

**Absolute Sports Private Limited**

**Financial Statements & Independent Auditor's Report  
For the year ended 31 March 2022**

**Absolute Sports Private Limited**

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# Walker Chandiok & Co LLP

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**Walker Chandiok & Co LLP**

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## Independent Auditor's Report

To the Members of Absolute Sports Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Absolute Sports Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors are responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

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



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41 Connaught Circus, Outer Circle, New Delhi, 110001, India

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2022;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;



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- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

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

*Nikhil Vaid*  
**Nikhil Vaid**

Partner  
Membership No.: 213356  
UDIN: 22213356AIWPRF2317

Place: Hyderabad  
Date: 12 May 2022



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## Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Absolute Sports Private Limited on the financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, professional tax, income-tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.





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- (ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.  
(b) During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilisation have been invested in fixed deposits, payable on demand.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.  
(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.  
(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions nothing has come to our attention that cause us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.





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- (xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

*Nikhil Vaid*

Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 22213356AIWPRF2317

Place: Hyderabad  
Date: 12 May 2022



# Walker Chandiook & Co LLP

**Annexure II to the Independent Auditor's Report of even date to the members of Absolute Sports Private Limited on the financial statements for the year ended 31 March 2022**

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Absolute Sports Private Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

## **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India (framework). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

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



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## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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

  
Nikhil Vaid  
Partner  
Membership No.: 213356  
UDIN: 22213356AIWPRF2317



Place: Hyderabad  
Date: 12 May 2022

**Absolute Sports Private Limited**  
**Balance Sheet as at 31 March 2022**

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

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property and equipment	3	3.38	1.35
(b) Intangible asset under development	3(a)	-	11.88
(c) Deferred tax assets (net)	21	8.13	1.00
<b>Total non-current assets</b>		<b>11.51</b>	<b>14.23</b>
<b>Current assets</b>			
(a) Financial assets			
Trade receivables	4	66.52	26.53
Cash and cash equivalents	5	34.27	21.55
Bank balances other than above	5(a)	-	196.00
Other financial assets	6	430.55	36.06
(b) Other current assets	7	37.12	11.14
<b>Total current assets</b>		<b>568.46</b>	<b>291.28</b>
<b>Total assets</b>		<b>579.97</b>	<b>305.51</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	8	0.19	0.22
(b) Other equity	9	490.25	277.33
<b>Total equity</b>		<b>490.44</b>	<b>277.55</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	10	6.05	2.16
<b>Total non-current liabilities</b>		<b>6.05</b>	<b>2.16</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
Trade payables	11	-	-
Total outstanding dues of micro enterprises and small enterprises		4.78	3.57
Other financial liabilities	12	50.25	15.80
(b) Other current liabilities	13	20.12	2.65
(c) Provisions	14	1.18	0.98
(d) Current tax liabilities (net)	15	7.15	2.80
<b>Total current liabilities</b>		<b>83.48</b>	<b>25.80</b>
<b>Total equity and liabilities</b>		<b>579.97</b>	<b>305.51</b>
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/500013

  
**Nikhil Vaid**  
Partner  
Membership No: 213356

Place : Hyderabad  
Date : 12 May 2022



For and on behalf of Board of Directors of  
**Absolute Sports Private Limited**

  
**Porush Jain**  
Director  
DIN: 03068195

Place : Mumbai  
Date : 12 May 2022

  
**Manish Agarwal**  
Director  
DIN: 03445163

Place : Mumbai  
Date : 12 May 2022

**Absolute Sports Private Limited**
**Statement of Profit and Loss for the year ended 31 March 2022**
*(All amounts in ₹ millions, except share and per share data, unless otherwise stated)*

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	16	791.87	343.19
Other income	17	14.66	9.61
<b>Total income</b>		<b>806.53</b>	<b>352.80</b>
<b>Expenses</b>			
Employee benefits	18	167.09	57.56
Finance	19	1.00	0.76
Depreciation and amortisation	3(b)	1.03	2.45
Others	20	357.38	127.89
<b>Total expenses</b>		<b>526.50</b>	<b>188.66</b>
<b>Profit before tax</b>		<b>280.03</b>	<b>164.14</b>
<b>Tax expenses</b>	21		
Current tax		80.09	41.91
Tax pertaining to earlier year		-	1.80
Deferred tax		(6.37)	6.03
<b>Total tax expense</b>		<b>73.72</b>	<b>49.74</b>
<b>Net profit for the year</b>		<b>206.31</b>	<b>114.40</b>
<b>Other comprehensive loss</b>			
<b>Item that will not be reclassified to the statement of profit and loss</b>			
Remeasurements of the defined benefit plans		(3.03)	(0.93)
Income tax on the above		0.76	0.27
<b>Other comprehensive loss for the year, net of tax</b>		<b>(2.27)</b>	<b>(0.66)</b>
<b>Total comprehensive income for the year</b>		<b>204.04</b>	<b>113.74</b>
<b>Earnings per share</b>	27		
Basic earnings per share of ₹ 1 each		1,109.58	606.37
Diluted earnings per share of ₹ 1 each		1,109.58	606.37
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N/500013

  
Nikhil Vaid  
Partner  
Membership No: 213356

Place : Hyderabad  
Date : 12 May 2022



For and on behalf of Board of Directors of  
**Absolute Sports Private Limited**

  
Porush Jain  
Director  
DIN: 03068195

Place : Mumbai  
Date : 12 May 2022

  
Manish Agarwal  
Director  
DIN: 03445163

Place : Mumbai  
Date : 12 May 2022

**Absolute Sports Private Limited**  
**Statement of Cashflow for the year ended 31 March 2022**  
*(All amounts in ₹ millions, except share and per share data, unless otherwise stated)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A Cash flow from operating activities</b>		
Profit before tax	280.03	164.14
Adjustments for:		
Depreciation and amortisation	1.03	2.45
Interest expense	-	0.32
Interest income on fixed deposits with banks	(13.52)	(7.49)
Interest income on financial assets at amortised cost	-	(0.03)
Interest income on income tax refund	(0.10)	(0.04)
Loss on sale of property and equipments	-	0.01
Gain on early termination of leases	-	(0.79)
Expense on employee stock option plan	6.02	-
Intangible asset under development written off	17.25	5.80
Sundry balances written back	(0.93)	-
Bad debts written off	0.75	-
Provision for expected credit loss	1.97	-
<b>Operating profit before working capital changes</b>	<b>292.50</b>	<b>164.37</b>
Adjustments for changes in working capital		
(Increase) in trade receivables	(42.71)	(7.62)
(Increase) in other current assets	(25.98)	(4.32)
(Increase) in other financial assets	(38.27)	(34.94)
Increase/(decrease) in trade payables	2.14	(2.33)
Increase in provision	1.06	0.08
Increase in other financial liabilities	34.45	11.49
Increase in other current liabilities	17.47	0.91
<b>Cash generated from operations</b>	<b>240.66</b>	<b>127.64</b>
Income taxes paid (net of refunds)	(75.64)	(38.82)
<b>Net cash flow generated from operating activities (A)</b>	<b>165.02</b>	<b>88.82</b>
<b>B Cash flow from investing activities</b>		
Purchase of property and equipment	(3.08)	(0.85)
Sale of property and equipment	0.02	0.38
Intangible asset under development	(5.37)	(4.20)
Investment in fixed deposits(having original maturity of more than three months)	(160.00)	(172.00)
Interest received on fixed deposits	13.30	7.04
<b>Net cash flow used in investing activities (B)</b>	<b>(155.13)</b>	<b>(169.63)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares	2.86	-
Buy back of equity shares	(0.03)	-
Payment of lease liabilities	-	(1.19)
<b>Net cash flow generated from/(used in) financing activities (C)</b>	<b>2.83</b>	<b>(1.19)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>12.72</b>	<b>(82.00)</b>
Cash and cash equivalents at the beginning of the year	21.55	103.55
<b>Cash and cash equivalents at the end of the year</b>	<b>34.27</b>	<b>21.55</b>

Summary of significant accounting policies (note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Walker Chandok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/500013

  
**Nikhil Vaid**  
Partner  
Membership No: 213356

Place : Hyderabad  
Date : 12 May 2022



For and on behalf of Board of Directors of  
**Absolute Sports Private Limited**

  
**Porush Jain**  
Director  
DIN: 03068195

Place : Mumbai  
Date : 12 May 2022

  
**Manish Agarwal**  
Director  
DN: 03445163

Place : Mumbai  
Date : 12 May 2022



**Absolute Sports Private Limited**  
**Statement of changes in equity for the year ended 31 March 2022**  
*(All amounts in ₹ millions, except share and per share data, unless otherwise stated)*

**(a) Equity share capital**

	As at 31 March 2022	As at 31 March 2021
<b>Equity share of ₹ 1 each issued, subscribed and fully paid</b>		
Opening balance	0.22	0.22
Less: Buy-back of shares held by ESOP Trust (refer note 10(vii))	(0.03)	-
Add: Issue of the partly paid equity shares during the year	0.00	-
<b>Balance at the end of the year</b>	<b>0.19</b>	<b>0.22</b>

**(b) Other equity**

	Securities premium	Capital redemption reserve	Retained earnings	ESOP	Total equity
<b>Balance as at 01 April 2020</b>	<b>146.88</b>	-	<b>8.50</b>	<b>8.21</b>	<b>163.59</b>
Profit for the year	-	-	114.40	-	114.40
Remeasurements of the defined benefit plans (net of tax)	-	-	(0.66)	-	(0.66)
<b>Balance as at 31 March 2021</b>	<b>146.88</b>	-	<b>122.24</b>	<b>8.21</b>	<b>277.33</b>
Profit for the year	-	-	206.31	-	206.31
Remeasurements of the defined benefit plans (net of tax)	-	-	(2.27)	-	(2.27)
Received on issue of partly paid shares during the year	2.86	-	-	-	2.86
Transferred during the year	(0.03)	0.03	-	-	-
Employee stock compensation expense	-	-	-	6.02	6.02
<b>Balance as at 31 March 2022</b>	<b>149.71</b>	<b>0.03</b>	<b>326.28</b>	<b>14.23</b>	<b>490.25</b>

**(i) Securities premium reserve**

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

**(ii) Capital redemption reserve**

Capital redemption reserve (CRR) created out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the capital redemption reserve account. CRR may be applied by the company, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares. During the period, 29,000 shares were bought back by the company and accordingly capital redemption reserve of ₹ 0.03 million has been created at the rate of ₹ 1 per equity share.

**(iii) Retained earnings**

Retained earnings are the profits / loss that the Company has earned / incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

**(iv) Employee stock option plan**

ESOP pertains to the fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/500013

  
**Nikhil Vaid**  
Partner  
Membership No: 213356

Place : Hyderabad  
Date : 12 May 2022



For and on behalf of Board of Directors of  
**Absolute Sports Private Limited**

  
**Porush Jain**  
Director  
DIN: 03068195

Place : Mumbai  
Date : 12 May 2022

  
**Manish Agarwal**  
Director  
DIN: 03445163

Place : Mumbai  
Date : 12 May 2022

## Absolute Sports Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

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

#### 1 Corporate information

Absolute Sports Private Limited (the "Company" or "Absolute") was incorporated in India on 10 June 2010. The Company is subsidiary of Nazara Technologies Limited, a listed public company. The Company is primarily engaged in providing sports related content to its consumer base in India and worldwide through its portal sportskeeda.com and advertising services to its customers. The registered office of the Company is situated at IIInd & IIIrd floor, P3 & 4, 10th Main, Kodihalli Village, Hal 3rd Stage, Jeevan Bhima Nagar, Bangalore - 560075, Karnataka, India.

#### 2 Significant accounting policies

##### (i) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as issued by Ministry of Corporate Affairs ('MCA'). The financial statements are authorized for issue by the Company's Board of Directors on 12 May 2022.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique.

All amounts included in the financial statements are reported in Indian rupees (in ₹ million) except share and per share data, unless otherwise stated. Amount presented as "0.00" are non-zero numbers rounded off in ₹ million. 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.

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

##### (ii) Current versus non-current classification

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

- Expected to be 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.

##### (iii) Foreign currency transactions and balances

###### i. Functional currency

The 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).

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

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.



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

The areas involving significant judgement and estimates are as follows:

**Estimated useful life of property and equipment and intangible assets**

The charge in respect of periodic depreciation/ amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management at the time the asset is acquired/ capitalized periodically, including at each financial year end, determines the useful lives 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.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**Defined benefit plan and compensated absences**

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, attrition rate and mortality rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Revenue recognition**

The Company determines whether the advertising network/platform service providers are acting as principal or agent for the products or services that are sold through them. The Company ascertain the same based on the criteria such as who is the primary obligor under the contract, who has the discretion in pricing, who bears the inventory and credit risk.

**Capitalization of internally generated intangibles**

Distinguishing the research and development phases of a new customised apps and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

**Applicability of goods and service tax on transactions**

Company is liable to discharge goods and service tax on advertisement revenue and in-app purchases revenue, where place of provision of services is India in case of revenue earned from Google or cases where Google is acting as an agent of the Company.

**(v) Revenue from contract with customer**

The Company is recording revenue from advertisement and sale of content on the gross amount of consideration received from customer as per Ind AS 115 "Revenue from contract with customers".

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

The transaction price is usually fixed, but may also include variable considerations such as volume or cash discounts. The revenue further adjusted with indirect taxes.

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.

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

The following criteria apply in respect of various revenue streams:

- a. In case of revenue from advertisement, Company has assessed that platform service providers are Company's customers in such contracts. Hence revenue is recorded at the consideration received from the customer. Revenue from advertising services is recognized in the period in which advertisements are displayed.
- b. In case of revenue from content usage, Company allows its customers to use the content owned by the Company. Revenue from such transactions is recognized when the content is sold.

The billing in excess of revenue recognised is presented as deferred revenue within other current liability whereas revenue recognised in excess of billing is presented as unbilled revenue within other current financial assets.





**(vi) Financial instrument**

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

**a) Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

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

**Debt instruments at amortized cost**

A Debt instrument is measured at amortized cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the profit and loss. The losses arising from impairment are recognized statement of profit and loss. This category generally applies to trade and other receivables.

**Debt instruments at fair value through other comprehensive income (FVOCI)**

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

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

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

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

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

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

In addition, the 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 & 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 impairment loss allowance recognized during the period is recognized as expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.



## (vi) Financial instrument(continued)

## 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.

## (vii) Income tax

Income tax expense comprises current and deferred tax. It is recognized 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. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years.

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.

## ii) Deferred tax

Deferred tax charge or credit reflects the tax effects of temporary differences between accounting income and taxable income. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized. Deferred tax assets are reviewed at each Balance sheet date and accordingly adjusted to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities, and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

## (viii) Property and equipment

All items of property and equipment are initially recorded at cost. Cost of property and equipment comprises purchase price, non-refundable taxes, levies, and any directly attributable cost of bringing the asset to its working condition for the intended use. After initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of an item of property and equipment is 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.

Property and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property and equipment and gains or losses arising from disposal of property and equipment are recognized in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives (except computer) used by the Company are different from lives prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation. The range of useful lives of the property and equipment are as follows:

Nature of assets	Useful life
Computer equipment	3 years
Furniture and fixtures	10 years
Office equipment	5 years





**(ix) 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 the amount at which development cost is capitalised, are not capitalised and the related expenditure is charged to Statement of profit or loss in the period in which the expenditure is incurred.

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 Company amortised intangible assets over the period of 6 years. 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.

**(x) Impairment of non-financial assets**

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

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

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

The management assesses internal or external indicators at every reporting date, including but not limited to asset's market value, changes in the technological, market, economic or legal environment in which the entity operates, change in market interest rates, market capitalisation, obsolescence or physical damage of an asset, and the economic performance of an asset when compared to its expectation.

**(xi) Leases**

**Company as lessee**

The Company's leased assets consist of leases for Buildings. 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 Ind AS 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.

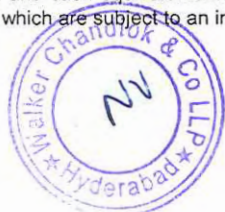
The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining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

The difference between the written down value of Right to use asset and outstanding balance of lease liability in case of premature termination of a lease agreement is considered as a gain/ loss and accounted through statement of profit and loss.

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

**(xii) Cash and cash equivalents**

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





**(xiii) Provisions, contingent liabilities, and contingent assets**

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

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

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

**(xiv) 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, attrition rates 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 changes in the net defined benefit obligation as an expense in the Statement of profit and loss.

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

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.

**Long-term employee benefits.**

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

**Share-based payments**

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

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

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

The employee stock option plan is administered through an ESOP Trust. The shares eligible to be issued to employees on exercise of their rights are already allotted to the ESOP Trust. Such shares are disclosed as Treasury shares and are deducted from equity.

**(xv) 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.

The shares held by ESOP Trust are considered as treasury shares. For the purpose of calculation of basic earnings per share, shares issued to the ESOP Trust, are not included in the shares outstanding till the counterparty has exercised their right to obtain shares or stock options, after fulfilling the requisite vesting conditions. Till such time, shares are considered as dilutive potential equity shares for the purpose of calculating Diluted Earnings Per Share to the extent they are granted to employees.



(xvi) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Board of Director of the Company has been identified as Chief Operating Decision Maker as defined by Ind AS 108, "Operating Segments". The Board of Director regularly monitors and reviews the operating result of the whole Company as one segment of "Information Technology related services". Thus, as defined in IndAS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

(xvii) **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. 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

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

(xviii) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash, 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.



## 3 Property and equipment

Particulars	Computers	Furniture and fixtures	Office equipments	Total
<b>I. Gross block</b>				
As at 1 April 2020	1.35	0.16	0.71	2.22
Additions	0.57	0.04	0.07	0.68
Disposals	(0.65)	(0.02)	(0.14)	(0.81)
As at 31 March 2021	1.27	0.18	0.64	2.09
Additions	2.99	-	0.09	3.08
Disposals	(0.06)	-	-	(0.06)
As at 31 March 2022	4.20	0.18	0.73	5.11
<b>II. Accumulated depreciation</b>				
As at 1 April 2020	0.14	0.05	0.31	0.50
Depreciation	0.68	0.02	0.13	0.83
Disposals	(0.52)	(0.01)	(0.06)	(0.59)
As at 31 March 2021	0.30	0.06	0.38	0.74
Depreciation	0.90	0.02	0.11	1.03
Disposals	(0.04)	-	-	(0.04)
As at 31 March 2022	1.16	0.08	0.49	1.73
<b>Net block (I-II)</b>				
As at 31 March 2021	0.97	0.12	0.26	1.35
As at 31 March 2022	3.04	0.10	0.24	3.38

## 3(a) Intangible asset under development

Particulars	Unlock 11 mobile application	Sportskeeda mobile application	Total software
As at 1 April 2020	5.80	7.68	13.48
Additions	-	4.20	4.20
Write off (refer note 20) (*)	(5.80)	-	(5.80)
As at 31 March 2021	-	11.88	11.88
Additions	-	5.37	5.37
Write off (refer note 20) (*)	-	(17.25)	(17.25)
As at 31 March 2022	-	-	-

(\*) The expenditure incurred on development of intangible assets has been written off as the Management re-assessed the economic viability of the developmental work in progress and concluded that the costs required to be incurred to bring the application into marketable condition would exceed the benefits expected to be derived from it.

## Intangible asset under development ageing schedule

Particulars	Amount in capital work-in-progress for the period				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
31 March 2022	-	-	-	-	-
31 March 2021	4.12	7.76	-	-	11.88

## 3(b) Depreciation and amortisation

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation and amortisation	1.03	0.83
Depreciation on right-of-use assets	-	1.62
<b>Total</b>	<b>1.03</b>	<b>2.45</b>



## 4 Trade receivables

	As at 31 March 2022	As at 31 March 2021
<b>Unsecured, considered good</b>		
Receivable from related parties (refer note 28)	-	0.49
Others	68.49	26.04
Less: Allowance for expected credit loss (refer note 20)	(1.97)	-
<b>Total</b>	<b>66.52</b>	<b>26.53</b>

Ageing for trade receivables as at 31 March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	66.52	-	-	-	-	66.52
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	1.19	0.39	0.39	-	1.97
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>66.52</b>	<b>1.19</b>	<b>0.39</b>	<b>0.39</b>	<b>-</b>	<b>68.49</b>
Less: Allowance for expected credit loss	-	1.19	0.39	0.39	-	1.97
<b>Total</b>	<b>66.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.52</b>

Ageing for trade receivables as at 31 March 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	24.06	1.35	1.12	-	-	26.53
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>24.06</b>	<b>1.35</b>	<b>1.12</b>	<b>-</b>	<b>-</b>	<b>26.53</b>
Less: Allowance for expected credit loss	-	-	-	-	-	-
<b>Total</b>	<b>24.06</b>	<b>1.35</b>	<b>1.12</b>	<b>-</b>	<b>-</b>	<b>26.53</b>

## 5 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
<b>Balances with banks</b>		
In current accounts	0.77	1.35
Deposits of original maturity less than three months	33.50	20.00
Cash on hand	-	0.20
<b>Total</b>	<b>34.27</b>	<b>21.55</b>

## 5(a) Bank balances other than above

	As at 31 March 2022	As at 31 March 2021
Deposits of original maturity more than three months but less than twelve months	-	196.00
<b>Total</b>	<b>-</b>	<b>196.00</b>

## 6 Other financial assets

	As at 31 March 2022	As at 31 March 2021
<b>Unsecured, considered good</b>		
Interest accrued on bank deposits	0.80	0.58
Unbilled revenue	72.52	34.88
Security Deposits	1.23	0.60
Bank deposits with more than 12 months maturity	356.00	-
<b>Total</b>	<b>430.55</b>	<b>36.06</b>

## 7 Other current assets

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	2.50	0.17
Advance to vendors	0.55	-
Balance with government authorities	34.07	10.97
<b>Total</b>	<b>37.12</b>	<b>11.14</b>



8 Equity share capital

	As at 31 March 2022	As at 31 March 2021
<b>Authorised:</b>		
500,000 equity shares of ₹ 1 each (31 March 2021: 500,000)	0.50	0.50
4,000 preference shares of ₹ 100 each (31 March 2021: 4,000)	0.40	0.40
<b>Issued:</b>		
185,664 equity shares of ₹ 1 each fully paid up (31 March 2021: 185,664)	0.19	0.22
18,000 equity shares of ₹ 1 each (₹ 0.03 paid up) (31 March 2021: Nil)	0.02	-
<b>Subscribed and paid up:</b>		
185,664 equity shares of ₹ 1 each fully paid up (31 March 2021: 185,664)	0.19	0.22
18,000 equity shares of ₹ 1 each (₹ 0.03 paid up) (31 March 2021: Nil)	0.00	-
<b>Total</b>	<b>0.19</b>	<b>0.22</b>

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

(a) Equity shares of ₹ 1 each fully paid

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	214,664	0.22	214,664	0.22
Less: Buy-back of shares held by ESOP Trust (refer note 8(vii))	(29,000)	(0.03)	-	-
	<b>185,664</b>	<b>0.19</b>	<b>214,664</b>	<b>0.22</b>
Less: Shares held by ESOP Trust (refer note 8(vii))	-	-	(29,000)	-
<b>Balance at the end of the year</b>	<b>185,664</b>	<b>0.19</b>	<b>185,664</b>	<b>0.22</b>

(b) Equity shares of ₹ 1 each partly paid (₹ 0.03 paid up)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	-	-	-	-
Add: Partly paid shares issued during the year (₹ 0.03/share paid up)	18,000	0.00	-	-
<b>Balance at the end of the year</b>	<b>18,000</b>	<b>0.00</b>	<b>-</b>	<b>-</b>

(ii) Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company

(a) Equity shares of ₹ 1 each fully paid

No. of shares held	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%	No. of shares	%
Nazara Technologies Limited	140,173	75%	137,173	74%
Porush Jain	42,491	23%	42,491	23%

(b) Equity shares of ₹ 1 each partly paid (₹ 0.03 paid up)

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%	No. of shares	%
Porush Jain	18,000	100%	-	0%

(iii) Details of shares held by holding company

Equity shares of ₹ 1 each fully paid	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%	No. of shares	%
Nazara Technologies Limited	140,173	75%	137,173	74%

(iv) Shares held by promoters at the end of the year

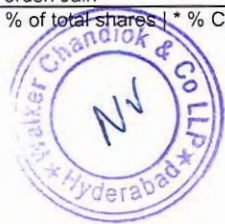
(a) Equity shares of ₹ 1 each fully paid

	As at 31 March 2022			As at 31 March 2021		
	No. of shares	% <sup>^</sup>	% <sup>*</sup>	No. of shares	% <sup>^</sup>	% <sup>*</sup>
Porush Jain	42,491	23%	0%	42,491	23%	0%

(b) Equity shares of ₹ 1 each partly paid (₹ 0.03 paid up)

	As at 31 March 2022			As at 31 March 2021		
	No. of shares	% <sup>^</sup>	% <sup>*</sup>	No. of shares	% <sup>^</sup>	% <sup>*</sup>
Porush Jain	18,000	100%	100%	-	0%	0%

<sup>^</sup> % of total shares | <sup>\*</sup> % Change during the year



**Absolute Sports Private Limited**

**Notes to the Financial Statement for the year ended 31 March 2022**

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

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

The Share Capital of the Company is divided into 500,000 Equity Shares of ₹ 1 each and 4,000 Compulsorily Convertible Cumulative Participating Preference Shares (Preference shares) of ₹ 100 each.

**Voting right**

Each holder of equity share is entitled to one vote per share.

**Right as to dividend**

The dividend proposed by the Board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

**Liquidation preference**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

(vi) No class of shares have been allotted as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares since the incorporation of the Company.

**(vii) Employee stock option plan (ESOP)**

The Company had instituted stock option plan for its employees which is managed by Absolute ESOP Trust (Trust). The Trust is holding Nil (31 March 2021: 29,000) shares on behalf of the Company. Considering that Trust is acting as agent of the Company, the financial information of the Trust has been included in this financial statements for the year ended 31 March 2021.

During the current year, the Company has bought-back equity shares held in Trust at face value. In accordance with Companies Act, 2013, the face value of equity shares bought-back is transferred to 'Capital redemption reserve'. Further, the Company floated an new ESOP scheme with 12,000 shares during the year out of which 9,900 shares are granted to employees in the current year.





9 Other equity

	As at 31 March 2022	As at 31 March 2021
<b>Securities premium</b>		
Opening balance	146.88	146.88
Add: Received during the year	2.86	-
Less : Transferred to capital redemption reserve	(0.03)	-
<b>Closing balance</b>	<b>149.71</b>	<b>146.88</b>
<b>Capital redemption reserve</b>		
Opening balance	-	-
Add: Transferred from securities premium during the year	0.03	-
<b>Closing balance</b>	<b>0.03</b>	<b>-</b>
<b>Share options outstanding account</b>		
Opening balance	8.21	8.21
Add: Employee stock compensation expense	6.02	-
<b>Closing balance</b>	<b>14.23</b>	<b>8.21</b>
<b>Retained earnings</b>		
Opening balance	122.24	8.50
Add: Profit for the year	206.31	114.40
Add / (less): Remeasurement of the defined benefit plans (net of tax)	(2.27)	(0.66)
<b>Closing balance</b>	<b>326.28</b>	<b>122.24</b>
<b>Total</b>	<b>490.25</b>	<b>277.33</b>

10 Provisions

	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits:</b>		
Gratuity (refer note 23(c)(ii))	6.05	2.16
<b>Total</b>	<b>6.05</b>	<b>2.16</b>

11 Trade payables

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of MSME vendors (refer note 11.1 below)	-	-
Total outstanding dues of creditors other than MSME vendors	4.78	3.57
<b>Total</b>	<b>4.78</b>	<b>3.57</b>

11.1 There are no micro, small and medium enterprises, to whom the company owe dues, which are outstanding for more than 45 days as at 31 March 2022 and no interest payment made during the year to any micro, small and medium enterprises. This information as required to be disclosed under the micro, small and medium enterprises development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

(a) Ageing for trade payables outstanding as at 31 March 2022 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	4.04	0.62	0.12	-	4.78
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>4.04</b>	<b>0.62</b>	<b>0.12</b>	<b>-</b>	<b>4.78</b>

(b) Ageing for trade payables outstanding as at 31 March 2021 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3.16	0.41	-	-	3.57
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>3.16</b>	<b>0.41</b>	<b>-</b>	<b>-</b>	<b>3.57</b>



12 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Accrued expenses	50.25	15.80
<b>Total</b>	<b>50.25</b>	<b>15.80</b>

13 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	4.17	1.72
Advance from customers	15.95	0.93
<b>Total</b>	<b>20.12</b>	<b>2.65</b>

14 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Gratuity (refer note 23(c)(ii))	0.60	0.86
Compensated absences (refer note 23(b))	0.58	0.12
<b>Total</b>	<b>1.18</b>	<b>0.98</b>

15 Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for income tax (net of advance tax of ₹ 73.28 million (31 March 2021: ₹ 38.49 million))	7.15	2.80
<b>Total</b>	<b>7.15</b>	<b>2.80</b>



## 16 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Advertisement and sale of content	791.86	343.10
Other operating income	0.01	0.09
<b>Total</b>	<b>791.87</b>	<b>343.19</b>

## Disaggregation of revenue from contracts with customers

	Year ended 31 March 2022	Year ended 31 March 2021
Advertisement revenue	791.26	340.92
Revenue from sale of content	0.60	2.18
<b>Total</b>	<b>791.86</b>	<b>343.10</b>

## Disaggregation of revenue geography wise

	Year ended 31 March 2022	Year ended 31 March 2021
United States of America	410.18	193.51
India	235.18	100.53
Rest of the world	146.50	49.06
<b>Total</b>	<b>791.86</b>	<b>343.10</b>

## Customers individually contributing 10% of more of the Company's total revenue

	Year ended 31 March 2022	Year ended 31 March 2021
Google Asia Pacific Pte. Ltd.	407.30	235.48
<b>Total</b>	<b>407.30</b>	<b>235.48</b>

## 17 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on		
fixed deposits with banks	13.52	7.49
financial assets at amortised cost	-	0.03
income tax refund	0.10	0.04
Sundry balances written back	0.93	-
Excess provision for compensated absences	-	0.20
Gain on early termination of leases	-	0.79
Miscellaneous income		
From related parties (refer note 28)	-	0.10
From others	0.11	0.96
<b>Total</b>	<b>14.66</b>	<b>9.61</b>

## 18 Employee benefits

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries		
To related parties (refer note 28)	15.39	7.74
To others	138.69	48.08
Contributions to provident and other funds (refer note 23(a))	1.31	0.67
Gratuity expenses (refer note 23(c)(iii))	0.60	0.28
Compensated absences	0.46	-
Expense on employee stock option plan (refer note 24)	6.02	-
Staff welfare	4.62	0.79
<b>Total</b>	<b>167.09</b>	<b>57.56</b>

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**Absolute Sports Private Limited**
**Notes to the Financial Statement for the year ended 31 March 2022**
*(All amounts in ₹ millions, except share and per share data, unless otherwise stated)*
**19 Finance**

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liability (refer note 26(a)(ii))	-	0.32
Bank charges	1.00	0.44
<b>Total</b>	<b>1.00</b>	<b>0.76</b>

**20 Others**

	Year ended 31 March 2022	Year ended 31 March 2021
Content	208.43	64.19
Digital marketing	78.35	34.64
Technical	26.92	14.12
Legal and professional		
To related parties (refer note 28)	-	0.03
To others	5.15	1.92
Lease rentals (refer note 26(b))	1.76	0.89
Power and fuel	0.02	0.32
Repairs and maintenance	1.45	1.00
Travelling and conveyance	4.97	0.24
Business promotion	3.50	0.26
Rates and taxes	1.88	0.46
Communication	0.24	0.12
Payments to auditors (refer note 20(a))	1.75	0.55
Net loss on foreign currency transactions and translation	0.17	2.75
Intangible asset under development written off (refer note 3(a))	17.25	5.80
Loss on sale of property and equipments	-	0.01
Bad debts written off		
To related parties (refer note 28)	0.49	-
To others	0.26	-
Provision for expected credit loss (refer note 4)	1.97	-
Expenditure towards corporate social responsibility (refer note 20(b))	1.20	-
Miscellaneous	1.62	0.59
<b>Total</b>	<b>357.38</b>	<b>127.89</b>

**20(a) Payments to auditors**

	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	1.75	0.55
<b>Total</b>	<b>1.75</b>	<b>0.55</b>

**20(b) Expenditure towards corporate social responsibility**

	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent as per Section 135 of the Act	1.18	-
Amount spent during the year on		
Construction/acquisition of any asset	-	-
On purpose other than above	1.20	-
<b>Total</b>	<b>1.20</b>	<b>-</b>

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## 21 Tax expenses recognised in statement of profit and loss

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	80.09	41.91
Current tax pertaining to earlier year	-	1.80
Deferred tax	(6.37)	6.03
<b>Total</b>	<b>73.72</b>	<b>49.74</b>

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Profit before tax</b>	<b>280.03</b>	<b>164.14</b>
Enacted income tax rate in India	25.17%	29.12%
<b>Computed expected tax expense</b>	<b>70.48</b>	<b>47.80</b>
Effect of change in tax rates	0.14	0.05
Effect of permanent differences	4.65	0.05
Effect of income taxes relating to prior years	-	1.80
Others	(1.55)	0.04
<b>Income tax expense recognised in statement of profit and loss</b>	<b>73.72</b>	<b>49.74</b>

## Movement in deferred tax balances for the period ended 31 March 2022

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property and equipment	0.12	(0.06)	-	0.06
Employee benefits and other provisions	0.88	5.93	0.76	7.57
Provision for expected credit loss	-	0.50	-	0.50
<b>Net deferred tax asset / (liabilities)</b>	<b>1.00</b>	<b>6.37</b>	<b>0.76</b>	<b>8.13</b>

## Movement in deferred tax balances for the period ended 31 March 2021

Particulars	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property and equipment	0.20	(0.08)	-	0.12
Employee benefits and other provisions	0.50	0.11	0.27	0.88
Other	0.33	(0.33)	-	-
MAT credit availed	5.73	(5.73)	-	-
<b>Net deferred tax asset / (liabilities)</b>	<b>6.76</b>	<b>(6.03)</b>	<b>0.27</b>	<b>1.00</b>

## Movement in current tax liabilities/(assets)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year (net)	2.80	(2.05)
Add: Tax expense during the year	80.09	43.71
Less: Tax paid during the year (including advance tax, self assessment tax, tax deducted at source and other adjustments)	(76.73)	(39.98)
Add: Refund received during the year	0.99	1.12
<b>Balance at the end of the year (net)</b>	<b>7.15</b>	<b>2.80</b>

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**22 Contingent liabilities and commitments**

There are no contingent liabilities and commitments as at the balance sheet date. (31 March 2021: Nil)

**23 Employee benefit plans****(a) Defined contribution plans**

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to Provident Fund	1.31	0.67

**(b) Compensated absences**

The Company accrues for the compensated absences, a long term employee benefit plan based on the entire available leave balance standing to the credit of the employees at year end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation as at the Balance sheet date and is charged to statement of profit and loss in the period determined. The provision as at March 31, 2022 is: ₹ 0.58 (March 31, 2021: ₹ 0.12).

**(c) Defined benefit plans**

The Company offers gratuity, a defined employee benefit scheme to its employees. Under the plan, each employee is entitled to 15 days of salary for each completed year of service upon retirement or leaving service after completion of five years. The plan is unfunded.

**(i) Movements in the present value of the defined benefit obligation:**

	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at beginning of the year	3.02	1.81
Current service cost	0.46	0.19
Interest cost	0.14	0.09
Actuarial (gains) / losses arising from changes in financial assumptions	0.08	(0.10)
Actuarial (gains) / losses arising from changes in demographic assumptions	1.78	0.37
Actuarial (gains) / losses arising from experience adjustments	1.17	0.66
Benefits paid	-	-
Closing defined benefit obligation	6.65	3.02

**(ii) Classification:**

	Year ended 31 March 2022	Year ended 31 March 2021
Current	0.60	0.86
Non-current	6.05	2.15
Total	6.65	3.02

**(iii) Defined benefit cost recognised in statement of profit and loss**

	Year ended 31 March 2022	Year ended 31 March 2021
Service cost		
Current service cost	0.46	0.19
Net interest expense	0.14	0.09
Total defined benefit cost recognised in statement of profit and loss	0.60	0.28

**(iv) Defined benefit cost recognised in other comprehensive income**

	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial (gains) / losses arising from changes in financial assumptions	0.08	(0.10)
Actuarial (gains) / losses arising from changes in demographic assumptions	1.78	0.37
Actuarial (gains) / losses arising from experience adjustments	1.17	0.66
Total defined benefit cost recognised in other comprehensive income	3.03	0.93





## (v) Actuarial assumptions

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	6.41%	4.59%
Salary escalation rate	15.00%	12.00%
Attrition rate	17.30%	35.00%
Retirement age (in years)	60	60
Mortality	IALM (2012-14)	IALM (2006-08)

## (vi) Sensitivity analysis:

**Longevity risk**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Discount rate**

	Year ended 31 March 2022	Year ended 31 March 2021
Effect on defined benefit obligation due to 50 bps increase in discount rate	(0.21)	(0.03)
Effect on defined benefit obligation due to 50 bps decrease in discount rate	0.22	0.03

**Salary escalation rate**

	Year ended 31 March 2022	Year ended 31 March 2021
Effect on defined benefit obligation due to 50 bps increase in salary escalation rate	0.14	0.02
Effect on defined benefit obligation due to 50 bps decrease in salary escalation rate	(0.14)	(0.02)

**Attrition rate**

	Year ended 31 March 2022	Year ended 31 March 2021
Effect on defined benefit obligation due to 50 bps increase in attrition rate	(0.09)	(0.01)
Effect on defined benefit obligation due to 50 bps decrease in attrition rate	0.09	0.01

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior periods.

**Expected future cash outflows (undiscounted) towards the plan are as follows:**

	Year ended 31 March 2022	Year ended 31 March 2021
Year 1	0.60	0.86
Year 2 to 5 years	2.75	1.81
Year 6 to 10	3.00	0.59
Above 10 years	4.79	0.12



**24 Employee Stock Option Plans (ESOP)**

32,000 equity shares of face value Rs. 1 each were held by Absolute Sports ESOP Trust ('Trust') for the purpose of issuing shares under the Company's Employee Stock Option Plan ('ESOP'). These equity shares held by the Trust were transferred to the Trust by Mr. Srinivas Rowjee Cuddapah, one of the shareholders in the Company. In accordance with the Trust deed, the shares held by the Trust are to be issued to eligible employees covered under the ESOP of the Company. Out of the aforesaid 32,000 equity shares, 3000 equity shares have been transferred by the trust to one of the Company's employees, pursuant to the option exercise by such an employee. Since the Company as the sponsor retains the majority of the risks and rewards relating to management of the Trust, Trust is considered acting to be merely as an agent of the Company. During the year, the Company bought back the shares allotted to Trust at face value and also introduced a new ESOP scheme with 12,000 shares.

**Absolute Sports ESOP 2021**

This scheme has been formulated and approved by the board vide resolution passed on 23 September 2021 pursuant to the authority vested in it by the shareholders of the Company vide a shareholders resolution passed in their extra ordinary general meeting held on 24 September 2021.

- I. Under the above new ESOP plan, options are granted to eligible employees with various vesting conditions. Maximum number of shares that can be issued under the ESOP plan is 12,000. The details of such options are given below:

Particulars	Details
Effective date of scheme	29 September 2021
Date of board approval	23 September 2021
Date of member approval	24 September 2021
Number of options granted	12,000 to eligible employees of the company
Method of settlement	Equity
Source of shares (Primary, Secondary or combination)	Primary

**II. Method used to account for ESOP**

The Company has recorded compensation cost for all grants made to employees under the fair value method of accounting. The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option, details are listed below:

Particulars	Grant I		Grant II	Grant III
	Sankalp Sharma	Other employees		
Grant date	30-Sep-21	30-Sep-21	28-Oct-21	15-Nov-21
Total number of stock option granted	5,500	3,400	800	200
Exercise price (in ₹)	5,357	5,357	5,357	5,357
Exercise period	5 years	5 years	5 years	5 years
Vesting period				
End of year -1 of grant date	4,300 shares	20%	20%	20%
End of year -2 of grant date	300 shares	20%	20%	20%
End of year -3 of grant date	450 shares	30%	30%	30%
End of year -4 of grant date	450 shares	30%	30%	30%

**III. The model inputs for options granted during the year are as mentioned below:**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Risk free rate of returns (%)	5.79	7.00
Expected life (in years)	3.50	0.50
Expected annual volatility of shares	22.63%	15.81%
Expected dividend yield	0.00%	0.00%

**IV. The movement of stock options are summarized below:**

	Number of Options	
	31 March 2022	31 March 2021
Options outstanding at the beginning of the year	3,000	6,000
Add: Options exercised during the year	-	3,000
Add : Option granted during the year	9,900	-
Less: Options lapsed/ surrendered during the year	3,000	-
Options outstanding at the end of the year (*)	9,900	3,000
Exercise price of options outstanding at the end of the year (INR)	5,357	1

\* Unallocated options as at 31 March 2022: 2,100

**V. Compensation expenses arising on account of the share based payments**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenses arising from equity – settled share-based payment transactions	6.02	-



**Absolute Sports Private Limited****Notes to the Financial Statement for the year ended 31 March 2022***(All amounts in ₹ millions, except share and per share data, unless otherwise stated)***25 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment. Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

**26 Disclosures in respect of operating leases**

Company as a lessee : The Company has lease contracts for their corporate and branch office. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

**(i) Right-of-use assets**

	As at 31 March 2022	As at 31 March 2021
Carrying amount at the start of reporting date	-	8.38
Deletion	-	(6.76)
Depreciation	-	(1.62)
<b>Carrying amount at the end of reporting date</b>	<b>-</b>	<b>-</b>

**(ii) Lease liabilities**

	As at 31 March 2022	As at 31 March 2021
Opening balance	-	9.42
Payments (*)	-	(2.19)
Accretion of interest	-	0.32
Deletion	-	(7.55)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
Current	-	-
Non-current	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**(b) Amount recognised in Statement of Profit and Loss**

	Year ended 31 March 2022	Year ended 31 March 2021
Other expense: Rent including lease rentals (Short-term (Refer Note (i) below))	1.76	0.89
Depreciation on: Right-to-use assets	-	1.62
Gain on early termination of leases	-	(0.79)
Finance cost: Interest on lease liabilities	-	0.32
<b>Total</b>	<b>1.76</b>	<b>2.04</b>

(i) The Company applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

**27 Earnings per share**

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Basic and Diluted earnings per share</b>		
Net profit after tax attributable to equity shareholders	206.31	114.40
Weighted average number of shares used for calculating Basic EPS	185,935	188,664
Weighted average number of shares considered for calculating Diluted EPS	185,935	188,664
Basic EPS in ₹	1,109.58	606.37
Diluted EPS in ₹	1,109.58	606.37
Face value in ₹	1.00	1.00

Shares held by ESOP trust are considered as treasury shares and deducted for calculation of basic earnings per share. Stock options issued during the year are anti-dilutive.



28 Related party transactions

A List of related parties

Description of relationship	Names of related parties
Holding company	Nazara Technologies Limited
Fellow subsidiaries	Nazara Technologies FZ LLC Nazara Pte Limited Nazara Pro Gaming Private Limited Nextwave Multimedia Private Limited Nodwin Gaming Private Limited Halaplay Technologies Private Limited Paperboat Apps Private Limited Nazara Pro Gaming Private Limited Crimzone Code Private Limited Openplay Technologies Private Limited (from 24 November 2021)
Key managerial personnel (KMP)	
Managing director (MD)	Porush Jain
Director	Manish Agarwal
Director	Vamsi Krishna Talasila (upto 2 February 2022)
Director	Poochy Ramasamy Rajendran (from 1 February 2022)

B Transactions with related parties

	Year ended 31 March 2022	Year ended 31 March 2021
Professional expenses		
Crimzone Code Private Limited	-	0.03
Bad debts written off		
Nzworld Kenya Limited	0.49	-
Miscellaneous income		
Nodwin Gaming Private Limited	-	0.10
Managerial remuneration (*)		
Porush Jain	15.39	7.74
Allotment of equity shares (including securities premium)		
Porush Jain (issue of partly paid up shares)	2.90	-

C Balances with related parties

	As at 31 March 2022	As at 31 March 2021
Trade receivable		
Nzworld Kenya Limited	-	0.49

(\*) Managerial remuneration has been paid / provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act. Amount disclosed exclude provision for gratuity, compensated absences, bonus and contribution towards provident and other funds.

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**29 Fair value measurements**

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

**I. Fair value hierarchy**

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**II. Assets and liabilities which are measured at amortized cost**

	Carrying value		Fair value	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Financial assets</b>				
Trade receivables	66.52	26.53	66.52	26.53
Other financial assets	430.55	36.06	430.55	36.06
Cash and cash equivalents	34.27	21.55	34.27	21.55
Other bank balance	-	196.00	-	196.00
<b>Total financial assets</b>	<b>464.82</b>	<b>253.61</b>	<b>464.82</b>	<b>253.61</b>
<b>Financial liabilities</b>				
Trade payables	4.78	3.57	4.78	3.57
Other financial liabilities	50.25	15.80	50.25	15.80
<b>Total liabilities</b>	<b>55.03</b>	<b>19.37</b>	<b>55.03</b>	<b>19.37</b>

The Company has classified the above financial instruments at level 3 and the carrying value is equals to the fair value as on reporting date.

**30 Financial risk management**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risks which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

**30.1 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the trade receivables. The objective of managing counterparty credit risk is to prevent losses in financial assets. The ageing of trade receivable(gross of provision) is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Up to 30 days	52.64	12.06
30 - 90 days	5.63	7.56
90 - 180 days	8.25	4.44
180 - 365 days	1.19	1.35
More than 365 days	0.78	1.12
<b>Total</b>	<b>68.49</b>	<b>26.53</b>

**Movement in allowance for expected credit loss**

Particulars	Amount
As at 1 April 2020	-
Provided during the year	-
As at 31 March 2021	-
Provided during the year	1.97
As at 31 March 2022	1.97





**30.2 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities

Particulars	As at 31 March 2022		
	Within 1 year	1 - 5 years	Total
<b>Financial liabilities - current</b>			
Trade payables	4.78	-	4.78
Other financial liabilities	50.25	-	50.25
<b>Total</b>	<b>55.03</b>	<b>-</b>	<b>55.03</b>

Particulars	As at 31 March 2021		
	Within 1 year	1 - 5 years	Total
<b>Financial liabilities - current</b>			
Trade payables	3.57	-	3.57
Other financial liabilities	15.80	-	15.80
<b>Total</b>	<b>19.37</b>	<b>-</b>	<b>19.37</b>

**30.3 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 two types of risks: currency risk and interest rate risk, the Company is not exposed to interest rate risk since it does not have any borrowings.

**Foreign currency risk**

The Company's exchange risk arises mainly from its foreign currency transaction. As a result, depreciation of Indian rupee relative to these foreign currencies will have impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

Particulars	Foreign currency denomination	As at 31 March 2022		As at 31 March 2021	
		Foreign currency	Rupee equivalent	Foreign currency	Rupee equivalent
Trade receivables	USD	0.60	44.63	0.64	46.85
	GBP	0.00	0.30	0.01	1.09
	EURO	0.01	0.88	-	-
Trade payables	USD	0.01	0.71	0.04	2.87
	EURO	0.01	0.47	-	-

**Sensitivity to foreign currency risk**

The following table demonstrates the sensitivity of each foreign currency denomination with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

Currency denomination	As at 31 March 2022		As at 31 March 2021	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	2.20	(2.20)	2.20	(2.20)
GBP	0.02	(0.02)	0.05	(0.05)
EURO	0.02	(0.02)	-	-

**31 Capital management**

The Company's objectives when managing capital is to safeguard continuity as a going concern and provide adequate return to shareholders through continuing growth and maintain an optimal capital structure to reduce the cost of capital. The Company sets the amount of capital required on the basis of annual business plan and long-term operating plans which include capital investments.



**32 Additional information**

- (a) The Company has not granted any loans or advances in the nature of loan to promoters, directors, key managerial personnels and related parties either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

**(b) Financial ratios**

Particulars	Note	31 March 2022	31 March 2021	% Variance
Current ratio	(A)	6.81	11.29	-40%
Return on equity ratio [%]		53.73%	51.84%	4%
Trade receivables turnover ratio		7.90	8.55	-8%
Trade payables turnover ratio		9.03	8.07	12%
Net capital turnover ratio		2.11	1.71	24%
Net profit ratio [%]		26.05%	33.33%	-22%
Return on capital employed [%]		58.06%	59.35%	-2%
Return on investment [%]		3.47%	3.47%	0%

**Explanation for change in the ratio by more than 25% as compared to the preceding year**

(A) The principal reason for change in current ratio is attributed majorly due to increase in liabilities as at 31 March 2022 when compared to 31 March 2021.

Particulars	Numerator	Denominator	Notes
Current ratio	Current assets	Current liabilities	
Return on equity ratio [%]	Profit for the year	Average shareholder's equity	Average shareholder's equity = (opening shareholder's equity + closing shareholder's equity)/2
Trade receivables turnover ratio	Revenue from operations	Average trade receivables (including unbilled revenue)	Average trade receivables = (opening trade receivables (including unbilled revenue) + closing trade receivables (including unbilled revenue))/2
Trade payables turnover ratio	Adjusted expenses	Average trade payables (including accrued expenses)	(i) Average trade payables = (opening trade payables (including accrued expenses) + closing trade payables (including accrued expenses))/2 (ii) Adjusted expenses refers to other expenses net of non-cash expenses and donations
Net capital turnover ratio	Revenue from operations	Average working capital	(i) Working capital = current assets - current liabilities (ii) Average working capital = (opening working capital + closing working capital)/2
Net profit ratio [%]	Profit for the year	Revenue from operations	
Return on capital employed [%]	Earnings before interest and taxes	Capital employed	Capital employed = tangible net worth + deferred tax liabilities (net)
Return on investment [%]	Interest income	Investments	Investments includes non-current investment, current investment and margin-money deposit.

- 33 During the year ended 31 March 2022 and 31 March 2021, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (ultimate beneficiaries).
- 34 During the year ended 31 March 2022 and 31 March 2021, the Company has not received any fund from any party (funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- 35 Previous year figures have been regrouped/reclassified, where applicable to conform to current year's classification.
- 36 **Post balance sheet subsequent event**  
No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorisation of these financial statements.

The accompanying notes form an integral part of the financial statements

As per our report of even date


**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/500013

  
**Nikhil Vaid**  
Partner  
Membership No: 213356


Place : Hyderabad  
Date : 12 May 2022



For and on behalf of Board of Directors  
**Absolute Sports Private Limited**

  
**Porush Jain**  
Director  
DIN: 03068195

Place : Mumbai  
Date : 12 May 2022

  
**Manish Agarwal**  
Director  
DIN: 03445163

Place : Mumbai  
Date : 12 May 2022