

INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors,
Sports Unity Pvt Limited

Report on the audit of the financial statements

Opinion

We have audited the standalone Ind AS financial statements of Sports Unity Pvt Limited (“the Company”), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, the changes in equity and cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. 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 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 auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but 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.

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 standalone financial statements or our knowledge obtained during the course of our 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.

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the **Companies (Indian Accounting Standards) Rules, 2015** and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ❖ Identify and assess the risks of material misstatement of the 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 **Companies Act, 2013**, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the **Companies (Auditor's Report) Order, 2016** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, since the provisions of section 143(3) regarding reporting on internal financial control is not applicable to the Company, no comment is required to be made; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no amounts required to be transferred to the Investor Education and Protection Fund by the Company

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N

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Date: 2021.05.27
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Sanjeeva Narayan
Partner
Membership No. 084205
UDIN: 21084205AAAAIN1968

Place: New Delhi
Date: 26.05.2021

The Annexure A referred to in paragraph 1 of Our Report of even date to the members of Sports Unity Private Limited on the accounts of the Company for the year ended 31st March 2021

On the basis of such checks, as, we considered appropriate, and, according to the information and explanations given to us during the course of our audit, we report that:

- 1.(a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of the fixed assets at reasonable intervals. In accordance with this programme, fixed assets were verified during the year, and, no material discrepancies were noticed on such verification.
- (c) The company do not have any immovable properties.
2. The company has no inventories. and such no comment is required to be made in respect of matters specified in clause 3(ii) of the order.
3. The Company has not granted, during the year, any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us, the Company has not given any loans, purchased investment, given guarantees and security to the parties covered under section 185 or 188 during the year. Therefore, the provision of clause 3(iv) is not applicable to the Company.
5. The Company has not accepted any deposits from the Public. Therefore, the provisions of Clause 3(v) of the order is not applicable to the Company.
6. According to the information and explanations provided by the management, the company is not engaged in production of any such goods and provision of any such services for which central government has prescribed particulars relating to utilisation of material or labour or other items of cost. Hence, the provision of section 148(1) of the Act is not applicable to the Company.
- 7(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, excise duty, customs duty, value added tax, cess and other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, cess, sales tax, service tax, value added tax, customs duty and excise duty which have not been deposited on account of a dispute.
8. As per information and explanation given to us the company has neither taken any loans or borrowing from a financial institution, government, Bank nor it has issued any debentures. Therefore, the provisions of clause 3(vii) are not applicable to the company and accordingly the company has not defaulted in any such repayment.

9 In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments). There were no borrowings in the nature of term loans outstanding at the beginning of the year or at the end of the year.

10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have, neither, come across any instance of fraud by the Company, or, any fraud on the company by its officers or employees, noticed or reported during the year, nor, have we been informed of such case by the management.

11. In our opinion, and according to the information and explanations given to us, the provisions of Clause 3(xi) of the order is not applicable to the Company.

12. The Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) is not applicable to the Company.

13. The Company's transactions with its related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, and, the details of related party transactions have been disclosed in the Note 28 of Financial Statements, as required by the applicable accounting standards.

14. According to the records of the company examined by us, the company has not made any private placement of shares or fully or partially convertible debentures during the year under review , so no comment is required to be made in respect of matters specified in clause (xiv) of order.

15. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors, or, persons connected with them.

16. In our opinion, and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N

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Sanjeeva Narayan
Partner

Membership No. 084205
UDIN:21084205AAAAN1968

Place: New Delhi
Date: 26.05.2021

SPORTS UNITY PVT LTD
CIN No. U72900DL2016PTC299842
Balance Sheet As At 31st March, 2021

(Rupees)

Particulars	Note No.	As At 31st March, 2021	As At 31st March, 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	2,08,058	2,81,873
(b) Intangible Assets		2,08,53,211	2,89,14,907
(c) Intangible Assets Under Development		-	-
(d) Deferred Tax Asset	12	-	-
(e) Income Tax Assets	3	7,80,970	4,09,217
Total Non Current Assets		2,18,42,238	2,96,05,997
(2) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	3,59,413	13,80,709
(ii) Cash and Cash Equivalents	5	10,92,757	18,93,453
(iii) Loans and Advances	6	19,445	19,445
(b) Other Current Assets	7	2,35,074	1,53,900
Total Current Assets		17,06,689	34,47,507
TOTAL ASSETS		2,35,48,927	3,30,53,504
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	8	4,87,00,000	4,87,00,000
(b) Other Equity	9	(4,18,75,786)	(2,50,51,979)
Total Equity		68,24,214	2,36,48,021
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	90,00,000	45,00,000
(b) Provisions	11	10,91,969	7,77,137
Total Non Current Liabilities		1,00,91,969	52,77,137
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Short term borrowings		-	-
(ii) Trade Payables	13	24,16,793	13,24,439
(iii) Other financial liabilities	14	41,37,510	24,71,431
(b) Other Current Liabilities	15	-	3,31,507
(c) Short-Term Provisions	16	78,441	969
Total Current Liabilities		66,32,744	41,28,346
TOTAL EQUITY AND LIABILITIES		2,35,48,927	3,30,53,504
Significant Accounting Policies	1		
Notes forming part of the Financial Statements			

As per our attached report of Even Date

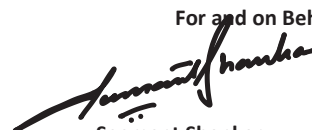
For
Chartered Accountants
Firm Registration No . 000497N

For and on Behalf of Board of Directors

SANJEEVA
NARAYAN

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Sanjeeva Narayan
Partner
Membership No. 084205



Seemant Shankar
Director
01624653



Vamsi Krishna Talasila
Director
08048412

Place : New Delhi
Date :

Place: Delhi
Date: 26/05/2021

Place: Mumbai
Date:

SPORTS UNITY PVT LTD
CIN No. U72900DL2016PTC299842
Statement of Profit and Loss for the year ended 31st March, 2021

(Rupees)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue			
I. Revenue from Operations	17	1,11,72,290	1,15,20,620
II. Other income	18	28,436	4,27,126
III. Total Income (I+II)		1,12,00,726	1,19,47,746
IV. Expenses			
Employee Benefits Expense	19	1,34,53,712	1,43,70,547
Finance Costs	20	1,22,342	18,52,141
Depreciation and Amortization Expense	2	81,35,512	87,22,049
Other Expenses	21	64,68,383	1,29,95,800
Total Expenses (IV)		2,81,79,948	3,79,40,538
V. Loss before Tax		(1,69,79,223)	(2,59,92,792)
VI. Tax Expense:	22		
1. Current Tax		-	-
2. Deferred Tax		-	(11,19,682)
VII. Loss for the Year		(1,69,79,223)	(2,48,73,110)
VIII. Other Comprehensive Income			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurements of the Defined Benefit Plans		-	-
		-	-
IX. Total Loss for the Year		(1,69,79,223)	(2,48,73,110)
X. Earnings per Equity Share			
Basic and Diluted Earnings per Share	23	(0.35)	(6.38)
Significant Accounting Policies	1		
Notes forming part of the Financial Statements			

As per our attached report of Even Date

For

Chartered Accountants

Firm Registration No . 000497N

For and on Behalf of Board of Directors

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SANJEEVA NARAYAN
NARAYAN Date: 2021.05.27
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Sanjeeva Narayan

Partner

Membership No. 084205



Seemant Shankar

Director

01624653



Vamsi Krishna Talasila

Director

08048412

Place : New Delhi

Date :

Place: Delhi

Date: 26/05/2021

Place: Mumbai

Date:

Sports Unity Private Limited

Cash Flow Statement for the period ended 31st March, 2021

Particulars	As At 31st March, 2021	As At 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax	(1,69,79,223)	(2,59,92,792)
Adjustments for :		
Depreciation and Amortisation Expense	81,35,512	87,22,049
Irrecoverable Balances and Bad Debts Written off	-	-
Provision for Gratuity	-	-
Provision for Doubtful Advances	-	-
Deffered Revenue	-	-
Loss on Sale of Fixed Assets	-	-
Profit on sale of Mutual Funds	-	(4,27,126)
Finance Costs	1,22,342	18,52,141
Operating Loss before Working Capital Changes	(87,21,369)	(1,58,45,728)
Movements in Working Capital :		
Inventories	-	-
Trade and Other Receivables	5,68,369	(12,64,004)
Trade, Other Payables and Provisions	29,74,646	(15,28,606)
Cash Flow from / (used in) Operations	(51,78,354)	(1,86,38,338)
Direct Taxes Paid (Net)	-	-
Net Cash Flow from / (used in) Operating Activities (A)	(51,78,354)	(1,86,38,338)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Purchase of Investments	-	(1,60,00,000)
Sale of Investments	-	1,64,27,126
Net Cash Flow from / (used in) Investing Activities (B)	-	4,27,126
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Borrowings	45,00,000	68,00,000
Repayment of Borrowings	-	(6,31,03,000)
Proceed from Share Capital and Securities premium	-	7,80,00,000
Finance Costs Paid	(1,22,342)	(18,52,141)
Net Cash Flow from / (used in) Financing Activities (C)	43,77,658	1,98,44,859
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)	(8,00,696)	16,33,647
Cash & Cash Equivalents (Opening Balance)	18,93,453	2,59,806
Cash & Cash Equivalents (Closing Balance)	10,92,757	18,93,453
Notes:		
1) Figures in brackets represent outflows.		
2) Previous year's figures have been regrouped to conform with those of the current year.		
3) Cash & Cash Equivalents include :		
a) Cash in Hand	10,000	10,000
b) Balance with Scheduled Banks in Current Accounts	10,82,757	18,83,453
c) Deposits for less than 3 months	-	-

As per our attached report of Even Date

For
Chartered Accountants
Firm Registration No . 000497N

SANJEEVA
NARAYAN

Sanjeeva Narayan
Partner
Membership No. 084205

Place : New Delhi
Date :

For and on behalf of the Board of Directors



Seemant Shankar
Director
01624653

Place: Delhi
Date: 26/05/2021



Vamsi Krishna Talasi
Director
08048412

Place: Mumbai
Date:

SPORTS UNITY PVT LTD
CIN No. U72900DL2016PTC299842

Statement of Changes in Equity for the year ended 31st March, 2021

(a) Equity Share Capital	(Rupees)
Balance as at 1st April, 2019	97,00,000
Changes in Equity Share Capital during the year	3,90,00,000
Balance as at 31st March, 2020	4,87,00,000
Changes in Equity Share Capital during the year	-
Balance at 31st March, 2021	4,87,00,000

Particulars	Reserves & Surplus				Total
	Securities Premium	ESOP Reserve	Retained Earnings		
Balance at 1st April, 2019	-	13,331	(3,99,18,489)		(3,99,05,158)
Received on Further Issue of Shares on Preferential basis	3,90,00,000	-	-	-	3,90,00,000
Loss for the year	-	-	(2,48,73,110)	-	(2,48,73,110)
Additions during the year	-	7,26,288	-	-	7,26,288
Other Comprehensive Income for the year	-	-	-	-	-
Balance at 31st March, 2020	3,90,00,000	7,39,620	(6,47,91,599)		(2,50,51,980)
Received on Further Issue of Shares on P preferential basis	-	-	-	-	-
Loss for the year	-	-	(1,69,79,223)	-	(1,69,79,223)
Additions during the year	-	1,55,416	-	-	1,55,416
Other Comprehensive Income for the year	-	-	-	-	-
Balance at 31st March, 2021	3,90,00,000	8,95,036	(8,17,70,822)		(4,18,75,787)

Nature and Purpose of Reserve

Securities Premium

Securities Premium is used to record the premium on issue of shares. The Reserve is utilised in accordance with the provision of Section 52 of the Companies Act, 2013.

As per our attached report of Even Date

For

Chartered Accountants

Firm Registration No. 000497N

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SANJEEVA NARAYAN
NARAYAN DN: cn=SANJEEVA NARAYAN, o=SPORTS UNITY PVT LTD, ou=CA, email=sanjeeva@sportsunity.com

Sanjeeva Narayan
Partner

Membership No. 084205

Place : New Delhi

Date :

For and on Behalf of Board of Directors

Seemant Shankar
Director
01624653

Vamsi Krishna Talasila
Director
08048412

Place: Delhi

Date: 26/5/2021

Place: Mumbai

Date:

Notes to Financial Statements for the year ended 31st March, 2021

A. Corporate Information

Sports Unity Private Limited ("The Company") is a Private Limited Company Incorporated on 16th May 2016. The Company is primarily engaged into business of computer, software development of Mobile application and other related activities.

B. Basis of Preparation and Statement of Compliance

I. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period on accrual basis to comply with the Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financials statements have been prepared on accrual and going concern basis. Based on the nature of the products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

II. KEY ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS requires management to make judgement, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions that have the most significant effect on the carrying amounts of assets and liabilities within the next financial year are as follows:

- Determination of the estimated useful lives of tangible and intangible assets and the assessment s to which component of the cost may be capitalised.
- Impairment of Property, Plant and Equipment
- Recognition and measurement of defined benefit obligations
- Recognition of deferred tax assets
- Provisions Contingent Liabilities

III. PROPERTY PLANT AND EQUIPMENT ("PPE")

PPE are initially recognised at cost. The purchase price of PPE consist of its purchase price and non-refundable taxes and net of any trade discount and rebates ,any directly attributable cost of bringing the PPE to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is loaded. The cost of PPE included interest on borrowings (finance cost) directly attributable to acquisition. PPE are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the PPE's carrying amount or recognised s a separate PPE, as separate PPE , as appropriate ,only when 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 carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation is accounted for using the straight-line method after considering the residual value of five percent in the manner specified in Schedule II of the Companies Act, 2013.

The carrying values of PPE are reviewed for impairment when events for change in circumstances indicate that the carrying value may not be recoverable. The residual values, useful lives and depreciation method are reviewed at its financial year and to ensure that the amount method and period of depreciation are consistent with previous estimate and the expected pattern of consumption of the future economic benefits embodied in the items of PPE. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to rise from the continued use of the PPE any gain or loss arising on disposal of retirement of an item of PPE is determined as the difference between sales proceeds and the carrying amount of the PPE and is recognised in the statement of profit or loss. Fully depreciated PPE still in use are retained in financial statements.

Property, plant and equipment	Useful lives estimated by the management (years)
Furniture and fixtures	5 years
Computer and Printers	3 years
Office equipment	3 years
Mobile Phone	3 years

IV. INTANGIBLE ASSETS

Intangible assets are recognised when it is probable daddy future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliability. Internally generated intangibles, excluding capitalised development cost are not capitalised and related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful life of intangible assets are assessed has finite. The amortisation period and amortisation method for intangible asset with finite useful life are reviewed 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

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

Cost of internally generated intangible games are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred unless it is towards capitalise development cost.

Research Cost expense are expensed as incurred. Development expenditure incurred on individual project is recognised as an intangible asset when the company can demonstrate all of the following:

1. Technical feasibility of completing the intangible assets so that it will be available for use or sale
2. Its intention to complete the asset
3. Its ability to use or sell the asset
4. How the asset will generate future economic benefits
5. The availability of adequate resources to complete the development and to use or sell the assets
6. The ability to measure reliability expenditure attributable to the intangible asset during development

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortisation and accumulated impairment loss. Amortisation of the asset begins when development is complete and asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

V. FINANCIAL INSTRUMENTS

(A) Financial Assets

• Initial Recognition

Financial instruments financial assets are recognised by the company becomes a party due to contractual provisions of the instruments. On the initial recognition, a financial assets is recognised at fair value in case of financial asset which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction cost attributed to the acquisition value of the financial assets.

- **Subsequent measurement**

Financial asset are subsequently classified as measured at:

- Amortized cost
- Fair Value Through Profit and Loss (FVTPL)
- Fair Value Through Other Comprehensive Income (FVTOCI)

The above classification is being determined considering the:
a) Entities business model for managing the financial assets and
b) contractual cash flow characteristics of the financial assets

Financial assets are not reclassified subsequent to the recognition, except if and in the period the company change its business model for managing financial asset.

(i) Measured at Amortised Cost:

Financial assets are subsequently measured at amortised cost, if this financial assets are held within a business model whose objective is to hold is assets in order to collect contractual cash flows and contractual terms of the financial asset give rise on specified date to cash flow status only payment of principal and interest on the principal amount outstanding.

(ii) Measured at Fair Value Through Profit or Loss (FVTPL):

Financial assets other than equity instrument are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Such financial assets are measured at fair value with all changes in fair value including interest income and dividend income, if any recognised in the statement of Profit and Loss.

(iii) Measured at Fair Value Through Other Comprehensive Income (FVTOCI):

Financial assets are measured at fair value through other comprehensive income if this financial assets are held within a business whose objective is achieved by both collecting contractual cashflows that give rise on specified date to solely payment of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the ERI method and impairment loss if any are recognised in the statement of profit and loss. On de-recognition cumulative gain or loss previously recognised in OCI is reclassified from the equity to "Other income" in the statement of Profit and Loss

- **Impairment**

The company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVTOCI. The Credit loss is difference between all the contracts cashflows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to lifetime expected losses i.e. Expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the company does not track changes in credit risk. Rather it recognises impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The company uses of provision Matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observe default rate over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date historical observed default rates are updated and changes in the forward looking estimates are analysed.

For financial assets other than trade receivables, the company recognises 12 months expected credit loss for all originated or acquired financial assets if at the reporting date the credit risk of the financial assets has not increased significantly since its initial recognition. The expected credit loss are measured has lifetime expected credit loss if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period credit quality of the instrument improve such that there is no longer significant increase in creditors search initial recognition, then the company reverts to recognising impairment loss allowances basis on 12 months ECL. The impairment losses and reversals are recognised in statement of profit and loss. For financial assets measured at FVTPL, there is no requirement of impairment testing.

- **Derecognition**

The company derecognises of financial asset when the contractual rights to the cash flows from the financial assets expire, or it transfers right to receive cash flow from an asset, it evaluate if and to what extent it has retained the risks and reward of ownership. When it has neither transferred nor retained substantially all the risk and reward of the asset, nor transferred control of the asset the company continues to recognise the transferred asset to the extent of the companies continue involvement.

In that case the company also recognised an associated liability. The transferred asset and associated liability are measured on the basis that reflects the rights and obligation that the company has retained.

(B) Financial Liabilities

- **Initial Recognition and Measurement**

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial Liabilities are initially recognised at fair value net of transaction cost for all financial liabilities not carried at fair value through profit or loss. The company's financial liabilities include trade and other payables loans and borrowings including bank overdraft.

- **Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

- **Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through EIR amortisation process.

- **Financial guarantee contracts**

Financial guarantee contract issued by the company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when do in accordance with the term off a debt instrument. Financial guarantee contract are recognised initially has the liability at fair value, adjusted for transaction cost that are directly attributable to the issuance of the guarantee.

- **Derecognition**

A financial liabilities derecognised when the obligation under the liabilities discharge 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 as exchange or modification is treated as derecognition of the original liability and the recognition of new liability. The difference in the carrying amount is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are off set and net amount is reported in the financial statement if there is a currently enforceable legal right to off set the recognised amount and there is an intention to settle on a net basis, to realise asset and settle the liability simultaneously.

VI. MEASUREMENT OF FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date regardless of whether that price is directly or observable or estimated using another evaluation technique.

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

A fair value measurement of a non-financial asset takes into account market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

A company uses valuation techniques that are appropriate in the circumstances and for which sufficient data available to measure fair value maximizing the use of relevant observable inputs and minimising the use of an observable inputs.

All Assets and liabilities for which fair value is measured or disclosure in the financial statement are categorised within the fair value hierarchy described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (adjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input the significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for with the lowest level input that is significant to the far value measurement is unobservable.

VII. REVENUE RECOGNITION

• Income from services

Revenue earned from license of gaming content is recognised over the period of license. Revenue earned from mobile games is recognised as and when player plays the game. The bonus points given to the players of the games are considered to be separate performance obligations and accordingly amount of the sales consideration allocated to such bonus points is reduced from revenue and recognised deferred revenue. The deferred revenue is recognised at the earlier of redemption of points or their expiry.

Revenue from advertising services recognised in the period in which advertisement are displayed.

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

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

VIII. EMPLOYEE BENEFITS

• Short term Employee benefits

All employee benefits payable wholly within 12 months of rendering the service are classified as short term employee benefits such as salaries performance incentives exacta are recognised as an expense at the and discounted amount in statement of profit and loss of the year in which the employee industry related service.

• Post employment benefits

a) Defined benefit plans

The company's net obligation in respect of the defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have on in the current and prior period after discounting the same. The calculation of defined benefit obligation is performed annually by qualified actuary using the projected unit credit method. Also, management may based on their best judgement resolve to using of estimates, averages and computational short cuts which may provide a reliable approximation of the company's net obligation in respect of the defined benefit plan .Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses recognise immediately in "Other Comprehensive Income" (OCI). Net interest expense (income) on the net defined liability (assets) is completed by applying the discount rate, used to measure the net defined liability (asset).Net Interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss. When the benefits of a Plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service of the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The company recognises gains and losses on the settlement of a defined benefit plant when the settlement occurs.

b) Terminal benefits

All terminal benefits are recognised as an expense in the period in which they are incurred.

c) Share based payments

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service condition at the vesting date.

IX) BORROWING COST

Borrowing Cost are interest and other cost that the company increase in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to their respective borrowing. Borrowing cost that are directly attributable to the acquisition of an asset that necessarily take substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

X) TAXES ON INCOME

Income Tax expense comprises current tax and deferred income tax. Tax is recognised in this statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rate and laws that are enacted at the balance sheet date.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities and assets are measured at the tax rate that are expected to apply in the period in which liability is settled or assets realised based on tax rates (and tax laws) that have been enacted of substantively enacted by the end of the reporting period. Amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

IX. PROVISIONS CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised, when there is a present legal or constructive obligation has a result of past events; where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the application can be made. Where are provision is measured using the cash flows estimated to settle the present obligation its carrying amount is a present value of those cash flows. Where the effect is material the provision is discounted to net present value using an appropriate current market based pre-tax discount rate and the unwinding of the discount is included in finance cost.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non occurrence of one or more uncertain future events, not wholly within the control of the company, or where any present obligation cannot be measured in terms of future outlook of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those have a largely probable out of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an in flow of economic benefits is probable.

XII. LEASES

The Company enters into contract as a lessee for assets taken on lease. The Company at the inception of a contract assesses whether the contract contains a lease by conveying the right to control the use of an identified asset for a period of time in exchange for consideration. A Right-of-use asset is recognised representing its right to use the underlying asset for the lease term at the lease commencement date except in case of short term leases with a term of twelve months or less and low value leases which are accounted as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The Right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

XIII. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are recorded at the rate of exchange in force at it date of transaction. Assets and liabilities in foreign currency outstanding at the year end, if any are stated at the rate of exchange prevailing at the close of the year and the resultant gain / loss is recognised in the statement of profit and loss.

XIV. CASH AND CASH EQUIVALENTS

The company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of 3 months or less from the date of purchase to be cash equivalents. Cash and cash equivalent consist of balances with banks which are unrestricted for withdrawal and usage.

C. Standards issued but not effective

• Amendment to existing standard

MCA has also carried out amendments of the following accounting standards

IND AS 101 - First time adoption of Indian accounting standards

IND AS 103 - Business combination

IND AS 109 - Financial instrument

IND AS 111 - Joint arrangement

IND AS 12 - Income taxes

IND AS 19 - Employee benefits

IND AS 23 - Borrowing cost

IND AS 28 - Investment in Associates and joint ventures

Application of above standards are not expected to have any significant impact on the company's financial statements and also appropriate treatment has been given for these IND AS wherever applicable.

Notes to Financial Statements for the year ended 31st March, 2021

Note 2

i) Property, Plant and Equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2021:

(Rupees)

DESCRIPTION	Office Equipment	Furniture & Fixtures	Computers	Mobile Phone	Total
Cost					
As at April 2019	1,12,265	2,84,055	11,89,745	3,06,090	18,92,155
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
As at March 2020	1,12,265	2,84,055	11,89,745	3,06,090	18,92,155
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
As at March 2021	1,12,265	2,84,055	11,89,745	3,06,090	18,92,155
Accumulated Depreciation					
As at April 2019	42,660	53,970	7,44,710	1,08,589	9,49,929
Depreciation for the Current Year	63,991	53,970	3,76,787	1,65,605	6,60,353
Deletions	-	-	-	-	-
As at March 2020	1,06,651	1,07,940	11,21,497	2,74,194	16,10,282
Depreciation for the Current Year	-	53,970	8,762	11,083	73,815
Deletions	-	-	-	-	-
As at March 2021	1,06,651	1,61,910	11,30,259	2,85,277	16,84,097
Net Block					
As at March 2020	5,614	1,76,115	68,248	31,896	2,81,873
As at March 2021	5,614	1,22,145	59,486	20,813	2,08,058

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2021:

DESCRIPTION	App. Development (Qunami)	Total
Cost		
As at April 2019	5,09,15,978	5,09,15,978
Additions	-	-
Deletions	-	-
As at March 2020	5,09,15,978	5,09,15,978
Additions	-	-
Deletions	-	-
As at March 2021	5,09,15,978	5,09,15,978
Accumulated Depreciation		
As at April 2019	1,39,39,375	1,39,39,375
Depreciation for the Current Year	80,61,696	80,61,696
Deletions	-	-
As at March 2020	2,20,01,071	2,20,01,071
Depreciation for the Current Year	80,61,696	80,61,696
Deletions	-	-
As at March 2021	3,00,62,767	3,00,62,767
Net Block		
As at March 2020	2,89,14,907	2,89,14,907
As at March 2021	2,08,53,211	2,08,53,211

Notes to Financial Statements for the year ended 31st March, 2021

Note 8

Share Capital

a. Details of Authorised, Issued and Subscribed Share Capital

Particulars	(Rupees)	
	As At 31st March, 2021	As At 31st March, 2020
Authorised Capital		
50,00,000 (PREVIOUS YEAR 50,00,000)EQUITY SHARES OF RS. 10/- EACH	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid up		
48,70,000 (PREVIOUS YEAR 48,70,000) EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	4,87,00,000	4,87,00,000
	4,87,00,000	4,87,00,000

b. Reconciliation of Number of Shares at the beginning and at the end of the year

Particulars	As At 31st March, 2021		As At 31st March, 2020	
	No. of shares	(Rupees)	No. of shares	(Rupees)
Shares outstanding at the beginning of the year	48,70,000	4,87,00,000	9,70,000	97,00,000
Add: Shares issued during the year	-	-	39,00,000	3,90,00,000
Shares outstanding at the end of the year*	48,70,000	4,87,00,000	48,70,000	4,87,00,000

c. Shareholders Holding Information

Shareholders Holding more than 5 % of Shares in the Company	As At 31st March, 2021		As At 31st March, 2020	
	No. of shares	Percentage	No. of shares	Percentage
Equity Shares				
M/s Nazara Technologies Limited	30,45,000	62.53%	30,45,000	62.53%
M/s Mindforte Gaming Private Limited	5,00,000	10.27%	5,00,000	10.27%
M/s Nouvelle Securities Private Limited	3,55,000	7.29%	3,55,000	7.29%
	48,70,000	100%	48,70,000	100%

d. Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share. The share holders have equal right in dividend as and when declared by the company.

Notes to Financial Statements for the year ended 31st March, 2021

(Rupees)

Particulars	As At 31st March,2021	As At 31st March, 2020
Note 3		
Income Tax Assets		
Tax Deducted at Sources and Advance Income Tax	7,80,970	4,09,217
	7,80,970	4,09,217
Note 4		
Trade Receivables		
Unsecured considered good	3,59,413	13,80,709
	3,59,413	13,80,709
Note 5		
Cash and Cash Equivalents		
Bank Balance In Current Accounts	10,82,757	18,83,453
Cash on Hand	10,000	10,000
	10,92,757	18,93,453
Note 6		
Loans and Advances		
Staff Advance	1,445	1,445
Other receivable	18,000	18,000
	19,445	19,445
Note 7		
Other Current Assets		
(Unsecured, considered good)		
GST Input Receivables	2,35,074	1,53,900
	2,35,074	1,53,900
Note 9		
Other Equity		
Securities Premium	3,90,00,000	3,90,00,000
ESOP Reserve	8,95,036	7,39,620
Profit & Loss		
Opening Balance	(6,47,91,599)	(3,99,18,489)
Add/Less: Profit/Loss for the period	(1,69,79,223)	(2,48,73,110)
Closing Balance	(8,17,70,822)	(6,47,91,599)
	(4,18,75,786)	(2,50,51,979)
Note 10		
Long Term Borrowings		
Unsecured Loans		
From others	90,00,000	45,00,000
	90,00,000	45,00,000
Note 11		
Long-Term Provisions		
Provision for Employee Benefits		
Gratuity	10,91,969	7,77,137
	10,91,969	7,77,137
Note 13		
Trade Payables		
Total outstanding due to Micro and Small Enterprises	-	-
Total outstanding due to Creditors other than Micro and Small Enterprises	24,16,793	13,24,439
	24,16,793	13,24,439
Note 14		
Other Financial Liabilities		
Statutory Dues Payable	1,58,164	2,54,135
Interest Payable	1,13,166	-
Other Payable	38,66,180	22,17,296
	41,37,510	24,71,431
Note 15		
Other Current Liabilities		
Deferred Revenue	-	3,31,507
	-	3,31,507
Note 16		
Short Term Provisions		
Provision for Employee Benefits		
Gratuity	78,441	969
	78,441	969

Notes to Financial Statements for the year ended 31st March, 2021

Note 12

Movement in deferred tax balances:

Particulars	31-Mar-21			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(19,447)	13,808	-	(5,639)
Intangible Asset	(43,97,558)	9,86,971	-	(34,10,587)
Tax effect of items constituting deferred tax assets				
Employee Benefits and other provisions	2,02,308	9,68,102	-	11,70,410
Unabsorbed losses (Refer note below)	42,14,698	(19,68,882)	-	22,45,816
Net deferred tax asset / (liabilities)	-	-	-	-

Particulars	31-Mar-20			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	7,667	(27,114)	-	(19,447)
Intangible Asset	(11,27,349)	(32,70,209)	-	(43,97,558)
Tax effect of items constituting deferred tax assets				
Employee Benefits and other provisions	-	2,02,308	-	2,02,308
Unabsorbed losses (Refer note below)	-	42,14,698	-	42,14,698
Net deferred tax asset / (liabilities)	(11,19,682)	11,19,682	-	-

Note - Deferred tax asset on unabsorbed losses is recognised only to the extent of deferred tax liability.

Notes to Financial Statements for the year ended 31st March, 2021

(Rupees)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Note 17		
Revenue from Operations		
Sale of Services	1,11,72,290	1,15,20,620
	1,11,72,290	1,15,20,620
Note 18		
Other Income		
Gain on Redemption of Units of Mutual Fund - Current Investments	-	4,27,126
Interest on IT refund	27,948	-
Interest on Fixed Deposit	488	-
	28,436	4,27,126
Note 19		
Employee Benefits Expense		
Salaries, Wages and Bonus	1,30,61,408	1,35,29,935
Staff Welfare Expenses	-	62,506
Gratuity	3,92,304	7,78,106
	1,34,53,712	1,43,70,547
Note 20		
Finance Costs		
Interest on Borrowings	1,22,342	18,52,141
Interest on Other than Borrowings	-	-
	1,22,342	18,52,141
Note 21		
Other Expenses		
Rent	7,20,000	8,00,897
Audit Fees	40,000	40,000
Legal and Professional	9,56,188	11,93,248
Advertisement and Publicity	8,30,170	55,33,881
Electricity Charges	49,161	2,32,575
Business Promotion	80,110	25,23,200
Commission	17,015	2,78,135
Equalization Levy	-	1,45,567
Server Charges	10,21,629	-
OEM Fees	22,84,442	18,49,876
License Fees	3,82,175	-
Miscellaneous Expenses	87,491	3,98,422
	64,68,383	1,29,95,800

Notes to Financial Statements for the year ended 31st March, 2021

Note 22

Income taxes

Tax expense

(a) Amounts recognised in profit and loss

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current tax expense		
Current year	-	-
Changes in estimates related to prior period	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	(11,19,682)
	-	(11,19,682)
Tax expense for the year	-	(11,19,682)

(b) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	(1,69,79,223)	(2,48,73,110)
Tax using the Company's domestic tax rate (March 31, 2021 : 26%, March 31, 2020 : 26%)	(44,14,598)	(64,67,009)
Tax effect of:		
Share-based payment expense	40,408	1,88,835
Carried forward losses on which deferred tax asset is not created	39,87,689	51,58,492
Others	-	-
Tax expense as per profit or loss	-	(11,19,682)

Notes to Financial Statements for the year ended 31st March, 2021

Note 23

Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	As At 31st March,2021	As At 31st March, 2020
i. Loss Attributable to Equity Holders		
Loss Attributable to Equity Holders of the parent for Basic and Diluted EPS	(1,69,79,223)	(2,48,73,110)
	(1,69,79,223)	(2,48,73,110)
ii. Weighted Average Number of Ordinary Shares		
Issued Ordinary Shares	4,87,00,000	9,70,000
Add: Shares Issued	-	39,00,000
Total Number of Shares Issued	4,87,00,000	48,70,000
Weighted Average Number of Shares for Basic and Diluted EPS	4,87,00,000	39,01,644
iii. Basic and Diluted Earnings per Share (In INR)	(0.35)	(6.38)

Notes to Financial Statements for the year ended 31st March, 2021

Note 24

Defined Benefit Plan

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post employment benefit to its employees in the form of gratuity. The present value of the obligation under such defined benefit plan is determined at each balance sheet date based on an actuarial valuation using the projected unit credit method.

In accordance with Ind AS 19, the disclosures relating to defined benefit plan are provided below :

i. Reconciliation of net defined benefit (asset) liability

(Rupees)

Particulars	As At 31st March,2021	As At 31st March, 2020
Reconciliation for present value of defined benefit obligations		
Defined benefit obligation at the beginning of the year	7,78,106	-
Current service cost	2,47,749	7,78,106
Interest cost	50,032	-
Acquisition (credit)/ cost	-	-
Actuarial (gains) losses recognised in Other Comprehensive Income	-	-
arising from changes in financial assumptions	13,298	-
arising from changes in demographic assumptions	-	-
arising on account of experience changes	81,225	-
Past Service Cost	-	-
Benefits paid directly by the company	-	-
Benefits paid from plan assets	-	-
Defined benefit obligation at the end of the year	11,70,410	7,78,106
Reconciliation of balances of Fair Value of Plan Assets		
Fair Value at the beginning of the year	-	-
Acquisition Adjustment	-	-
Interest income (i.e. expected return on plan assets) (a)	-	-
Return on Plan Assets, excluding interest income, recognised in OCI (b)	-	-
Actual Return on Plan assets (a+b)	-	-
Contribution by employer	-	-
Contribution by employee	-	-
Benefits paid	-	-
Fair Value of Plan Assets at the end of the year	-	-

ii. Amount recognised in Balance sheet

(Rupees)

Particulars	As At 31st March,2021	As At 31st March, 2020
Defined benefit obligation	(11,70,410)	(7,78,106)
Fair value of plan assets	-	-
Net defined benefit (obligation)/assets	(11,70,410)	(7,78,106)

iii. Expense recognised in the Statement of profit and loss and Other comprehensive Income

(Rupees)

Particulars	As At 31st March,2021	As At 31st March, 2020
(i) Expense recognised in the Statement of profit and loss		
Current service cost	2,47,749	7,78,106
Interest cost	50,032	-
Expected return on plan assets	-	-
	2,97,781	7,78,106
(ii) Expense recognised in the Other comprehensive income		
Actuarial (gains) losses on defined benefit obligations	-	-
arising from changes in financial assumptions	13,298	-
arising from changes in demographic assumptions	-	-
arising on account of experience changes	81,225	-
Return on Plan Assets, excluding interest income	-	-
	94,523	-

iv. Plan Asset Information

(Rupees)

Particulars	As At 31st March,2021	As At 31st March, 2020
Scheme of Insurance - conventional products (100%)	-	-
	-	-

v. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As At 31st March,2021	As At 31st March, 2020
Financial assumptions		
Discount rate	6.26%	6.43%
Salary escalation	10.00%	10.00%
Demographic assumptions		
Mortality rate	100% of IALM 2006-08	100% of IALM 2006-08
Withdrawal Rate	15.00%	15.00%

vi. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. (Rupees)

Particulars	As At 31st March,2021		As At 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Defined Benefit obligation (Base)	11,70,410		7,78,106	
Discount rate (1% movement)	84,602	74,205	63,587	55,623
Salary escalation (1 % movement)	69,288	73,761	52,945	57,249
Attrition rate (1% movement)	25,517	23,380	25,900	24,061

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to Financial Statements for the year ended 31st March, 2021

Note 25
Equity Stock Option Plan

The Board of the Company approved an ESOP scheme called 'Sports Unity ESOS, 2018' and the scheme became effective from 19 September 2018. The objective of scheme is to motivate employees to contribute growth and profitability of the Company. The options granted under this scheme to eligible employees vest over a period of one year to five years. The options have to be exercised by the employees within the stipulated exercise period. In the event of resignation, all unvested options shall lapse and options vested can

The fair value at the grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the options, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the period ended 31st March, 2021 and 31st March, 2020 included :

Particulars	As At 31st March,2021	As At 31st March, 2020
Exercise price	10.00	10.00
Grant date	10-May-19	10-May-19
Share Price at grant date	20.00	20.00
Fair Value at grant date	INR 10.83 to INR 12.13	INR 10.83 to INR 12.13
Expected volatility (weighted average volatility)	15.81%	15.81%
Expected life (expected weighted average life)	1-3 years	1-3 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (based on government bonds)	7.67%	7.67%

Set out below is the summary of options granted under the plan -

Particulars	As At 31/03/2021	As At 31/03/2020
	No. of options	No. of options
Options outstanding at beginning of the year	1,30,000	30,000
Granted during the period		1,00,000
Forfeited during the period		-
Exercised during the period		-
Outstanding at end of the year	1,30,000	1,30,000
Shares vested and exercisable		15,000

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Notes to Financial Statements for the year ended 31st March, 2021

Note 26 Financial Instruments – Fair Values and Risk Management

(a) Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit Risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

i. Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

The following is the contractual maturities of the financial liabilities:

Particulars	Carrying Amount	1-12 Months	More Than 12 Months
As At 31st March, 2021			
Borrowings	90,00,000	-	90,00,000
Trade Payables	24,16,793	24,16,793	-

Particulars	Carrying Amount	1-12 Months	More Than 12 Months
As At 31st March, 2020			
Borrowings	45,00,000	-	45,00,000
Trade Payables	13,24,439	13,24,439	-

ii. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

a) Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and is therefore exposed to foreign exchange risk. However, at the year end i.e. current as well as previous, the Company does not have any exposure in foreign currency.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's long term borrowings have free of interest, therefore no interest rate risk exposure of the Company.

iii. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

(b) Financial Assets and Liabilities - Fair Value Measurement Hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels as on 31st March 2021 are presented below.

Particulars	Note No.	Carrying amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total
31st March, 2021								
Current Financial assets								
Trade receivables	4	3,59,413	-	-	-	-	-	-
Cash and cash equivalents	5	10,92,757	-	-	-	-	-	-
Loans and Advances	6	19,445	-	-	-	-	-	-
		14,71,615	-	-	-	-	-	-
Non-Current Financial liabilities								
Borrowings	10	90,00,000	-	-	-	-	-	-
Current Financial liabilities								
Borrowings	0	-	-	-	-	-	-	-
Trade payables	13	24,16,793	-	-	-	-	-	-
Other Financial Liabilities	14	41,37,510	-	-	-	-	-	-
		1,55,54,303	-	-	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels as on 31st March 2020 are presented below.

Particulars	Note No.	Carrying amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	Total
31st March, 2020								
Current Financial assets								
Trade receivables	4	13,80,709	-	-	-	-	-	-
Cash and cash equivalents	5	18,93,453	-	-	-	-	-	-
Loans and Advances	6	19,445	-	-	-	-	-	-
		32,93,607	-	-	-	-	-	-
Non-Current Financial liabilities								
Borrowings	10	45,00,000	-	-	-	-	-	-
Current Financial liabilities								
Borrowings		-	-	-	-	-	-	-
Trade payables	13	13,24,439	-	-	-	-	-	-
Other Financial Liabilities	14	24,71,431	-	-	-	-	-	-
		82,95,870	-	-	-	-	-	-

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Notes to Financial Statements for the year ended 31st March, 2021

Note 27 Capital Management Risk

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

Particular	(Rupees)	
	As At 31st March, 2021	As At 31st March, 2020
Non- Current borrowing	90,00,000	45,00,000
Current borrowings	-	-
Gross debt	90,00,000	45,00,000
Less : Cash and cash equivalents	10,92,757	18,93,453
Adjusted net debt	79,07,243	26,06,547
Total Equity	68,24,214	2,36,48,021
Adjusted Net debt to Equity ratio	1.16	0.11

Note 28

Related party transactions

A. Names of the Related parties

i. Holding Company
Nazara Technologies Limited

ii. Companies exercising significant influence:

M/s Mindforte Gaming Private Limited
M/s Nouvelle Securities Private Limited

iii. Fellow subsidiaries

Crimzoncode Technologies Pvt Ltd
Halaplay Technologies Pvt. Ltd.

iv. Key management personnel

Purshottam Bhageria
Vedansh Bhageria
Yaduraj Bhageria
Gaurav Gagar
Manish Agarwal
Vamsi Krishna Talasila
Seemant Shankar (appointed on 26/10/2020)

v. Relative of Key management personnel

Satyabhama Bhageria

vi. Other related parties

Khichadi Technologies Pvt Ltd
Azimuth Investments Limited

B. The following transactions were carried out with the related parties in the ordinary course of business.

Nature of Transaction	Companies exercising significant influence		Subsidiary		Fellow subsidiaries		Key management personnel & their Relative		Other related parties		Total	
	(i)		(ii)		(iii)		(iv)		(v)		(i+ii+iii+iv+v)	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Sale of services	-	-	-	-	4,31,039	-	-	-	-	-	4,31,039	-
Rent expense	-	-	-	-	-	-	8,00,896	-	-	-	8,00,896	8,00,896
Payment for Rent	-	-	-	-	-	-	8,64,000	8,64,000	-	-	8,64,000	8,64,000
Advertisement expense	-	-	-	-	1,74,350	2,93,085	-	7,425	15,075	-	1,81,775	3,08,160
Payment of Advertisement expense	-	-	-	-	1,33,980	2,05,999	-	-	8,762	17,789	1,42,742	2,23,788
Issue of Shares	-	7,80,00,000	-	-	-	-	-	-	-	-	-	7,80,00,000
Payable balance	-	-	-	-	-	-	-	45,00,000	-	-	-	45,00,000
Loan taken during the year	45,00,000	-	-	-	-	-	-	-	23,00,000	-	45,00,000	23,00,000
Repayment of loans	-	-	-	-	-	-	-	-	6,82,68,114	-	-	6,82,68,114
Employee Benefit Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Interest on loan	1,22,342	-	-	-	-	-	-	-	-	-	1,22,342	18,52,141

C. Closing Balances of Related Parties.

Particulars	March 31, 2021		March 31, 2020	
Payables:				
Vedansh Bhageria	20,00,000		20,00,000	
Yaduraj Bhageria	25,00,000		25,00,000	
Crimzoncode Technologies Private Limited	83,392		1,33,980	
Halaplay Technologies Pvt. Ltd. - Debtors	1,321		-	
Nazara Technologies Limited	46,22,342		-	

Notes:

1. Related parties relationship is as identified by the Company and relied upon by the Auditors.
2. No amounts pertaining to related parties have been provided for as doubtful debts. Also, no amounts has been written off/back.
3. All related parties transactions entered during the year were in ordinary course of the business and are on arm's length basis.
4. Related parties transactions have been disclosed on the basis of value of transactions in terms of the respective contracts.

Notes to Financial Statements for the year ended 31st March, 2021

Note 29

In the Opinion of the Board, assets other than Property, Plant and Equipment have a value on realisation in the ordinary course of business at the amount at which they are stated.

Note 30

Balances of certain trade receivables, loans and advances given and trade payables are subject to confirmation/reconciliation. In the opinion of the Board, the difference as may be noticed on such reconciliation will not be material.

Note 31

Leases

The Company has taken certain Premises under cancelable operating leases. The lease agreements are usually renewable by mutual consents on mutually agreeable terms and meet the criteria for short term leases.

The Total Charges to the statement of Profit and Loss for the year on account of operating lease is Rs.7,20,000 (Previous Year Rs.8,08,897), and the same has been disclosed as rent in the Note No. 21 'Other Expenses'.

Note 32

The Company's main business is online Apps. Accordingly, there are no separate reportable segment as per IND AS 108.

Note 33

There is no interest paid during the year and no interest is outstanding to Micro, Small and Medium Enterprises as on the Balance Sheet Date.

Note 34

Figures for the previous years have been regrouped / restated wherever necessary to confirm to current year's presentation.

Note 35

Approval for Financial Statements

The financial statements were approved for issue by the Board of Directors on .

As per our attached report of Even Date

For

Chartered Accountants

Firm Registration No . 000497N

For and on Behalf of Board of Directors

Sanjeeva Narayan
Partner
Membership No. 084205

Seemant Shankar
Director
01624653

Vamsi Krishna Talasila
Director
08048412

Place : New Delhi

Place: Delhi

Place: Mumbai

Date :

Date:

Date: