

Boards' Report

Dear Members,

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

Financial Results:

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

(₹ in million)

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

Business Overview:

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

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

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

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

Update on Covid-19 Impact and our Initiatives:

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

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

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

Initial Public Offering:

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

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

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

Dividend:

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

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

Transfer to Reserves:

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

Subsidiaries & Associates:

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

A. Direct Subsidiaries:

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

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

B. Step Down Subsidiaries:

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

C. Associates

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

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

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

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

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

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Consolidated Financial Statements:

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

Share Capital:

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

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

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

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

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

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

Employee Stock Options:

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

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

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

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

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

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

Articles of Association:

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

Public Deposits

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

Particulars of Loans, Guarantees or Investments:

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

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

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

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

Directors

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

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

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

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

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

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

Declaration of independence:

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

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

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

Formal Annual Evaluation

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

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

Key Managerial Personnel:

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

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

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

Number of Meetings of Board of Directors:

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

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

Committees of the Board

a) Audit Committee

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

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

b) Nomination, Remuneration and Compensation Committee

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

c) Corporate Social Responsibility Committee

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

d) Stakeholders Relationship Committee

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

e) Risk Management Committee

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

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

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

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

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

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

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

Compliance with secretarial standards on board and general meetings:

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

Internal Financial Control Systems and their Adequacy:

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

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

Business Responsibility Report:

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

Corporate Governance:

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

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

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

Management Discussion and Analysis:

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

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

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

Maintenance of Cost Records:

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

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Auditors & Reports

Statutory Auditors:

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

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

Secretarial Auditor:

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

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

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

Reporting of Frauds by Auditors:

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

Annual Return:

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

Internal Auditors:

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

Code for Prevention of Insider Trading

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

Vigil Mechanism/Whistle Blower Policy:

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

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

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

Corporate Social Responsibility (CSR)

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

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

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

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

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

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

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

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

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

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

Particulars of Employees

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

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

Risk Management:

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

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

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

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

Directors' Responsibility Statement: -

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

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

Boards' Report (Contd.)

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2021 and of the profit and loss and cash flow of the Company for the period ended March 31, 2021;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the year ended March 31, 2021 on a going concern basis;
- e) they have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

Cautionary Statement:

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

Acknowledgement:

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

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

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

Place : Mumbai
Date : May 28, 2021

Vikash Mittersain
Chairman & Managing Director
DIN: 00156740

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

Nitish Mittersain
Joint Managing Director
DIN: 02347434