

Price Waterhouse Chartered Accountants LLP

Review Report

To
The Board of Directors
One97 Communications Limited
B-121, Sector 5, Noida
Uttar Pradesh- 201301

1. We have reviewed the Unaudited Consolidated Financial Results of One97 Communications Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit/loss after tax of its joint ventures and associates (refer paragraph 4 below) for the quarter ended December 31, 2021 and the year to date results for the period April 1, 2021 to December 31, 2021 which are included in the accompanying Statement of Unaudited Consolidated Financial Results for the quarter and nine months period ended December 31, 2021 (the "Statement"). The Statement has been prepared by the Parent pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors has been compiled from the related Unaudited Special Purpose Interim Condensed Consolidated Financial Statements of the Group, its joint ventures and associates for the quarter and nine months ended December 31, 2021, quarter and half year ended September 30, 2021, and Consolidated Financial Statements for the year ended March 31, 2021. These have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act"), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure A.



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Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to the following matters:
- a) Note 6 to the Statement, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Group. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
- b) Note 10 to the Statement which describes:
- i. non-realisation of foreign currency receivables as at December 31, 2021 aggregating to INR 403 million outstanding beyond the stipulated time period permitted under the RBI Master Direction on Export of Goods and Services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI). The Group has made the necessary application with the Authorised Dealer (AD) banker/RBI seeking extension of time limit for remittance of certain balances and write-off of the remaining balances.
- ii. non-settlement of foreign currency payables as at December 31, 2021 amounting to INR 0.04 million and INR 1.26 million, due for more than twelve months (extended from six months via RBI circular - RBI/2019-20/242 A.P. (DIR Series) Circular No.33 dated May 22, 2020) and three years respectively, being the time permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated January 1, 2016 (as amended) issued by the RBI. The Parent Company has filed an application to the RBI for permission to write-back the aforesaid payable balances.
- c) Note 9 to the Statement which describes the compounding application filed by the Parent Company under Section 441, read with Section 62(1)(b) and Section 450 of the Act, read with the Rules to compound the non-compliance with the provisions of Section 62(1)(b) of the Act, read with Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014 in relation to grants of Employee Stock Options (ESOPs) made in earlier years to an employee. As stated in the aforesaid Note, the Parent Company had cancelled the said ESOP grants and shares allotted in the past have been transferred to the Paytm Associate Benefit Welfare Trust (formerly known as One 97 Employee Welfare Trust) and the Parent Company is awaiting the outcome of the aforesaid compounding application.
- d) Note 8(c) to the Statement, which indicates that one of the Subsidiary Company's financial assets as at March 31, 2021 were more than 50% of its total assets and its income from financial assets was more than 50% of the total income for the year. As per the press release dated April 8, 1999 issued by Reserve Bank of India (RBI), the Subsidiary Company fulfils the principal business criteria for being classified as a Non-Banking Financial Company (NBFC) as at March 31, 2021 and accordingly is required to obtain registration as such. However, the Subsidiary Company's



Our conclusion on the Statement is not modified in respect of the above matters.

- ## “Emphasis of Matter – Effects of COVID-19

Note 1(a) referred above corresponds to Note 8(a) to the Statement.

- ### “Emphasis of Matter

Note 2.1 referred above corresponds to Note 8(b) to the Statement.

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10. The Unaudited Consolidated Financial Results includes the interim financial statements/ financial information of 9 subsidiaries which have not been reviewed by their auditors, whose interim financial statements/ financial information reflect total revenue of INR 106 million and INR 141 million, total net profit after tax of INR 27 million and INR (-) 20 million and total comprehensive Income of INR 27 million and INR (-) 20 million for the quarter ended December 31, 2021 and for the nine months ended December 31, 2021, respectively, as considered in the Unaudited Consolidated Financial Results. The Unaudited Consolidated Financial Results also includes the Group's share of net loss after tax (including total comprehensive loss) of INR 8 and INR 14 for the quarter ended December 31, 2021 and for the nine months ended December 31, 2021, respectively, as considered in the Unaudited Consolidated Financial Results, in respect of 5 associates and 2 joint ventures, based on their interim financial statements/ financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial statements/ financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of this matter.
11. We have not audited or reviewed the comparative financial information for the quarter and nine months period ended December 31, 2020 included in the Statement. These have been prepared solely based on the information compiled by the management.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 22058507AAKSLV6191

Place: Gurugram
Date: February 4, 2022

Annexure A

List of entities

Sl. No.	Name of the Company
A.	Subsidiaries (Direct)
1	One97 Communications India Limited
2	Wasteland Entertainment Private Limited
3	Mobiquest Mobile Technologies Private Limited ('MQ')
4	Urja Money Private Limited ('Urja')
5	Little Internet Private Limited ('Little')
6	Paytm Entertainment Limited
7	Paytm Money Limited
8	Orbgen Technologies Private Limited
9	Paytm Services Private Limited (Formerly known as Balance Technology Private Limited)
10	Paytm Payments Services Limited
11	Paytm Insurance Broking Private Limited
12	One97 Communications Nigeria Limited
13	One97 Communications FZ-LLC
14	One97 Communications Singapore Private Limited ('OCSPL')
15	One97 USA Inc.

B.	Subsidiaries (Indirect)
1	One97 Communications Rwanda Private Limited (subsidiary of OCSPL)
2	One97 Communications Tanzania Private Limited (subsidiary of OCSPL)
3	One97 Communications Bangladesh Private Limited (subsidiary of OCSPL)
4	One97 Uganda Limited (subsidiary of OCSPL)
5	One97 Ivory Coast SA (subsidiary of OCSPL)
6	One97 Benin SA (subsidiary of OCSPL)
7	Paytm Labs Inc. (subsidiary of OCSPL)
8	One97 Communications Malaysia Sdn. Bhd. (subsidiary of OCSPL)
9	One Nine Seven Communication Nepal Private Limited (subsidiary of OCSPL)
10	One Nine Seven Digital Solutions Limited (subsidiary of OCSPL)
11	One Nine Seven Communications Saudi Arabia For Communication and Information Technology (subsidiary of OCSPL)
12	Xceed IT Solution Private Limited (subsidiary of MQ)
13	Nearbuy India Private Limited (subsidiary of Little)
14	Fincollect Services Private Limited (subsidiary of Urja)

C.	Associates (Direct)
1	Paytm Payments Bank Limited
2	Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited)*
3	Paytm General Insurance Limited
4	Paytm Life Insurance Limited
5	Paytm Financial Services Limited*
6	Infinity Transoft Solution Private Limited
7	Eatgood Technologies Private Limited
8	Loginext Solutions Private Limited#
9	Socomo Technologies Private Limited



D.	Associates (Indirect)
1	Foster Payment Networks Private Limited (subsidiary of Paytm Financial Services Limited)
2	Admirable Software Limited (subsidiary of Paytm Financial Services Limited)

E.	Joint Ventures of Paytm Entertainment limited (Indirect)
1	Paytm First Games Private Limited (formerly known as Gamepind Entertainment Private Limited)
2	Paytm First Games Singapore Pte. Ltd. (wholly owned subsidiary of Paytm First Games Private Limited)
3	Paytm Technology (Beijing) Co., Ltd. wholly owned subsidiary of Paytm First Games Private Limited)

*During the previous year, the Group lost its control over the entity on dilution of interest, however, the Parent Company still exercises significant influence over the same.

#During the previous year, the Group ceased to have significant influence over the entity.



Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2021

(Amounts in INR Million, unless otherwise stated)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
			Refer note 11		Refer note 11	
Income						
Revenue from operations	14,561	10,864	7,720	34,333	19,871	28,024
Other income	773	481	955	1,826	2,879	3,844
Total income	15,334	11,345	8,675	36,159	22,750	31,868
Expenses						
Payment processing charges	7,831	6,700	5,177	19,796	14,081	19,168
Marketing and promotional expenses	2,831	1,857	2,118	6,065	4,324	5,325
Employee benefits expense	8,313	3,865	3,371	15,685	8,371	11,849
Software, cloud and data centre expenses	1,301	1,129	951	3,488	2,418	3,498
Depreciation and amortization expense	609	504	382	1,522	1,275	1,785
Finance costs	125	102	92	324	277	348
Other expenses	2,164	1,837	1,393	5,411	3,739	5,857
Total expenses	23,174	15,994	13,484	52,291	34,485	47,830
Loss before share of profit / (loss) of associates / joint ventures, exceptional items and tax	(7,840)	(4,649)	(4,809)	(16,132)	(11,735)	(15,962)
Share of profit/ (loss) of associates / joint ventures	111	(66)	(243)	(76)	(405)	(740)
Loss before exceptional items and tax	(7,729)	(4,715)	(5,052)	(16,208)	(12,140)	(16,702)
Exceptional items (Refer note 3)	-	-	(200)	(24)	(280)	(281)
Loss before tax	(7,729)	(4,715)	(5,252)	(16,232)	(12,420)	(16,983)
Income Tax expense						
Current tax	65	5	113	113	161	34
Deferred tax expense/(credit)	(9)	15	(10)	(6)	(15)	(7)
Total Tax expense	56	20	103	107	146	27
Loss for the period / year	(7,785)	(4,735)	(5,355)	(16,339)	(12,566)	(17,010)
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent period / year						
Re-measurement gains/ (losses) on defined benefit plans	22	(45)	(20)	(16)	(19)	(17)
Changes in fair value of equity instruments at FVTOCI	-	-	-	-	(53)	(53)
Items that may be reclassified to profit or loss in subsequent period / year						
Exchange differences on translation of foreign operations	(1)	(37)	(3)	8	24	40
Total Other Comprehensive Income/(Loss) for the period / year	21	(82)	(23)	(8)	(48)	(30)
Total Comprehensive Income/ (Loss) for the period / year	(7,764)	(4,817)	(5,378)	(16,347)	(12,614)	(17,040)
Loss for the period / year						
Attributable to:						
Owners of the parent	(7,784)	(4,729)	(5,350)	(16,315)	(12,543)	(16,961)
Non-controlling interests	(1)	(6)	(5)	(24)	(23)	(49)
Other comprehensive income for the period / year						
Attributable to:						
Owners of the parent	21	(82)	(23)	(8)	(49)	(30)
Non-controlling interests	*	*	*	*	1	*
Total comprehensive income/(loss) for the period / year	21	(82)	(23)	(8)	(48)	(30)
Attributable to:						
Owners of the parent	(7,763)	(4,811)	(5,373)	(16,323)	(12,592)	(16,991)
Non-controlling interests	(1)	(6)	(5)	(24)	(22)	(49)
Paid up equity share capital	648	610	604	648	604	605
Face value of the share (Refer note 2)	1	1	10	1	10	10
Other Equity for the year						64,743
Earnings per share (INR per share of INR 1 each) (not annualised) (Refer note 2)						
Basic	(12)	(8)	(9)	(27)	(21)	(28)
Diluted	(12)	(8)	(9)	(27)	(21)	(28)
See accompanying notes to the Unaudited Consolidated Financial Results						

*Amount below rounding off norms adopted by the Group



One 97 Communications Limited
Notes to the Unaudited Consolidated Financial Results

- The above statement of Unaudited Consolidated Financial Results are extracted from the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements of the Company for the quarter and nine months ended December 31, 2021, quarter and half year ended September 30, 2021, and Consolidated Financial Statements for the year ended March 31, 2021 which have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules thereunder. The above statement of Unaudited Consolidated Financial Results of the Company and its subsidiaries (collectively "the Group") and its interest in associates and joint ventures have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their meeting held on February 4, 2022.
- Pursuant to approval of the shareholders of the Company in their meeting held on June 30, 2021, the Company, on June 30, 2021, has sub-divided equity share of INR 10 each into 10 Equity Shares of INR 1 each. Consequently, the basic and diluted earnings per share have been computed for all periods presented in the Unaudited Consolidated Financial Results on the basis of the new number of equity shares in accordance with Ind AS 33, Earning per share.

- Exceptional items include:

(Amount in INR Million)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
			Refer note 11		Refer note 11	
Impairment of Goodwill and Intangibles	-	-	-	(24)	-	-
Impairment of investment in Associates	-	-	(200)	-	(300)	(300)
Gain/(Loss) on sale of investment in Associates and Subsidiaries	-	-	-	-	20	19
Total	-	-	(200)	(24)	(280)	(281)

- The Group is engaged in different business units, including payment and financial services, commerce and cloud services and the Board of Directors (Chief Operating Decision Maker "CODM") reviews the information at the revenue level and does not allocate operating costs and expenses, assets and liabilities across business units, as the CODM does not use such information to allocate resources or evaluate the performance of the business units. Allocation of resources and assessment of financial performance is done at the consolidated level. The way the CODM reviews the performance, management of the Group has concluded that the Group constitutes a single segment as per Ind AS 108 'Operating Segments'. Hence, no separate disclosure is required for segments.

During the year ended March 31, 2021, the Group reassessed the basis of segment reporting. Earlier, the Group disclosed four reportable segments that were Payment, Commerce, Cloud and others. The segment reporting for the comparative periods has been restated for this change in segment reporting.

- During the quarter ended December 31, 2021, the Company has completed its initial public offer (IPO) of 85,116,278 equity shares of face value of INR 1 each at an issue price of INR 2,150 per share, comprising fresh issue of 38,604,651 shares and offer for sale of 46,511,627 shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 18, 2021.

The Company has incurred INR 4,115 million as IPO related expenses and allocated such expenses between the Company INR 1,866 million and selling shareholders INR 2,249 million. Such amounts were allocated based on agreement between the Company and selling shareholders and in proportion to the total proceeds of the IPO. Out of Company's share of expenses of INR 1,866 million, INR 1,401 million has been adjusted to securities premium.



One 97 Communications Limited
Notes to the Unaudited Consolidated Financial Results

Details of utilisation of IPO Proceeds of INR 81,134 million, are as follows:

(Amount in INR Million)

S. No	Objects of the issue	Amount as proposed in Offer Document	Utilised up to December 31, 2021	Un-utilised as on December 31, 2021
1	Growing and strengthening our Paytm ecosystem, including through acquisition and retention of consumers and merchants and providing them with greater access to technology and financial services	43,000		41,762
	i) Marketing and promotional expenses		184	
	ii) Expanding our merchant base and deepening our partnership with our merchants		698	
	iii) Strengthening and expanding our technology powered payments platform		356	
	Total (A)	43,000	1,238	41,762
2	Investing in new business initiatives, acquisitions and strategic partnerships	20,000		20,000
	i) Investments in new business initiatives			
	a) Payment Services		-	
	b) Commerce and cloud services		-	
	c) Financial Services		-	
	ii) Investments in acquisitions and strategic partnerships		-	
	Total (B)	20,000	-	20,000
3	General corporate purposes	18,134	172	17,962
	Total (C)	18,134	172	17,962
	Total (A+B+C)	81,134	1,410	79,724

IPO proceeds which were un-utilised as at December 31, 2021 were temporarily invested in fixed deposits with scheduled commercial banks.

6. COVID-19 continues to spread across globe and India. This has impact on all local and global economic activities. Government of India has taken series of measures to contain spread of virus and limit economic impact on corporates and individuals. The Group has considered the possible effects that may result from COVID-19, on the carrying amount of the receivables, investments, goodwill etc. While making the assessment the Group has taken cognizance of internal and external information up to the date of approval of these Unaudited Consolidated Financial Results. The Group based on current estimates expects the carrying amount of the above assets will be recovered. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these Unaudited Consolidated Financial Results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to the future economic conditions.
7. During the quarter ended December 31, 2021, the Company has granted 26,583,315 Employee Stock Option (ESOPs) which has resulted in an expense of INR 3,664 million. Out of the above (as disclosed in the prospectus dated November 11, 2021) a grant of 21,000,000 ESOP has been made to the Managing Director and CEO of the Company which is subject to achievement of certain milestones and will vest equally in 4 tranches, having minimum vesting period of 24 months, 36 months, 48 months and 60 months for each tranche respectively.



One 97 Communications Limited
Notes to the Unaudited Consolidated Financial Results

8. Notes given by the subsidiaries in their respective unaudited interim condensed financial statements

a) Nearbuy India Private Limited:

“The Company is primarily engaged in the business of developing local commerce marketplace that connects merchants to customers by offering services and goods of merchants. The outbreak of Coronavirus (COVID) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations. Due to restrictions in various states in India, the Company’s operations have also been impacted. The Company expects the operations to normalize gradually post unlocking restrictions. The Company is also strategizing to enhance its service offering verticals and other measures to scale up its business. Further, the Company has considered the possible effects that may result from COVID on the carrying amount of its current assets on the basis of available information. The impact of COVID may impact the underlying assumptions and estimates used to prepare the Company’s financial statements, which may differ from that considered as at the date of approval of these financial statements.”

b) Wasteland India Private Limited:

“The Company is in the business of being a market place to sell tickets for live events through its portal www.insider.in and conduct partnership events. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations. Due to lockdown in India, the operations of the Company have also been impacted. The Company is expecting lower volumes of business and expects the operations to normalize in near future. The Company is strategizing to enhance/explore its service offering verticals other measures to scale up its business. Although, there is revival in the economic activities and businesses across several sectors, there is limited business activity in relation Company’s regular operations on account of sector specific restrictions continued by the Government. Further, the Company has considered the possible effects that may result from COVID 19 on the carrying amount of its current assets on the basis of available information. The impact of COVID 19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.”

c) Paytm Entertainment Limited:

“The Company’s financial assets as at March 31, 2021 were more than 50% of its total assets and its income from financial assets was more than 50% of the total income for FY 20-21. As per the press release dated April 8, 1999 issued by Reserve Bank of India (RBI) the Company fulfilled the principal business criteria for being classified as a Non-Banking Financial Company (NBFC) as at March 31, 2021 and accordingly required to obtain registration as such. However, management has stated that this position was temporary in nature and arose on account of interest income on short term loan amounting to INR 809 million as at March 31, 2021 given to its Joint Venture Company, Paytm First Games Private Limited (PFG) on account of a commercial exigency and sudden business needs owing to the ongoing pandemic and this loan was due for repayment in the month of September, 2021 (“One Time Short-Term Loan”). The loan was a one-off loan and is not a part of the ordinary course of business of the Company. It was not intended that this would be a systemic practice going forward. Out of the above said loan, INR 250 million was repaid back by the borrower on May 25, 2021 and remaining amount was repaid in full on September 24, 2021 along with the accrued interest. Accordingly, the Company has filed an application dated May 26, 2021 and other documents on December 14, 2021 with the RBI seeking dispensation from registration as an NBFC. Further communication from RBI is awaited in this regard.”

9. During the period ended June 30, 2021, the Company had filed an adjudication application under Section 454 read with Section 62(1)(b) and Section 450 of the Companies Act, 2013 before the office of the Registrar of Companies, NCT of Delhi & Haryana (ROC) on June 26, 2021, to adjudicate on the non-compliance with the provisions of Section 62(1)(b) of the Companies Act, 2013 (“the Act”) read with Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014 (“the Rules”) in relation to grants of Employee Stock Options (ESOPs) made in earlier years to an employee. Consequently, the Company had cancelled the said ESOP grants on July 5, 2021. Further, the shares issued to the concerned employee pursuant to exercise of certain vested ESOPs were also transferred by the employee to Paytm Associate Benefit Welfare Trust (Formerly known as One97 Employee Welfare Trust). The cumulative charge recognized till date in respect of the aforesaid ESOPs amounted to INR 106 million.



One 97 Communications Limited
Notes to the Unaudited Consolidated Financial Results

During the quarter ended December 31, 2021, the ROC vide its order dated November 30, 2021, has directed the Company to move an appropriate application for composition of offence under the relevant provision of the Act. Consequently, the Company has filed a compounding application under section 441 read with section 62(1)(b) and Section 450 of the Act read with the Rules, before the Office of the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi ('RD') on December 25, 2021. Presently, the matter is pending with the RD for compounding and the Company has assessed that consequent adjustments, if any, in respect of the aforesaid matter would not have a material impact on the Unaudited Consolidated Financial Results.

10. As of December 31, 2021, the Group has certain foreign currency payable balances aggregating to INR 0.04* million and INR 1.26* million which are outstanding for more than twelve months (extended from six months via RBI circular -RBI/2019-20/242 A.P. (DIR Series) Circular No.33 dated May 22, 2020, for the imports made up to or on July 31, 2020) and three years, respectively. The Company has filed an application to Reserve Bank of India (RBI) vide letters dated July 29, 2021 and August 9, 2021 to write-back payable balances of INR 1.30 million and approval is currently awaited.

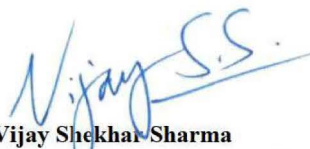
As of December 31, 2021, the Group also has certain foreign currency receivable balances aggregating to INR 74, INR 101 and INR 228 which are outstanding for more than nine months, fifteen months (extended from nine months via RBI circular- RBI/2019-20/206 A. P. (DIR Series) Circular No. 27 dated April 1, 2020, for the exports made up to or on July 31, 2020) and three years, respectively. The Group has applied to the AD Bank seeking permission for extension of time for realisation for receivables amounting to INR 113 and write-off of receivables amounting to INR 5. Further, an application has been made by Holding Company to the RBI vide the letter dated December 17, 2020 for seeking approval for extension of time-limit of outstanding receivable balances amounting to INR 191 and write off of receivable balances amounting to INR 94 and approval is currently awaited. Subsequent to December 31, 2021, the Holding company has received approval from AD bank for extension of time w.r.t. certain receivables amounting to INR 62.

Management does not expect any material financial implication on account of the delay under existing regulations.

* Amount disclosed up to two decimal places

11. The Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2020 have not been audited or reviewed by our statutory auditors. However, the management has exercised necessary due diligence to ensure that the Unaudited Consolidated Financial Results for these periods provide a true and fair view of the Group's affairs.
12. Pursuant to amendment in Schedule III to the Companies Act, 2013 by Ministry of Corporate Affairs vide its notification dated March 24, 2021, the comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

**For and on behalf of Board of Directors of
One97 Communications Limited**


Vijay Shekhar Sharma
Chairman, Managing Director and CEO
Place: New Delhi
Date: February 4, 2022



Price Waterhouse Chartered Accountants LLP

Review Report

To,
The Board of Directors
M/s. One97 Communications Limited
B-121, Sector 5, Noida
Uttar Pradesh – 201301

1. We have reviewed the Unaudited Standalone Financial Results of One97 Communications Limited (the "Company") for the quarter ended December 31, 2021 and the year to date results for the period April 1, 2021 to December 31, 2021 which are included in the accompanying Statement of Unaudited Standalone Financial Results for the quarter and nine months period ended December 31, 2021 (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Unaudited Special Purpose Interim Condensed Standalone Financial Statements of the Company for the quarter and nine months ended December 31, 2021, quarter and half year ended September 30, 2021, and Standalone Financial Statements for the year ended March 31, 2021. These have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act"), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



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Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

5. We draw your attention to the following matters:

- a) Note 7 to the Statement, which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
- b) Note 9 to the Statement which describes the compounding application filed by the Company under Section 441, read with Section 62(1)(b) and Section 450 of the Act, read with the Rules to compound the non-compliance with the provisions of Section 62(1)(b) of the Act, read with Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014 in relation to grants of Employee Stock Options (ESOPs) made in earlier years to an employee. As stated in the aforesaid Note, the Company had cancelled the said ESOP grants and shares allotted in the past have been transferred to the Paytm Associate Benefit Welfare Trust (formerly known as One 97 Employee Welfare Trust) and the Company is awaiting the outcome of the aforesaid compounding application.
- c) Note 10 to the Statement which describes:
 - i) non-realisation of foreign currency receivable balances as at December 31, 2021 aggregating to INR 397 million outstanding beyond the stipulated time period permitted under the RBI Master Direction on Export of Goods and Services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI). The Company has made the necessary application with the Authorised Dealer (AD) banker/RBI seeking extension of time limit for remittance of certain balances and write-off of the remaining balances.
 - ii) non-settlement of foreign currency payables as at December 31, 2021 amounting to INR 0.04 million and INR 1.26 million, due for more than twelve months (extended from six months via RBI circular RBI/2019-20/242 A.P. (DIR Series) Circular No.33 dated May 22, 2020) and three years, respectively, being the time permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated January 1, 2016 (as amended) issued by the RBI. The Company has filed an application to the RBI for permission to write-back the aforesaid payable balances.

Our conclusion on the Statement is not modified in respect of the above matters.

6. We have not audited or reviewed the comparative financial information for the quarter and nine months period ended December 31, 2020 included in the Statement. These have been prepared solely based on the information compiled by the management.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 22058507AAKRG15781

Place: Gurugram
Date: February 4, 2022

One 97 Communications Limited

CIN: L72200DL2000PLC108985

Registered Office: First Floor, Devika Tower, Nehru Place, New Delhi 110 019, India; Tel: +91 11 2628 0280; Website: www.paytm.com

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Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2021

Particulars	(Amounts in INR Million, unless otherwise stated)					
	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited) Refer note 11	(Unaudited)	(Unaudited) Refer note 11	(Audited)
Income						
Revenue from operations	9,210	10,515	7,422	28,193	18,920	26,671
Other income	783	441	944	1,749	2,853	3,749
Total income	9,993	10,956	8,366	29,942	21,773	30,420
Expenses						
Payment processing charges	3,674	6,686	5,169	15,614	14,070	19,131
Marketing and promotional expenses	2,618	1,802	2,094	5,759	4,221	5,209
Employee benefits expense	6,716	2,884	2,323	12,248	5,832	8,339
Software, cloud and data centre expenses	1,121	1,069	866	3,187	2,262	3,207
Depreciation and amortization expense	560	456	316	1,382	1,096	1,568
Finance costs	117	99	83	308	247	337
Other expenses	2,985	2,493	2,163	7,360	5,125	7,578
Total expenses	17,791	15,489	13,014	45,858	32,853	45,369
Loss before exceptional items and tax	(7,798)	(4,533)	(4,648)	(15,916)	(11,080)	(14,949)
Exceptional items (Refer note 3)	-	(79)	(550)	(441)	(650)	(650)
Loss before tax	(7,798)	(4,612)	(5,198)	(16,357)	(11,730)	(15,599)
Income Tax expense						
Current tax	-	-	-	3	-	2
Total Tax expense	-	-	-	3	-	2
Loss for the period / year	(7,798)	(4,612)	(5,198)	(16,360)	(11,730)	(15,601)
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent period / year						
Re-measurement gains/ (losses) on defined benefit plans	23	(42)	(19)	(11)	(18)	(15)
Total Other Comprehensive Income/(Loss) for the period / year	23	(42)	(19)	(11)	(18)	(15)
Total Comprehensive Income/(Loss) for the period / year	(7,775)	(4,654)	(5,217)	(16,371)	(11,748)	(15,616)
Paid up equity share capital	648	610	604	648	604	605
Face value of the share (Refer note 2)	1	1	10	1	10	10
Other Equity for the year						69,240
Earnings per share (INR per share of INR 1 each) (not annualised) (Refer note 2)						
Basic	(12)	(8)	(9)	(27)	(19)	(26)
Diluted	(12)	(8)	(9)	(27)	(19)	(26)

See accompanying notes to the Unaudited Standalone Financial Results



One 97 Communications Limited
Notes to the Unaudited Standalone Financial Results

1. The above statement of Unaudited Standalone Financial Results are extracted from the Unaudited Special Purpose Interim Condensed Standalone Financial Statements of the Company for the quarter and nine months ended December 31, 2021, quarter and half year ended September 30, 2021, and Standalone Financial Statements for the year ended March 31, 2021 which have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules thereunder. The above statement of Unaudited Standalone Financial Results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on February 4, 2022.
2. Pursuant to approval of the shareholders of the Company in their meeting held on June 30, 2021, the Company, on June 30, 2021, has sub-divided equity share of INR 10 each into 10 Equity Shares of INR 1 each. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Unaudited Standalone Financial Results of the Company on the basis of the new number of equity shares in accordance with Ind AS 33, Earnings per share.
3. Exceptional items include:

(Amount in INR Million)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
			Refer note 11		Refer note 11	
Impairment of investment in Associates and Subsidiaries	-	(79)	(550)	(441)	(650)	(650)

4. The Company has transferred online Payment Aggregator business to Paytm Payments Services Limited, a wholly owned subsidiary of the Company, to comply with Guidelines on Regulation of Payment Aggregators And Payment Gateways' issued by RBI via circular dated March 17, 2020. This business transfer agreement has been approved by Board and Shareholders on August 30, 2021 and September 23, 2021 respectively. For accounting purposes date of effective loss of control over the above business has been taken as September 30, 2021 considering that the transaction was approved by the shareholders on September 23, 2021 and final submission was made to RBI on September 30, 2021. The consideration of INR 2,830 million for transfer of business is based on the carrying value of the net assets of the business as on September 1, 2021, being the date of transfer of operations. The consideration is to be paid in 5 equal annual installments payable at the end of each year without any interest. The difference between present value of consideration and net assets amounting to INR 601 million has been accounted as 'Deemed Investment' in Unaudited Standalone Financial Results. The transferred operations are not considered as discontinued operations in the Unaudited Standalone Financial Results of the Company in accordance with Ind AS. Consequent to the aforesaid transfer, results for the previous periods presented are not comparable with the results for the current quarter and nine months period ended December 31, 2021.
5. The Company is engaged in different business units, including payment and financial services, commerce and cloud services and the Board of Directors (Chief Operating Decision Maker "CODM") reviews the information at the revenue level and does not allocate operating costs and expenses, assets and liabilities across business units, as the CODM does not use such information to allocate resources or evaluate the performance of the business units. The way the CODM reviews the performance, management of the Company has concluded that it constitutes a single segment as per Ind AS 108 'Operating Segments'. Hence, no separate disclosure is required for segments.

During the year ended March 31, 2021, the Company reassessed the basis of segment reporting. Earlier, the Company disclosed four reportable segments that were Payment, Commerce, Cloud and others. The segment reporting for the comparative periods has been restated for this change in segment reporting.



One 97 Communications Limited
Notes to the Unaudited Standalone Financial Results

6. During the quarter ended December 31, 2021, the Company has completed its initial public offer (IPO) of 85,116,278 equity shares of face value of INR 1 each at an issue price of INR 2,150 per share, comprising fresh issue of 38,604,651 shares and offer for sale of 46,511,627 shares by selling shareholders. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 18, 2021.

The Company has incurred INR 4,115 million as IPO related expenses and allocated such expenses between the Company INR 1,866 million and selling shareholders INR 2,249 million. Such amounts were allocated based on agreement between the Company and selling shareholders and in proportion to the total proceeds of the IPO. Out of Company's share of expenses of INR 1,866 million, INR 1,401 million has been adjusted to securities premium.

Details of utilisation of IPO Proceeds of INR 81,134 million, are as follows:

(Amount in INR Million)

S. No	Objects of the issue	Amount as proposed in Offer Document	Utilised up to December 31, 2021	Un-utilised as on December 31, 2021
1	Growing and strengthening our Paytm ecosystem, including through acquisition and retention of consumers and merchants and providing them with greater access to technology and financial services	43,000		41,762
	i) Marketing and promotional expenses		184	
	ii) Expanding our merchant base and deepening our partnership with our merchants		698	
	iii) Strengthening and expanding our technology powered payments platform		356	
	Total (A)	43,000	1,238	41,762
2	Investing in new business initiatives, acquisitions and strategic partnerships	20,000		20,000
	i) Investments in new business initiatives			
	a) Payment Services		-	
	b) Commerce and cloud services		-	
	c) Financial Services		-	
	ii) Investments in acquisitions and strategic partnerships		-	
	Total (B)	20,000	-	20,000
3	General corporate purposes	18,134	172	17,962
	Total (C)	18,134	172	17,962
	Total (A+B+C)	81,134	1,410	79,724

Net IPO proceeds which were un-utilised as at December 31, 2021 were temporarily invested in fixed deposits with scheduled commercial banks.

7. COVID-19 continues to spread across globe and India. This has impact on all local and global economic activities. Government of India has taken series of measures to contain spread of virus and limit economic impact on corporates and individuals. The Company has considered the possible effects that may result from COVID-19, on the carrying amount of the receivables, investments, goodwill etc. While making the assessment the Company has taken cognizance of internal and external information up to the date of approval of these Unaudited Standalone Financial Results. The Company based on current estimates expects the carrying amount of the above assets will be recovered. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these Unaudited Standalone Financial Results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to the future economic conditions.



One 97 Communications Limited
Notes to the Unaudited Standalone Financial Results

8. During the quarter ended December 31, 2021, the Company has granted 26,583,315 Employee Stock Option (ESOPs) which has resulted in an expense of INR 3,434 million. Out of the above (as disclosed in the prospectus dated November 11, 2021) a grant of 21,000,000 ESOP has been made to the Managing Director and CEO of the Company which is subject to achievement of certain milestones and will vest equally in 4 tranches, having minimum vesting period of 24 months, 36 months, 48 months and 60 months for each tranche respectively.
9. During the period ended June 30, 2021, the Company had filed an adjudication application under Section 454 read with Section 62(1)(b) and Section 450 of the Companies Act, 2013 before the office of the Registrar of Companies, NCT of Delhi & Haryana (ROC) on June 26, 2021, to adjudicate on the non-compliance with the provisions of Section 62(1)(b) of the Companies Act, 2013 ("the Act") read with Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014 ("the Rules") in relation to grants of Employee Stock Options (ESOPs) made in earlier years to an employee. Consequently, the Company had cancelled the said ESOP grants on July 5, 2021. Further, the shares issued to the concerned employee pursuant to exercise of certain vested ESOPs were also transferred by the employee to Paytm Associate Benefit Welfare Trust (Formerly known as One97 Employee Welfare Trust). The cumulative charge recognized till date in respect of the aforesaid ESOPs amounted to INR 106 million.

During the quarter ended December 31, 2021, the ROC vide its order dated November 30, 2021, has directed the Company to move an appropriate application for composition of offence under the relevant provision of the Act. Consequently, the Company has filed a compounding application under section 441 read with section 62(1)(b) and Section 450 of the Act read with the Rules, before the Office of the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi ("RD") on December 25, 2021. Presently, the matter is pending with the RD for compounding and the Company has assessed that consequent adjustments, if any, in respect of the aforesaid matter would not have a material impact on the Unaudited Standalone Financial Results.

10. As of December 31, 2021, the Company has certain foreign currency payable balances aggregating to INR 0.04* million and INR 1.26* million which are outstanding for more than twelve months (extended from six months via RBI circular -RBI/2019-20/242 A.P. (DIR Series) Circular No.33 dated May 22, 2020, for the imports made up to or on July 31, 2020) and three years, respectively. The Company has filed an application to Reserve Bank of India (RBI) vide letters dated July 29, 2021 and August 9, 2021 to write-back payable balances of INR 1.30 million and approval is currently awaited.

As of December 31, 2021, the Company also has certain foreign currency receivable balances aggregating to INR 73, INR 100 and INR 224 which are outstanding for more than nine months, fifteen months (extended from nine months via RBI circular- RBI/2019-20/206 A. P. (DIR Series) Circular No. 27 dated April 1, 2020, for the exports made up to or on July 31, 2020) and three years, respectively. The Company has applied to the AD Bank seeking permission for extension of time for realisation for receivables amounting to INR 111 and write-off of receivables amounting to INR 1. Further, an application has been made to the RBI vide the letter dated December 17, 2020 for seeking approval for extension of time-limit of outstanding receivable balances amounting to INR 191 and write off of receivable balances amounting to INR 94 and approval is currently awaited. Subsequent to December 31, 2021, the company has received approval from AD bank for extension of time w.r.t. certain receivables amounting to INR 62.

Management does not expect any material financial implication on account of the delay under existing regulations.

* Amount disclosed up to two decimal places


11. The Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2020 have not been audited or reviewed by our statutory auditors. However, the management has exercised necessary due diligence to ensure that the Unaudited Standalone Financial Results for these periods provide a true and fair view of the Company's affairs.



One 97 Communications Limited
Notes to the Unaudited Standalone Financial Results

12. Pursuant to amendment in Schedule III to the Companies Act, 2013 by Ministry of Corporate Affairs vide its notification dated March 24, 2021, the comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

**For and on behalf of Board of Directors of
One97 Communications Limited**


Vijay Shekhar Sharma
Chairman, Managing Director and CEO
Place: New Delhi
Date: February 4, 2022

