note 5A)	435.00	-
Closing balance	**435.00**	**-**
Capital contribution from shareholder		
Opening balance	357.18	357.18
Additions during the year	-	-
Closing balance	**357.18**	**357.18**
Total reserve and surplus	**3,322.08**	**2,416.73**

15 Provisions

	As at	
	March 31, 2020	**March 31, 2019**
Non-current		
Provisions for employee benefits		
Gratuity (refer note 29)	12.07	15.68
Total	**12.07**	**15.68**
Current		
Provision for employee benefits		
Compensated absences	2.62	2.81
Gratuity (refer note 29)	3.65	-
	6.27	**2.81**

16 Trade payables

	As at	
	March 31, 2020	**March 31, 2019**
Trade payable (*)		
Micro enterprises and small enterprises	0.07	-
Other than micro enterprises and small enterprises	84.26	102.26
Total	**84.33**	**102.26**
(*) includes payable to related party (refer note 25)	**9.76**	**8.28**

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

16 Trade payables (Cont'd)

16.1 The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act) as at March 31, 2020 and March 31, 2019

		As at	
		March 31, 2020	March 31, 2019
a)	Principal amount due to suppliers under MSMED Act	0.07	-
b)	Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
c)	Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
d)	Interest paid to suppliers under MSMED Act	-	-
e)	Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
f)	Interest accrued and remaining unpaid at the end of the accounting year	-	-
g)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company.

17 Other financial liabilities

	As at	
	March 31, 2020	March 31, 2019
Payable to employees	18.33	22.51
Acquisition related liability (refer note 5A)	100.00	-
Deposit from customers (refer note below)	13.99	14.01
Total	**132.32**	**36.52**

17.1 Deposit represents the entertainment tax (on revenue recognised till June 2017) amount of ₹ 13.99 million as at March 31, 2020 (March 31, 2019 : ₹ 13.99 million) refunded by a customer against bank guarantee of ₹ 15.58 million. The tax levy on entertainment is still not clear by the relevant authority. Therefore once the matter resolved or any clarification issued, the Company is required to either retain or pay this amount to the customer.

18 Other current liabilities

	As at	
	March 31, 2020	March 31, 2019
Tax deducted at source payable	2.66	5.44
Statutory dues	1.18	1.16
Lease equalisation reserve (refer note 27)	-	1.87
Payable for expenses	9.83	4.72
Total	**13.67**	**13.19**

19 Revenue from operations

	For the year ended	
	March 31, 2020	March 31, 2019
Revenue from contract with customers		
Telco subscription	228.40	183.09
Advertising	63.02	93.44
Platform fees	4.29	-
Other operating revenue (refer note 25)		
Technology platform fees	80.13	76.42
Digital marketing fees	44.45	45.24
Administrative and business support services	40.92	36.28
Total	**461.21**	**434.47**

Geographical and type of service disaggregation of revenue

	Telco subscription	Advertising	Platform fees	Total
As at March 31, 2020				
India	204.13	63.02	4.29	**271.44**
Rest of the world	24.27	-	-	**24.27**
Total	**228.40**	**63.02**	**4.29**	**295.71**
As at March 31, 2019				
India	136.10	93.44	-	**229.54**
Rest of the world	46.99	-	-	**46.99**
Total	**183.09**	**93.44**	**-**	**276.53**

Pattern of revenue recognition disaggregation of revenue

	Telco subscription	Advertising	Platform fees	Total
As at March 31, 2020				
Recognised at a point in time	228.40	63.02	-	**291.42**
Recognised over the period of time	-	-	4.29	**4.29**
Total	**228.40**	**63.02**	**4.29**	**295.71**
As at March 31, 2019				
Recognised at a point in time	183.09	93.44	-	**276.53**
Recognised over the period of time	-	-	-	**-**
Total	**183.09**	**93.44**	**-**	**276.53**

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

20 Other income

	For the year ended	
	March 31, 2020	**March 31, 2019**
Interest income on		
- bank deposits	0.14	1.36
- tax free bonds	4.07	4.05
- Loan given	0.37	-
- Income tax refund	1.35	-
Unwinding of interest on security deposits	1.01	-
Unwinding of interest on loan to employee(*)	0.56	-
Dividend income on current investments	-	4.18
Net gain on sale of current investments	15.03	11.16
Fair value gain on financial instruments at fair value through profit or loss	21.94	33.49
Fair value gain on non-current investment	-	59.81
Sundry balances written-back	13.98	4.33
Gain on exchange fluctuation (net)	5.65	-
Miscellaneous	2.21	1.21
Total	**66.31**	**119.59**

(*)Includes interest on loan given to KMP / related Parties.

21 Employee benefits

	For the year ended	
	March 31, 2020	**March 31, 2019**
Salaries, wages and bonus		
Employees	67.18	76.88
Key management personnel (refer note 25) (*)	61.94	71.34
Contribution to provident and other funds (refer note 29)	7.65	7.95
Gratuity expense (refer note 29)	2.31	2.80
Staff welfare expenses	1.09	0.89
Total	**140.17**	**159.86**

(*) includes amortisation of prepaid perquisites ₹ 0.38 million (March 31, 2019 : Nil)

22 Depreciation and amortisation

	For the year ended	
	March 31, 2020	**March 31, 2019**
Property and equipment (refer note 3)	1.53	3.50
Right-of-use assets (refer note 4(a))	46.48	-
Intangible assets (refer note 4(b))	3.04	4.09
Total	**51.05**	**7.59**

23 Finance costs

	For the year ended	
	March 31, 2020	**March 31, 2019**
Interest on lease liability	5.16	-
Total	**5.16**	**-**

24 Other expenses

	For the year ended	
	March 31, 2020	**March 31, 2019**
Legal and professional fees	22.86	10.95
Travelling and conveyance	12.42	10.80
Server charges	11.80	10.28
Sales promotion and business development	9.20	9.13
Payment to auditors (refer note (i) below)	2.98	4.13
Corporate social responsibility expenditure (refer note (ii) below)	2.52	3.23
Content management charges	2.18	4.25
Rates and taxes	2.02	1.20
Repairs and maintenance	1.96	1.59
Insurance charges	1.69	1.63
Donation	1.08	-
Communication expenses	1.06	1.31
Directors fees	0.83	1.03

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

24 Other expenses (Cont'd)

	For the year ended	
	March 31, 2020	**March 31, 2019**
Bad debts written off	0.80	2.71
Printing and stationery	0.62	0.53
Consumables for development and testing	0.47	0.24
Rent expenses	0.09	52.10
Allowance for doubtful debts	-	88.75
Loss on exchange fluctuation (net)	-	33.47
Loss on fair value on non-current investment (refer note (iii) below)	9.63	-
Impairment on investment in subsidiary (refer note (iv) below)	26.19	-
Miscellaneous	9.19	5.00
Total	**119.59**	**242.33**

Notes:

(i) Payment to auditors

Particulars	For the year ended	
	March 31, 2020	**March 31, 2019**
As auditor		
- Audit fee	2.98	3.65
- Reimbursement of expenses	-	0.11
In other capacity		
- for other services	-	0.37
	2.98	**4.13**

(ii) Corporate social responsibilities

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

Details of corporate social expenditures are as follows:

Particulars	For the year ended	
	March 31, 2020	**March 31, 2019**
Gross amount required to be spent during the year	3.52	3.44
Amount spent during the period		
i) Construction / acquisition of any asset	-	-
i) On purposes other than (i) above	2.52	3.23
Total amount spent during the year	**2.52**	**3.23**

(iii) Loss on fair value on non-current investment

The Company has acquired 64.47% of voting rights in the Crimzoncode on February 22, 2020 by virtue of which Crimzoncode is a 100 percent subsidiary. Accordingly, the Company has fair valued its earlier investment on the date when change in control occurred and recorded a loss of ₹ 9.63 million as “Loss on fair value on non-current investment”.

(iv) Impairment on investment in subsidiary

Considering reduction in the fair value of the investment in Halaplay, an impairment loss of ₹ 26.19 million is recorded in the financial statements for the year ended March 31, 2020.

25 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	
Subsidiaries	Nazara Technologies FZ LLC
	Nazara Pte Ltd
	Nazara Pro Gaming Private Limited (from May 16, 2017)
	Nextwave Multimedia Private Limited (from December 22, 2017)
	Nodwin Gaming Private Limited (from January 10, 2018)
	Halaplay Technologies Private Limited (from April 8, 2019)
	Absolute Sports Private Limited (from September 16, 2019)
	Paper Boat Apps Private Limited (from January 18, 2020)
	Crimzoncode Technologies Private Limited (from February 21, 2020) (formerly known as Jatia Education Private Limited)

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

25 Related party transactions (Cont'd)

Stepdown subsidiaries	Nazara Technologies
	Nazara Zambia Limited
	Nzmobile Nigeria Limited
	Nzmobile Kenya Limited
	Nazara Uganda Limited
	Nazara Bangladesh Limited
	Nzworld Kenya Limited
	Kiddopia Inc.
	Nodwin International Private Limited
Joint Control	Sports Unity Private Limited (from May 10, 2019)
Related parties with whom transactions have taken place during the year	
Entity with Significant influence	
Associate of subsidiary	Mastermind Sports Limited (from May 22, 2017)
Associate	Crimzoncode Technologies Private Limited (from June 6, 2018 till February 20, 2020) (formerly known as Jatia Education Private Limited)
	Halaplay Technologies Private Limited (from effective December 17, 2018 to April 8, 2019)
	Moonglab Technologies Private Limited (from effective April 19, 2019)
Key management personnel	Vikash Mittersain - Chairman Cum Managing Director
	Nitish Mittersain - Managing Director
	Manish Agarwal - Chief Executive Officer
	Rakesh Shah - Chief Financial Officer
	Turabbhai Chimthanawala -Company Secretary (from April 1, 2019)
Enterprises owned or controlled by key management personnel	Mitter Infotech LLP (formerly Mitter Infotech Private Limited)

B) Related party transactions:

	For the year ended	
	March 31, 2020	**March 31, 2019**
Remuneration to Key management personnel (KMP) - As per contract with the Company		
Vikash Mittersain	5.60	5.65
Nitish Mittersain	28.48	26.52
Manish Agarwal (*)	20.12	31.93
Rakesh Shah	7.27	6.84
Turabbhai Chimthanawala	0.47	0.40
(*) Includes fair value adjustment		
Content		
Mastermind Sports Limited	(*) 0.00	0.91
Crimzoncode Technologies Private Limited	4.90	6.44
Moong labs Technologies Private Limited	3.51	3.60
Professional Fees		
Nodwin Gaming Private Limited	-	0.50
Advertising		
Crimzoncode Technologies Private Limited	0.18	-
Nextwave Multimedia Private Limited	1.80	-
Nodwin Gaming Private Limited	3.72	-

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

25 Related party transactions (Cont'd)

	For the year ended	
	March 31, 2020	**March 31, 2019**
Additional cost of investment on account of group share based payment		
Nextwave Multimedia Private Limited (refer note 31(d))	-	164.53
Interest income		
Crimzoncode Technologies Private Limited	0.05	-
Nazara Pro Gaming Private Limited, net	0.05	-
Halaplay Technologies Private Limited	0.01	-
Loan given to KMP		
Manish Agarwal	15.50	-
Loan given to Subsidiary		
Nazara Pro Gaming Private Limited, net	4.27	-
Crimzoncode Technologies Private Limited	4.98	-
Halaplay Technologies Private Limited	5.00	-
Repayment of loan from subsidiary		
Halaplay Technologies Private Limited	2.50	-
Crimzoncode Technologies Private Limited	0.20	-
Service fees charged		
Technology platform fees		
Nazara Technologies FZ LLC	22.83	21.62
Nazara Pte Limited	33.21	22.26
Nazara Technologies	15.55	32.54
NZMobile Kenya Limited	8.54	-
Digital marketing fees		
Nazara Technologies FZ LLC	1.44	1.89
Nazara Pte Limited	39.75	4.81
Nazara Technologies	1.72	38.54
NZMobile Kenya Limited	0.54	-
Nzworld Kenya Limited	1.00	-
Administrative and business support services		
Nazara Technologies FZ LLC	11.79	10.27
Nazara Pte Limited	17.08	10.57
Nazara Technologies	7.92	15.44
NZMobile Kenya Limited	4.13	-
IPO expenses recoverable (refer note 1 below)		
West Bridge Venture II Investment Holdings	-	4.68
Mitter Infotech LLP	-	0.31

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

25 Related party transactions (Cont'd)

C) Amounts outstanding as at the balance sheet date:

	As at	
	March 31, 2020	**March 31, 2019**
Balance payables at year end		
Mastermind Sports Limited	2.51	2.33
Moong labs Technologies Private Limited	0.90	0.43
Nodwin Gaming Private Limited	4.26	0.54
Crimzoncode Technologies Private Limited	-	3.13
Nextwave Multimedia Private Limited	2.09	-
Loan receivable from subsidiary company, including interest accrued thereon		
Nazara Pro Gaming Private Limited	4.32	-
Crimzoncode Technologies Private Limited	4.83	-
Halaplay Technologies Private Limited	2.51	-
Interest receivables on loan		
Moong labs Technologies Private Limited	0.12	0.12
Amount recoverable/(payables) from subsidiary company		
Nazara Technologies FZ LLC	4.23	(1.85)
Nazara Pte Limited	25.68	1.91
Nazara Technologies	10.27	39.05
NZ Mobile Kenya Ltd	12.91	-
NZ World Kenya Ltd	0.97	-
Unbilled revenue		
Nazara Technologies FZ LLC	0.76	-
Nazara Pte Limited	1.13	-
Nazara Technologies	0.40	-
Loan given to KMP inclusive of fair value adjustment		
Manish Agarwal	13.29	-
IPO expenses recoverable (refer note 1 below)		
West Bridge Venture II Investment Holdings	37.68	37.68
Mitter Infotech LLP	2.51	2.51

D) Compensation of KMP

	For the year ended	
	March 31, 2020	**March 31, 2019**
Short-term employee benefits	58.48	68.27
Post- employment benefits (refer note 2 below)	3.46	3.07
Total remuneration	**61.94**	**71.34**

Notes:

1) 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.

2) Remuneration to key mangerial personnel doesn't include provision made for gratuity and compensated absences as they are determine on acturial basis for the Company as a whole.

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

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

26 Capital and others commitments

	As at	
	March 31, 2020	March 31, 2019
Other commitments		
Cost of content and other commitments	10.55	9.39

27 Lease disclosure

Where the Company is the lessee:

The Company's leased assets primarily consist of leases for office premises. Leases of office premises generally have lease term between 1 to 3 yea , lease rentals have an escalation of 5%.

i) Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	Total
As at April 1, 2019	-	**-**
Additions on adoption of Ind AS 116 (*)	93.10	**93.10**
Depreciation expenses	(46.48)	**(46.48)**
As at March 31, 2020	**46.62**	**46.62**

(*) net of adjustments towards prepaid rent amounting to ₹ 8.72 million and lease equalisation reserve amounting to ₹ 1.87 million.

ii) Below are the carrying amounts of operating lease liabilities (included under financial liabilities) and the movements during the period:

Particulars	Year ended
	March 31, 2020
As at April 1, 2019	
Additions on adoption of Ind AS 116	86.25
Finance expense	5.16
Payments	(51.47)
As at March 31, 2020	**39.94**
Current	39.94
Non-current	-

The contractual maturity analysis of lease liabilities (includes amount not falling under Ind AS 116) are disclosed herein on an undiscounted basis-

Particulars	Amount
Less than one year	39.94
Gross value	41.34
Less - Unamortised interest	(1.40)
More than one year less than 5 years	-
More than 5 years	-
Total	**39.94**

The effective interest rate for lease liabilities is 9.25%.

iii) The following are the amounts recognised in profit or loss:

Particulars	Year ended March 31, 2020
Depreciation expense for right-of-use assets	46.48
Finance expense on lease liabilities	5.16
Expense relating to short-term leases (included in other expenses)	0.09
Total amount recognised in profit or loss	**51.73**

The Company had total cash outflows for leases of ₹ 51.47 (March 31, 2019 : ₹ 52.10).

28 Earnings per share

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

	For the year ended	
	March 31, 2020	March 31, 2019
Basic		
Net profit attributable to equity shareholders	75.91	22.18
Weighted average number of equity shares in calculating basic EPS (refer note below)	27,753,117	27,418,613
Basic Earnings per share	**2.74**	**0.81**

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

28 Earnings per share (Cont'd)

	For the year ended	
	March 31, 2020	March 31, 2019
Diluted		
Net profit attributable to equity shareholders	75.91	22.18
Weighted average number of equity shares in calculating basic EPS	27,753,117	27,418,613
Effect of dilution (refer note below)	590,912	509,039
Weighted average number of equity shares outstanding (including dilutive)	28,344,030	27,927,652
Earnings per share	**2.68**	**0.79**

Note -

There are 507,366 (March 31, 2019 : 509,039) potential equity shares in the form of stock options granted to employees and 83,546 (March 31, 2019 : NIL) potential equity shares in the form of other equity.

29 Gratuity and post employment benefits

I) Defined Contribution plan

(a) Provident fund and ESIC

	For the year ended	
	March 31, 2020	March 31, 2019
Company's contribution to provident fund and other funds charged to profit and loss	7.65	7.95
	7.65	**7.95**

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	
	March 31, 2020	March 31, 2019
Liability at the beginning of the year	**15.68**	**14.03**
Interest cost	1.12	1.05
Current service cost	1.19	1.75
Past service cost		
Benefits paid	(2.03)	(0.18)
Re-measurements - Actuarial Loss - due to changes Financial assumptions	0.55	0.30
Re-measurements - Actuarial (Gain) - due to changes experience adjustment	(0.79)	(1.27)
Liability at the end of the year	**15.72**	**15.68**

ii) **Balance sheet reconciliation**

	As at	
	March 31, 2020	March 31, 2019
Opening net liability	**15.68**	**14.03**
Expense recognized in statement of profit and loss	2.31	2.80
Expense recognized in OCI	(0.24)	(0.97)
Benefit paid directly by the employer	(2.03)	(0.18)
Amounts recognized in the balance sheet	**15.72**	**15.68**

B Statement of profit and loss

i) Expense recognised in statement of profit and loss

	For the year ended	
	March 31, 2020	March 31, 2019
Current service cost	1.19	1.75
Net interest cost	1.12	1.05
Expenses recognized in profit and loss	**2.31**	**2.80**

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

29 Gratuity and post employment benefits (Cont'd)

ii) Expense recognised in other comprehensive income

	For the year ended	
	March 31, 2020	**March 31, 2019**
Remeasurements actuarial (gain)	(0.24)	(0.97)
Net (income)	**(0.24)**	**(0.97)**

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

	As at	
	March 31, 2020	**March 31, 2019**
Discount rate	6.24%	7.07%
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	
	March 31, 2020	**March 31, 2019**
Discount rate (- 1%)	0.73	0.74
Discount rate (+ 1%)	(0.66)	(0.67)
Salary escalation Rate (- 1%)	(0.39)	(0.44)
Salary escalation Rate (+ 1%)	0.42	0.47
Employee turnover (- 1%)	0.00	0.02
Employee turnover (+ 1%)	(0.00)	(0.02)

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	
	March 31, 2020	**March 31, 2019**
1st following year	3.65	3.34
2nd following year	1.94	1.96
3rd following year	1.79	1.82
4th following year	1.63	1.70
5th following year	1.51	1.57
Sum of years to 6 to 10	5.22	6.09
Sum of years 11 and above	6.35	6.93

30 Income taxes

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

	For the year ended	
	March 31, 2020	**March 31, 2019**
Current income tax:		
Income tax (current year)	31.47	6.82
Deferred tax (credit) / expenses	(2.65)	2.44
Income tax expense reported in the statement of profit or loss	**28.82**	**9.25**
Income tax recognised in other comprehensive income		
- Deferred tax (credit) / expense arising on income and expense recognised in other comprehensive income	0.06	0.27
Total	**28.88**	**9.53**

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

30 Income taxes (Cont'd)

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	
	March 31, 2020	March 31, 2019
Profit before tax	104.73	31.44
Enacted income tax rate in India	25.17%	27.82%
Computed expected tax expense	26.36	8.75
Effect of:		
Income not considered for tax purpose	(1.03)	(3.40)
Expenses not allowed for tax purpose	1.05	1.58
Impact of deferred tax due to change in income tax rate	2.19	1.66
Others	0.25	0.67
Income tax expense reported in the statement of profit or loss	**28.82**	**9.26**

C Deferred tax relates to the following: Balance sheet

	As at	
	March 31, 2020	March 31, 2019
Property and equipment: Impact of difference between depreciation/ amortisation	3.11	3.36
Provision for doubtful receivables	25.81	45.93
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	7.13	6.22
Fair value gain on mutual funds	(5.02)	(19.25)
Fair value gain on non-current investment	(5.49)	(13.31)
Net deferred tax assets, net	**25.54**	**22.95**

D Movement of deferred tax asset, net:

	For the year ended	
	March 31, 2020	March 31, 2019
Property and equipment: Impact of difference between depreciation / amortisation	0.25	(0.62)
Provision for doubtful receivables	20.12	(17.12)
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	(0.97)	(1.54)
Fair value gain on mutual funds	(14.23)	7.83
Fair value loss / (gain) on non-current investments	(7.82)	13.31
Others	-	0.58
Net deferred tax (benefit) / expenses	**(2.65)**	**2.44**
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.06	0.27
Net deferred tax expenses	**0.06**	**0.27**

The movement in advance tax as at March 31, 2020 and March 31, 2019

	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year (net of provision for taxes)	22.42	4.74
Add: Advance tax paid (including self-assessment tax and taxes deducted at source)	31.48	31.85
Less: Income tax refund received	(8.77)	(7.35)
Less: Provision for taxes	(31.47)	(6.82)
Balance at the end of the year (net)	**13.66**	**22.42**
Disclosed as -		
Advance tax (refer note 8) (a)	14.63	22.42
Current tax liabilities (net) (b)	0.97	-
Total (a-b)	**13.66**	**22.42**

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

31 Share based payments

(a) During the year ended March 31, 2020 ESOP 2016 and ESOP 2017 scheme are 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 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	January 2, 2017
Date of board approval	November 24, 2016
Date of member approval	December 26, 2016
Number of options granted	782,638 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	₹ 234.32

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

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

Particulars	March 31, 2020	March 31, 2019
	Number of options	
Outstanding at the beginning of the year	2,43,288	7,42,638
Granted during the year	-	-
Lapsed during the year	(10,236)	-
Exercised during the year	-	4,99,350
Outstanding at the end of the year	2,33,052	2,43,288
Exercisable at the end of the year	2,33,052	2,43,288
Weighted average remaining contractual life (in years)	2.75 years	3.75 years

ESOP 2017

Details of ESOP 2017 are as follows:

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

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

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

31 Share based payments (Cont'd)

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

Particulars	March 31, 2020	March 31, 2019
	Number of options	
Outstanding at the beginning of the year	5,62,733	5,62,733
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	5,62,733	5,62,733
Exercisable at the end of the year	5,62,733	5,62,733
Weighted average remaining contractual life (in years)	3.75 years	4.75 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 (₹)	563.03	361.95
Exercise Price (₹)	282.91	234.32
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 is shown in the following table:**

	For the year ended	
	March 31, 2020	March 31, 2019
Value of investment in subsidiary as at the year end:		
Investment in subsidiary on account of Group Share based payment (Nextwave Multimedia Private Limited)		
Opening	205.66	41.13
Granted during the year (refer note below)	-	164.53
	205.66	**205.66**

Weighted average share price for options exercised during the year-

Weighted average share price		
ESOP 2016	547.00	547.00
ESOP 2017	-	563.03

Note:

During the year ended March 31, 2020, Group share based payment is Nil, (March 31, 2019, the Holding Company granted 562,733 stock options to the KMP's of its subsidiary Next wave Multimedia Private Limited. In accordance with Ind AS 102 "Share based payments" an amount of ₹ 164.53 million is recorded represented by the proportionate fair value of the above grant).

32 Segment information

The Company has opted to present information relating to its segment in its consolidated financial statements. In accordance with Ind AS 108 - 'Operating Segments', no disclosure related to segment are therefore presented in these standalone financial statements.

33A Financial assets and financial liabilities

Financial assets (at cost)

	Carrying value	
	March 31, 2020	March 31, 2019
Investment in subsidiaries, associate and Joint venture		
Nazara Technologies FZ LLC	0.64	0.64
Nazara Pro Gaming Private Limited	0.10	0.10
Nazara Pte Limited	0.05	0.05
Next Wave Multimedia Pvt Ltd	528.24	528.24
Nodwin Gaming Private Limited	769.63	769.63
Paper Boat Apps Private Limited	835.10	-
Absolute Sports Private Limited	438.43	-

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

32 Segment information (Cont'd)

	Carrying value	
	March 31, 2020	**March 31, 2019**
Halaplay Technologies Private Limited (*)	352.12	270.31
Crimzoncode Technologies Private Limited (**)	20.32	16.85
Sports unity Private Limited	60.90	-
Moonglab Technologies Private Limited	10.00	7.50
	3,015.53	**1,593.32**

(*) the Company has acquired 24.37% of voting rights in the Halaplay become an associate on March 1, 2019. Accordingly, the Company has fair valued the investment and recorded the gain of ₹ 59.81 million in the year ended March 31, 2019 within "Fair value gain on Investment at fair value through profit or loss". In addition, considering reduction in the fair value of the investment in Halaplay, an impairment loss of ₹ 26.19 million is recorded in the financial statements for the year ended March 31, 2020.

(**) The Company has acquired 64.47% of voting rights in the Crimzoncode on February 22, 2020 by virtue of which Crimzoncode is a 100 percent subsidiary. Accordingly, the Company has fair valued its earlier investment on the date when change in control occurred and recorded a loss of ₹ 9.63 million as "Loss on fair value on non-current investment".

Financial assets (at fair value)

	Carrying value	
	March 31, 2020	**March 31, 2019**
Investments in mutual funds	251.38	658.16
Investments in Tax free bonds	74.72	60.34
Instasportz Consultancy Private Limited	10.00	10.00
Khichdi Technologies Private Limited	7.50	-
Total	**343.60**	**728.50**

Financial assets and liabilities (at amortised cost)

	Carrying value (*)	
	March 31, 2020	**March 31, 2019**
Financial assets - Non-current		
Loans and deposits	29.35	15.58
Fixed deposits with bank and interest accrued	40.19	40.19
Financial assets - Current		
Trade receivable	84.55	71.54
Cash and cash equivalents	39.04	26.96
Other bank balances	-	1.65
Investments in debentures	-	83.01
Loan to employees and subsidiaries	17.64	1.94
Other financial assets	40.84	39.81
Total assets	**251.61**	**280.68**
Financial liabilities		
Trade and other payables	84.33	102.26
Other financial liabilities	132.32	36.52
Lease liabilities	39.94	-
Total liabilities	**256.59**	**138.78**

Notes:

(*) Financial assets and liabilities include cash and cash equivalents, tax free deposits, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, eligible current and non-current assets, trade payables, and eligible current liabilities and non-current liabilities. The fair value of cash and cash equivalents, trade receivables, unbilled receivables, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Investment in mutual funds measured using net asset values at the reporting date multiplied by the quantity held, which represents the fair value of these instruments.

33B Fair value hierarchy for assets and liabilities

Fair value measurement

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

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

i) **Level 1**

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

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

32 Segment information (Cont'd)

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:

I The carrying amount and fair value measurement hierarchy for assets as at March 31, 2020 is as follow

	Carrying Value	Fair Value	Date of valuation	Fair value measurement using			
				Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
				Level 1	Level 2	Level 3	
Mutual funds	251.38	251.38	March 31, 2020	251.38	-	-	251.38
Tax free bonds	74.72	74.72	March 31, 2020	74.72	-	-	74.72
Next Wave Multimedia Private Limited	528.24	554.18	March 31, 2020	-	-	554.18	554.18
Nodwin Gaming Private Limited	769.63	1,330.76	March 31, 2020	-	-	1,330.76	1,330.76
Paper Boat Apps Private Limited [refer note (b)]	835.10	835.10	March 31, 2020	-	-	835.10	835.10
Absolute Sports Private Limited [refer note (b)]	438.43	438.43	March 31, 2020	-	-	438.43	438.43
Halaplay Technologies Private Limited [refer note (a)]	352.12	352.12	March 31, 2020	-	-	352.12	352.12
Crimzoncode Technologies Private Limited [refer note (a)]	20.32	20.32	March 31, 2020	-	-	20.32	20.32
Moonglab Technologies Private Limited	10.00	10.98	March 31, 2020	-	-	10.98	10.98
Sports Unity Private Limited	60.90	62.78	March 31, 2020	-	-	62.78	62.78
Instasportz Consultancy Private Limited	10.00	10.00	March 31, 2020	-	-	10.00	10.00
Khichdi Technologies Private Limited	7.50	7.50	March 31, 2020	-	-	7.50	7.50
Total	**3,358.34**	**3,948.27**		**326.10**	**-**	**3,622.17**	**3,948.27**

II 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			
				Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
				Level 1	Level 2	Level 3	
Mutual funds	658.16	658.16	March 31, 2019	658.16	-	-	658.16
Tax free bonds	60.34	60.34	March 31, 2019	60.34	-	-	60.34
Next Wave Multimedia Private Limited	528.24	751.54	March 31, 2019	-	-	751.54	751.54
Nodwin Gaming Private Limited	769.63	993.44	March 31, 2019	-	-	993.44	993.44
Halaplay Technologies Private Limited	270.31	270.31	March 31, 2019	-	-	270.31	270.31
Crimzoncode Technologies Private Limited	16.85	16.85	March 31, 2019	-	-	16.85	16.85
Moonglab Technologies Private Limited	7.50	7.50	March 31, 2019	-	-	7.50	7.50
Instasportz Consultancy Private Limited	10.00	10.00	March 31, 2019	-	-	10.00	10.00
Total	**2,321.03**	**2,768.14**		**718.50**	**-**	**2,049.64**	**2,768.14**

There have been no transfers between Level 1, 2 and 3 during the period March 31, 2020 and March 31, 2019.

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, 2020	March 31, 2019	March 31, 2020
Investment in Next Wave Multimedia Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.50% - 5.50%	4.50% - 5.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 50.28 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 60.24 million.
		WACC	21.00% - 23.00%	16.81% - 18.81%	

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

32 Segment information (Cont'd)

Investment in Nodwin Gaming Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.50% - 5.50%	4.50% - 5.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 123.18 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 152.32 million.
		WACC	18.50% - 20.50%	16.81% - 18.81%	
Investment in Halaplay Technologies Private Limited	Comparable Transactions Multiples Method	Involve the application of multiple, derived from the prices of transaction in comparable company	2.3 times	2.2. times	Refer note (a) below
Investment in Crimzoncode Education Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.50% - 5.50%	4.50% - 5.50%	Refer note (a) below
		WACC	27.34% - 29.34%	27.81% - 29.81%	
Investment in Moonglab Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.50% - 5.50%	2.50% - 3.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 0.73 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 0.73 million.
		WACC	29.00% - 31.00%	28.31% - 29.31%	
Investment in Sports Unity Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.50% - 5.50%	Not applicable	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 3.75 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 5 million.
		WACC	29.00% - 31.00%	Not applicable	
Investment in Instasportz Consultancy Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.50% - 5.50%	7.50% - 8.50%	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 0.96 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 1.17 million.
		WACC	19.15% - 21.15%	14.00% - 16.00%	
Investment in Khichdi Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	3.50% - 4.50%	Not applicable	A 50 bps decrease in growth rate with a 100 bps increase in discount rate would reduce the Fair Value by ₹ 1.04 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 100 bps would increase the fair value by ₹ 1.26 million.
		WACC	19.04% - 21.04%	Not applicable	

(a) The Company has acquired additional stake in Halaplay and Crimzoncode from unrelated third party/s near to the reporting date. Accordingly, the transaction value at the acquisition of the additional stake was considered as fair value. Accordingly, the fair value of investment [after taking into consideration loss on fair value (₹ 9.63 million) / impairment (₹ 26.19 million)] in these subsidiaries approximate the carrying value of investment on reporting date.

(b) During the current year, the Company has acquired the controlling stake from unrelated party/s in Absolute and Paperboat on September 30, 2019 and January 18, 2020, respectively. Considering the date of investment is less than six months and the actual performance is in boardly in line with the budget/ plan approved at the time of acquisition, the fair value of investment in these subsidiaries approximate the carrying value of investment on reporting date.

Summary of significant accounting policies and other explanatory information to the standalone financial statements
(All amounts in ₹ million, except share and per share data, unless otherwise stated)

34 Financial risk management objectives and policies

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

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

1) Market risk

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

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 March 31, 2020 and March 31, 2019

1(A) Equity/ Investment price risk

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

These unlisted investments are susceptible to market price risks (impairment) arising from uncertainties about the time of the gaming industry in India and globally, which could impact their recoverable values. The Company manages the equity price risk through diversification and invests across several gaming companies. The Company's Board of Directors review and pre-approve all such decision to invest. In addition, at the reporting date, the exposure to unlisted equity securities in non-current and current investments (refer note 5A and 33B) are periodically reviewed and evaluated by the Board. In specific, the Board review and evaluates the unobservable inputs (i.e. long-term growth rates and weighted average cost of capital), cash flow projections for 5 year period, actual performance when compared to cash flow projections approved by respectively entities Board of Directors, and sensitivity performed by an independent external valuation expert (also refer note 33 B).

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, 2020	March 31, 2019
		Amount in ₹	
USD	Cash and bank balances	1.86	18.67
Other Currencies	Cash and bank balances	0.06	0.05
USD	Trade receivable	63.67	42.71
USD	Other current assets	43.95	46.27
		109.54	**107.70**

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

Currency	Particulars	As at	
		March 31, 2020	March 31, 2019
		Amount in ₹	
USD	Trade payables	13.41	26.22

Foreign currency sensitivity

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

	As at			
	March 31, 2020		March 31, 2019	
	5% increase	5% decrease	5% increase	5% decrease
USD	4.80	(4.80)	4.07	(4.07)
Other Currencies(*)	0.00	(0.00)	0.00	(0.00)

(*)Other Currencies includes EURO and AED

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

34 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 March 31, 2020 and March 31, 2019 receivables (including unbilled) from Company's top 5 customers accounted for approximately 85.55% and 75.37%, respectively of all the receivables (including unbilled) outstanding. As at March 31, 2020 receivable (including unbilled) from one top customer accounted for 42.23% of all receivable (including unbilled) outstanding (March 31, 2019 : 29.22%). 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 33 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 March 31, 2020 and March 31, 2019 is the carrying amounts as illustrated in note 33 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, 2020	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	-	84.33	-	-	84.33
Other financial liabilities	-	132.32	-	-	132.32
Lease liabilities	-	39.94	-	-	39.94
Total	**-**	**256.59**	**-**	**-**	**256.59**

As at March 31, 2019	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	-	102.26	-	-	102.26
Other financial liabilities	-	36.52	-	-	36.52
Total	**-**	**138.78**	**-**	**-**	**138.78**

35 Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital structure is governed by policies reviewed and approved by Board of Directors and is periodically monitored by various matrices, including funding requirements.

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

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

36 Events after the reporting period

Investments made

i In May, 2020, the Company has invested ₹ 14.50 million in cash for acquiring 3,228 equity shares of face value ₹ 10 each in Halaplay Technologies Limited ('Halaplay').

In October, 2020, the Company has invested ₹ 40.00 million in cash for acquiring 19,048 equity shares of face value ₹ 10 each.

In November, 2020, the Company has invested ₹ 22.00 million in cash for acquiring 10,478 equity shares of ₹ 10 each.

Post these investment, the Company owns 68.89% in Halaplay on fully diluted basis as at the date of approval of the financial statements.

Further, the Company has invested ₹ 15.00 million in cash for acquiring 3,336 equity shares of face value ₹ 10 each, wherein allotment is pending.

ii In September, 2020, the Company has invested ₹ 49.97 million in cash for acquiring 277 equity shares of ₹ 10 each in Nodwin Gaming Private Limited. Post this investment, the Company owns 57.05% of equity shares in Nodwin Gaming Private Limited.

Issue of Share Capital

i In May 2020, the Company issued 206,044 equity shares of ₹ 4 each at ₹ 728 per share to Ms. Anshu Dhanuka in lieu of 1,909 equity shares of ₹ 10 each of Paper Boat Apps Private Limited acquired during the year ended March 31, 2020.

ii In May 2020, the Company issued 206,044 equity shares of ₹ 4 each at ₹ 728 per share to Mr. Anupam Dhanuka in lieu of 1,909 equity shares of ₹ 10 each of Paper Boat Apps Private Limited acquired during the year ended March 31, 2020.

iii In June 2020, the Company issued 164,416 equity shares of ₹ 4 each at ₹ 728 per share to KAE Capital Fund II by way of swap of 10 equity share of ₹ 100 each and 20,552 Compulsory Convertible Preference Shares of ₹ 100 each of Halaplay Technologies Private Limited.

iv In June 2020, the Company issued 36,604 equity shares of ₹ 4 each at ₹ 728 per share to Kalysta Capital Fund II (Mauritius) by way of swap of 10 equity share of ₹ 100 each and 5,513 Compulsory Convertible Preference Shares of ₹ 100 each of Halaplay Technologies Private Limited.

v. Consideration of ₹ 100.00 million was paid in November, 2020 to the acquiree upon achievement of target revenue. In addition, the consideration payable in the form of 185,440 Equity Shares will be issued upon Shareholder approval in the ensuing general meeting.

Increase in authorised share capital

i. In April 2020, the Company has in accordance with section 61 of the Companies Act, 2013 reclassified its authorised share capital of ₹ 150 million into 37,500,000 Equity Shares of ₹ 4 each.

The Company has evaluated all subsequent events though November 23, 2020, the date on which these financial statements are authorized for issuance. No adjusting or significant non-adjusting events, other than those disclosed above, have occurred between March 31, 2020 and the date of authorization of these financial statements that would have a material impact on these financial statements or that would warrant additional disclosures.

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration Number : 001076N/N500013

Sanjay Banthia
Partner
Membership no: 061068

Place of Signature: Mumbai
Date : November 25, 2020

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

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Joint Managing Director
DIN-02347434
Place of Signature: Dubai

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Turabbhai Chimthanawala
Company Secretary
Membership No : A52320

Place of Signature: Mumbai
Date : November 23, 2020