Absolute Sports Private Limited

Financial Statement and Independent Auditor's Report
For the year ended 31 March 2023

Walker Chandiok & Co LLP
Unit No – 1, 10th Floor,
My Home Twitza, APIIC,
Hyderabad Knowledge City,
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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 2023, 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 notes to the financial statements, including 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 2023, 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.

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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 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;

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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the 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 2023 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 2023 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 litigation which would impact its financial position as at 31 March 2023;

        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 2023;

        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 2023;

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iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37(e) to the financial statements, 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;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37(f) to the financial statements, 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 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: **23213356BGXLXL7118**

Walker Chandiok & Co LLP * Hyderabad *

Place: Hyderabad
Date: 8 May 2023

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 2023

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 does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification was carried out by the management of the Company during the year, and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.

(c) 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 favour 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 during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(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 at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has made investments in and provided loans to Subsidiary during the year as per details given below:

Particulars	Loans
Aggregate amount provided during the year:	
- Subsidiaries	₹160 million
- Joint Ventures	
- Associates	
- Others	
Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	₹160 million
- Joint Ventures	
- Associates	
- Others	

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided, as applicable, are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal and interest amount are not due for repayment currently.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made and loans granted, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits 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 activities. 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, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. 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 previously recorded in the books of accounts.

(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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, 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 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 and consequently, does not have an internal audit system as per the provisions of section 138 of the Act 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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the 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 clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year 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.

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(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, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end 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) of the Order 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: 23213356BGXLXL7118

Walker Chandiok & Co LLP * Hyderabad *

Place: Hyderabad
Date: 8 May 2023

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 2023

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 2023, 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 the Institute of Chartered Accountants of India ('the framework'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the 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.

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 2023, based on the framework

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: **23213356BGXLXL7118**

Walker Chandiok & Co LLP * Hyderabad *

Place: Hyderabad
Date: 8 May 2023

Absolute Sports Private Limited
Balance Sheet as at 31 March 2023
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property and equipment	3	3	3
Intangible asset under development	3(a)	-	-
Financial assets			
Investments	4	0	-
Loans	5	160	-
Others	8	323	-
Deferred tax assets (net)	23	8	8
Total non-current assets		**494**	**11**
Current assets			
Financial assets			
Trade receivables	6	170	67
Cash and cash equivalents	7	16	34
Others	8	101	431
Other current assets	9	25	37
Total current assets		**312**	**569**
Total assets		**806**	**580**
Equity and Liabilities			
Equity			
Equity share capital	10	0	0
Other equity	11	658	490
Total equity		**658**	**490**
Liabilities			
Non-current liabilities			
Provisions	12	6	6
Total non-current liabilities		**6**	**6**
Current liabilities			
Financial Liabilities			
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		14	5
Other financial liabilities	14	73	50
Other current liabilities	15	40	20
Provisions	16	1	2
Current tax liabilities (Net)	17	14	7
Total current liabilities		**142**	**84**
Total liabilities		**148**	**90**
Total equity and liabilities		**806**	**580**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statement

As per our report of even date

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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No: 213356

Place : Hyderabad
Date : 08 May 2023

Walker Chandiok & Co LLP Hyderabad

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

ABSOLUTE SPORTS PVT. LTD. BENGALURU

Sudhir Kamath
Director
DIN: 01861226

Place : Mumbai
Date : 08 May 2023

ABSOLUTE SPORTS PVT. LTD. BENGALURU

Ajay Pratap Singh
Director
DIN: 10077780

Place : Bengaluru
Date : 08 May 2023

Absolute Sports Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	18	1,224	792
Other income	19	39	15
Total income		**1,263**	**807**
Expenses			
Content Cost		385	208
Digital marketing expenses		113	78
Employee benefits	20	244	167
Finance cost	21	1	1
Depreciation and amortization	3(b)	2	1
Other expenses	22	88	72
Total expenses		**833**	**527**
Profit before tax		**430**	**280**
Tax expense	23		
Current tax		110	80
Deferred tax		(0)	(6)
Total tax expense		**110**	**74**
Net Profit for the year		**320**	**206**
Other comprehensive income/(loss)			
Item that will not be reclassified to the statement of profit and loss			
Remeasurements of the defined benefit plans		1	(3)
Income tax on the above		(0)	1
Other comprehensive income/(loss) for the year, net of tax		**1**	**(2)**
Total comprehensive income for the year		**321**	**204**
Earnings per share	29		
Basic earnings per share of ₹ 1 each		1,728	1,110
Diluted earnings per share of ₹ 1 each		1,629	1,110
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statement
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 : 08 May 2023

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

Sudhir Kamath
Director
DIN: 01861226

Place : Mumbai
Date : 08 May 2023

Ajay Pratap Singh
Director
DIN: 10077780

Place : Bengaluru
Date : 08 May 2023

Absolute Sports Private Limited
Statement of Cashflow for the year ended 31 March 2023
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A Cash flow from operating activities		
Profit before tax	430	280
Adjustments for:		
Depreciation and amortisation	2	1
Interest income on fixed deposits with banks and loan	(22)	(14)
Expense on employee stock option plan	9	6
Intangible asset under development impaired	-	17
Sundry balances written back	(1)	(1)
Bad debts written off (#)	0	1
Provision for expected credit loss	4	2
Operating profit before working capital changes	**422**	**292**
Adjustments for changes in working capital		
Increase in trade receivables	(107)	(43)
Decrease/(increase) in other current assets	12	(26)
Increase in other financial assets	(24)	(38)
Increase in trade payables	10	2
Decrease in provision	1	1
Increase in other financial liabilities	23	35
Increase in other current liabilities	20	17
Cash generated from operations	**357**	**240**
Income tax paid (net of refund)	(104)	(76)
Net cash flow from operating activities (A)	**253**	**164**
B Cash flow from investing activities		
Purchase of property and equipment	(1)	(3)
Sale of property and equipment (#)	-	0
Intangible asset under development	-	(5)
Investment in subsidiary including loan given	(160)	-
Investment in fixed deposits	(323)	(160)
Fixed deposit matured during the year	356	-
Interest received	19	13
Net cash (used in) investing activities (B)	**(109)**	**(155)**
C Cash flow from financing activities		
Proceeds from issue of equity shares	-	3
Buy back of equity shares (#)	(162)	(0)
Net cash flow from/ (used in) financing activities (C)	**(162)**	**3**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(18)**	**12**
Cash and cash equivalents at the beginning of the year	34	22
Cash and cash equivalents at the end of the year	**16**	**34**

(#) Zero represents amount less than ₹ one million

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statement

As per our report of even date

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No: 213356

Place : Hyderabad
Date : 08 May 2023

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

Sudhir Kamath
Director
DIN: 01861226

Place : Mumbai
Date : 08 May 2023

Ajay Pratap Singh
Director
DIN: 10077780

Place : Bengaluru
Date : 08 May 2023

Absolute Sports Private Limited
Statement of changes in equity for the year ended 31 March 2023
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

(a) Equity share capital

	No. of shares	As at 31 March 2023	No. of shares	As at 31 March 2022
Equity share of ₹ 1 each issued, subscribed and fully paid				
Balance as at the beginning of the year (#)	185,664	0	214,664	0
Less: Buy-back of shares held by shareholder (#)	(9,995)	(0)		-
Less: Buy-back of shares held by ESOP Trust (#)		-	(29,000)	(0)
Balance as at the end of current/previous financial year (#)	**175,669**	**0**	**185,664**	**0**
Equity share of ₹ 1 each partly paid (₹ 0.03 each paid up)				
Balance as at the beginning of current/previous financial year (#)	18,000	0	-	-
Add: Issue of the partly paid equity shares during the year	-	-	18,000	0
Balance as at the end of current/previous financial year (#)	**18,000**	**0**	**18,000**	**0**

(b) Other equity

	Securities premium account	Capital redemption reserve	Shares based Payment Reserve	Retained earnings	Total
Balance as at 01 April 2021	147	-	8	122	277
Profit for the year	-	-		206	206
Issue of partly paid shares during the year	3		-	-	3
Buy-back during the year (#)	(0)	0	-	-	-
Remeasurements of the defined benefit plans (net of tax)	-	-	-	(2)	(2)
Employee stock option expense		-	6		6
Balance as at 31 March 2022	**150**	**0**	**14**	**326**	**490**
Profit for the year	-	-	-	320	320
Buy-back during the year	(145)	-	-	(17)	(162)
Transferred during the year (#)	-	0	-	(0)	-
Remeasurements of the defined benefit plans (net of tax)	-	-	-	1	1
Employee stock option expense	-	-	9	-	9
Balance as at 31 March 2023	**5**	**0**	**23**	**630**	**658**

(i) Securities premium account
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) is created out of free reserves as a sum equal to the nominal value of the shares bought back. 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 year, 9,995 shares bought back by the company and accordingly capital redemption reserve of ₹ 0 million has been created at the rate of ₹1 per equity share.

(iii) Share based payment reserve
Share based payment reserve 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.

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

(#) Zero represents amount less than ₹ one million

The accompanying notes form an integral part of the financial statement

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/500013

Nikhil Vaid
Nikhil Vaid
Partner
Membership No: 213356

Place : Hyderabad
Date : 08 May 2023

Walker Chandiok & Co LLP
Hyderabad

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

Sudhir Kamath
Director
DIN: 01861226

Place : Mumbai
Date : 08 May 2023

ABSOLUTE SPORTS PVT. LTD.
BENGALURU

Ajay Pratap Singh
Director
DIN: 10077780

Place : Bengaluru
Date : 08 May 2023

ABSOLUTE SPORTS PVT. LTD.
BENGALURU

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 P3 & 4, 10th Main, Kodihalli Village, Hal 3rd Stage, Jeevan Bhima Nagar, Bangalore Karnataka 560075 India. It has a website - https://www.sportskeeda.com.

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 08 May 2023.

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" 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.

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(iii) Foreign currency transactions and balances (Continued)

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 financial statement 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 other comprehensive income or profit or loss are also recognized in OCI or profit or loss, respectively).

(iv) Use of estimates and judgements

The preparation of financial statement 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 statement. 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.

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.

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.

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.

Share based payment

The Company evaluates the terms to determine whether share-based payment is equity settled or cash settled. Further, the Company measures the fair value of equity settled transactions with employees at the grant date of the equity instruments. The basis and assumptions used in these calculations are disclosed in note 26. These inputs are used in the option valuation model to determine the fair value of share awards are subjective estimates. Changes to these estimates will cause the fair value of our share-based awards and related share-based compensations expense to vary.

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(iv) Use of estimates and judgements (Continued)

Expected credit loss

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit information for its customers to estimate the probability of default in future.

Capitalization of internally generated intangibles

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

(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 is further adjusted for 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, there are two streams: - Programmatic sales and Direct sales. The 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. The revenue is recognised at a point in time.

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) Other income

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

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(vii) Financial instrument

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

a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial assets at amortized cost

A Financial assets is measured at amortized cost (net of any write down for impairment) where 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.

There are no financial instruments with the company which is measured through FVTPL or FVOCI.

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.

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(vii) 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 and other payables.

Subsequent measurement

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

Financial liabilities at amortized cost

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

c) Offsetting of financial instruments

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

d) Reclassification of financial assets

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

(viii) Income tax

Income tax expense comprises current and deferred 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 Company has opted for lower tax regime as per 115BAA, and accordingly the income tax is computed following the rules prescribed therein.

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 expected 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.

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(ix) Property and equipment

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

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

Property and equipment are eliminated from financial statement, 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 period and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives used by the Company are same as lives prescribed under Schedule II of the Companies Act 2013. 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

(x) Intangible assets and Intangible assets under development

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

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

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

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(xi) Impairment of non-financial assets

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

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

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

At each reporting date if there is an indication that previously recognized impairment losses no longer exist or have decreased, the company 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 periods 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.

(xii) 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.

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(xii) Leases (Continued)

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.

(xiii) Cash and cash equivalents

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

(xiv) Provisions, contingent liabilities, and contingent assets

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

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

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

(xv) 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 period 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 period based on services rendered by employees.

Compensated absences

The expected cost of 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 availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

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(xv) Employee benefits (Continued)

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.

(xvi) Earnings per share

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

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

(xvii) 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 single segment i.e. "Advertising and related services". Thus, as defined in IndAS 108 "Operating Segments", the Company's entire business falls under this one segment i.e. eSports Segment.

(xviii) 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 statement 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.

(xix) 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.

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Absolute Sports Private Limited

Summary of significant accounting policies and other explanatory information

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

3 Property and equipment

	Furniture and fixtures	Office equipments	Computers	Total
I. Gross Block				
As at April 01, 2021 (#)	0	1	1	2
Additions (#)	-	0	3	3
Disposals (#)			(0)	(0)
As at March 31, 2022 (#)	0	1	4	5
Additions (#)	-	0	2	2
Disposals	-	-	-	-
As at March 31, 2023 (#)	0	1	6	7
II. Accumulated depreciation				
As at April 01, 2021 (#)	0	1	0	1
Depreciation (#)	0	0	1	1
Disposals (#)	-	-	(0)	(0)
As at March 31, 2022 (#)	0	1	1	2
Depreciation (#)	0	0	2	2
Disposals	-	-	-	-
As at March 31, 2023 (#)	0	1	3	4
Net block (I-II)				
As at March 31, 2023 (#)	0	0	3	3
As at March 31, 2022 (#)	0	0	3	3

3(a) Intangible asset under development

	Sportskeeda mobile application	Total
I. Gross Block		
As at April 01, 2021	12	12
Additions	5	5
Transfer	-	-
As at March 31, 2022	17	17
Additions	-	-
Transfer	-	-
As at March 31, 2023	17	17
II. Impairment		
As at April 01, 2021	-	-
Charged during the year (*)	17	17
As at March 31, 2022	17	17
Charged during the year	-	-
As at March 31, 2023	17	17
Net intangible asset under development		
As at March 31, 2023	-	-
As at March 31, 2022	-	-

(*) The expenditure incurred on development of Sportskeeda mobile application is impaired as the application was not economically viable and that the costs required to be incurred to bring the application into marketable condition would exceed the benefits expected to be derived from it.

(i) Intangible asset under development ageing schedule

	2-3 years	> 3 years	1-2 years	Total
As at March 31, 2023				
Projects temporarily suspended				
Sportskeeda mobile application	-	-	-	-
As at March 31, 2022				
Projects temporarily suspended				
Sportskeeda mobile application	-	-	-	-

3(b) Depreciation and amortization

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation and amortization	2	1
Total	2	1

(#) Zero represents amount less than ₹ one million

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4 Investments

	As at 31 March 2023	As at 31 March 2022
Investments in subsidiaries (carried at cost)		
Equity instruments, unquoted		
Sportskeeda Inc, USA (refer note 4.1) (#)	0	-
Total	**0**	**-**
Aggregate carrying amount of unquoted investments	0	-
Aggregate amount of impairment in value of investments	-	-

4.1 The company has made investment in 10,000,000 shares @ $ 0.0001 per value of Sportskeeda Inc, USA.

5 Loans

	As at 31 March 2023	As at 31 March 2022
Loan to related parties		
Loans Receivables considered good – Unsecured (refer note 5.1)	160	-
Total	**160**	**-**

5.1 The Company has made overseas direct investment through debt in Sportskeeda Inc. USA, a wholly owned subsidiary. The terms and assumptions are as given below:

Rate of Interest	6.50%	-
Repayment	At the end of 5 years	-
Interest payment	At maturity	-

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

	As at 31 March 2023		As at 31 March 2022	
Type of borrower	**Amount of loan or advance in nature of loan outstanding**	**Percentage to the total loans or advances in nature of loan**	**Amount of loan or advance in nature of loan outstanding**	**Percentage to the total loans or advances in nature of loan**
Promoters/directors/KMPs	-	-	-	-
other related parties (refer note 30)	160	100%	-	-

(#) Zero represents amount less than ₹ one million

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6 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Considered good – Unsecured (refer note 6.1)	170	67
Trade Receivables which have significant increase in credit risk (refer note 6.1)	6	2
Subtotal (refer note 6.1)	**176**	**69**
Less: loss allowance	(6)	(2)
Total	**170**	**67**

6.1 Ageing for trade receivables as at 31 March 2023

	Unbilled	Total unbilled (*)	Not Due	Outstanding for following periods from due date of receipt					Total Trade receivable
				< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	97	**97**	73	93	4	-	-	-	**170**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	1	4	1	-	-	**6**
	97	**97**	**73**	**94**	**8**	**1**	-	-	**176**

Ageing for trade receivables as at 31 March 2022

	Unbilled	Total unbilled (*)	Not Due	Outstanding for following periods from due date of receipt					Total Trade receivable
				< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	73	73	38	30	-	-	-	-	**67**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	1	1	0	-	**2**
	73	**73**	**38**	**30**	**1**	**1**	**0**	-	**69**

* Unbilled revenue is disclosed seperately in note 8

(#) Zero represents amount less than ₹ one million

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7 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
In current accounts (#)	16	0
Deposits of original maturity less than three months	-	34
Cash on hand (#)	0	0
Total	**16**	**34**

8 Other financial assets

	As at 31 March 2023	As at 31 March 2022
Non current financial assets		
Bank deposits with more than 12 months maturity	323	-
Total	**323**	**-**

Current financial assets		
Unsecured, considered good		
Interest accrued on bank deposits	3	1
Interest accrued on loans	0	-
Unbilled revenue (refer note 6.1)	97	73
Security Deposits	1	1
Bank deposits with less than 12 months maturity	-	356
Total	**101**	**431**

9 Other current assets

	As at 31 March 2023	As at 31 March 2022
Advances paid for rendering of services (#)	5	0
Prepaid expenses	7	3
Balance with government authorities	13	34
Total	**25**	**37**

(#) Zero represents amount less than ₹ one million

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Absolute Sports Private Limited
Summary of significant accounting policies and other explanatory information
(All Amounts in ₹ millions, except share and per share data, unless otherwise stated)

10 Equity share capital

	As at 31 March 2023	As at 31 March 2022
Authorised Capital		
500,000 equity shares of ₹ 1 each (31 March 2022: 500,000)	1	1
4,000 preference shares of ₹ 100 each (31 March 2022: 4,000) (#)	0	0
Issued, subscribed		
175,669 equity shares of ₹ 1 each fully paid up (#) (31 March 2022 - 185,664)	0	0
18,000 equity shares of ₹ 1 each partly paid-up (₹ 0.03 paid up) (#) (31 March 2022 - 18,000)	0	0
Total	**0**	**0**

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

(a) Equity shares of ₹ 1 each fully paid up

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year (#)	185,664	0	214,664	0
Add: Issued during the year	-	-	-	-
Less: Buyback during the year (#)	(9,995)	(0)	(29,000)	(0)
Balance as at the end of the year (#)	**175,669**	**0**	**185,664**	**0**

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

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year (#)	18,000	0	-	-
Add: Partly paid shares issued during the year (#)	-	-	18,000	0
Balance as at the end of the year (#)	**18,000**	**0**	**18,000**	**0**

(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 up

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	%	No. of Shares	%
Nazara Technologies Limited	152,496	86.81%	140,173	75.50%
Porush Jain	21,063	11.99%	42,491	22.89%

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

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	%	No. of Shares	%
Porush Jain	18,000	100.00%	18,000	100.00%

(iii) Details of shares held by holding company

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	%	No. of Shares	%
Equity shares of ₹ 1 each fully paid				
Nazara Technologies Limited	152,496	86.81%	140,173	75.50%

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

(a) Equity shares of ₹ 1 each fully paid	As at 31 March 2023			As at 31 March 2022		
	No. of Shares	%^	%*	No. of Shares	%^	%*
Porush Jain	21,063	11.99%	10.90%	42,491	22.89%	0%

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

	As at 31 March 2023			As at 31 March 2022		
	No. of Shares	%^	%*	No. of Shares	%^	%*
Porush Jain	18,000	100%	0%	18,000	100%	100%

^ % of total shares | * % Change during the period

(#) Zero represents amount less than ₹ one million

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(v) Terms / rights attached to equity shares
The share capital of the Company is divided into 500,000 Equity Shares of ₹ 1 (Rupees One) each and 4,000 Compulsorily Convertible Cumulative Participating Preference Shares (Preference shares) of ₹ 100 each.

Voting right

Equity share

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

Preference shares

The Company has cumulative compulsory convertible participating preference shares of ₹ 100 each. Each holder of CCPPS is entitled to exercise voting rights on as-if-converted basis. No shares under this class is issued.

Dividend right

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

Liquidation

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) 32,000 equity shares of face value ₹ 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. 3,000 equity shares have been transferred by the trust to one of the Company's employees, pursuant to the option exercise by such employee. During the previous year, the Company bought back the 29,000 shares alloted to Trust at face value in accordance with the relevant provision of the Companies Act, 2013.

(viii) During the year, the Company has completed buy-back of 9,995 fully paid-up equity shares of face value of ₹ 1 each at a premium of ₹ 16,228 per share, aggregating to ₹ 162 millions. The mentioned buy-back of equity shares is in accordance with relevant provision of the Companies Act, 2013 and approved by the Shareholders and Board of Directors of the Company.

(ix) Shares reserved for issue under options
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 26.

11 Other equity

	As at 31 March 2023	As at 31 March 2022
Securities premium		
Balance as at the beginning of the year	150	147
Add: Issue of shares at premium	-	3
Less : buyback during the year	(145)	-
Less : Transfer to Capital redemption reserve (#)	(0)	(0)
Balance as at the end of the year	**5**	**150**
Capital redemption reserve		
Balance as at the beginning of the year (#)	0	-
Add: Transferred during the year (#)	0	0
Balance as at the end of the year	**0**	**0**
Share based payment reserve		
Balance as at the beginning of the year	14	8
Add: Employee stock compensation expenses	9	6
Balance as at the end of the year	**23**	**14**
Retained earnings		
Balance as at the beginning of the year	326	122
Less: Buyback during the year	(17)	-
Less: Transferred to capital redemption reserve on account of buyback (#)	(0)	-
Add: Profit for the year	320	206
Add / (less): Remeasurement of the defined benefit plans (net of tax)	1	(2)
Balance as at the end of the year	**630**	**326**
Total	**658**	**490**

(#) Zero represents amount less than ₹ one million

12 Provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
Gratuity (refer note 25(b))	6	6
	6	**6**

13 Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 13.1)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Payable to related parties (refer note 30)	0	-
Others (refer note 13.2)	14	5
Total	**14**	**5**

13.1 Details relating to micro, small and medium enterprises

Based on the information available with the Company, There are no dues outstanding in respect of micro and small enterprises at the Balance sheet date. Further, no interest during the year has been paid or payable in respect thereof. This disclosure has been determined to the extent such parties have been identified on the basis of the information available with the Company.

13.2 Ageing for trade payable as at 31 March 2023

	Payable for expense	Total payable for expense (*)	Not due	Outstanding for following periods from due date of payment				Total trade payable
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	-	-	-	-	-	-	-	-
(ii) Others	73	73	-	13	1	-	-	14
(iii) Disputed Dues - Micro and small enterprises	-	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-	-
Total	**73**	**73**	-	**13**	**1**	-	-	**14**

Ageing for trade payable as at 31 March 2022

	Payable for expense	Total payable for expense (*)	Not due	Outstanding for following periods from due date of payment				Total trade payable
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	-	-	-	-	-	-	-	-
(ii) Others (#)	50	50	-	4	1	0	-	5
(iii) Disputed Dues - Micro and small enterprises	-	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-	-
Total	**50**	**50**	-	**4**	**1**	**0**	-	**5**

(#) Zero represents amount less than ₹ one million

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Absolute Sports Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

14 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Payable for expense	73	50
Total	**73**	**50**

15 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	7	4
Advance from customers	33	16
Total	**40**	**20**

16 Provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
Gratuity (refer note 25(b))	1	1
Compensated absences (refer note 25(c)) (#)	0	1
Total	**1**	**2**

17 Current tax liabilities

	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax of ₹ 95 million (31 March 2022 : ₹ 73 million)	14	7
Total	**14**	**7**

(#) Zero represents amount less than ₹ one million

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Absolute Sports Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

18 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Advertisement and sale of content		
from related parties	-	-
from others	1,224	792
Other operating revenue	-	0
Total	**1,224**	**792**

(a) Disaggregation of revenue on the basis of contract with customers

	Year ended 31 March 2023	Year ended 31 March 2022
Advertisement revenue	1,224	791
Revenue from sale of content	-	1
Total	**1,224**	**792**

(b) Disaggregation of revenue on the basis of geography

	Year ended 31 March 2023	Year ended 31 March 2022
USA	801	410
India	298	235
Rest of the world	125	147
Total	**1,224**	**792**

(c) Timing of revenue recognition

	Year ended 31 March 2023	Year ended 31 March 2022
Services transferred at a point in time	1,224	792
Services transferred over time	-	-
Total	**1,224**	**792**

(d) Customers individually contributing 10% of more of the Companies total revenue

	Year ended 31 March 2023	Year ended 31 March 2022
Google Asia Pacific Pte. Ltd.	371	407
Snap Inc	154	42
Total	**525**	**449**

(e) Reconciliation of revenue recognised with contract price

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	1,224	792
Total	**1,224**	**792**

(f) Contract balances

	As at 31 March 2023	As at 31 March 2022
Receivables, which are included in 'trade receivables'	170	67
Unbilled Revenue	97	73

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19 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
fixed deposits with banks	22	14
income tax refund (#)	-	0
loan given to subsidiary (refer note 30) (#)	0	-
Foreign exchange gain (net)	12	-
Sundry balances written back	1	1
Income from sale of SEIS scripts	3	-
Gain on compensated absences (refer note 25(c)) (#)	0	-
Miscellaneous income (#)	1	0
Total	**39**	**15**

20 Employee benefits

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and bonus		
To related parties (refer note 30)	24	15
To others	199	139
Contributions to provident and other funds (refer note 25(a))	2	1
Gratuity (refer note 25(b)	5	1
Compensated absences (refer note 25(c))	-	0
Expense on employee stock option plan (refer note 26 and 30)	9	6
Staff welfare	5	5
Total	**244**	**167**

21 Finance cost

	Year ended 31 March 2023	Year ended 31 March 2022
Bank charges	1	1
Total	**1**	**1**

(#) Zero represents amount less than ₹ one million

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Summary of significant accounting policies and other explanatory information
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22 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Technical expenses	39	27
Legal and professional fees	16	5
Business promotion expenses	9	4
Travelling and conveyance	4	5
Allowance for expected credit loss	4	2
Corporate social responsibilities activities (refer note 22(b))	3	1
Rent (refer note 2)	2	2
Repairs and maintenance	2	1
Rates and taxes	2	2
Payments to auditors (refer note 22(a))	2	2
Bad debts written off (#)	0	1
Impairment on intangible assets under development	-	17
Miscellaneous expenses	5	3
Total	**88**	**72**

22(a) Payments to auditors

	Year ended 31 March 2023	Year ended 31 March 2022
Statutory audit fees	2	2
Total	**2**	**2**

22(b) Expenditure towards corporate social responsibility

	Year ended 31 March 2023	Year ended 31 March 2022
Gross amount required to be spent as per Section 135 of the Companies Act, 2013	3	1
Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than above	3	1
Total amount spent during the year	3	1
Shortfall at the end of year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of activities	Promotion of Sports and Training	Promotion of Indian Talent

(#) Zero represents amount less than ₹ one million

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Absolute Sports Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

23 Tax expense

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	110	80
Deferred tax (#)	(0)	(6)
Total	**110**	**74**

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 2023	Year ended 31 March 2022
Profit before tax	**430**	**280**
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	**108**	**71**
Effect on account of non-deductible expenses under income tax	-	-
Effect of change in tax rates (#)	-	(0)
Effect of Income taxes relating to prior years	-	5
Others	2	(2)
Income tax expense recognised in statement of profit and loss	**110**	**74**

Movement in deferred tax balances for the period ended 31 March 2023

Particulars	**As at 01 April 2022**	**Recognised in statement of profit and loss**	**Recognised in other comprehensive income**	**As at 31 March 2023**
Property and equipment (#)	0	(0)	-	0
Employee Benefits and other provisions (#)	7	1	(0)	8
Provision for expected credit loss	1	(1)	-	0
Net deferred tax asset / (liabilities)	**8**	**0**	**(0)**	**8**

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

Particulars	**As at 01 April 2021**	**Recognised in statement of profit and loss**	**Recognised in other comprehensive income**	**As at 31 March 2022**
Property and equipment (#)	0	0	-	0
Employee Benefits and other provisions	1	5	1	7
Provision for expected credit loss	-	1	-	1
Net deferred tax asset / (liabilities)	**1**	**6**	**1**	**8**

Movement of current tax liability net off advance tax

	Year ended 31 March 2023	Year ended 31 March 2022
As at the beginning of the year (net)	7	3
Add: Tax expense during the year	110	80
Less: Tax paid during the year	(104)	(77)
Add: Refund received during the year	-	1
As at the end of the year (net)	**14**	**7**

(#) Zero represents amount less than ₹ one million

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24 Contingent liabilities and commitments

There are no contingent liabilities and commitments as at the balance sheet date. (31 March 2022: Nil)

25 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 2023	Year ended 31 March 2022
Company's contribution to provident fund charged to profit & loss	2	1

(b) Defined benefit plans

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service This benefit is unfunded.

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

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of obligation at beginning of the year	7	3
Current service cost	3	1
Past service cost (*)	2	-
Interest cost (#)	0	0
Actuarial (gains) / losses arising from changes in financial assumptions (#)	(0)	(0)
Actuarial (gains) / losses arising from changes in demographic assumptions	(2)	2
Actuarial (gains) / losses arising from experience adjustments	1	1
Benefits paid	(4)	-
Present value of obligation at end of the year	**7**	**7**

(*)There is a change in the benefit scheme of Mr. Porush Jain (CEO and from the cap of ₹ 2 million to payment without cap. Change in liability due to this scheme change is recognised as past service cost.

(ii) Classification:

	Year ended 31 March 2023	Year ended 31 March 2022
Current	1	1
Non-current	6	6
Total	**7**	**7**

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

	Year ended 31 March 2023	Year ended 31 March 2022
Service cost		
Current service cost (#)	3	1
Past service cost	2	-
Net interest expense (#)	0	0
Total defined benefit cost recognised in statement of profit and loss	**5**	**1**

(iv) Defined benefit cost recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial gains / (losses) arising from changes in financial assumptions (#)	0	(0)
Actuarial gains / (losses) arising from changes in demographic assumptions	2	(2)
Actuarial gains / (losses) arising from experience adjustments	(1)	(1)
Total defined benefit gain recognised in other comprehensive income	**1**	**(3)**

(#) Zero represents amount less than ₹ one million

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25 Employee benefit plans (Continued)

(v) Actuarial assumptions

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.29%	6.41%
Salary escalation	15.00%	15.00%
Attrition rate	25.00%	17.30%
Retirement age (in years)	60	60
Average Expected Future Service	3 years	5 years
Mortality	IALM (2012-14)	IALM (2012-14)

(vi) Sensitivity analysis:

Interest Rate Risk
A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision.

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.

Mortality risk
Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Discount rate

	Year ended 31 March 2023	Year ended 31 March 2022
Effect on defined benefit obligation due to 50 bps increase in discount rate (#)	(0)	(0)
Effect on defined benefit obligation due to 50 bps decrease in discount rate (#)	0	0

Salary escalation rate

	Year ended 31 March 2023	Year ended 31 March 2022
Effect on defined benefit obligation due to 50 bps increase in salary escalation rate (#)	0	0
Effect on defined benefit obligation due to 50 bps decrease in salary escalation rate (#)	(0)	(0)

Employee Turnover

	Year ended 31 March 2023	Year ended 31 March 2022
Effect on defined benefit obligation due to 50 bps increase in employee turnover rate (#)	(0)	(0)
Effect on defined benefit obligation due to 50 bps decrease in employee turnover rate (#)	0	0

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 2023	Year ended 31 March 2022
Within 1 year	1	1
Year 2 to 5 years	4	3
Year 6 to 10	3	3
Above 10 years	2	5

(c) 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, 2023: ₹ 0 million (March 31, 2022: ₹ 1 million).

(#) Zero represents amount less than ₹ one million

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26 Employee Stock Option Plans (ESOP)

Absolute Sports ESOP 2021

This scheme has been formulated and approved by the board vide resolution passed on 23 September 2021.

I. Under the above ESOP 2021 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 scheme

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:

	Grant I		Grant II	Grant III	Grant IV
	Specified Employee	Other employees			
Grant date	30-Sep-21	30-Sep-21	28-Oct-21	15-Nov-21	12-May-22
Total number of stock option granted	5,500	3,400	800	200	2,100
Exercise price (in ₹)	5,357	5,357	5,357	5,357	5,357
Exercise period	5 years	5 years	5 years	5 years	5 years
Vesting period					
End of year -1 of grant date	4,300	20%	20%	20%	20%
End of year -2 of grant date	300	20%	20%	20%	20%
End of year -3 of grant date	450	30%	30%	30%	30%
End of year -4 of grant date	450	30%	30%	30%	30%

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

	Grant I		Grant II	Grant III	Grant IV
	Specified Employee	Other employees			
Risk free rate of returns (%)					
Year 1	4.99%	4.99%	5.09%	5.03%	7.00%
Year 2	5.33%	5.33%	5.45%	5.37%	7.11%
Year 3	5.61%	5.61%	5.74%	5.66%	7.32%
Year 4	5.85%	5.85%	5.99%	5.90%	7.26%
Expected life (in years)					
Year 1	3.50	3.50	3.50	3.50	3.50
Year 2	4.50	4.50	4.50	4.50	4.50
Year 3	5.50	5.50	5.50	5.50	5.50
Year 4	6.50	6.50	6.50	6.50	6.50
Expected annual volatility of shares					
Year 1	36.33%	36.33%	36.14%	36.75%	41.68%
Year 2	34.84%	34.84%	35.11%	35.26%	37.38%
Year 3	34.36%	34.36%	34.37%	34.50%	29.16%
Year 4	34.44%	34.44%	34.50%	34.29%	30.48%
Expected dividend yield (%) (Year 1 to Year 4)	0.00%	0.00%	0.00%	0.00%	0.00%

IV. The movement of stock options are summarized below:

	Year ended 31 March 2023	Year ended 31 March 2022
Options outstanding at the beginning of the year	9,900	3,000
Add: Options Exercised during the year	-	-
Add : Granted during the year	2,100	9,900
Less: Lapsed / surrendered during the year	-	3,000
Options outstanding at the end of the year (*)	**12,000**	**9,900**
Exercise price of options outstanding at the end of the year (₹)	5,357	5,357

(*) Unallocated options as at 31 March 2023: Nil (31 March 2022 - 2,100)

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26 Employee Stock Option Plans (ESOP) (Continued)

B Absolute Sports ESOP 2023 (ESOP 2023)

This scheme has been formulated and approved by the board vide resolution passed on 23 February 2023.

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 7,080. The details of such options are given below:

Particulars	Details
Effective date of scheme	23 February 2023
Date of board approval	23 February 2023
Date of member approval	23 February 2023
Number of options granted	2,330 to eligible employee of the company
Method of settlement	Equity
Source of shares (Primary, secondary or combination)	Primary

II. Method used to account for scheme

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:

	Grant I
Grant date	24-Mar-23
Total number of stock option granted	2,330
Exercise price (in ₹)	23,226
Exercise period	5 years
Vesting period	
End of year -1 of grant date	20%
End of year -2 of grant date	20%
End of year -3 of grant date	30%
End of year -4 of grant date	30%

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

	Grant I
Risk free rate of returns (%)	
Year 1	6.91%
Year 2	6.92%
Year 3	6.93%
Year 4	6.95%
Expected life (in years)	
Year 1	3.51
Year 2	4.29
Year 3	5.29
Year 4	6.70
Expected annual volatility of shares	
Year 1	34.84%
Year 2	35.51%
Year 3	36.15%
Year 4	34.36%
Expected dividend yield (%) (Year 1 to Year 4)	0.00%

IV. The movement of stock options are summarized below:

	Number of Options	
	31 March 2023	31 March 2022
Options outstanding at the beginning of the year	-	-
Granted during the year	2,330	-
Add: Exercised during the year	-	-
Add : Granted during the year	-	-
Less: Lapsed / surrendered during the year	-	-
Options outstanding at the end of the year (*)	**2,330**	-
Exercise price of options outstanding at the end of the year (₹)	23,226	-

(*) Unallocated options as at 31 March 2023: 4,750 (31 March 2022 - Nil)

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26 Employee Stock Option Plans (ESOP) (Continued)

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expenses arising from equity – settled share-based payment transactions	9	6

27 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 i.e. eSports segment.

28 Leases

The Company has lease contracts for their corporate office and studio. The leases are for short period and has an option for renewal

Amount recognised in Statement of Profit and Loss

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	2	2
Total	**2**	**2**

29 Earnings per share

	Year ended 31 March 2023	Year ended 31 March 2022
Basic earnings per share (₹)		
Net profit after tax attributable to equity shareholders	320	206
Weighted average number of equity shares outstanding	185,218	185,935
Basic earnings per share in ₹	**1,728**	**1,110**
Diluted earnings per share (Diluted EPS)		
Net profit after tax attributable to equity shareholders	320	206
Add: Expense on employee stock option plan	9	6
Net adjusted profit after tax attributable to equity shareholders	329	212
Weighted average number of Shares used for calculating Basic EPS	185,218	185,935
Add: Effect of dilutive instruments	16,742	1,214
Weighted average number of shares considered for calculating Diluted EPS	201,960	187,149
Diluted earnings per share in ₹	**1,629**	**1,110**

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Absolute Sports Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

30 Related party transactions

A List of related parties

Description of relationship	**Names of related parties**
Holding company	Nazara Technologies Limited
Wholly owned subsidiaries	Sportskeeda Inc, USA
Step down subsidiary of holding company	Datawrkz Pte. Ltd.
Key managerial personnel (KMP)	
Managing director (MD)	Porush Jain (Till 16 November 2022)
Chief Executive Officer	Ajay Pratap Singh (w.e.f. 16 November 2022)
Director	Manish Agarwal (Till 24 March 2023)
Director	Sudhir Kamath (w.e.f. 16 November 2022)
Director	PR Rajendran (w.e.f. 1 February 2022)
Director	Ajay Pratap Singh (w.e.f. 24 March 2023)

B Transactions with related parties

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on loan given to subsidiary		
Sportskeeda Inc, USA (#)	0	-
Digital marketing rendered		
Datawrkz Pte Ltd (#)	0	-
Managerial remuneration (*)		-
Ajay Pratap Singh	9	-
Porush Jain	18	15
Allotment of equity shares (including securities premium)		
Porush Jain (Issue of Partly paid up shares)	-	3
Loan given to subsidiary		
Sportskeeda Inc, USA	160	-

C Balances with related parties

	As at 31 March 2023	As at 31 March 2022
Loan given to subsidiary		
Sportskeeda Inc, USA	160	-
Interest on loan given to subsidiary		
Sportskeeda Inc, USA (#)	0	-
Trade payable		
Datawrkz Pte Ltd (#)	0	-

D Compensation of KMP

	As at 31 March 2023	As at 31 March 2022
Short term employee benefits	24	15
Post employment benefit	-	-
Compensation related to share based payments	4	-
Total	**28**	**15**

(*) 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 excludes provision for gratuity, leave encashment and contribution towards providend and other funds.

(#) Zero represents amount less than ₹ one million

31 Fair Value Measurements

I. Financial assets and financial liabilities

a) Financial assets and liabilities at amortized cost

	Carrying value		Amortized cost	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Financial assets				
Amortised cost				
Loans	160	-	160	-
Other financial assets	101	431	101	431
Trade receivables	170	67	170	67
Cash and cash equivalents	16	34	16	34
Other bank balance	-	-	-	-
Total financial assets	**447**	**532**	**447**	**532**
Financial liabilities				
Trade payables	14	5	14	5
Other financial liabilities	73	50	73	50
Total liabilities	**87**	**55**	**87**	**55**

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.
The company does not have any instrument which is measured at fair value

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32 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.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loan to subsidiary. The Company is not exposed to interest rate risk since it does not have any borrowings.

I. Foreign Currency Risk

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

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

(i) Amount receivable in foreign currency on account of the following:

Currency		As at 31 March 2023		As at 31 March 2022	
		Foreign currency	Rupee equivalent	Foreign currency	Rupee equivalent
USD	Loan to Sportskeeda Inc.	2	160	-	-
USD	Trade Receivable	1	103	1	44
GBP	Trade Receivable (#)	-	-	0	0
CAD	Trade Receivable (#)	0	2	-	-
EUR	Trade Receivable	0	10	0	1
USD	Unbilled Revenue	1	85	1	61
EUR	Unbilled Revenue	-	-	0	1
Total			**360**		**107**

(ii) Amount payable in foreign currency:

Currency		As at 31 March 2023		As at 31 March 2022	
		Foreign currency	Rupee equivalent	Foreign currency	Rupee equivalent
USD	Trade Payable (#)	0	9	0	1
EUR	Trade Payable (#)	0	0	0	0
Total			**9**		**1**

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 2023		As at 31 March 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	17	(17)	2	(2)
EUR	0	(0)	0	(0)
CAD (#)	0	(0)	-	-
GBP (#)	-	-	0	(0)

(#) Zero represents amount less than ₹ one million

2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to 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 these assets. The ageing of trade receivable (net of provision for expected credit loss) is as follows:

Number of days outstanding	As at 31 March 2023	As at 31 March 2022
Not Due	73	38
Up to 30 days	35	18
30 - 90 days	53	6
90 - 180 days	5	5
180 - 360 days	4	-
More than 360 days	-	-
Total	**170**	**67**

Movement of expected credit loss is as follows:

	As at 31 March 2023	As at 31 March 2022
Opening	2	-
Provision made during the year	4	2
Provision reversed / utilised during the year	-	-
Closing	**6**	**2**

3) 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 Finance 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

	As at 31 March 2023			
	On demand	Within 1 year	1 - 5 years	Total
Financial liabilities - current				
Trade payables	-	14	-	14
Other financial liabilities	-	73	-	73
Total	-	**87**	-	**87**

	As at 31 March 2022			
	On demand	Within 1 year	1 - 5 years	Total
Financial liabilities - current				
Trade payables		5	-	5
Other financial liabilities		50	-	50
Total		**55**	-	**55**

(#) Zero represents amount less than ₹ one million

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33 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.

34 Financial ratios

Ratios/Measures	As at 31 March 2023	As at 31 March 2022	Change (%)	Reasons for variance of 25% or more
Current ratio (times)	2	7	-67.60%	The major reason for decrease in current ratio is due to increase in trade receivables. Also this year fixed deposits as at year were non current.
Return on equity (%)	55.72%	53.64%	3.87%	
Trade receivables turnover ratio (times)	6	8	-23.63%	
Trade payables turnover ratio (times)	8	9	-10.41%	
Net capital turnover ratio (times)	4	2	77.03%	The major reason for increase in net capital turnover ratio is on accounts of fixed deposits that are non current in current year.
Net profit (%)	26.13%	25.99%	0.54%	
Return on capital employed (%)	75.98%	73.94%	2.75%	
Return on investment (%)	6.22%	4.37%	42.33%	The major reason for increase in return on investment is due to higher rate of returns provided by IDFC bank

Ratios	Numerator	Denominator
Current ratio (times)	Current Assets	Current Liabilities
Return on equity (%)	Profit After Tax	Average of total shareholder's equity
Trade receivables turnover ratio	Revenue from operations	Average trade receivables
Trade payables turnover ratio	Adjusted expenses **	Average trade payables
Net capital turnover ratio	Revenue from operations	Average working capital
Net profit (%)	Profit after tax	Revenue from operations
Return on capital employed (%)	Earnings before interest and taxes	Average capital employed = Tangible net worth + Total debt + Deferred tax liability
Return on investment (%)	Interest income, net gain on sale of investments and net fair value gain	Average Investments

** Adjusted expenses refers to other expenses net of non-cash expenses, director's fees and donations

35 Additional information

The Company has not granted any loans or advances in the nature of loan to promoters, directors, key managerial personnel's 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.

36 The Company has used the exemption available to companies under Companies Act,2013 and Ind AS from preparing consolidated financial statements.

a) Details of Holding Company

Below is the details of Holding Company whose consolidated financial statements comply with IndAS:

Holding Company	Nazara Technologies Limited
Principal Place of business of Holding Company	51-54, Maker Chambers 3, Nariman Point, Mumbai - 400021

b) Details of subsidiary companies

Name	Principal Place of Business	% of ownership interest and voting	
		As at 31 March 2023	As at 31 March 2022
Sportskeeda Inc.	US	100%	-

37 Other significant disclosures

(a) During the year, the Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,1961). Accordingly, there are no transactions which are not recorded in the books of accounts, hence no such disclosure is applicable.

Walker Chandiok & Co LLP * Hyderabad *

ABSOLUTE SPORTS PVT. LTD. BENGALURU *

Absolute Sports Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, except share and per share data, unless otherwise stated)

37 Other significant disclosures (Continued)

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. Hence no such disclosure is required.

(c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) Utilisation of Advanced funds

The details of the date and amount of funds invested in intermediary during the year ended March 31, 2023 are as follows

Name of Intermediary	Registered Address of the intermediary	Relationship with the intermediary	Date for Transfer of Funds	Amount for Transfer of Funds
Sportskeeda Inc.	3524, Silverside Road, Ste 35B, Wilmington De 19810	Wholly owned subsidiary	22 March 2023	160

Notes

I During the year ended March 31, 2023, the Company has invested in Sportskeeda Inc, USA, with an understanding that the funds will be utilised for the acquisition of Pro Football Networks Inc.

II Provisions relating to Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002.

(f)The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) The Company does not own any immovable properties and hence does not hold any title deeds for immovable

(h) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(i) The Company has not revalued its Property and Equipment and Intangible assets, Also it does not have any Right to use asset, hence the revaluation on the same is not applicable.

(j) The Company does not have any transactions with Companies which are striked off.

38 Event after reporting date

Subsidiary of the Company, Sportskeeda Inc has acquired 73.27% of the capital stocks of Pro Football Network Inc. (PFN) for consideration of ₹ 150 million on 06 April 2023. Pursuant to this acquisition, PFN became step down subsidiary of the Company.

The accompanying notes are 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

Nikhil Vaid
Partner
Membership No: 213356

Place : Hyderabad
Date : 08 May 2023

Walker Chandiok & Co LLP Hyderabad

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

Absolute Sports Pvt. Ltd. Bengaluru

Sudhir Kamath
Director
DIN: 01861226

Place : Mumbai
Date : 08 May 2023

Absolute Sports Pvt. Ltd. Bengaluru

Ajay Pratap Singh
Director
DIN: 10077780

Place : Bengaluru
Date : 08 May 2023