ONE97 COMMUNICATIONS LIMITED

ANNUAL REPORT

2017-18

Ref: 4/2018-19

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of **One97 Communications Limited** ("**the Company**") will be held on Friday, September 28, 2018 at 10 A.M. (IST) at its registered office at First Floor, Devika Tower, Nehru Place, New Delhi-110019,India to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (a) the audited financial statement of the Company for the year ended March 31, 2018, the report of the Board of Director's and Auditors' thereon; and

   (b) the audited consolidated financial statement of the Company for the year ended March 31, 2018 and the Auditors' report thereon.

2. To appoint a Director in place Mr. Joseph Chung Tsai (DIN 07788455) who retires by rotation, being eligible offers himself for reappointment.

3. To appoint a Director in place of Mr. Ravi Chandra Adusumalli (DIN 00253613) who retires by rotation and, being eligible offers himself for reappointment.

4. To consider and approve appointment of M/s. Price Waterhouse Chartered Accountants LLP (FRN No. 012754N/N500016), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 23rd Annual General Meeting and to fix their remuneration, by considering and if thought fit, passing, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules framed thereunder or any amendment thereto or modification thereof and subject to all the applicable laws and regulations, the appointment of M/s. Price Waterhouse Chartered Accountants LLP (FRN No. 012754N/N500016), as Statutory Auditors of the Company for a period of 5 (Five) years i.e. from the conclusion of this Annual General Meeting (AGM) till the conclusion of 23rd Annual General Meeting of the Company, be and is hereby approved on the remuneration including out of pocket expenses (collectively "Auditors' Remuneration") as may be recommended by the Audit Committee of the Board, in consultation with the Statutory Auditors and such Auditors' Remuneration may be paid on a progressive billing basis, in one or more instalments."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of section 149, 161, 150, & 152 of the Companies Act, 2013 & its schedule IV (as amended or re-enacted from time to time) read with rule no 4 of the Companies (Appointment and Qualifications of Directors) Rules 2014, Ms. Pallavi Shardul Shroff (DIN 00013580), who was appointed as Additional Director (Independent and Non-Executive Director) by the Board of Directors with effect from February 09, 2018 whose term expires at this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director for the term of 3 (Three) years i.e. till February 8, 2021"

RESOLVED FURTHER THAT, Mr. Vijay Shekhar Sharma, Managing Director, Mr. Vikas Garg, SVP-Finance, Mr. Madhur Deora, Chief Financial Officer and Mr. Vimal Chawla, Company Secretary of the Company, be and is hereby severally authorized to give effect to above appointment and make necessary filing with Registrar of Companies, NCT of Delhi and Haryana and to do all acts, things and deeds incidental thereto."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 and the Articles of Association of the Company,Mr. Kabir Misra (DIN 07654111) who was appointed as an Additional Director by the Board of Directors with effect from November 07, 2017 whose term expires at this Annual General Meeting of the company and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

   RESOLVED FURTHER THAT, Mr. Vijay Shekhar Sharma, Managing Director, Mr. Vikas Garg, SVP-Finance, Mr. Madhur Deora, Chief Financial Officer and Mr. Vimal Chawla, Company Secretary of the Company, be and is hereby severally authorized to give effect to above appointment and make necessary filing with Registrar of Companies, NCT of Delhi and Haryana and to do all acts, things and deeds incidental thereto."

7. **To approve the remuneration of Mr. Vijay Shekhar Sharma, Managing Director for FY 2018-19**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   RESOLVED THAT in supersession of the earlier resolutions passed, pursuant to the provisions of Section 196 & 197 read with Rule 7 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable rules and subject to Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (as amended or re-enacted from time to time) (hereinafter referred to as Act), the consent of the members of the Company, be and is hereby accorded to approve the remuneration to be paid to Mr. Vijay Shekhar Sharma, Managing Director of the Company for the financial year 2018-19, as recommended by the Board and Nomination and Remuneration Committee at their meetings held on August 17, 2018, on the terms and conditions mentioned herein below:

   1. Remuneration: Rs. 3,00,00,000/- p.a. (including lease rent accommodation) for FY 2018-19

   2. Perquisites : Following perquisites to be provided

   (a) Two Vehicles.
   (b) Fuel Expenses & Toll charges.
   (c) Accommodation on Lease.
   (d) Expenses related to electricity, water, maintenance etc. of the accommodation provided by the Company.
   (e) Driver's Salary and Overtime & Night Charges of Drivers to be paid extra, if any.
   (f) Vehicle's Insurance.
   (g) Expenses related to Vehicle's maintenance.
   (h) Communication Expenses which includes reimbursements of mobile bill, data card bill, internet bills,

etc.

(i) Reimbursements related to meal expenditure.
(j) Travel Expenses.
(k) Medical Insurance of Mr. Vijay Shekhar Sharma and his family.
(l) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company. These will not be included in the computation of the ceiling on perquisites or remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity shall be payable as per the rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
(m) Leave Travel Assistance, as per the rules of the Company; value not exceeding one month's salary.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Vijay Shekhar Sharma as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors/Nomination and Remuneration Committee be and is hereby authorized to fix the remuneration and/or perquisite of Mr. Vijay Shekhar Sharma and revise such remuneration and/or perquisite from time to time within the maximum limits specified above and to the extent as permissible under the relevant provisions of law. The Board of Directors/Nomination and Remuneration Committee be and is hereby further authorized to vary / modify / amend any of the aforesaid terms and conditions provided such variation / modification / amendment is in conformity with the applicable provisions of the Act, as amended from time to time and to do all acts, deeds and thing as deems necessary to give effect to this resolution."

By Order of the Board of Directors
For One97 Communications Limited

Sd/-
Vimal Chawla
Company Secretary
Membership No. 16746

Place: Noida
Date: September 04, 2018

Regd Off: 1st Floor, Devika Tower
Nehru Place, New Delhi – 110019,India

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, SIGNED AND COMPLETED IN ALL RESPECTS MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.

3. No person shall be entitled to attend and vote at the meeting as a duly authorized representative of anybody corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her a duly authorized representative, certified to be true copy by the Chairman/Managing Director/Company Secretary, shall have been deposited at the registered office of the Company before the time fixed for the commencement of the meeting.

3. Members are requested to notify the changes of address if any, to the Company quoting their respective folio nos.

4. We request and encourage our members to register their email-id for e-communication in the records of their Depository Participant (in case of electronic holding). The Members who are holding shares in physical form, they may register their e-mail id by sending an email to compliance@paytm.com with a subject "Registration of email id."

5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

6. Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s. 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM

7. The Register of Contracts or arrangements in which the Directors are interested, maintained u/s.189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.

8. All documents referred to in the notice and explanatory statement shall be open for inspection at the corporate office of the company at B-121, Sector 5 Noida, Uttar Pradesh – 201301 on all working days, between 11.00 a.m. and 5.00 p.m. upto the date of the Meeting. The company has intimated from the Registrar of Companies to keep books of account at a place other than the registered office of the company.

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

Item No. 5

The Board of Directors of the Company had appointed Ms. Pallavi Shardul Shroff as an Additional Director (Independent) with effect from February 09, 2018 to hold office till the conclusion of the ensuing Annual General Meeting of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the resolution seeks the approval of the members for appointment of Ms. Pallavi Shardul Shroff, as Independent Director for a term of 3 (Three) consecutive years, upto February 08, 2021 and she shall not be liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Pallavi Shardul Shroff, fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as Independent Director of the Company and she is independent of the management.

The Board considers that her association would be of immense benefit to the Company and it is desirable to have Ms. Pallavi Shardul Shroff as Independent Director of the Company.

The Company has received a notice in writing for proposing the candidature of Ms. Pallavi Shardul Shroff for her appointment as Director of the Company in accordance with the provisions of Section 160 and other applicable provisions of the Companies Act, 2013.

Except, Ms. Pallavi Shardul Shroff, to whom the resolution relates, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

Item No. 6

Mr. Kabir Misra was appointed as Additional Director of the Company as nominee of Softbank, in terms of clause 5.2.4 of the Shareholders' Agreement dated May 3, 2017 and subsequent amendments thereto, to hold office till the conclusion of the ensuing Annual General Meeting of the Shareholders of the Company w.e.f. November 07, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company.

The Company has received a notice in writing for proposing the candidature of Mr. Kabir Misra for his appointment as Director of the Company in accordance with the provisions of Section160 and other applicable provisions of the Companies Act, 2013.

It is proposed to appoint Mr. Kabir Misra as Director of the Company, liable to retire by rotation.

Except, Mr. Kabir Misra, to whom the resolution relates, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

Item No. 7

The Members of the Company, at their previous Annual General Meeting (AGM) held on August 31, 2017, had appointed Mr. Vijay Shekhar Sharma as Managing Director w.e.f. December 19, 2017 for a period of five (5) years and also approved the remuneration payable to him for FY 2017-18.

It is recommended by the Board to approve remuneration payable to Mr. Vijay Shekhar Sharma as Managing Director of the Company for a further period of one year i.e. for FY 2018-19. His remuneration has been recommended by Nomination and Remuneration Committee and the Board respectively, at their meetings held on August 17, 2018.

Pursuant to Section 196, 197 & 203 read with Schedule V of the Companies Act, 2013 and Rule 7 of Companies (Appointment & Remuneration of Managerial Remuneration Personnel) Rules, 2014 framed and all other applicable provision of the Companies Act, 2013, the remuneration payable to Mr. Vijay Shekhar Sharma is placed before the shareholders for their approval vide special resolution.

None of the Directors, Key Managerial Personnel and their relatives of the Company are, in any way, concerned or interested in the said resolution, except Mr. Vijay Shekhar Sharma.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AND FIXATION OF REMUNERATION OF MANAGING DIRECTOR AT FORTHCOMING ANNUAL GENERAL MEETING

Mr. Ravi Chandra Adusumalli

Mr. Ravi Chandra Adusumalli is a Partner with SAIF Partners funds, one of the largest and active funds in the country across early and growth stage companies. Ravi joined SAIF in 2002. Prior to this, he worked at Mobius Venture Capital, Credit Suisse, and Wasatch Funds. Ravi graduated from Cornell University with a B.A. in Economics and Government.

Mr. Joseph Chung Tsai

Mr. Joseph Chung Tsai joined as a member of the Alibaba founding team in 1999 and has served as the executive vice-chairman since May 2013. He was previously the chief financial officer and has been a member of the board of directors of Alibaba Group Holding Limited since the formation. Prior to joining the Alibaba Group, he worked in Hong Kong with Investor AB, the main investment vehicle of Sweden's Wallenberg family, and has also served as the Vice President and General Counsel of Rosecliff, Inc. He was previously also an Associate Attorney in the tax group of Sullivan & Cromwell LLP, a New York based international law firm.

He is qualified to practice law in the State of New York and received his bachelor's degree in Economics and East Asian Studies from Yale College and a juris doctor degree from Yale Law School.

Mr. Kabir Misra

Mr. Kabir Misra has been with SoftBank since 2006 and is currently a Partner at SoftBank Investment Advisers. Mr. Misra has managed 4 funds for SoftBank – most recently the SB PrinceVille Fund (which invested in Fitbit, Zynga, Gilt and Criteo among others). He works closely with SoftBank’s direct investments and acquisitions and has been closely involved with Alibaba since 2004. In this capacity, Mr. Misra has worked with investments into uStream (sold to IBM), RenRen, Yahoo Japan (particularly on their Google deal), Yandex, Twitter and Facebook.

Prior to SoftBank, Mr. Misra worked in technology and M&A investment banking in New York, Menlo Park and Hong Kong, as well as spending a year in Seoul with Samsung.

Ms. Pallavi Shardul Shroff

Ms. Pallavi S. Shroff is the Managing Partner of Shardul Amarchand Mangaldas with about 37 years of extensive experience. Her broad and varied representation of public and private corporations and other entities before various national courts, tribunals and legal institutions has earned her national and international acclaim. Ms. Shroff is the Head of the Litigation practice at the Firm, with an extensive knowledge in matters of dispute resolution and arbitration. She also mentors the Competition Law practice at the Firm.

Ms. Shroff has been closely involved with some of the largest and most challenging litigation and arbitration matters in India with regard to energy, infrastructure, natural resources, mergers & acquisitions, legislative and policy related matters. She appears regularly in the Supreme Court and High Courts of India, and in arbitrations, mediations and international legal disputes.

With regard to Competition Law, Ms. Shroff regularly advises international and national clients on various aspects of the Competition Act 2002. She was a key member of the high-powered SVS Raghavan Committee, which contributed to formulating the legal framework for the new Competition law and a draft of the new Competition Act.

Ms. Shroff has always been active in public-policy related work. She was a member of the committee set up by the Government of India to advise the Government regarding compliance with Article 39.3 of the TRIPS. She played a pivotal role in formulating and drafting of policy documents necessary for the continuing efforts to establish India's first 'Zero Piracy Zone' for the state of Karnataka, and for developing an anti-piracy advocacy programme for the judiciary. Ms. Shroff is presently a director on the boards of prestigious Indian companies, including Apollo Tyres, Trident Group, One97 Communications Ltd (Paytm), Maruti Suzuki India Ltd, Juniper Hotels Ltd and Gujarat Alkalies & Chemicals Ltd.

For her legal acumen and thought leadership, Ms. Shroff is frequently featured by several international publications. She is ranked 'Band 1' for Competition Law & Dispute Resolution by Chambers and Partners 2018; 'Market Leading Lawyer' by Asialaw Profiles 2018 and 'Leading Lawyer' for Dispute Resolution by Legal 500, 2018 among others. Under Ms. Shroff's leadership, the Firm has been recognised as one of the world's leading International Arbitration Firms in the GAR 100 editions, 2017 & 2018 by Global Arbitration Review. Ms. Shroff has been recently conferred 'Lifetime Achievement Award' at the Legal Era's Indian Legal Awards 2017-18. She has also been awarded 'India Managing Partner of the Year' by Asian Legal Business Asia Law Awards 2017 and 'Disputes Star of the Year', India by Asialaw Asia-Pacific Dispute Resolution Awards, 2017. Ms. Shroff has been recognised as one of the Most Powerful Women in Indian Business by Business Today, five years in succession (2013-17).

Mr. Vijay Shekhar Sharma

Profile of Mr. Vijay Shekhar Sharma are disclosed in later part of this explanatory statement.

In pursuance to Secretarial Standard-2 issued by The Institute of Company Secretaries of India (ICSI).

Name of the Director	**Mr. Joseph Chung Tsai**	**Mr. Ravi Adusumalli**	**Ms. Pallavi Shardul Shroff**	**Mr. Kabir Misra**	**Mr. Vijay Shekhar Sharma**
DIN	07788455	00253613	00013580	07654111	00466521
Age (in years)	54	42	62	49	40
Qualification	B.A. (Economics), East Asian Studies (Yale College), Juris Doctor Degree (Yale Law School)	Graduate from Cornell University with B.A. in Economics and Government.	B.A., Economics Hons. (1976) Lady Shri Ram College, Delhi University; M.M.S. (1978) Jamnalal Bajaj Institute of Management Studies, Bombay University; LLB (1981) Govt. Law College, Bombay University.	AB in Economics from Harvard University and an MBA from Stanford University	B. Tech

Remuneration sought to be paid	NIL	NIL	NIL	NIL	Rs. 3 Crore p.a. plus perquisites & allowances
Terms and Conditions of appointment(s)	Mr. Joseph Chung Tsai is eligible to be re-appointed as Director, liable to retire by rotation, as per the provisions of the Companies Act, 2013 and Articles of Association of the Company, subject to the approval of the members of the Company in this AGM.	Mr. Ravi Adusumalli is eligible to be re-appointed as Director, liable to retire by rotation, as per the provisions of the Companies Act, 2013 and Articles of Association of the Company, subject to the approval of the members of the Company in this AGM.	Ms. Pallavi Shardul Shroff is appointed as an Independent Director, not liable to retire by rotation for a period of 3 years, as per the provisions of the Companies Act, 2013 and Articles of Association of the Company, subject to the approval of the members of the Company in this AGM.	Mr. Kabir Misra is appointed as Director, liable to retire by rotation, as per the provisions of the Companies Act, 2013 and Articles of Association of the Company, subject to the approval of the members of the Company in this AGM.	NA
Justification for choosing the appointees as Independent Director	NA	NA	• Pursuant to the provisions of Section 149 (1) of the Companies Act, 2013 particular class of companies need to appoint at least one Woman Director on its Board. • The Company being a Public Company with a turnover of more than Rs. 300 crores is required to comply with the above provision. • Accordingly, Ms. Pallavi Shardul Shroff has been appointed as an Additional Director (Independent) with effect from February 09, 2018 by the Board of Directors of the Company to hold office till the conclusion of the ensuing Annual General Meeting of the Company.	NA	NA
Remuneration last drawn from the Company	NIL	NIL	NIL	NIL	Rs. 3 Crore p.a. plus perquisites & allowances

Date of first appointment on the Board of Directors of the Company	31.07.2017	16.02.2012	09.02.2018	07.11.2017	22.12.2000
Shareholding in the Company (as on the date of AGM Notice)	NIL	NIL	NIL	NIL	90,51,624 Equity Shares (16.32%)
Relationship with other Directors, Managers and other Key Managerial Personnel(s) of the Company	None	None	None	None	None
Number of Board meetings attended during the financial year 2017-18	3	5	NIL	1	9
List of Directorships held in other companies, as on March 31, 2018	As per list attached as Annexure-I	As per list attached as Annexure-I	As per list attached as Annexure-I	As per list attached as Annexure-I	As per list attached as Annexure-I
Membership/ Chairmanship of Committees of Board of Directors of other companies, as on March 31, 2018	NIL	**TV18 Home Shopping Network Limited** (Nomination & Remuneration Committee) - Member	• **Gujarat Alkalies And Chemicals Limited** (Audit Committee) – Member • **Maruti Suzuki India Limited** (Audit Committee) – Member • **Juniper Hotels Private Limited** (Audit Committee) – Member • **Trident Limited** (Audit Committee & Nomination & Remuneration Committee) – Member	NIL	• **Paytm Money Limited** (Audit Committee & NRC) – Member • **Paytm Payments Bank Limited** (NRC, IT Strategy, Risk Management, Management/Supervisory, Fraud Monitoring & Outsourcing Committee) – Member • **One97 Communications India Limited –** Audit & NRC - Member

By Order of the Board of Directors
For One97 Communications Limited

Place: Noida
Date: September 04, 2018

Sd/-
Vimal Chawla
Company Secretary
Membership No. 16746

Regd Off: 1st Floor, Devika Tower
Nehru Place, New Delhi - 110019
CIN- U72200DL2000PLC108985
Website- www.one97.com

Disclosure as required under Section II of Part II of Schedule V to the Companies Act, 2013 and the corresponding Rules, is given hereunder:

I. General Information:

1. *Nature of Industry: The Company carries on the business inter alia to provide telecom based value added services to various telecom operators across the territory, payment gateway aggregator services, ticket services, utility bills payments, insurance, hotel booking services etc.*

2. *Date or expected date of commencement of commercial production: Not Applicable, since the Company has already commenced the business activity. The Company was incorporated on 22nd December, 2000.*

3. *In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.*

4. *Financial Performance based on given indicators:*

Particulars	***2017-18 (Rs. In Cr)***
Total Income	*3234.57*
Depreciation	*68.92*
Tax expense	*(1.01)*
Total Expenses	*4718.50*
Net Profit/(Loss)	*(1490.47)*
Paid-up Capital	*55.32*
Reserves & Surplus	*7575.55*

5. *Foreign Investment or Collaboration, if any:*

The Company has received Foreign Direct Investment under FDI guidelines. As on the date of this notice, out of total paid-up capital, 82.52% (approx.) is held by Foreign Investor under Foreign Direct Investment scheme of RBI. Further, the Company has following wholly owned subsidiaries and joint ventures overseas:

Name of the Entity	***Status***	***Country***
One97 Communications Singapore Private Limited	*Wholly owned Subsidiary*	*Singapore*
One97 Communications Nigeria Limited	*Wholly owned Subsidiary*	*Nigeria*
One97 USA Inc.	*Wholly owned Subsidiary*	*USA*
One97 Communications FZ-LLC	*Wholly owned Subsidiary*	*Dubai*
Ciqual Limited	*Joint Venture*	*United Kingdom*

II. ***Information about the appointee:***

1. *<u>Background Details:</u> Mr. Vijay Shekhar Sharma is the Managing Director, Founder and Promoter of One97 Communications Limited. As a Managing Director, he is responsible for strategies and directions for sustainable growth of the Company. As he is the promoter of the Company, he is associated with One97 Communications Limited since its incorporation i.e. year 2000. Under his dynamic leadership, the Company has attained the respectable position and grown as a pioneer in the mobile VAS across leading telecom operator, become a leader in mobile wallet space, consolidate payment gateway aggregator services etc.*

   Mr. Vijay Shekhar Sharma has a Bachelor's degree in Engineering from Delhi College of Engineering.

2. *<u>Past Remuneration:</u> Remuneration drawn by Mr. Vijay Shekhar Sharma for the period April 01, 2017 to March 31, 2018 is Rs. 3 crores and other perquisites & allowances approved in the terms of appointment.*

3. *<u>Recognition or Awards:</u> In 2015, Vijay was recognized as Entrepreneur of year by Earns & Young and in same year as **Future Leaders** at the NASSCOM Future Leaders event. In addition, he is recognized among the most Innovative CEOs of 2014 by Inc India. In 2011, Vijay Shekhar Sharma was featured in Inc 500 survey about **India's Fastest Growing Mid-sized Companies.** In Addition, he won **Mobile Entrepreneur of the Year** at WAT Awards. In 2010, he was selected as the **VAS Person of the Year** at the IAMAI's India Digital Awards.*

4. *<u>Job Profile and his suitability:</u> Mr. Vijay Shekhar Sharma, Managing Director, is responsible for day-to-day management & strategic decisions of the Company, subject to overall superintendence, control and direction of the Board of Directors. Being a founder of the Company, he has brought the Company to great achievements. Taking into consideration his qualifications and expertise in the business segment and, he is best suited for the responsibilities of current assigned role.*

5. *<u>Remuneration Proposed for the FY 2018-19:</u> There is no increase in remuneration paid in FY 2018-19. Hence the remuneration proposed is Rs. 3,00,00,000 and other perquisites & allowances as detailed in the resolution.*

6. *<u>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):</u> With increased size and turnover, it is also imperative for any ITES company to have highly experienced professionals having specialized knowledge and skills to understand and project the market trend, consumer behavior, consumption pattern and many relevant indicators for better product mix. It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Mr. Vijay Shekhar Sharma has successfully proved his expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considers that the remuneration proposed to them is justified commensurate with other organizations of the similar type, size and nature in the industry.*

7. *<u>Pecuniary Relationship directly or indirectly with the company or relationship with managerial personnel, if any:</u> Apart from receiving the remuneration proposed, Mr. Vijay Shekhar Sharma holds 90,51,624 equity shares in the Company. Additionally, his brother, Mr. Ajay Shekhar Sharma holds office and place of profit under Section 188(f) of the Companies Act, 2013. Mr. Vijay Shekhar Sharma or any of his relative does not have any other pecuniary relationship with the Company.*

III. ***Other Information:***

1. *Reason of loss or inadequate profits: The Company has incurred huge capital expenditure in creating a brand and establishing its business activity. We have incurred a considerable amount in various capital & operational expenditures which resulted into losses during the financial year.*

2. *Steps taken or proposed to be taken for improvement:*

   The Company is focusing on strengthening its position in various business segments like Payments Bank, Insurance and Insurance Broking, travel ticketing, hotel, mobile wallet services etc. and that would result into better turnover in coming fiscal years.

   We have created "Paytm" as a popular brand and platform which provides ease of online marketplace, mobile wallets, recharges and Payment Gateways Aggregator services, Payments Banking Services etc. We are committed to grow this business further and turn it into a profitable business in the years ahead.

3. *Expected Increase in productivity and profits in measurable terms:*

   The business and consumer confidence is expected to improve in the coming years, geared with a streamlined organizational design, the company intends to grow its businesses. The improvement in consumer sentiment and increased consumer spending through online platforms will enable the growth momentum to pick up. The management continuous to be cautiously optimistic towards the external economic environment and expects consumer demand to become more consistent and robust in the ensuing financial years. Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins. Further, a number of initiatives for productivity and profitability, increased investments in technology, customer engagements, loyalty programs and improving the customer experience, have shown encouraging results.

IV. Disclosures:

The detailed elements of remuneration including other perquisites are given in the respective resolution & explanatory statement. The disclosures as required under this section shall be disclosed in the Board of Director's report for the FY 2018-19.

FORM NO. MGT.11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U72200DL2000PLC108985
Name of the company: **One97 Communications Limited**
Registered office: First Floor, Devika Tower, Nehru Place, New Delhi – 110019

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member(s) of …………………. shares of the above named company, hereby appoint

1. Name:
   Address:
   E-mail Id:
   Signature: …………………………….., or failing him
2. Name:
   Address:
   E-mail Id:
   Signature: …………., or failing him
3. Name:
   Address:
   E-mail Id:
   Signature: ………….

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the company, to be held on the *Friday*, *September 28, 2018 at 10 a.m.* at registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

1. *To receive, consider and adopt*
   a. *the audited financial statement of the Company for the year ended March 31, 2018, the report of the Board of Director's and Auditor's thereon; and*
   b. *the audited consolidated financial statement of the Company for the year ended March 31, 2018 and the Auditor's report thereon,*
2. *To appoint a Director in place of Mr. Joseph Chung Tsai who retires by rotation and, being eligible offers himself for reappointment.*
3. *To appoint a Director in place of Mr. Ravi Chandra Adusumalli who retires by rotation and, being eligible offers himself for reappointment.*
4. *To appoint M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company.*
5. *To regularize the appointment of Mr. Kabir Misra as Director.*
6. *To regularize the appointment of Ms. Pallavi Shardul Shroff as an Independent Director.*
7. *To approve remuneration of Mr. Vijay Shekhar Sharma, Managing Director for FY 2018-19.*
8.

Signed this …………. day of …… 2018

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ONE97 COMMUNICATIONS LIMITED

Registered Office: First Floor, Devika Tower, Nehru Place, New Delhi – 110019

ATTENDANCE SLIP

Please complete this attendance slips and hand it over at the entrance of the hall.

Full name of the Shareholder in Block Letters:

Folio No. :

No. of Shares held:

I hereby record my presence at the 18th Annual General Meeting of the Company, held at First Floor, Devika Tower, Nehru Place, New Delhi - 110019 on September 28, 2018 at 10 A.M.

Signature of the Shareholder· ___________________________

Note: Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.

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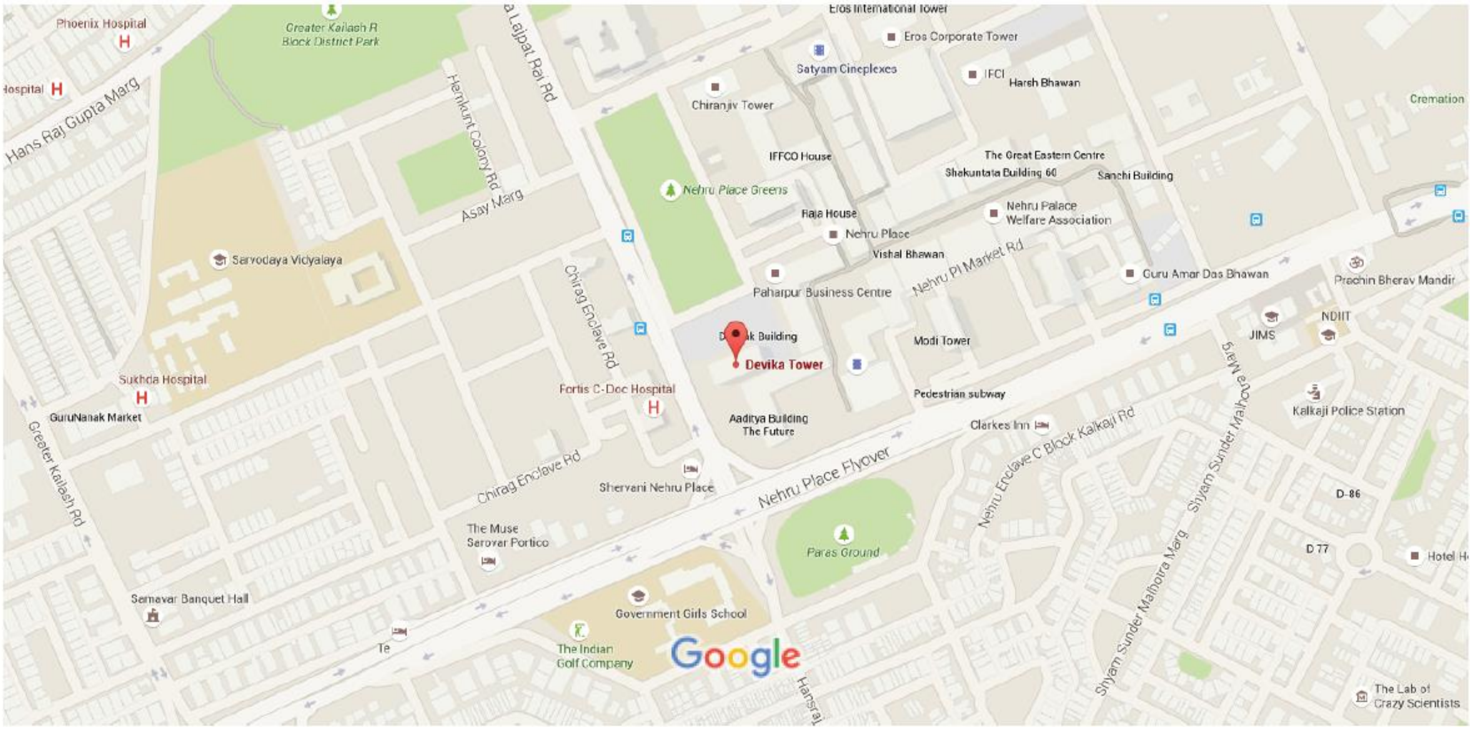
Route of Map of the Location of the Meeting to be held on September 28, 2018



Address: One97 Communications Limited, 1st Floor, Devika Tower, Nehru Place, New Delhi

Landmark: Devika Tower, Nehru Place

List of Directorships held by Mr. Joseph Chung Tsai as on March 31, 2018:

S. No.	Names of the Company /Body corporate	Position held
1.	Paytm E-Commerce Private Limited	Director
2.	One97 Communications Limited	Director
3.	MFG II Ltd.	Director
4.	Beijing Yahoo! Information Technology Co., Ltd.	Director
5.	PMH Holding Limited	Director
6.	Parufam Limited	Director
7.	Timcross Development Inc.	Director
8.	Alisoft (Shanghai) Co., Ltd.	Director
9.	Zhejiang Alibaba Finance Credit Network Technology Co., Ltd.	Director
10.	Alipay (China) Information Technology Co., Ltd.	Director
11.	Setenta Capital Limited	Director
12.	Zhejiang Alibaba Small Loan Co., Ltd.	Director
13.	Nammu Investment Holdings Limited	Director
14.	Alibaba (Guangzhou) Technology Co., Ltd.	Director
15.	APN Ltd.	Director
16.	Alibaba Group Holding Limited	Director
17.	Shangcheng (Shanghai) Commercial Factoring Co., Ltd.	Director
18.	Joe and Clara Tsai Charitable Foundation Limited	Director
19.	Lakeside Partners, LP	Director
20.	HLP Investment Limited	Director
21.	Lakeside Partners (GP) Limited	Director
22.	Koubel Holding Limited	Director
23.	The Hong Kong Entrepreneurs Fund Limited	Director
24.	The Taiwan Entrepreneurs Fund Limited	Director
25.	Ali Sports (Shanghai) Co. Ltd.	Director
26.	Magic Leap, Inc.	Director
27.	Suzhou Huaren Culture Investment Center (Limited Partnership)	Director
28.	Cainiao Smart Logistics Network Limited	Director
29.	CMC Holdings Limited	Director
30.	Rajax Holding	Director
31.	SCMP Group Holding Limited	Director
32.	CKHH Alipay Internet Services (HK) Limited	Director
33.	Alipay Payment Services (HK) Limited	Director
34.	BBB China Sports Holdings Limited	Director
35.	B-Cubed Basketball Holdings Limited	Director
36.	Chruch Bay Road Limited	Director
37.	MFG Aviation Ltd	Director
38.	The Ink Factory Limited	Director
39.	Xiaopeng Motors	Director

List of Directorships held by Mr. Ravi Adusumalli as on March 31, 2018:

S. No.	Names of the Company /Body corporate	Position held
1.	TV18 Home Shopping Network Limited	Director
2.	Brainbees Solutions Private Limited	Director
3.	Robemall Apparels Private Limited	Director
4.	Le Travenues Technology Private Limited	Director
5.	One97 Communications Limiteed	Director
6.	Zen Lefin Private Limited	Nominee Director
7.	Nuvo Logistics Private Limited	Nominee Director
8.	BusyBees Logistics Solutions Private Limited	Director
9.	Urbanclap Technologies India Private Limited	Nominee Director
10.	Youngmonk Technologies Private Limited	Nominee Director
11.	Tracxn Technologies Private Limited	Nominee Director
12.	Paytm E-Commerce Pvt. Ltd.	Director

List of Directorships held by Ms. Pallavi Shardul Shroff as on March 31, 2018:

S. No.	Names of the Company /Body corporate	Position held
1.	Gujarat Alkalies and Chemicals Limited	Director
2.	Apollo Tyres Limited	Director
3.	Maruti Suzuki India Limited	Director
4.	Trident Limited	Director
5.	First Commercial Services India Private Limited	Director
6.	Amarchand Towers Property Holdings Private Limited	Director
7.	Baghbaan Properties Private Limited	Director
8.	PSNSS Properties Private Limited	Director
9.	Juniper Hotels Private Limited	Director
10.	Aavanti Realty Private Limited	Director
11.	First Full Services Private Limited	Director
12.	First Universal Virtual International Arbitration Centre Private Limited	Director
13.	UVAC Centre (India) Private Limited	Director
14.	Amarchand Mangaldas Properties Private Limited	Director
15.	Singapore International Arbitration Centre (India) Private Limited	Director

List of Directorships held by Mr. Kabir Misra as on March 31, 2018:

S. No.	Names of the Company /Body corporate	Position held
1.	Hike Global Pte. Ltd.	Director
2.	PayActiv	Director
3.	Coupang, LLC	Director
4.	Starburst I, Inc	Director
5.	Flipkart Limited	Director
6.	SB China and India Holdings Ltd	President Director
7.	Acuta Capital	Director

List of Directorships held by Mr. Vijay Shekhar Sharma as on March 31, 2018:

S. No.	Names of the Company /Body corporate	Position held
1.	Vijaya Traders Private Limited	Director
2.	One97 Communications India Limited	Director
3.	One97 Communications FZ LLC	Director
4.	One97 Communications Singapore Private Limited	Director
5.	One97 USA Inc	Director
6.	One97 Communications Rwanda Private Limited	Director
7.	Paytm Labs Inc.	Director
8.	One97 Communications Bangladesh Private Limited	Director
9.	One97 Benin SA	Director
10.	One97 Ivory Coast SA	Director
11.	Paytm E-Commerce Private Limited	Director
12.	Paytm Payments Bank Limited	Director
13.	Paytm Financial Services Limited	Director
14.	Applied Life Private Limited	Director
15.	Paytm General Insurance Corporation limited	Director
16.	Paytm Life Insurance Corporation Limited	Director
17.	Paytm Money Limited	Director
18.	Paytm Entertainment Limited	Director

DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the Eighteenth Directors' Report of the Company together with the Audited Financial Statements and Accounts for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

	Consolidated (INR in Crores)		**Standalone (INR in Crores)**	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Revenue from Operations	3058.09	614.62	2987.41	598.33
Other Income	256.71	165.57	247.16	166.26
TOTAL REVENUE	**3314.80**	**780.19**	**3234.57**	**764.59**
Less: Expenses				
Employee Benefit Expense	625.36	332.64	540.06	323.92
Finance Cost	28.83	4.50	27.74	4.42
Depreciation and Amortization Expense	78.88	40	68.92	39.05
Other Expenses	4151.88	1584.15	4081.78	1579.75
TOTAL EXPENSES	**4884.95**	**1961.29**	**4718.50**	**1947.14**
Profit/Loss before share of result of associates and taxation from continuing operations	**(1570.15)**	**(1181.10)**	**-**	**-**
Share of result of associates	**(30.81)**	**(27.47)**	**-**	**-**
Profit/Loss before exceptional items and tax from continuing operations	(1600.95)	(1208.57)	(1483.93)	(1182.55)
Exceptional items	3.40	591.32	(2.30)	591.32
Profit/Loss before Tax from Continuing Operations	**(1597.56)**	**(617.25)**	**(1486.23)**	**(591.23)**
Tax Expense	**1.53**	**2.48**	**(1.01)**	**3.65**
Profit/Loss from Continuing Operations	**(1599.09)**	**(619.73)**	**(1485.22)**	**(594.88)**
Profit/Loss for the period from discontinued operations	**(5.25)**	**(279.91)**	**(5.25)**	**(284.75)**
Profit/Loss for the year	**(1604.34)**	**(899.64)**	**(1490.47)**	**(879.63)**
Total Comprehensive Income/Loss	(1606.05)	(903.09)	**-**	**-**
Loss attributable to Equity holders of the parent	(1589.46)	(899.64)	**-**	**-**
Loss attributable to Non-controlling interests	(14.88)	-	**-**	**-**
Total Comprehensive Income/Loss attributable to Equity holders of the parent	(1591.17)	(903.09)	**-**	**-**
Total Comprehensive Income/Loss attributable to Non-controlling interests	(14.88)	-	**-**	**-**

Basic & Diluted EPS for continuing operations	(317.40) (attributable to equity holders of parent)	(134.17) (attributable to equity holders of parent)	(294.79)	(128.79)
Basic & Diluted EPS for discontinued operations	(1.04) (attributable to equity holders of parent)	(60.65) (attributable to equity holders of parent)	(1.04)	(61.65)
Basic & Diluted EPS for continuing and discontinued operations	(318.44) (attributable to equity holders of parent)	(194.73) (attributable to equity holders of parent)	(295.83)	(190.44)

COMPANY'S PERFORMANCE

Our total income on standalone basis increased to Rs. 3234.57 crores in FY 2017-18 from Rs. 764.59 crores in FY 2016-17. Our total income on consolidated basis increased to Rs. 3314.80 crores in FY 2017-18 from Rs. 780.19 crores in FY 2016-17.

DIVIDEND

The Board of Directors have not recommended any dividend for the financial year 2017-18.

CHANGES IN THE CAPITAL STRUCTURE

Authorized Share Capital:

During the year, the authorized share capital of the Company was INR 1041,066,000 comprising of 56,100,000 Equity Shares of Rs. 10 each and 2,759,000 Preference Shares of Rs 174 each.

After end of the financial year under review, the authorized share capital of the Company has been reclassified and as on date of the report, the authorized share capital of the Company is INR 1041,066,000 comprising of 10,41,06,600 Equity Shares of Rs. 10 each.

Issued, Subscribed, Paid-up Share Capital:

During the year under review, the Company had issued 80,90,159 equity shares of INR 10/- each by way of preferential cum private placement basis. The Company had received collectively INR 6441,89,81,323 in relation to the above equity shares issued.

Further, after the end of financial year, the Company had issued:

(a) 10,000 equity shares of INR 10/- each by way of preferential cum private placement basis. The Company had received collectively INR 8,00,00,000 in relation to the said equity shares issued.

(b) 1,16,001 equity shares of INR 10/- each by way of preferential cum private placement basis for consideration other than cash, i.e. in exchange of the equity shares of Orbgen Technologies Private Limited ("**OTPL**"), at a ratio of 1 : 0.12, i.e. in exchange for every 1 equity share of OTPL held, 0.12 equity shares of the Company has been issued (at an implied issue price of INR 10,560 per equity share of the Company)

During the year under review, the Company has also issued 2,44,459 equity shares of INR 10/- each to various employees under the Employees Stock option Scheme (ESOP 2008).

Further, after the end of the financial year, the Company has further issued 27,619 equity shares of INR 10/- each under the Employees Stock option Scheme (ESOP 2008).

Post issuance of above mentioned shares, the issued and paid up equity share capital of the Company as on date of this report stands at INR 55,47,88,910.

BOARD MEETINGS

The Board met 9 times in financial year 2017-18 viz., on 28.04.2017, 24.05.2017, 10.06.2016, 21.06.2017, 24.07.2017, 05.08.2017, 15.10.2017, 07.11.2017, 02.02.2018. The maximum interval between any two meetings did not exceed 120 days.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, following Directors had resigned:

(a) Ms. Peng Yijie with effect from 31.07.2017.
(b) Mr. Gowrappan Kumaraguru with effect from 31.07.2017.
(c) Mr. Kai Nin Kenny Man with effect from 31.07.2017.
(d) Mr. Neeraj Arora with effect from 06.02.2018.

Further, the following Directors were appointed during the period under review:
(a) Mr. Chen Yan as an Alternate Director to Mr. Jing Xiandong with effect from 31.07.2017.
(b) Mr. Joseph Chung Tsai as an Additional Director with effect from 31.07.2017- Investor Director by Alipay Singapore E-commerce Private Limited.
(c) Mr. Kabir Misra as an Additional Director with effect from 07.11.2017 - Investor Director by SVF India Holding (Cayman) Limited.
(d) Ms. Pallavi Shardul Shroff as an Additional Director (Independent Director) with effect from 09.02.2018.
(e) Mr. Ting Hong Kenny Ho as an Alternate Director to Mr. Joseph Chung Tsai with effect from 02.02.2018.

Mr. Joseph Chung Tsai, Mr. Kabir Misra and Ms. Pallavi Shardul Shroff were appointed as Additional Directors pursuant to Section 161 of the Companies Act, 2013 and hold office up to the date of forthcoming Annual General Meeting. The members are requested to consider their regularization as Directors of the Company.

The Company has received declaration from the Independent Directors declaring that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

During the period under review, due to internal reorganization, Mr. Madhur Deora was appointed as Chief Financial Officer (CFO) (KMP) of the Company in place of Mr. Amit Sinha with effect from 10.06.2017.

During the period under review, due to internal reorganization, Mr. Vimal Chawla was appointed as the Company Secretary (KMP) of the Company, with effect from 02.02.2018, in place of Mr. Amit Gupta.

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Amitabh Kumar Singhal and Mr. Joseph Chung Tsai, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

Further, after the financial year under review, following appointments have been made on the Board:

(a) Mr. Saurabh Jalan as an Alternate Director to Mr. Kabir Misra with effect from 06.04.2018.
(b) Mr. Mukul Arora as an Alternate Director to Mr. Ravi Chandra Adusumalli with effect from 18.05.2018.

As on date of the report the composition of Board of Directors is as below:

Sl. No.	Name	Designation
1.	Mr. Vijay Shekhar Sharma	Managing Director
2.	Mr. Ravi Chandra Adusumalli	Director
3.	Mr. Jing Xiandong	Director
4.	Mr. Amitabh Kumar Singhal	Director
5.	Mr. Joesph Chung Tsai	Director
6.	Mr. Kabir Misra	Additional Director
7.	Mr. Mark Schwartz	Director
8.	Ms. Pallavi Shardul Shroff	Additional Director
9.	Mr. Chen Yan	Alternate Director
10.	Mr. Ting Hong Kenny Ho	Alternate Director
11.	Mr. Saurabh Jalan	Alternate Director
12.	Mr. Mukul Arora	Alternate Director

COMMITTEES OF BOARD OF DIRECTORS:

The Company has following statutory committees of Board as required under the Companies Act, 2013 as at 31st March, 2017:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Corporate Social Responsibility Committee

As on the date of this report, the composition of the committees as per applicable provision of the Companies Act, 2013 and rules are as under:

Name of the Committee	Composition of Committee
Audit Committee	1. Mr. Mark Schwartz, Member 2. Mr. Ravi Chandra Adusumalli, Member 3. Ms. Pallavi Shardul Shroff, Member
Nomination and Remuneration Committee	1. Mr. Ravi Chandra Adusumalli, Member 2. Mr. Jing Xiandong, Member 3. Mr. Mark Schwartz, Member 4. Ms. Pallavi Shardul Shroff, Member
Corporate Social Responsibility Committe	1. Mr. Vijay Shekhar Sharma, Member 2. Mr. Ravi Chandra Adusumalli, Member

	3. Mr. Mark Schwartz, Member

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board Members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as Annexure-1 to this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has undergone peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of the Board Committees. This evaluation is led by the Chairman of the Board or Nomination and Compensation Committee with specific focus on the performance and effective functioning of the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

- That the composition of the Board is appropriate with the right mix of knowledge and skills sufficient to maximize Company performance in regard to future strategies;
- That the Board operates in a congenial environment which facilitates open and meaningful communication, equal participation and opportunity and timely resolution of issues;
- That the Board sets out the targets to be achieved every year with a clear vision and works toward its accomplishment;
- That the Board stays abreast of issues and trends affecting the business of the Company, anticipates problems and react to the situations in a timely manner;
- That the Board meetings are called at suitable intervals and proper notice and agenda is provided to all the Directors in a timely manner;
- That the Board meetings deliberates issues on length, takes decisions in a timely manner while maintaining a balance between presentations and discussions;
- That the Board receives accurate and useful information, based upon which decisions to be taken in a timely manner;
- That the Board speaks in “one voice” when directing or delegating to management and bring discussions to a conclusion with clear direction to management;
- That the number of meetings during the year is adequate for the Board to fulfill its responsibilities;
- That the Board is effective in implementing best corporate governance practices for creating transparency across the Company;
- That the Board follows a systematic approach for following-up the decisions taken during the meetings;
- That the Board provides ample time to all the members to provide their comments on the minutes of the meetings.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to provide a healthy environment to all its employees and thus has zero tolerance on any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal complaints committee has been formed where complaint can be made by the aggrieved employees. The policy of “Prevention of Sexual Harassment” at workplace is available on intranet for employees. Penal consequences of Sexual Harassment (”SH”) and the constitution of the Committee is displayed at conspicuous places. The posters are also displayed in regional languages at all offices. During the year, 10 (Ten) cases were reported and dealt with by Internal Complaints Committee under the policy.

EMPLOYEES STOCK OPTION SCHEME

The Nomination and Remuneration Committee and the Board inter alia, administer and monitor the Employees' Stock Option Scheme (ESOP Scheme) of the Company in accordance with the Companies Act, 2013 and applicable rule framed thereunder. The Company maintains a Register of Employees Stock Option wherein the particulars are being entered forthwith for option granted in terms of Section 62 of the Companies Act, 2013.

In terms of the Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 disclosure under ESOP scheme are made as under:

Option Granted	390,172
Options Vested	385,779 (these are vested options available for exercise as on Mar18)
Option Exercised	226,034 (Exercise during the FY 2017-18)
Exercise Price	Rs.10 for 31,771 Rs.49 for 59,618 Rs.90 for 111,450 Rs.180 for 23,195
Option Lapsed	314,692 (Lapse during the FY 2017-18)
Variation of terms of options	N.A
Money realized by exercise of option	17,444,591
The total number of shares arising as a result of exercise of options	220,487
Total no. of Options in force	988,521
Employee wise details of option granted to:	
a. Key Managerial Personnel	**For FY 2017-18** Vimal Chawla, Company Secretary-476 options
b. Any other employee who receives a grant of options in any one year of options amounting to 5% or more of options granted during that year	**For FY 2017-18** 1. Sunil Goyal – 20,750 options
c. Identified employees who were granted options during any one year equal to or exceeding of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES:

As on 31st March 2018, your Company had the following Subsidiaries:

Sr. No.	Name of Subsidiary Company	Percentage Of Holding
1.	One97 Communications India Limited	100%
2.	Paytm Entertainment Limited	100%

3.	Paytm Money Limited	100%
4.	Paytm Financial Services Ltd.	100%
5.	Urja Money Private Limited	54%
6.	Wasteland Entertainment Private Limited	70%
7.	Mobiquest Mobile Technologies Private Limited	55%
8.	Little Internet Private Limited	63%
9.	Xceed IT Solution Private Limited	55%
10.	Nearbuy India Private Limited	63%
11.	Acumen Game Entertainment Private Limited	55%
12.	One97 Communications FZ-LLC	100%
13.	One97 Communications Nigeria Limited	100%
14.	One97 Communications Singapore Private Limited	100%
15.	One97 (U.S.A.) Inc.	100%
16.	One97 Communications Tanzania Private Limited *	100%
17.	One97 Communications Rwanda Private Limited *	100%
18.	One97 Communications Bangladesh Private Limited*	100%
19.	One97 Communications Uganda Limited*	100%
20.	One 97 Benin SA*	100%
21.	One 97 Ivory Coast SA*	100%
22.	Paytm Labs Inc. *	100%
23.	One97 Communications Malaysia Sdn. Bdn.*	100%

* Subsidiary of One97 Communications Singapore Private Limited

A report on the performance and financial position of each of the subsidiaries and associates as per the Companies Act, 2013 is provided in Annexure-2.

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure-3 to the Board Report.

PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither given any loans and nor provided any guarantees covered under section 186 of the Companies Act, 2013. The Investments made by the Company are provided in the standalone financial statements. (Refer Note no. 5, 6, 7(a).

PARTICULAR OF CONTRACT AND ARRANGEMENT MADE WITH RELATED PARTIES

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on arm's length basis. During the year, the Company had entered into following contract or arrangement with related parties which could be considered 'material' (i.e. transactions which were required to be placed before the members of the Company) according to the policy of the Company on materiality of Related Party Transactions. The disclosure of the Related Party Transactions in the form AOC-2 has been annexed as Annexure-4 to this Report.

(a) Business Transfer Agreement ("BTA") with Acumen Game Entertainment Private Limited

BTA for transfer of online gaming business being operated through the One97 Gaming Platforms, as carried on or powered by One97 together with all Assets and Assumed Liabilities pertaining thereto, and which are not solely being charged through the telecom network on a slump sale basis.

(b) Business Cooperation Agreement ("BCA") with AGtech Holdings Limited and Acumen Game Entertainment Private Limited

Providing of Customer Access Services, the Payment Services, the Consultancy Services, the Technical Support Services, the Co-Sharing Services and any other Additional Services by OCL to Acumen with regard to various games, including but not limited to games of skill, games of chance, mobile games, lottery games, quizzes, card games and event guessing. In order to assist with the operation of the Acumen's business from time to time to further the objectives of the Joint Venture Agreement, One97 and AGtech have agreed to provide or procure the provision of the Services as defined in the BCA, to Acumen on the terms and conditions set out in BCA.

PUBLIC DEPOSITS

In terms of the provisions of Sections 73 of the Act read with the relevant Rules of the Act, the Company had no opening or closing balances and also has not accepted any fixed deposits during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2018.

INTERNAL CONTROL SYSTEM

Your Company has established a robust system of internal controls to ensure that assets are safeguarded and transactions are appropriately authorized, recorded and reported. The Company's internal control system comprises internal audit carried out by PricewaterhouseCoopers Private Limited, Chartered Accountants and periodical review by management. The Audit Committee of the Board addresses significant issues raised by both, the Internal Auditors and the Statutory Auditors. The Company has also implemented compliance tool to centrally monitor the compliances of all applicable laws to the Company. The Company had engaged independent agency to conduct independent check on the effectiveness and robustness on the Internal Financial Control System. The Company believes that the overall internal control system is dynamic and reflects the current requirements at all times, hence ensuring that appropriate procedures and controls, in operating and monitoring practices are in place.

HUMAN RESOURCE MANAGEMENT

One97 recognizes human resource to be the most valuable asset of the Company. People development continues to be a key focus area at One97. The Company continues to pay a focused attention on the development of human relations within the organization. One97 believes in building a culture of innovation and creativity where our employees are inspired to achieve excellence in their area of functioning.

A statement containing the names of employees employed during the financial year ended 31st March, 2018 as under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may be availed by the members by making a written request to the Company Secretary of the Company at the e-mail id: compliance@paytm.com.

RISK MANAGEMENT POLICY

The Company has a robust Risk Management Framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Company has identified various risks and also has mitigation plans for each risk identified. The Board of Director periodically review the Risk Management Framework & approves the necessary changes required therein.

Risk mitigation continues to be a key area of concern for the Company, which has regularly invested in insuring itself against unforeseen risks. The Company's insurable assets like serve, computer equipment, office equipment, furniture & fixtures etc. have been adequately insured against major risks. The Company has also taken appropriate Directors' & Officers' Liability Insurance Policy to cover the risk on account of claims, if any, filed against the Company.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the Section 135(5) of Companies Act, 2013, the Company is not fulfilling the criteria of having average net profit for immediate three preceding financials years. Accordingly, the Company is not required to spend amount in the CSR activities during the financial year.

VIGIL MECHANISM/ANTI BRIBERY & WHISTLE BLOWER POLICY

The Company has adopted a Vigil mechanism/Anti bribery & Whistle blower Policy to deal with instance of fraud and mismanagement, if any. The policy aims that its directors, officers and employees strictly comply with all applicable laws and regulations and observe the highest standards of business ethics in India and foreign countries.

In addition, the Company has also set up a whistle-blower helpline, to enable employees to report any violations of this Policy. The identity of the complainants are kept confidential during investigations and may be disclosed only on a 'need-to-know' basis to others. The Company also accepts anonymous complaints.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned (accrual basis) by the Company during the year under review was Rs. 35,46,51,903 as compared to Rs. 19,22,87,613 during the FY 2016-17.

Total foreign exchange expenditure incurred (accrual basis) by the Company during the year under review was Rs. 34,71,23,525 as compared to Rs. 316,273,710 during the year FY 2016-17.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Being in service sector, the particulars relating to conservation of energy, technology absorption as required to be disclosed under the Act are not applicable to the Company.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no material litigations outstanding as on March 31, 2018. Details of litigation on tax matters are disclosed in the financial statements.

OTHER DISCLOSURE UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in the report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of report.

The Board of Directors informs the member that during the financial year there has been no material changes, except as disclosed elsewhere in the report:

- In the nature of Company's business.
- Generally in the classes of business in which the Company has interest.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis; and

e. the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS & AUDITOR'S REPORT

Statutory Auditors

At the 15th Annual General Meeting held on September 30, 2015, M/s S.R. Batliboi & Associates, LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the 18th Annual General Meeting of the Company. The term of M/s S.R. Batliboi & Associates, LLP, Chartered Accountants is till the conclusion of forthcoming Annual General Meeting.

In terms of Section 139 of the Companies Act, 2013, it is proposed to appoint M/s Price Waterhouse Chartered Accountants LLP (FRN No. 012754N/N500016) as Statutory Auditors of the Company for a period of 5 years, subject to the approval of members of the Company in the forthcoming Annual General Meeting, to audit the Annual Accounts of the Company for Financial Year 2018-19 and onwards i.e. from the conclusion of 18th Annual General Meeting up to the conclusion of the 23rd Annual General Meeting (subject to ratification by the members at every subsequent AGM).

The points raised in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report is enclosed with the Financials Statements of the Company. The Auditors' Report does not contain any adverse remarks or qualifications.

Secretarial Auditors

M/s PI & Associates, Practicing Company Secretaries were appointed to conduct the secretarial audit of the Company for the FY 2017-18, as required under Section 204 of the Companies Act, 2013 and corresponding rules framed thereunder.

The Secretarial Audit Report for fiscal 2017-18 forms part of the Annual Report as Annexure-5 to this Report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

CORPORATE GOVERNANCE

Your Company strives to attain high standards of corporate governance while interacting with all the stakeholders. The increasing diversity of the investing community and the integrated nature of global capital markets render corporate governance a vital issue for investors. The Company believes that timely disclosures, transparent accounting policies and a strong independent Board go a long way in maintaining good corporate governance, preserving shareholders trust and maximizing long term corporate value. In pursuit of corporate goals, the Company accords high importance to transparency, accountability and integrity in its dealings. Our philosophy on Corporate Governance is driven towards welfare of all the Stakeholders and the Board of Directors remains committed towards this end.

The Board of Directors supports the broad principles of Corporate Governance and lays strong emphasis on its role to align and direct the actions of the Company in achieving its objectives.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation and gratitude for the valuable support received from the Government and regulatory Authorities, Company's Bankers, Financial Institutions, Customers and shareholders/Investors for their continuous support during the year and look forward to continued support and co-operation in future.

The Board also acknowledges and appreciates the exemplary efforts and hard work put in by all employees who are part of the One97 family and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

For and on behalf of the Board

Sd/-
Mr. Vijay Shekhar Sharma
Chairman
DIN: 00466521

Date: August 17, 2018
Place: China

Nomination and Remuneration Policy

Ver. 1.0

Date	Version	Key changes	Approval Authority
17/10/2014	1.0	New document created	Board of Directors

NOMINATION AND REMUNERATION POLICY

1) Objective and purpose

a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and Other employees.

b) To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies in the similar industry.

c) To provide them reward, linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.

d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

2) Scope of the Policy

The policy shall be applicable to the following in the Company:

a) Directors

b) Key Managerial Personnel (KMP)

c) Senior Management

d) Other employees of the Company

3) Constitution of the Nomination and Remuneration Committee

a) The Board shall determine the membership of the Committee.

b) The Committee will comprise at least three members of non- executive directors, a majority of whom shall be independent directors.

c) One of the independent non-executive directors shall be designated by the Board to serve as the Committee's Chairman.

4) Appointment criteria and qualifications

a) Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013 or the Company Internal policy.

b) The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.

c) A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.

d) The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'. The indicative form to be filled out is placed as Annexure 1 to this policy.

e) The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

f) The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and KMP.

g) The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.

h) The Committee shall recommend any necessary changes to the Board.

5) Term / Tenure

a) **Managing Director/Whole-time Director**

i) The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

ii) No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

b) **Independent Director**

i) An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

ii) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re- appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

6) Remuneration

a) In discharging its responsibilities, the Committee shall have regard to the following policy objectives:

i) To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;

ii) To attract and retain competent executives;

iii) To plan short and long-term incentives to retain talent;

iv) To ensure that any severance benefits are justified.

b) The remuneration / compensation / commission etc. to the whole-time director, KMP, senior management & other employees will be determined by the Committee and recommended to the Board for approval.

c) The remuneration to be paid to the MD and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.

d) Increments to the existing remuneration / compensation structure of the Senior Management excluding the Board of Directors comprising of members of Management one level below the Executive Director, including the Functional Heads will be jointly decided by the Chairman & Managing Director and Head- Human resources.

e) **Remuneration to Whole-time/ Managing Director, KMP, senior management:**

i) **Fixed pay** – The MD and/or whole-time director / KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the shareholders wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, club fees and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

ii) **Minimum Remuneration** – If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD and/or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained.

f) **Remuneration to Non-Executive / Independent Director:**

i) Remuneration – The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and with the provisions of Companies Act, 2013 along with the rules made there under.

ii) Sitting Fees – The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act, 2013.

7) Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or senior management personnel or functional heads, subject to the provisions and compliance of the Act, rules and regulations.

8) Retirement

The director, KMP, senior management & functional heads shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs & Senior Management even after attaining the retirement age, for the benefit of the Company.

9) Diversity

a) The Company aims to enhance the effectiveness of the Board by diversifying it and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

b) The policy shall confirm with the following two principles for achieving diversity on its Board:

i) Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and

ii) For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

c) In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:

i) **Gender -** The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.

ii) **Age -** Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.

iii) **Nationality and ethnicity** - The Company shall promote having a boardroom comprising of people from different ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;

iv) **Physical disability** - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.

v) **Educational qualification** - The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

10) Minutes of Committee Meeting

Proceedings of all meetings must be recorded as minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

11) Disclosure of this policy

The policy shall be disclosed in the Annual report of the Company, as required under Companies Act, 2013, Rules made there under and the Listing Agreement, as amended from time to time and as may be required under any other law for the time being in force.

12) Review

The Committee as and when required shall assess the adequacy of this policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.

Annexure-2

AOC-1

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013

Part A: Subsidiaries

S. No	Name of Subsidiary Company	Reporting Period	Reporting Currency & exchange rate, if in foreign subsidiary	Share capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provisions for Taxation	Profit After Taxation	Proposed Dividend	% shareholding
1.	One97 Communications India Limited	April to March	INR	4015,00,000	(43,70,018)	4024,16,379	52,86,398	-	250	46,47,943	(1,00,584)	47,48,527		100%
2.	One97 Communications FZ-LLC	January to December	AED	15,00,000	(41,27,404)	78,26,534	104,53,938	-	27,09,381	70,63,234	-	70,63,234		100%
3.	One97 Communications Nigeria Limited	April to March	NRN	100,00,000	(3369,03,571)	7414,61,041	10683,64,612	-	4385,78,871	2277,23,324	(1041,35,322)	3318,58,646		100%
4.	One97 Communications Singapore Private Limited	April to March	Singapore Dollor SGD	33,56,100	(67,517)	22,76,229	7,51,008	17,63,363	10,69,581	7,12,995	-	7,12,995		100%
5.	One97 (U.S.A.) Inc.	January to December	US Dollar	5,32,000	(2,729)	5,86,166	56,894	-	2,03,557	19,440	5,197	14,243		100%
7.	One97 Communications Tanzania Private Limited	April to March	Tanzanian Shilling TZS	10000,00,000	(4168,20,607)	21221,98,760	15390,19,368	-	12676,53,831	5839,70,409	-	5839,70,409		100%
8.	One97 Communications Rwanda Private Limited	January to December	Rwandan Franc	600,00,000	(799,93,086)	711,70,351	911,63,437	-	-	172,53,697	-	172,53,697		100%
9.	One97 Communications Bangladesh Private Limited	July to June	Bangladeshi Taka BDT	38,76,000	1232,52,965	1609,83,698	338,54,733	-	346,90,232	153,94,626	-	153,94,626		100%
10.	One97 Communications Uganda Limited	July to June	Ugandan Shilling UGX	4920,00,000	(4453,09,872)	13987,83,961	13520,93,834	-	7173,75,008	580,23,395	(307,75,844)	887,99,240		100%
11.	One 97 Malaysia Sdn Bdn	Jan to Dec	Malaysia Ringett	1,00,000	(31,921)	72,508	4,429	-	-	21,592	-	21,592		100%
12.	One 97 Benin SA	Jan to Dec	West African CFA franc XOF	100,00,000	(533,12,811)	2345,54,904	2778,67,714	-	268,55,601	1272,23,706	-	1272,23,706		100%
13.	One 97 Ivory Coast SA	Jan to Dec	West African CFA franc XOF	100,00,000	(219,44,260)	249,00,696	368,44,956	-	-	41,37,295	-	41,37,295		100%
14.	Paytm Labs Inc	April to March	CAD	2,50,100	(57,24,977)	131,73,653	186,48,529	-	-	69,54,650	-	69,54,650		100%
15.	One97 Communications India Limited	April to March	INR	40,15,00,000	(43,31,253)	39,96,76,468	25,07,721	39,90,10,000	5,95,000	(46,09,177)	1,00,584	(47,09,761)	-	100%
16.	Paytm Entertainment Limited	April to March	INR	1,00,000	-	45,000	-	55,000	-	-		-	-	100%

17.	Acumen Game Entertainment Private Limited	April to March	INR	1,00,000	(140)	1,00,000	-	-	-	(140)		(140)	-	100%
18.	Paytm Financial Services Limited	April to March	INR	2,00,00,000	12,14,520	2,12,14,520	-	-	-	12,14,520		12,14,520	-	100%
19.	Paytm Money Limited	April to March	INR	10,00,00,000	(5,10,03,285)	6,56,74,140	1,66,77,425	-	-	(5,10,03,285)		(5,10,03,285)	-	100%
20.	Mobiquest Mobile Technologies Private Limited	April to March	INR	27,45,830	1,94,05,215	99,70,147	8,33,03,340	-	8,44,80,299	(1,40,85,714)		(1,40,85,714)		55%
21.	Xceed IT Solutions Private Limited	April to March	INR	5,00,000	(97,23,806)	7,46,341	46,300	-	-	(17,403)		(17,403)		55%
22.	Wasteland Entertainment Private Limited	April to March	INR	3,29,960	13,15,68,482	9,00,72,178	8,70,97,080	-	9,40,83,106	(6,19,54,473)	11,387	(6,19,65,860)		70%
23.	Urja Money Private Limited	April to March	INR	2,18,60,800	29,94,318	35,34,699	56,71,661	2,01,75,484	29,49,597	(4,25,32,558)	-	(4,25,32,558)		54%
24.	Little Internet Private Limited	April to March	INR	22,38,33,960	3,25,36,15,145	3,53,57,05,818	5,82,56,712	3,27,44,31,359	3,70,46,572	(9,60,82,812)	-	(9,60,82,812)		63%
25.	Nearbuy India Private Limited	April to March	INR	36,98,340	38,13,729	20,11,09,776	19,35,97,709	7,03,00,652	8,02,93,914	(15,88,21,797)	-	(15,88,21,797)		63%

Name of the Subsidiaries which have been liquidated or sold during the year

No subsidiary have been liquidated or sold during the year 2017-18

Part B: Associates and Joint Venture

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Paytm Payment Bank Limited	**Loginext Solutions Private Limited**	**Socomo Technologies Private Limited**	**QorQL Private Limited**
1. Latest audited Balance Sheet Date	March 31, 2018 (Audited)	March 31, 2018 (Unaudited)	March 31, 2018 (Unaudited)	March 31, 2018 (Unaudited)
2. Date on which the Joint Venture was acquired	NA	NA	NA	NA
3. Shares of Associate/Joint Ventures held by the company on the year end				
No.	19,59,04,900	2,79,443	28,800	2,000,000 Compulsorily Convertible Debentures
Amount of Investment in Associates/Joint Venture	INR 1959.049Mn	INR 450.50 Mn	INR 427.89 Mn	INR 20 Mn

Extend of Holding%	49%	31%	11%	32%
4. Description of how there is significant influence	The Company is holding significant stake in the Company.	The Company is holding significant stake in the Company.	The Company is holding significant stake in the Company.	The Company is holding significant stake in the Company.
5. Reason why the Joint Venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6. Networth attributable to Shareholding as per latest audited Balance Sheet	INR 1759.39 Mn	INR 66.5 Mn	INR 331.61 Mn	INR 16 Mn
7. Profit/Loss for the year (Share of Group)				
(i). Considered in Consolidation	INR 227.68 Mn	INR 22.16 Mn	INR 31.56 Mn	0
(ii). Not Considered in Consolidation	Not applicable	Not applicable	Not applicable	Not applicable

The Company does not have any joint venture in terms of the Companies Act, 2013

For One97 Communications Limited

Sd/-
Vijay Shekhar Sharma
Chairman
DIN: 00466521

Sd/-
Vimal Chawla
Company Secretary
M. No. 16746

Sd/-
Madhur Deora
Chief Financial Officer

Sd/-
Vikas Garg
Senior Vice President-Finance

Place: Noida
Date: May 18, 2018

Annexure-3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U72200DL2000PLC108985
Registration Date	22.12.2000
Name of the Company	One 97 Communications Limited
Category/sub category	Company limited by shares/India-non Government Company
Address of registered office of the Company	1st Floor, Devika Tower, Nehru Place, New Delhi – 110019, India, In
Whether Listed Company - Yes/No	No

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S. No.	Name and description of the main product/services	NIC Codes of the Product/Services	% to total turnover of the Company
1.	Payments	63999	66.85
2.	Commerce	63999	22.67
3.	Cloud	63999	10.01
4.	Others	63999	0.47

III. PARTICULAR OF HOLDING, SUBSIDIARY AND ASSOCIATE OF THE COMPANIES

Sr. No.	Name of Subsidiary Company	Address	CIN	Holding/ Subsidiary/ Associate	Percentage of Holding	Applicable Section under the Companies Act, 2013
1.	One97 Communications India Limited	1st floor Devika Towers Nehru place, New Delhi-110019, India. India	U67100DL2010PLC211612	Subsidiary	100%	2(87)
2.	Paytm Entertainment Limited	136, 1st Floor, Devika Tower, Nehru Place, New Delhi-110019, India, India	U74999DL2017PLC321165	Subsidiary	100%	2(87)
3.	Paytm Money Limited	136, 1st Floor, Devika Tower, Nehru Place, New Delhi-110019, India	U72900DL2017PLC323936	Subsidiary	100%	2(87)
4.	Paytm Financial Services Ltd.	136, Ist Floor, Devika Tower, Nehru Place, New Delhi – 110019, India	U65999DL2017PLC315115	Subsidiary	100%	2(87)

5.	Urja Money Private Limited	Ground Floor, Khatau Building, 8, Alkesh Dinesh Mody Marg, Fort Mumbai, Maharashtra-400001	U93000MH2012PTC237284	Subsidiary	54%	2(87)
6.	Wasteland Entertainment Private Limited	242, Floor-G, New Mahalaxmi Silk Mill, HLN Marg, Mathurdas Mill Compound, Delisle Road. Lower Parel, Mumbai. Mumbai City. Maharashtra-400013	U74120MH2015PTC271160	Subsidiary	70%	2(87)
7.	Mobiquest Mobile Technologies Private Limited	F-1/171, Lajpat Nagar-1, Delhi-110024	U22130DL2007PTC158782	Subsidiary	55%	2(87)
8.	Little Internet Private Limited	Nova Miller, Thimmaiah Road, Vasanth Nagar, Bangalore, Karnataka-560052	U72200KA2015PTC080287	Subsidiary	63%	2(87)
9.	Xceed IT Solution Private Limited	F-1/171, Lajpat Nagar-1, Delhi-110024	U72200DL2005PTC139611	Subsidiary	55%	2(87)
10.	Nearbuy India Private Limited	Building No. 22, Mezzanine Floor, Pushp Vihar Commercial Complex, LSC Madangir, New Delhi-110062	U74900DL2010PTC259391	Subsidiary	63%	2(87)
11.	Acumen Game Entertainment Private Limited	136, 1st Floor, Devika Tower, Nehru Place, New Delhi-110019, India	U74999DL2017PTC325912	Subsidiary	55%	2(87)
12.	One97 Communications FZ-LLC	106, First Floor, Building No. 11, Dubai Internet City Dubai, UAE.	Foreign Company	Subsidiary	100%	2(87)
13.	One97 Communications Nigeria Limited	Adol House 15, CIPM Avenue, Alausa, Ikeja – Lagos	Foreign Company	Subsidiary	100%	2(87)
14.	One97 Communications Singapore Private Limited	3 Raffles Place #06-01 Bharat Building Singapore 048617	Foreign Company	Subsidiary	100%	2(87)
15.	One97 (U.S.A.) Inc.	1700, Shattuck Ave, STE353, Berkeley, CA 94709, US	Foreign Company	Subsidiary	100%	2(87)
16.	One97 Communications Tanzania Private Limited *	Office No 17, 2nd Floor, Maktaba Square Business Park, Dar Es Salaam, Tanzania	Foreign Company	Subsidiary	100%	2(87)
17.	One97	Kigali City Tower,	Foreign Company	Subsidiary	100%	2(87)

	Communications Rwanda Private Limited *	Plot No. 6418, 14th Floor, Avenue Du Commerce, Kigali, Rwanda				
18.	One97 Communications Bangladesh Private Limited*	House No.-03, Road No.20, Flat-B3, Gulshan-1, Dhaka-1212	Foreign Company	Subsidiary	100%	2(87)
19.	One97 Communications Uganda Limited*	Plot 1B Kira Road, P.O Box 24544 Kampala, Uganda	Foreign Company	Subsidiary	100%	2(87)
20.	One 97 Malaysia Sdn. Bdn.*	230A, Jalan Bandar 13, Taman Malawati, Kuala Lumpur	Foreign Company	Subsidiary	100%	2(87)
21.	One 97 Benin SA*	Ilot 1108-P, Quartier Agontikon, 01 BP 144, Cotonou Benin, Tel: 21 32 69 33	Foreign Company	Subsidiary	100%	2(87)
22.	One 97 Ivory Coast SA*	Abidjan Cocody Riviera II, Cabinet NBA,04 BP 1502, Abidjan 04, Ivory Coast	Foreign Company	Subsidiary	100%	2(87)
23.	Paytm Labs Inc. *	220 Adelaide Street West Toronto, Ontario, M5H 1W7	Foreign Company	Subsidiary	100%	2(87)

* Subsidiary of One97 Communications Singapore Private Limited

IV. Shareholding Pattern (Equity Share Capital Breakup as % to Total Equity)

(i) Category wise shareholding

Category	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters (1) Indian									
a. Individual/HUF	9,374,106	-	9,374,106	19.95%	9,051,624	-	9,051,624	16.36%	(3.59%)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Bank/FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1) :-	**9,374,106**	**-**	**9,374,106**	**19.95%**	**9,051,624**	**-**	**9,051,624**	**16.36%**	**(3.59%)**
(2) Foreign									
a. NRIs	-	-	-	-	-	-	-	-	-
b. Other	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2) :-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**9,374,106**	**-**	**9,374,106**	**19.95%**	**9,051,624**	**-**	**9,051,624**	**16.36%**	**(3.59%)**
(B) Public Shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign	-	-	-	-	-	-	-	-	-

Venture Capital Fund									
i. other (specify)	-	-	-	-	-	-	-	-	-
	-	-	-	-					
Sub Total (B)(1) :-	-	-	-	-	-	-	-	-	-
2. Non Institution									
a. **Body Corporate**									
i. Indian	3,74,613	7,500	3,82,113	0.81%	3,34,944	7,500	3,42,444	0.62%	(0.19%)
ii. Overseas	3,63,17,920	6,31,432	3,69,49,352	78.63%	4,46,61,596	8,85,417	4,55,47,013	82.33	3.7%
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	73,208	8,903	82,111	0.17%	81,719	1,236	82,955	0.15%	(0.02%)
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,02,971	-	2,02,971	0.43%	1,91,371	1,09,864	3,01,235	0.54%	0.11%
Other (specify)	-	-	-	-	-	-	-	-	
Sub Total (B)(2) :-	**3,69,68,712**	**6,47,835**	**3,76,16,547**	**80.05%**	**4,52,69,630**	**10,04,017**	**4,62,73,647**	**83.64%**	**3.59%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**3,69,68,712**	**6,47,835**	**3,76,16,547**	**80.05%**	**4,52,69,630**	**10,04,017**	**4,62,73,647**	**83.64%**	**3.59%**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**4,63,42,818**	**6,47,835**	**4,69,90,653**	**100%**	**5,43,21,254**	**10,04,017**	**5,53,25,271**	**100%**	-

) **Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	**% of total shares**	**% of share pledged/encumbered to total shares**	**No. of Shares**	**% of total shares**	**% of share pledged/encumbered to total shares**	
1.	**Mr. Vijay Shekhar Sharma**	93,74,106	19.95%	NIL	90,51,624	16.36%	NIL	**(3.59%)**
	Total	**93,74,106**	**19.95%**	**NIL**	**90,51,624**	**16.36%**	**NIL**	**(3.59%)**

i) **Change in Promoters' Shareholding (Please specify, if there is no change)**

S.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
1.	**Vijay Shekhar Sharma**	**No. of Shares**	**% of total shares**	**No. of Shares**	**% of total shares**
	At the beginning of the year	93,74,106	19.95%	90,51,624	16.36%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
Transfer of Shares – 06.10.2017		(3,22,482)		90,51,624	16.36%
At the end of the year		-	-	90,51,624	16.36%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the top 10 Shareholders	Reason of increase/decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of Shares	% of total shares	No. of Shares	% of total shares
1.	**Alipay Singapore E-Commerce Private Limited**					
	At the beginning of the year		1,75,44,525	37.34%	-	-
	Date wise increase/decrease	**No Change during the year**				
	At the end of the year		-	-	1,75,44,525	31.71%*
2.	**SVF India Holding (Cayman) Limited**					
	At the beginning of the year		Nil	Nil	1,13,26,223	20.47%
	At the end of the year				1,13,26,223	20.47%
3.	**M/s. SAIF III Mauritius Company Limited**					
	At the beginning of the year		9,418,078	20.04%	74,91,061	13.54%
	Date wise increase/decrease					
	06.10.2017	Transfer of shares	19,27,017			
	At the end of the year				74,91,061	13.54%
4.	**Alibaba.com Singapore E-Commerce Private Limited**					
	At the beginning of the year		44,28,214	9.42%	-	-
	Date wise increase/decrease	**No Change during the year**				
	At the end of the year		-	-	44,28,214	8%
5.	**SAIF Partners India IV Limited**					
	At the beginning of the year		3,840,082	8.17%	30,54,370	5.52%
	Date wise increase/decrease					
	06.10.2017	Transfer of Shares	7,85,712			

	At the end of the year				30,54,370	5.52%
6.	**Mountain Capital Fund L.P.**					
	At the beginning of the year		6,06,668	1.29%	-	-
	Date wise increase/decrease	**No Change during the year**				
	At the end of the year		-	-	6,06,668	1.10%
7.	**SAIF India V FII Holdings Limited**					
	At the beginning of the year		4,23,300	0.90%	**-**	**-**
	Date wise increase/decrease	**No Change during the year**				
	At the end of the year		**-**	**-**	4,23,300	0.77%
8.	**SAIF Partners India V Limited**					
	At the beginning of the year		558,344	1.19*	3,57,491	0.65%
	Date wise increase/decrease					
	06.10.2017	Transfer of Shares	2,00,853			
	At the end of the year		**-**	**-**	3,57,491	0.65%
9.	**One97 Employees Welfare Trust**					
	At the beginning of the year		364,113	0.79%*	3,26,639	0.59%
	Date wise increase/decrease					
	18.12.2017	Transfer of Shares	37,474			
	At the end of the year		**-**	**-**	3,26,639	0.59%
10.	**Bopu Global Private Equity Investment Portfolio PT LP**					
	At the beginning of the year		Nil	Nil	1,53,985	0.28%
	At the end of the year		**-**	**-**	1,53,985	0.28%

*During the year, the Company raised funds by issuance of equity shares through Private Placement cum preferential basis and under ESOP scheme. Hence, there is a change in the percentage of holding of the shareholders, though there is no actual change in the no. of shares held by them.

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

S.No.	For each of the Directors of the Co-mpany and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	**% of total shares**	**No. of Shares**	**% of total shares**
1.	**Mr. Vijay Shekhar Sharma**				
	At the beginning of the year	93,74,106	19.95%	90,51,624	16.36%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer of Shares – 06.10.2017	(3,22,482)		90,51,624	16.36%
	At the end of the year			90,51,624	16.36%
6.	**Mark Schwartz**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	83,597	0.15%
7.	**Mr. Neeraj Arora**[1]				
	At the beginning of the year	-	-	-	-

[1] Ceased to be a Director with effect from 06.02.2018

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	2500	0.0045%

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year i. Principal Amount ii. Interest due but not paid iii. Interest accrued but not due	Rs. 905,880,712 - Rs (3,171,777)	NIL	NIL	Rs. 905,880,712 - Rs (3,171,777)
Change in Indebtedness during the financial year i. Addition ii. Reduction	Rs 1,513,766,664	-	-	Rs 1,513,766,664
Net Change	Rs 1,513,766,664			Rs 1,513,766,664
Indebtedness at the end of the financial year i. Principal Amount ii. Interest due but not paid iii. Interest accrued but not due	Rs 2,416,475,599 - -	NIL	NIL	Rs 2,416,475,599 - -
Total (i+ii+iii)	**Rs 2,416,475,599**	**NIL**	**NIL**	**Rs 2,416,475,599**

VI. Remuneration of Director and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Vijay Shekhar Sharma	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2)	2,76,62,400 23,37,600	2,76,62,400 23,37,600

	Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2.	Stock Options		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify…		
	Others, please specify		
	Total A	3,00,00,000	3,00,00,000
	Ceiling as per Act		As per rule 7 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 Managerial Personnel eligible to be paid exceeding ceiling under Schedule IV.

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
A: Independent Directors				
1.	Fee for attending board committee meetings	NIL	NIL	NIL
2.	Commission	NIL	NIL	NIL
3.	Others (specify)	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL
B: Other non-executive Directors				
4.	Fee for attending board committee meetings	NIL	NIL	NIL
5.	Commission	NIL	NIL	NIL
6.	Others (specify)	NIL	NIL	NIL
	Total (B)	NIL	NIL	NIL
	Total (A+B)	NIL	NIL	NIL
	Overall ceiling as per Act	-	-	-

C. **Remuneration to Key Managerial Personnel other than MD / Manager /Whole time Director**

S. No	Particulars of Remuneration	Name of KMP				
		Vimal Chawla (Company Secretary)	**Amit Gupta (Company Secretary)**	**Amit Sinha (CFO)***	**Madhur Deora (CFO)****	**Total Amount**
1.	Gross salary (d) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (e) Value of perquisites u/s 17(2) Income-tax Act, 1961 (f) Profits in lieu of salary under section 17(3) Income tax Act, 1961	9,82,143	54,51,997	24,75,765	1,61,84,130	**2,50,94,035**
2.	Stock Options			66,73,786	113,454,310	**12,01,28,096**
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify					
	Others, please specify					
	Total A	9,82,143	54,51,997	91,49,551	12,96,38,440	**14,52,22,131**
	Ceiling as per Act					**Not Applicable**

**from 01.04.2017 to 10.06.2017*
***from 10.06.2017 to 31.03.2018*

VII. Penalties / Punishment/ Compounding of Offences

Type	**Section of the Companies Act, 1956**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD/NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. Companies					
Penalty	**NIL**				
Punishment					
Compounding					
B. Directors					
Penalty	**NIL**				
Punishment					
Compounding					
C. Other Officers in default					
Penalty	**NIL**				
Punishment					
Compounding					

Annexure 4

AOC-2

Details of Related Party Transactions-

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)-

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	There were no transaction or arrangement which were not at arm's length basis
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

Details of material contracts or arrangements or transactions at Arm's length basis:

Name (s) of the related party & nature of relationship	**Nature of contracts/arrangements/transaction**	**Duration of the contracts/arrangements /transaction**	**Salient terms of the contracts or arrangements or transaction including the value, if any Amounts In INR**	**Date of approval by the Board**	**Amount paid as advances, if any**
AGtech Holdings Limited and Acumen Game Entertainment Private Limited	Business Cooperation Agreement ("BCA")	Providing of Customer Access Services, the Payment Services, the Consultancy Services, the Technical Support Services, the Co-Sharing Services and any other Additional Services by OCL to Acumen with regard to various games, including but not limited to games of skill, games of chance, mobile games, lottery games, quizzes, card games and event guessing.	**CAS Fees** - In consideration of One97 providing the Customer Access Services to Acumen, it shall pay the CAS Fees to One97. **PG Fees** - One97 shall provide the Payment Services to the Recipient in consideration for the PG Fees.	24.07.2017	

		In order to assist with the operation of the Acumen's business from time to time to further the objectives of the Joint Venture Agreement, One97 and AGtech have agreed to provide or procure the provision of the Services as defined in the BCA, to Acumen on the terms and conditions set out in BCA. BCA shall become effective from the Commencement Date, and shall be valid for an initial period of 3 (three) years thereafter.			
Acumen Game Entertainment Private Limited	Business Transfer Agreement ("BTA")	Business Transfer Agreement for transfer of online gaming business being operated through the One97 Gaming Platforms, as carried on or powered by One97 as on date and the Completion Date together with all Assets and Assumed Liabilities pertaining thereto, and which are not solely being charged through the telecom network on a slump sale basis. The termination shall be as per the agreed terms & conditions of BTA.	The Consideration for the transfer of the Transferred Undertaking as a going concern on a slump sale basis shall be as per agreed terms & conditions of BTA.	24.07.2017	

Annexure-5

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
One97 Communications Limited
(U72200DL2000PLC108985)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **One97 Communications Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(not applicable)**
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment,
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015'), **(not applicable)**
  b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(not applicable)**
  c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(not applicable)**
  d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable)**
  e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable)**
  f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable)**

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **(not applicable)**
h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable)**; and
i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable)**

(vi) We, based upon the Management Representation, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the following pertinent laws, rules, regulations and guidelines:-

a) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of Employee State Insurance Act, 1948;
b) The Reserve Bank of India Act, 1934;
c) The Negotiable Instrument Act, 1881
d) Workmen Compensation Act, 1923, Equal Remuneration Act, 1976 and all other allied labour laws, as informed / confirmed to us;
e) Income Tax Act 1961 and Direct Taxes (Service Tax, Central Sales Tax and Value Added Tax);
f) Prevention of Money Laundering Act 2002;
g) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
h) And other applicable Acts and Rules applicable to the Company.

However, our Report does not in any manner comment upon the compliance of the above mentioned laws and also not being qualified thereto.

We have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by the Institute of Company Secretaries of India and
(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) **(not applicable)**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has been generally regular in filing all the forms required to be filed with Registrar of Companies ("ROC") under the Companies Act..

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where shorter notice was given to call meeting of the Board, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following events:

a) That the Company has passed Special Resolution on May 24, 2017 to execute and perform its obligations under the business transfer agreement, and to transfer its e-wallet operations to Paytm Payments Bank Limited ("Transferee") on a going concern basis by way of slump sale, for a consideration of a sum of Rs. 650,000,000 (Rupees Six Hundred Fifty Million) to be paid by the Transferee.

b) That the Company has passed Special Resolution on August 3, 2017 to issue and allot, on a preferential basis, 1,618,032 (one million six hundred eighteen thousand thirty two) equity shares of the face value of Rs. 10 (ten rupees) per share at a premium of Rs. 7848.01 (seven thousand eight hundred rupees forty eight and one paise only) per share as fully paid-up to SB Investment Holdings (UK) Limited in accordance with the Act.

c) That the Company has passed Special Resolution on November 03, 2017 to issue and allot, on a preferential cum private placement basis, 6,472,127 (six million four hundred seventy two thousand one hundred and twenty seven) equity shares having par value of Rs. 10 (ten rupees only) per share and at a share premium of Rs. 7978.79 (Seven thousand nine hundred seventy eight and seventy nine paise) per share, as fully paid-up, to SVF India Holdings (Cayman) Limited in accordance with the Act.

d) That the Company has altered Memorandum and Articles of Association in accordance with the Act.

For PI & Associates,
Company Secretaries

Sd/-
Nitesh Latwal
(Partner)
ACS No.: A32109
C P No.: 16276

Date: 19th July, 2018
Place: New Delhi

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
One97 Communications Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

Sd/-
Nitesh Latwal
(Partner)
ACS No.: A32109
C P No.: 16276
Date: 19th July 2018
Place: New Delhi

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
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INDEPENDENT AUDITOR'S REPORT

To the Members of One97 Communications Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of One97 Communications Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

S.R. Batliboi & Associates LLP

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the 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, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

S.R. Batliboi & Associates LLP *

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Yogender Seth
Partner
Membership Number: 94524
Place of Signature: Noida
Date: 18 May 2018

S.R. Batliboi & Associates LLP

Annexure 1 referred to in paragraph (1) of report on the other legal & regulatory requirement of our report of even date
Re: One97 Communications Limited ("the Company")

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services provided by the Company.

vii. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, value added tax, cess and other statutory dues applicable to it.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and services tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

S.R. Batliboi & Associates LLP

ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

xi. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 / Rule 7(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 since the remuneration has been paid after fulfilling the conditions specified in the said Rule.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given by the management, the Company has complied with provisions of Section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

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S.R. Batliboi & Associates LLP

xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Yogender Seth
Partner
Membership Number: 94524
Place of Signature: Noida
Date: 18 May 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ONE97 COMMUNICATIONS LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of One97 Communications Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

S.R. Batliboi & Associates

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP

per Yogender Seth
Partner
Membership Number: 94524
Place of Signature: Noida
Date: 18 May 2018

One97 Communications Limited
Balance Sheet as at March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	154.19	128.59
Capital work in progress		18.49	71.51
Intangible assets	4	11.91	12.62
Intangible assets under development		1.03	0.38
Investment in subsidiaries	5	400.27	42.09
Investment in associates	6	180.55	260.21
Financial assets			
Investments	7(a)	206.73	64.05
Security deposits	7(b)	32.16	13.05
Others	7(c)	243.64	302.32
Income tax asset		279.00	114.54
Prepayments		16.09	11.26
Other non current assets	9	37.61	0.76
		1,581.67	**1,021.36**
Current assets			
Financial assets			
Investments	7(a)	4,399.97	290.17
Trade receivables	8	504.76	92.71
Cash and cash equivalents	10(a)	261.99	534.50
Bank balances other than cash and cash equivalents	10(b)	24.93	22.47
Security Deposits	7(b)	4.11	0.70
Others	7(c)	1,109.56	1,633.54
Prepayments		50.61	16.94
Other current assets	9	618.67	275.89
		6,974.60	**2,866.92**
TOTAL ASSETS		**8,556.27**	**3,888.28**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	55.32	46.99
Instruments entirely equity in nature	11	173.63	-
Other equity		7,346.60	2,328.64
Total equity		**7,575.55**	**2,375.63**
Non-current liabilities			
Provisions	12	29.45	12.91
		29.45	12.91
Current liabilities			
Financial liabilities			
Borrowings	13(a)	241.65	90.27
Trade payables	13(b)	426.35	221.62
Others	13(c)	227.84	1,147.50
Other current liabilities	14	47.85	38.03
Provisions	12	7.58	2.32
		951.27	1,499.74
Total Liabilities		**980.72**	**1,512.65**
TOTAL EQUITY AND LIABILITIES		**8,556.27**	**3,888.28**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

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

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Madhur Deora
Chief Financial Officer

Vimal Chawla
Company Secretary

Vikas Garg
Senior Vice President - Finance

One97 Communications Limited
Statement of Profit and Loss for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing operations			
Income			
Revenue from operations	15	2,987.41	598.33
Other income	16	247.16	166.26
Total income*		**3,234.57**	**764.59**
*excluding Revenue from operations of discontinued operations for the year ended INR 30.39 (March 31, 2017 : INR 393.94)			
Expenses			
Employee benefits expense	17	540.06	323.92
Finance costs	18	27.74	4.42
Depreciation and amortization expense	19	68.92	39.05
Other expenses	20	4,081.78	1,579.75
Total expenses*		**4,718.50**	**1,947.14**
*excluding expenses of discontinued operations for the year ended INR 35.64 (March 31, 2017 : INR 678.69)			
Loss before exceptional items and tax from continuing operations		**(1,483.93)**	**(1,182.55)**
Exceptional items	21	(2.30)	591.32
Loss before tax from continuing operations		**(1,486.23)**	**(591.23)**
Tax expense			
Current tax		-	-
Tax expense related to earlier periods		(1.01)	3.65
		(1.01)	**3.65**
Loss for the year from continuing operations		**(1,485.22)**	**(594.88)**
Loss for the year from discontinued operations		**(5.25)**	**(284.75)**
Loss for the year		**(1,490.47)**	**(879.63)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-mesurement gains/ (losses) on defined benefit plans		(0.76)	0.14
Net gain/(loss) on FVTOCI instruments		-	(6.66)
Total other comprehensive income/(loss) for the year		**(0.76)**	**(6.52)**
Total comprehensive income/(loss) for the year		**(1,491.23)**	**(886.15)**
Basic & Diluted Earnings per share for continuing operations (INR per Share)	22	(294.79)	(128.79)
Basic & Diluted Earnings per share for discontinued operations (INR per Share)	22	(1.04)	(61.65)
Basic & Diluted Earnings per share for continuing and discontinued operations (INR per Share)	22	(295.83)	(190.44)

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

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

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Vimal Chawla
Company Secretary

Vikas Garg
Senior Vice President - Finance

Madhur Deora
Chief Financial Officer

One97 Communications Limited
Statement of Changes in Equity for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

a) Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of Shares (in crores)	INR (in crores)
At April 1, 2016*	**4.59**	**46.23**
Shares issued during the year	0.06	0.62
Shares issued during the year - ESOP	0.01	0.14
At March 31, 2017*	**4.66**	**46.99**
Shares issued during the year	0.81	8.09
Shares issued during the year - ESOP	0.02	0.24
At March 31, 2018*	**5.49**	**55.32**

* Net of treasury shares 326,639 (March 31, 2017: 364,113) at nil cost through employee welfare trust

b) Instruments entirely equity in nature (refer note 11 (e))

Obligation to issue fixed number of shares	INR (in crores)
At April 1, 2016	-
Changes during the year	-
At March 31, 2017	-
Changes during the year	173.63
At March 31, 2018	**173.63**

c) Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus			Items of OCI	Total
		Security Premium	Retained earnings	ESOP Reserve	FVTOCI reserve	
As at April 1, 2016	**0.01**	**4,478.97**	**(1,734.80)**	**26.53**	-	**2,770.71**
Loss for the year	-	-	(879.63)	-	-	(879.63)
Other Comprehensive income	-	-	(2.97)	-	(3.54)	(6.51)
Total comprehensive income	-	-	**(882.60)**	-	**(3.54)**	**(886.14)**
Exercise of share options	(0.01)	-	-	-	-	(0.01)
Adjustment on forfeiture of vested ESOP	-	-	0.14	(0.14)		-
Share based payment expenses	-	-	-	44.82	-	44.82
Receipt of share application money	0.22	-	-	-	-	0.22
Amount received on issue of shares	-	402.97	-	-	-	402.97
Amount utilised for share issue expenses	-	(3.93)	-	-	-	(3.93)
Amount transferred to security premium on exercise of options	-	5.27	-	(5.27)	-	-
As at March 31, 2017	**0.22**	**4,883.28**	**(2,617.26)**	**65.94**	**(3.54)**	**2,328.64**
Loss for the year	-	-	(1,490.47)	-	-	(1,490.47)
Other Comprehensive income	-	-	(0.76)	-	-	(0.76)
Total comprehensive income	-	-	**(1,491.23)**	-	-	**(1,491.23)**
Exercise of share options	(0.22)	-	-	-	-	(0.22)
Adjustment on forfeiture of vested ESOP	-	-	3.10	(3.10)	-	-
Share based payment expenses	-	-	-	77.26	-	77.26
Receipt of share application money	0.05	-	-	-	-	0.05
Amount received on issue of shares	-	6,435.46	-	-	-	6,435.46
Amount utilised for share issue expenses	-	(6.89)	-	-	-	(6.89)
Amount transferred to security premium on exercise of options	-	12.38	-	(12.40)	-	(0.02)
Other adjustments	-	-	3.55	-	-	3.55
As at March 31, 2018	**0.05**	**11,324.23**	**(4,101.84)**	**127.70**	**(3.54)**	**7,346.60**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

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

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Madhur Deora
Chief Financial Officer

Vimal Chawla
Company Secretary

Vikas Garg
Senior Vice President - Finance

One97 Communications Limited
Statement of Cash Flow for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

	March 31, 2018	March 31, 2017
Cash flow from operating activities:		
Loss before tax from continuing operations	(1,486.23)	(591.23)
Loss before tax from discontinued operations	(5.25)	(284.75)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	68.92	39.05
Interest income	(73.97)	(30.97)
Interest cost	18.39	3.68
Trade receivables/Advance written off	0.34	-
Provision for doubtful advances	2.87	0.62
Provision for Impairment of trade receivables	30.36	12.00
Gain on sale of wallet business (refer note 32)	(62.99)	-
Gain on sale of marketplace business (refer note 32)	-	(591.32)
Provision for impairment of investments in associates	65.29	-
Fixed assets written off	0.11	0.22
Rent equalisation reserve	0.18	(0.10)
Share based payment expenses	72.47	44.83
Provision for employee incentive	37.70	2.64
Fair value gain on financial instruments at FVTPL	(166.03)	(129.83)
Gain on sale of property, plant and equipment	(0.47)	(0.63)
Operating loss before working capital changes	**(1,498.31)**	**(1,525.79)**
Working capital adjustments:		
Increase/(decrease) in trade payables	226.62	(116.59)
Increase in other current liabilities	9.82	13.78
Increase/(decrease) in other financial liabilities	(953.82)	888.89
(Increase)/decrease in trade receivables	(445.62)	6.25
(Increase)/decrease in other financial assets	688.46	(969.05)
(Increase)in other current assets	(379.34)	(66.90)
(Increase) in prepayments	(38.51)	(13.53)
(Increase) in security deposits	(22.54)	(6.88)
Cash used in operations	**(2,413.24)**	**(1,789.82)**
Income tax paid	(164.46)	(42.02)
Cash used in operating activities (A)	**(2,577.70)**	**(1,831.84)**
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets, work in progress and capital advances	(41.98)	(115.13)
Proceeds from sale of property, plant and equipment	0.64	0.63
Investment in bank deposits (having original maturity of more than 12 months)	(117.63)	(89.44)
Investment in bank deposits (having original maturity of more than three months but less	(75.54)	(15.89)
Maturity of bank deposits (having original maturity of more than 12 months)	74.49	23.39
Maturity of bank deposits (having original maturity of more than three months but less than	73.08	20.04
Investments in non current investments	(345.10)	(203.48)
Sale of Non current Investment	78.26	-
Investments in current investments	(10,302.74)	(1,177.00)
Proceeds from sale of current investments	6,317.68	3,203.93
Interest received	74.30	28.87
Cash generated/ (used) in investing activities (B)	**(4,264.54)**	**1,675.92**
Cash flow from financing activities		
Proceeds from issue of share capital	8.33	403.73
Share Premium received on issue of share capital	6,435.48	-
Share issue expenses	(6.89)	(3.93)
Share application money received during the year	0.05	0.21
Share application money utilised during the year	(0.22)	-
Interest paid	(18.39)	(3.68)
Proceeds/(repayments) from secured loans	(23.65)	23.65
Cash generated from financing activities (C)	**6,394.71**	**419.98**
Net decrease in cash and cash equivalents (A+B+C)	**(447.53)**	**264.06**
Cash and cash equivalent at the beginning of the year	467.87	203.81
Cash and cash equivalent at the end of the year (refer note 10 (a))	**20.34**	**467.87**

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No. 94524
Place: Noida
Date: 18 May 2018

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

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Vimal Chawla
Company Secretary

Madhur Deora
Chief Financial Officer

Vikas Garg
Senior Vice President - Finance

One97 Communications Limited

1. Corporate information

One97 Communications Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 ("the Act"). The registered office of the Company is located at 1st Floor, Devika Tower, Nehru Place, New Delhi - 110019. The principal place of business of the Company is in India.

The Company is in the business of providing payment services primarily as payment facilitator and providing voice and messaging platforms to the telecom operators and enterprise customers.

Till May 22, 2017 the Company was in the business of issuing and operating semi-closed wallet (e-wallet operations) under Prepaid Payment Instruments (PPI) licence granted by RBI. On May 23, 2017 the Company has transferred its e- wallet operations to Paytm Payments Bank Limited on a going concern basis. With effect from March 27, 2017, the Company transferred Physical Goods Marketplace Business to Paytm E-Commerce Limited.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 18, 2018.

2. Significant accounting policies

2.1 Basis of preparation

These standalone financial statements ("Financial Statements") of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) which have been measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the financial statements are presented in Indian Rupees ('Rupees' or 'Rs.' or 'INR') and are rounded to the nearest crores up to two decimal places, except per share data and unless stated otherwise.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at

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least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities, are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates i.e. the "functional currency". The Company's Financial Statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency at exchange rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or statement of profit and loss, are also recognised in OCI or statement of profit and loss, respectively).

c. Fair value measurement

The Company measures certain financial instruments (e.g. investments) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liabilities takes place either in the principal market for the asset or liability or in absence of principal market, in the most advantageous market for the asset or liability.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements 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 (Unadjusted) marked prices in the active markets for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management or its expert verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

d. Revenue recognition

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. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. Where the Company acts as an agent for selling goods or services, only the commission income is included within revenue. The specific revenue recognition criteria described below must also be met before revenue is recognized.

Sale of mobile value added services

Revenue from services is recognized by reference to stage of completion as and when services are rendered as per the terms of the agreement with customer. Revenues are disclosed net of the service tax charged on such services. In terms of the contract, excess of revenue over the billed at the year-end is carried in the Financial Statement as unbilled revenue.

Commission

The Company facilitates recharge of talk time, bill payments and availability of bus tickets and earns commission for the respective services. Commission income is recognized when the services have been provided by the Company.

Service fees

The Company earns service fee from merchants and recognizes such revenue when the services have been provided by the Company. Such service fee is generally determined as a percentage of transaction value executed by the merchants. Amount received by the Company pending settlement are disclosed as Payable to the merchants under Current Liabilities. Service fee also includes Royalty charged to customers for providing brand and technical support. Such fee is determined as a percentage of transaction value executed by the customers.

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Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Payments of tax as per Minimum Alternative Tax (MAT), if any is included as part of current tax in statement of profit and loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax

Credit of MAT is recognised as deferred tax asset only when it is probable that taxable profit will be available against which the credit can be utilised. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Company will pay normal income tax during the specified period.

Taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST/value added/ service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or disclosed separately in statement of profit and loss, as applicable, or
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f. Non-current assets held for sale and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal Company is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal Company to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal Company) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations or
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 32. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

g. Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and capital work-in-progress recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and capital work-in-progress.

Property, Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

Subsequent costs are capitalized on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work in progress'.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.

Depreciation is provided using the written down value method and charged to statement of profit and loss as per the rates prescribed under schedule II of the Companies Act, 2013, given below:

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Assets	**Rate of Depreciation (per annum)**
Servers and networking equipment (Computers)	39.30%
Laptops and desktops (Computers)	63.16%
Office equipment	45.07%
Furniture and fittings	25.89%
Vehicles	31.23%

Leasehold improvements are depreciated over lower of the period of the lease and useful life.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Separately acquired intangible assets, such as software are measured initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets with finite useful lives are carried at cost and are amortised on a written down value basis over their estimated useful lives and charged to statement of profit and loss.

Other Software and licenses acquired are amortized at the rate of 40% per annum on written down value method.

The amortization period and the amortization method are reviewed at least at each financial year end. 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. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale

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- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the 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 any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to five years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Impairment of non-financial assets

For all non-financial assets, the Company assesses whether there are indicators of impairment. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount for an asset or CGU is the higher of its value in use and fair value less costs of disposal. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount the asset is considered impaired and the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

In assessing value in use, the estimated future cash flows of the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or

CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

k. Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

l. Retirement and other employee benefits

For defined benefit plans (gratuity), obligations are measured at discounted present value (using the projected unit credit method) whilst plan assets are recorded at fair value. The operating and financing costs of such plans are recognised separately in the statement of profit and loss; service costs are spread systematically over the expected service lives of employees and financing costs are recognised in the periods in which they arise. Re-measurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company's contributions to defined contribution plans (provident fund) are recognized in profit or loss when the employee renders related service. The Company has no further obligations under these plans beyond its periodic contributions.

The Company provides for liability at year end on account of un-availed earned leave as per actuarial valuation using projected unit credit method.

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m. Share-based payments

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Stock Option Plan (ESOP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The Company has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. The Company uses EWT as a vehicle for distributing shares to employees under the ESOP schemes. The EWT holds shares of the Company, for giving shares to employees. The Company treats EWT as its extension and shares of the Company held by EWT are treated as treasury shares. Other assets held by EWT are consolidated on a line-by-line basis with Company's Financial Statements. Shares of other companies held by EWT are separately disclosed under investments.

n. Financial instruments

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

Financial assets

Initial recognition and measurement

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

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Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables and is most relevant to the Company.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company 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 EIR.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. For the financial assets measured as at amortised cost ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, including bank overdrafts.

Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

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Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

Offsetting of financial instruments

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

o. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Payments made under operating leases are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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q. Earnings/ (loss) per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders 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 by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

r. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other reserve.

s. Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

t. Standards issued but not yet effective

The standards issued, but not yet effective up the date of issuance of the Company's financial statements is disclosed below.

IND AS 115 Revenue from contracts with customers

IND AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
The new revenue standard will supersede all current revenue recognition requirement under IND AS. In March 2016, the Ministry of Corporate Affairs in India, issued amendments to IND AS 115, deferring the adoption of the standard to accounting period commencing on or after April 1, 2018. The Company has not yet selected a transition method and is evaluating the impact of IND AS 115 on the financial statements.

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Ind AS 116 Lease

IND AS 116 was issued in July 2017 on Leases and will replace the existing leases Standard, IND AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of IND AS 116 is annual periods beginning on or after April 1, 2019 though early adoption is permitted for companies applying IND AS 115. The Company is currently assessing the impact of adopting IND AS 116 on the Company's financial statements.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.
The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company has not classified any associate or joint venture as held for sale, the Company does not expect any effect on its standalone financial statements

Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

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Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

i. The beginning of the reporting period in which the entity first applies the Appendix, or
ii. The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

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(Amounts in INR crores, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Furniture and Fittings	Leasehold Improvements	Vehicles	Office Equipments	Total
Gross block						
As at April 1, 2016	60.25	3.89	15.12	0.80	7.62	87.68
Additions	91.12	0.63	4.29	-	3.32	99.36
Discontinued Operation (Refer note 32)	3.84	-	-	-	-	3.84
Deductions/Disposals	6.90	-	-	-	0.04	6.94
As at March 31, 2017	**140.63**	**4.52**	**19.41**	**0.80**	**10.90**	**176.26**
As at April 1, 2017	140.63	4.52	19.41	0.80	10.90	176.26
Additions	77.00	1.49	5.32	0.67	4.90	89.38
Deductions/Disposals	4.08	-	-	-	0.03	4.11
As at March 31, 2018	**213.55**	**6.01**	**24.73**	**1.47**	**15.77**	**261.53**
Depreciation / amortisation						
As at April 1, 2016	19.33	0.74	1.22	0.15	1.18	22.62
For the period	27.86	0.87	2.20	0.20	3.07	34.20
Discontinued Operation (Refer note 32)	2.66	-	-	-	-	2.66
Deletions / adjustments	6.46	-	-	-	0.03	6.49
As at March 31, 2017	**38.07**	**1.61**	**3.42**	**0.35**	**4.22**	**47.67**
As at April 1, 2017	38.07	1.61	3.42	0.35	4.22	47.67
For the period	55.79	0.96	2.53	0.17	3.65	63.10
Deletions / adjustments	3.42	-	-	-	0.01	3.43
As at March 31, 2018	**90.44**	**2.57**	**5.95**	**0.52**	**7.86**	**107.34**
As at March 31, 2018	**123.11**	**3.44**	**18.78**	**0.95**	**7.91**	**154.19**
As at March 31, 2017	**102.56**	**2.91**	**15.99**	**0.45**	**6.68**	**128.59**

4. Intangible assets

Particulars	Software	Internally Generated Software	Total
Gross block			
As at April 1, 2016	16.96	0.11	17.07
Additions	7.10	-	7.10
Discontinued Operation (Refer note 32)	1.73	-	1.73
Deductions/Disposals	-	-	-
As at March 31, 2017	**22.33**	**0.11**	**22.44**
As at April 1, 2017	22.33	0.11	22.44
Additions	5.11	-	5.11
Deductions/Disposals	-	-	-
As at March 31, 2018	**27.44**	**0.11**	**27.55**
Depreciation / amortisation			
As at April 1, 2016	4.48	0.10	4.58
For the year	5.96	0.00	5.96
Discontinued Operation (Refer note 32)	0.72	-	0.72
Deletions / adjustments	-	-	-
As at March 31, 2017	**9.72**	**0.10**	**9.82**
As at April 1, 2017	9.72	0.10	9.82
For the year	5.82	-	5.82
Deletions / adjustments	-	-	-
As at March 31, 2018	**15.54**	**0.10**	**15.64**
Net block			
As at March 31, 2018	**11.90**	**0.01**	**11.91**
As at March 31, 2017	**12.61**	**0.01**	**12.62**

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5. Investment in subsidiaries

	As at March 31, 2018	As at March 31, 2017
Unquoted equity shares		
One97 Communications Nigeria Limited 1,000,000 (March 31, 2017: 1,000,000) equity shares of NGN 10 each	0.30	0.30
One97 Communications FZ LLC 1,500 (March 31, 2017 1,500) equity shares of AED 1000 each	2.08	2.08
One97 Communications India Limited 40,150,000 (March 31, 2017 22,250,000) equity shares of INR10 each	40.15	22.25
One97 Communications Singapore Private Limited 3,356,100 (March 31, 2017 : 3,356,100) equity shares of SGD 1 each	18.89	14.14
One97 USA Inc 532,000 (March 31, 2017 : 532,000) equity shares of USD 1 each	3.32	3.32
Paytm Financial Services Limited 2,000,000 (March 31, 2017 : Nil) equity shares of face value of INR 10 each	2.00	-
Paytm Entertainment Limited 10,000 (March 31, 2017 : Nil) equity shares of face value of INR 10 each	0.01	-
Paytm Money Limited 10,000,000 (March 31, 2017 : Nil) equity shares of face value of INR 10 each	10.00	-
Wasteland Entertainment Private Limited* 22,996 (March 31, 2017 : Nil) equity shares of INR 10 each	35.00	-
Urja Money Private Limited* 1,173,580 (March 31, 2017 : Nil) equity shares of INR 10 each	6.00	-
Mobiquest Mobile Technologies Private Limited* 115,035 (March 31, 2017 Nil) equity shares of INR 10 each	8.04	-
Little Internet Private Limited# 13,477,263 (March 31, 2017 : Nil) equity shares of face value of INR 10 each	257.15	-
Unquoted Compulsorily Convertible Preference shares		
Mobiquest Mobile Technologies Private Limited* 35,710 (March 31, 2017 Nil) compulsory convertible preference shares of INR 10 each	2.17	-
Little Internet Private Limited# 520,000 (March 31, 2017 : Nil) Compulsorily Convertible Preference shares of face value of INR 10 each	15.16	-
	400.27	42.09

6. Investment in associates

	As at March 31, 2018	As at March 31, 2017
Unquoted equity shares		
Paytm Payments Bank Limited 156,003,900 (March 31, 2017 : 85,003,900) equity shares of INR 10 each	156.00	85.00
Unquoted Compulsorily Convertible Preference shares		
Loginext Solutions Private Limited** 279,443 (March 31, 2017 : 279,443) Compulsorily Convertible Preference share of face value of INR 10 each	22.55	45.05
Socomo Technologies Private Limited** 28,800 (March 31, 2017 : 28,800) Compulsorily Convertible Preference share of face value of INR 1 each	-	42.79
Indi Yuva Limited Nil (March 31, 2017 : 1,190,476) Compulsorily Convertible Preference share of face value of USD 0.01 each	-	0.08
Little Internet Singapore Pte. Limited Nil (March 31, 2017 : 4,608,917) Compulsorily Convertible Preference share of face value of USD 0.01 each	-	33.29
Little Internet Private Limited# Nil (March 31, 2017 : 520,000) Compulsorily Convertible Preference share of face value of INR 10 each	-	52.00
Unquoted Compulsorily Convertible Debenture		
QorQL Private Limited 2,000,000 (March 31, 2017 : 2,000,000) Compulsorily Convertible Debentures of INR 10 each	2.00	2.00
	180.55	260.21

* Investments acquired during the year.

** Net of provision for impairment amounting to INR 22.50 (March 31, 2017 : Nil) and INR 42.79 (March 31, 2017 : Nil) respectively for Loginext Solutions Private Limited and Socomo Technologies Private Limited respectively.

\# Converted to Investment in subsidiary during the year ended March 31, 2018.

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7. Financial assets

a) Investments

	As at March 31, 2018	As at March 31, 2017
Investments at fair value through OCI		
Unquoted equity shares		
Ciqual Limited## 127,489 (March 31, 2017 127,489) equity shares of GBP 0.01 each	-	-
Highorbit Careers Private Limited 235 (March 31, 2017 : 235) equity shares of INR 10 each	0.36	0.36
ZEPO Technologies Private Limited 3,458 (March 31, 2017 : 3,458) Equity shares of face value INR 10 each	2.28	2.76
Pilani Experts Technology Labs Private Limited 1,277 (March 31, 2017 : 1277,) equity shares of INR 10 each	0.49	0.49
Red Pixels Ventures Limited 1,093 (March 31, 2017 : 1,093) Equity shares of face value INR 10 each	0.44	0.53
	3.57	**4.14**
Investments at fair value through Profit and loss		
Unquoted Compulsorily Convertible Preference shares		
Raining Clouds Tech Private Limited## 3,620 (March 31, 2017 : 3,620) Redeemable Convertible Preference Shares of INR 10 each	-	-
Busy Bees Logistics Solution Private Limited 18,121 (March 31, 2017 : 18,121) Compulsorily Convertible Preference share of face value of INR 10 each	48.58	52.34
Avenues Payments India Private Limited 11,379 (March 31, 2017 : Nil) Compulsorily Convertible Preference share of face value of INR 100 each	7.00	-
Paytm E-commerce Private Limited 11,276 (March 31, 2017 : 17,537) Equity shares of face value INR 10 each held by Employee Welfare Trust	45.13	7.57
Debentures (unquoted)		
Ciqual Limited## 27,876,274 (March 31, 2017 : 27,876,274) Convertible Loan Notes of GBP 0.01 each#	-	-
Mutual Funds (Quoted)		
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan 20,294,811 units (March 31, 2017 :Nil units)	566.86	-
Aditya Birla Sun Life Floating Rate Fund - Long Term - Growth-Direct 14,398,760 units (March 31, 2017 :Nil units)	310.04	-
Aditya Birla Sun Life Savings Fund - Growth - Direct Plan 7,457,811 units (March 31, 2017 :Nil units)	256.49	-
Birla Sun Life Short Term Fund - Growth-Direct Plan Nil units (March 31, 2017 :10,079,633 units)	-	63.04
DSP BlackRock Liquidity Fund-Direct Plan-Growth 146,000 units (March 31, 2017 :4,750 units)	36.29	1.10
HDFC Floating Rate Income Fund Short -Direct Plan - Wholesale Growth Option 33,850,370 units (March 31, 2017 :Nil units)	102.85	-
HDFC Liquid Fund - Direct Plan-Growth 2,316,075 units (March 31, 2017 :Nil units)	793.00	-
HDFC Short Term Opportunities Fund- Direct Plan - Growth Nil units (March 31, 2017 :56,931,494 units)	-	103.05
ICICI Prudential Flexible Income - Direct Plan - Growth 1,670,459 units (March 31, 2017 :Nil units)	55.94	-
ICICI Prudential Liquid - Direct Plan - Growth 22,141,137 units (March 31, 2017 :Nil units)	568.99	-
ICICI Prudential Liquid Regular Plan Growth 45,932 units (March 31, 2017 :45,932 units)	1.18	1.10
ICICI Prudential Ultra Short Term - Direct Plan - Growth Nil units (March 31, 2017 :33,083,814 units)	-	56.61
IDFC Cash Fund Growth Direct Plan 352,191 units (March 31, 2017 :Nil units)	74.32	-
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option 208,025 units (March 31, 2017 :164,477 units)	88.20	65.25

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Reliance Medium Term Fund Direct Plan Growth 68,389,527 units (March 31, 2017 :Nil units)	254.42	-
Reliance Money Manager Fund Direct Plan Growth 1,051,459 units (March 31, 2017 :Nil units)	256.42	-
SBI Magnum Insta Cash Fund - Direct Plan - Growth 27,156 units (March 31, 2017 :Nil units)	10.44	-
SBI Premier Liquid Fund - Direct Plan - Growth 77,954 units (March 31, 2017 :Nil units)	21.24	-
UTI-Treasury Advantage Fund-Institutional Plan-Direct Plan-Growth 1,061,933 units (March 31, 2017 :Nil units)	256.30	-
Investments at amortised cost		
Debt instruments (unquoted)		
Kotak Mahindra Prime Ltd 8.019% NCD 29 Jan 2019 150 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	15.03	-
Kotak Mahindra Prime Ltd 8.70% NCD 10 Aug 2018 100 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	10.49	-
Kotak Mahindra Prime Ltd 8.03% NCD 14 Feb 2019 500 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	50.16	-
Kotak Mahindra Investments Ltd 8.10% CP 21 Feb 2019 4000 (March 31, 2017 : Nil) Commercial Papers of INR 500,000 each	185.05	-
HDFC 7.40% NCD 22 Nov 2018 175 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 10,000,000 each	177.49	-
HDFC 0% ZCB 30 Oct 2018 1000 (March 31, 2017 : Nil) Zero Coupon Bonds of INR 1,000,000 each	150.07	-
LIC Housing Finance Limited 9.65% NCD 25 Mar 2019 250 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	27.61	-
LIC Housing Finance Limited 9.7624% NCD 8 Mar 2019 250 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	25.33	-
LIC Housing Finance Limited 8.70% NCD 17 Dec 2018 500 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	53.61	-
Tata Capital Financial Services Limited 8.20% NCD 8 Mar 2019 500 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	52.15	-
LIC Housing Finance Limited 7.085% NCD 23 Apr 2019 1000 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	102.45	-
	4,603.13	**350.08**
Total investments	**4,606.70**	**354.22**
Current	4,399.97	290.17
Non-Current	206.73	64.05
	4,606.70	**354.22**
Aggregate book value of unquoted investments	**953.72**	**64.05**
Aggregate book value of quoted investments	**3,652.98**	**290.17**

Note :
ICICI Prudential Liquid Plan - Growth is marked under lien by banks for guarantees amounting to INR 0.70 (March 31, 2017 INR 0.77) issued against various contracts.

Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities. Refer note 30 for determination of their fair values.

Financial instruments at fair value through profit or loss reflect the positive change of INR 33.23 (31 March 2017: 20.67) in fair value of investments in equity and preference shares.

The Company holds these investments, however the fair value is Nil.

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(Amounts in INR Crores, unless otherwise stated)

b) Security Deposits

	Non-Current As at March 31, 2018	Non-Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Security deposits				
Unsecured, considered good	32.16	13.03	4.11	0.70
Unsecured, considered doubtful	0.11	0.11	-	-
	32.27	13.14	4.11	0.70
Provision for doubtful deposits	(0.11)	(0.11)	-	-
	32.16	13.03	4.11	0.70
	32.16	**13.03**	**4.11**	**0.70**

c) Other financial assets

	Non Current As at March 31, 2018	Non Current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Bank balances				
Bank balance in Escrow account (Refer note 10(a)(a))	-	-	-	846.46
Deposits with original maturity for more than 12 months	8.07	6.37	130.01	88.57
Others				
Inter Corporate Loans	-	-	2.20	-
Accrued Interest on Marketable Securities	6.08	-	-	-
Interest accrued but not due on fixed deposits	0.49	0.08	4.70	5.44
Unbilled revenue (net)	-	-	44.74	83.57
A	**14.64**	**6.45**	**181.65**	**1,024.04**
Amount recoverable from Payment Gateway banks* (net)				
Unsecured, considered good	-	-	405.73	180.96
Unsecured, considered doubtful	-	-	3.02	3.02
	-	-	408.75	183.98
Less : Provision for recoverable from Payment Gateway banks	-	-	(3.02)	(3.02)
B	**-**	**-**	**405.73**	**180.96**
Amount recoverable from related parties#	229.00	295.87	522.18	428.54
C	**229.00**	**295.87**	**522.18**	**428.54**
Total [A+B+C]	**243.64**	**302.32**	**1,109.56**	**1,633.54**

* The amount represent recoverable from payment gateway banks on account of credit card/debit card and net banking transactions related to third party merchant, wallet and market place merchants.

"# Amount recoverable from related parties includes INR 54.29 for Sale of Wallet Business during the year ended March 31, 2018 (March 31, 2017 : Nil) and INR 495.20 from Sale of Physical Marketplace business during the year ended March 31, 2018 (March 31, 2017 : 620.77).

Break up of financial assets carried at amortised cost

	Non-current As at March 31, 2018	Non-current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Trade Receivables (Note 8)	-	-	504.76	92.71
Cash and cash equivalents (Note 10(a))	-	-	261.99	534.50
Bank balances other than cash and cash equivalents (Note 10(b))	-	-	24.93	22.47
Security Deposits (Note 7(b))	32.16	13.03	4.11	0.70
Others (Note7(c))	243.63	302.32	1,109.57	1,633.54
Investments (Note7(a))	102.45	-	746.98	-
	378.24	**315.35**	**2,652.34**	**2,283.92**

Break up of financial assets carried at fair value

	Non-current As at March 31, 2018	Non-current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Investments at fair value through OCI	3.58	4.14	-	-
Investments at fair value through Profit and loss	100.70	59.91	3,652.98	290.17
	104.28	**64.05**	**3,652.98**	**290.17**

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(Amounts in INR Crores, unless otherwise stated)

8. Trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade Receivables	116.99	83.66
Receivables from related parties (Refer Note (i) below)	387.77	9.05
	504.76	**92.71**
Break-up		
Trade receivables		
Secured, considered good		
Unsecured, considered good	504.76	92.71
Doubtful	59.38	29.02
	564.14	**121.73**
Impairment allowance on trade receivables		
Unsecured, considered good	-	-
Doubtful	(59.38)	(29.02)
	(59.38)	**(29.02)**
Total Trade receivables	**504.76**	**92.71**

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed above.

(ii) For related party receivables, refer note 25

(iii) Trade receivables are non-interest bearing and carry a credit period of upto 90 days.

9. Other assets

	Non-current		Current	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Capital advances				
Unsecured, considered good	1.02	0.76	-	-
Doubtful	0.08	0.08	-	-
	1.10	0.84	-	-
Less Provision for doubtful advances	(0.08)	(0.08)	-	-
A	**1.02**	**0.76**	-	-
Advances to vendors				
Unsecured, considered good	36.59	-	392.25	200.24
Doubtful	-	0.41	5.06	2.75
	36.59	**0.41**	**397.31**	**202.99**
Less Provision for doubtful advances	-	(0.41)	(5.06)	(2.75)
B	**36.59**	-	**392.25**	**200.24**
Others				
Service tax input credit	-	-	-	75.43
GST input credit	-	-	36.84	-
Advances to related parties*	-	-	189.39	0.01
Value Added Tax (VAT) credit receivable	-	-	0.19	0.21
C	-	-	**226.42**	**75.65**
Total (A+B+C)	**37.61**	**0.76**	**618.67**	**275.89**

*No advances are recoverable from directors or other officers of the Company either severally or jointly with any other person. Nor any advance are recoverable from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed above.

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One97 Communications Limited

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(Amounts in INR Crores, unless otherwise stated)

10(a). Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Cash in hand	0.11	0.06
Balance with banks		
- On current accounts	261.12	40.62
On cash credit account		
- Deposits with original maturity for less than 3 months	0.76	-
- Escrow Account (Refer note (a))	-	438.65
- Nodal Account (Refer note (b))	-	55.17
	261.99	**534.50**

Notes :

(a) The Company maintained balance in Escrow Account in accordance with RBI guidelines relating to semi closed wallet (Prepaid Payment Instrument) till May 22, 2017. As at March 31, 2017, amounts deposited by the Company over and above the wallet liability are disclosed under cash and cash equivalants and amount pertaning to wallet liability are disclosed under "other financial assets" (refer note 7(c)). On May 23, 2017 the Company has transferred its e-wallet operations to Paytm Payments Bank Limited and accordingly, the Escrow Account has been closed and balance transferred to current account.

(b) The Company uses a Nodal Account to receive money through debit/credit card and net banking transactions towards all transactions happening on its portal, as well as to settle the respective merchants. The amounts collected but yet to be transferred to merchants of INR 34.02 (March 31, 2017: INR 29.50) are netted off with nodal account balance. The excess balance (if any) available in Nodal Account is available for use by the Company and is disclosed as cash and cash equivalents.

(c) Fixed deposits are marked under lien by banks for guarantees amounting to INR 241.93 (March 31, 2017 : INR 91.54) issued against various contracts.

(d) Fixed deposits with a carrying amount of INR 62.11 (March 31, 2017 : INR 18.93) are subject to first charge to secure the Company's Working Capital facility.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2018	As at March 31, 2017
Cash in hand	0.11	0.06
Balance with banks		
- On current accounts	261.12	40.62
- Deposits with original maturity of less than 3 months	0.76	-
- Escrow Account	-	438.65
- Nodal Account	-	55.17
	261.99	534.50
Other bank balances		
Less: Bank overdraft	(241.65)	(66.63)
	(241.65)	(66.63)
Cash and cash equivalents for the purpose of cash flow statement	**20.34**	**467.87**

10(b). Bank balances other than cash and cash equivalents

Deposits with original maturity of more than 3 months but less than 12 months	24.93	22.47
	24.93	22.47

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(Amounts in INR Crores, unless otherwise stated)

11. Share Capital

	As at March 31, 2018	As at March 31, 2017
Authorised share capital		
56,100,000 (March 31, 2017 : 56,100,000) equity shares of INR 10 each	56.10	56.10
2,759,000 (March 31, 2017 : 2,759,000) 0.001% series B cumulative convertible preference shares of INR 174 each	48.01	48.01
	104.11	104.11

Terms/ rights attached to equity shares

All the equity shares issued to investors and other shareholders shall rank pari passu and have a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held only.

Issued, subscribed and fully paid up shares		
55,325,271 (March 31, 2017 : 46,990,653) equity shares of INR 10 each fully paid up	55.32	46.99
Total issued, subscribed and fully paid-up share capital	55.32	46.99

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year*	4.66	46.99	4.59	46.23
Shares issued during the year	0.81	8.09	0.06	0.61
Shares issued during the year - ESOP	0.02	0.24	0.01	0.14
Shares outstanding at the end of the year*	5.49	55.32	4.66	46.99

* Net of treasury shares 326,639 (March 31, 2017: 364,113) at nil cost through employee welfare trust

b. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	March 31, 2018		March 31, 2017	
	Number of Shares held	% holding	Number of Shares held	% holding
Alipay Singapore E-Commerce Private Limited	1.75	31.71%	1.75	37.34%
SVF India Holding (Cayman) Limited	1.13	20.47%	-	-
Mr.Vijay Shekhar Sharma	0.91	16.36%	0.94	19.95%
SAIF III Mauritius Company Limited	0.75	13.54%	0.94	20.04%
Alibaba.com Singapore E-Commerce Private Limited	0.44	8.00%	0.44	9.42%
SAIF Partners India IV Limited	0.31	5.52%	0.38	8.17%

c. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock options plan (ESOP) of the Company, please refer note 24

Share application money pending allotment amounting to INR 0.05 (March 31, 2017 : INR 0.22) represents amount received from employees for exercising the employee stock options.

d. Aggregate number of bonus shares issued and share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has neither issued bonus shares, shares for consideration other than cash, nor bought back shares during the period of five years immediately preceding the reporting date.

e. Instruments entirely equity in nature

Consequent to framework agreement entered on November 30, 2017 between the Company, Little Internet Private Limited ('LI'), Shareholders of LI, Nearbuy India Private Limited ('NBI'), and Shareholders of NBI. The shareholders of NBI swapped their shares in NBI with shares in LI, resulting in their becoming 37% shareholders of LI and NBI becoming wholly owned subsidiary of LI. The Company through further restructuring of its existing investments in LI (5%) and Little Singapore Pte Limited ('LS') (27%), as well as through its obligation to issue further shares amounting to INR 173.63 to other shareholders of LI, became 63% shareholder in LI. The restructuring of existing investment in LI and LS, as discussed above, resulted in LS buying back 27% stake of the Company in LS for INR 77.40 and the Company further infusing INR 83.53 in LI. The buyback resulted in the Company recording gain of INR 44.11. Company's obligation to issue further shares amounting to INR 173.63 to other shareholders of LI has been disclosed as "Instruments entirely equity in nature" under Equity.

12. Provisions

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits				
Provision for gratuity (refer note 26)	8.30	5.63	-	-
Provision for leave benefits	21.15	7.28	7.58	2.32
	29.45	12.91	7.58	2.32

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(Amounts in INR Crores, unless otherwise stated)

13. Financial liabilities

(a) Borrowings

	As at March 31, 2018	As at March 31, 2017
Bank overdraft (Refer Note below)	241.65	66.62
Short term borrowings from bank (Refer Note below)	-	23.65
	241.65	**90.27**

Note:
Borrowings (in INR) are repayable on demand and carry interest at I-MCLR and "spread" per annum. As on the reporting date, I-MCLR is 8.15% and spread is 1.45%. Borrowings from bank are secured against Fixed Deposits, Current Assets and also backed by irrevocable and personal guarantee of Mr. Vijay Shekhar Sharma, Director.

	As at March 31, 2018	As at March 31, 2017
(b) Trade Payables		
Trade payables#	366.26	219.40
Trade payables to related parties	60.09	2.22
	426.35	**221.62**

#refer note 29 for MSMED disclosure.

(c) Others		
Payable to merchants	145.91	43.51
Wallet liability*	-	852.05
Payable on purchase of fixed assets	12.37	35.19
Employee benefits payable	61.46	24.90
Others	8.10	191.85
	227.84	**1,147.50**

*The Company received authorization from RBI to set up and operate semi closed wallet (SCW) on August 06, 2013. Consequently, amounts received from subscribers to the SCW are deposited in Escrow Bank account and are recorded as wallet liability. Also refer note 10(a)(a).

Terms and conditions of the above financial liabilities:
(i) Trade and other payables are non-interest bearing and carry credit period of upto 60 days
(ii) For related parties, refer to Note 25

14. Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance from customers	26.09	14.25
Unearned commission	0.08	1.35
Statutory dues payable:		
Tax deducted at source payable	14.98	20.16
Service tax payable	-	0.58
GST Payable	5.05	-
Provident fund payable	1.57	1.53
Other statutory dues	0.08	0.16
	47.85	**38.03**

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(Amounts in INR Crores, unless otherwise stated)

	March 31, 2018	March 31, 2017
15. Revenue from operations		
Sale of services	2,987.41	598.33
	2,987.41	**598.33**
16. Other income		
Fair value Gain on financial instruments at FVTPL	166.03	150.52
Profit on sale of property, plant and equipment (net)	0.47	0.63
Exchange differences (net)	1.60	-
Miscellanous Income	1.77	2.20
Interest income		
- on bank deposits	10.27	6.25
- others	63.70	1.87
Other non operating income	3.32	4.79
	247.16	**166.26**
17. Employee benefits expense		
Salaries, bonus and incentives	440.36	259.41
Contribution to provident and other funds	9.55	6.21
Employee stock option (refer Note 24)	72.47	44.83
Gratuity expenses (refer Note 26)	4.65	3.46
Staff welfare expenses	13.03	10.01
	540.06	**323.92**

	March 31, 2018	March 31, 2017
18. Finance costs		
Interest		
- on borrowings	12.29	3.22
- on others	6.10	0.46
Bank charges	9.35	0.74
	27.74	**4.42**
19. Depreciation and amortization expense		
Depreciation of tangible assets	63.10	33.26
Amortization of intangible assets	5.82	5.79
	68.92	**39.05**

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Notes to the Financial Statements for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

20. Other expenses		
	March 31, 2018	**March 31, 2017**
Payment gateway expenses	1,199.51	241.42
Connectivity and content fees	148.24	75.16
Customer and merchant onboarding expenses	73.01	23.86
Contest expenses	14.25	10.63
Communication costs	27.29	22.98
Legal and professional fees	54.71	12.68
Marketing and business promotion expenses	1,899.66	707.18
Advertisement expenses	293.52	260.70
Subcontract expenses	211.59	120.89
Corporate Social Responsibility (CSR) expenditure	2.28	0.42
Fixed assets written off	0.11	0.22
Insurance	6.41	6.06
Logistic, packing & collection cost	0.29	0.00
Payment to auditor (Refer details below)	1.94	1.43
Postage and Courier	2.36	4.91
Power and fuel	7.07	4.64
Printing and stationery	1.77	1.53
Trade receivables/Advance written off	1.39	4.99
Less: utilisation from provision for impairment of trade	(1.06)	(4.99)
Provision for doubtful advances	2.87	0.62
Provision for Impairment of trade receivables	30.36	12.00
Repair and maintance - Buildings	11.60	6.15
Repair and maintance - Others	3.08	1.78
Repair and maintance - Plant and machinery	15.37	9.49
Rates and taxes	4.71	1.36
Rent	11.74	11.80
Service tax expense/reversal under rule 6(3)/GST input credit reversal	24.03	20.12
Travelling and conveyance	29.76	18.94
Exchange differences (net)	-	0.30
Miscellaneous expenses	3.92	2.48
	4,081.78	**1,579.75**

Payment to Auditor		
As auditors		
-Audit fee	1.10	0.75
-Tax audit fee	0.05	0.04
-Limited Review	0.60	0.45
In other capacity		
-Other Services (Certification fees)	0.12	0.19
-Reimbursement of expenses	0.08	-
	1.95	**1.43**

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(Amounts in INR Crores, unless otherwise stated)

21. Exceptional Items

	March 31, 2018	March 31, 2017
Gain on sale of wallet business (refer note 32)	62.99	-
Gain on sale of marketplace business (refer note 32)	-	591.32
Provision for impairment of investments in associates	(65.29)	-
	(2.30)	591.32

a) During the current year, Company transferred its Wallet business on a going concern basis, by way of slump sale, to Paytm Payments Bank Limited. Total sale consideration of INR 65, the fair value of which is INR 63.10 (discounted at 9.75%) and net assets transferred is INR 0.11 resulting a total gain of INR 62.99

b) The Company basis its assessment of future business projections of its associates, Socomo Technologies Private Limited and Loginext Solutions Private Limited, has recognised provision of INR 65.29 for impairment in the carrying value of its investment.

c) During the previous year, Company transferred its Marketplace segment on a going concern basis, by way of slump sale, to Paytm E-Commerce Private Limited. Total sale consideration of INR 730, the fair value of which is INR 20.77 (discounted at 9.75%) and net assets transferred is INR 29.45 resulting a total gain of INR 591.32

22. Earnings per shares (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company 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 company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in

	March 31, 2018	March 31, 2017
Profit attributable to equity holders:		
Continuing operations	(1,485.22)	(594.88)
Discontinued operation	(5.25)	(284.75)
Profit attributable to equity holders for basic earnings	**(1,490.47)**	**(879.63)**
Weighted average number of Equity shares for basic EPS*	5.04	4.62
Earnings per share for continuing operations		
Basic and Diluted earnings per equity share*	(294.79)	(128.79)
Earnings per share for discontinued operations		
Basic and Diluted earnings per equity share*	(1.04)	(61.65)
Earnings per share for continuing and discontinued operations		
Basic and Diluted earnings per equity share*	(295.83)	(190.44)

* In view of losses during the current and previous period, the options which are anti-dilutive have been ignored in the calculation of diluted earnings per share. Accordingly, there is no variation between basic and diluted earnings per share.

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23. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There were no significant judgements made by the Company during the current year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred taxes

Deferred tax assets can be recognised for deductible temporary differences (including unused tax losses) only to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Management based on future projections has concluded that as at March 31, 2018 it is not probable that such deferred tax assets can be realised in excess of available taxable temporary differences. Such projections include estimates and assumptions such as revenue growth rate, inflation impact etc Management re-assesses unrecognised deferred tax assets at each reporting date and recognises to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. For details about deferred tax assets, please refer note 27.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations, please refer Note 26.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model, Price of Recent Investment (PORI) method and Comparable Company Multiples (CCM) method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

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(Amounts in INR Crores, unless otherwise stated)

24. Employee Stock Option Plans

During the year ended March 31, 2009, the Company introduced One 97 Employee Stock Option Plan – I for the benefit of employees as approved by the Board of Directors in the meeting held on September 08, 2008 and by the members in the Extra Ordinary General Meeting held on October 22, 2008 for a total of 951,355 options. The Company has appropriated 795,056 options of INR10 each to be granted to eligible employees which were granted on December 31, 2008. These options were granted to all eligible, permanent employees who were on rolls of Company as at December 31, 2008 and to be settled in equity. These options have a vesting period of 4 years and were vested at one year interval in the following proportion:

Date of vesting	% of total options vesting
December 31, 2009	10%
December 31, 2010	20%
December 31, 2011	30%
December 31, 2012	40%

Out of 795,056 options granted, exercise price of 233,602 options granted to employees who joined the Company till March 31, 2007 is INR10 per option and for 561,454 options granted to employees joining between April 01, 2007 and December 31, 2008 the exercise price is Rs 49 per option.

On September 03, 2010, the Company has appropriated 252,101 options of INR 10 each to be granted to eligible employees (including grant of 30,000 options to independent non-executive directors) at an exercise price of INR 180 each. Options granted to independent non-executive directors were approved in Extra-Ordinary General meeting of members held on November 22, 2010. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
September 03, 2011	10%
September 03, 2012	20%
September 03, 2013	30%
September 03, 2014	40%

On September 01, 2011, the Company increased the ESOP pool by adding 107,407 options taking total ESOP pool to 1,058,762 as approved by the Board of Directors in the meeting held on August 02, 2011 and by the members in the Extra Ordinary General Meeting held on August 19, 2011.

On January 30, 2012, the Company has appropriated 4,330 options of INR 10 each to be granted to one eligible employee at an exercise price of INR 232 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
January 30, 2012	10%
January 30, 2013	20%
January 30, 2014	30%
January 30, 2015	40%

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(Amounts in INR Crores, unless otherwise stated)

On December 29, 2012, the Company has appropriated 196,163 options of INR 10 each to be granted to eligible employee at an exercise price of INR 180 each as approved by the Board of Directors in the meeting held on November 29, 2012 and by the members in the Extra Ordinary General Meeting held on December 29, 2012.
These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
December 29, 2012	10%
December 29, 2013	20%
December 29, 2014	30%
December 29, 2015	40%

On August 01, 2013, the Company has appropriated 166,668 options of INR 10 each to be granted to eligible employees at an exercise price of INR 180 each as approved by the Board of Directors in the meeting held on January 31, 2014. 30% of these options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
August 1, 2014	10%
August 1, 2015	20%
August 1, 2016	30%
August 1, 2017	40%

Remaining 70% of the options will be vested upon achievement of certain performance targets.

On March 31, 2014, the Company increased the ESOP pool by adding 260,000 options taking total ESOP pool to 1,318,762 as approved by the Board of Directors in the meeting held on January 31, 2014 and by the members in the Extra Ordinary General Meeting held on August 31, 2014.

On April 01, 2014 the Company has appropriated 313,446 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each as ratified by the Board of Directors in the meeting held on June 10, 2015.

Date of vesting	% of total options vesting
April 1, 2015	10%
April 1,2016	20%
April 1,2017	30%
April 1,2018	40%

On April 01, 2015, the Company has appropriated 491,722 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
April 1,2016	10%
April 1,2017	20%
April 1,2018	30%
April 1,2019	40%

On September 30, 2015, the Company increased the ESOP pool by adding 604,858 options taking total ESOP pool to 1,923,620 as approved by the Board of Directors in the meeting held on July 24, 2015 and by the members in the Annual General Meeting held on September 30, 2015.

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(Amounts in INR Crores, unless otherwise stated)

On October 01, 2015 the Company has appropriated 104,864 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
October 1,2016	10%
October 1,2017	20%
October 1,2018	30%
October 1,2019	40%

On April 01, 2016 the Company has appropriated 391,018 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
April 1,2017	10%
April 1,2018	20%
April 1,2019	30%
April 1,2020	40%

On October 01, 2016 the Company has appropriated 101,970 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
October 1,2017	10%
October 1,2018	20%
October 1,2019	30%
October 1,2020	40%

On April 01, 2017 the Company has appropriated 361,128 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
April 1,2018	10%
April 1,2019	20%
April 1,2020	30%
April 1,2021	40%

On October 01, 2017 the Company has appropriated 29,044 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

(Amounts in INR Crores, unless otherwise stated)

Date of vesting	% of total options vesting
October 1,2018	10%
October 1,2019	20%
October 1,2020	30%
October 1,2021	40%

The total options outstanding as at March 31, 2018 are 988,521 (March 31, 2017: 1,139,075) out of which 19,785 (March 31, 2017: 56,053) options have an exercise price of INR 10 each, 5,016 (March 31, 2017: 68,616) options have an exercise price of INR 49 each, 137,813 (March 31, 2017: 161,008) options have an exercise price of INR 180 each and 825,907 (March 31, 2017: 853,398) options have an exercise price of INR 90 each.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year :

Particulars	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		INR		INR
	March 31, 2018		March 31, 2017	
Outstanding at the beginning of the year	1,139,075	96.31	1,035,434	98.51
Options granted during the year	390,172	90.00	505,715	90.00
Options exercised during the year	(226,034)	77.18	(166,412)	99.86
Options forfeited during the year	(314,692)	88.37	(235,662)	90.52
Options outstanding at the end of the year	988,521	100.74	1,139,075	96.31
Vested options outstanding at the end of the year (exercisable)	385,779	117.51	433,294	106.60

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 1.82 years (March 31, 2017: 1.90 years).

The weighted average fair value of options granted during the year was INR 4,894.71 (March 31, 2017 was INR 2,622.92).

The expense recognised for employee services received during the year is shown in the following table:

	March 31,2018	March 31,2017
Expense arising from equity-settled share-based payment transactions	72.47	44.83
Investment (ESOP issued to employees of subsidiary company)	4.79	-
Total expense arising from share-based payment transactions	77.26	44.83

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(Amounts in INR Crores, unless otherwise stated)

The weighted average fair value of options granted under the One 97 ESOP Scheme during the year ended on March 31, 2018 (computed using Black-Scholes model) was INR 4,894.71 for grant date April 1, 2017 and October 1, 2017. The estimation of fair value on date of grant was made using the Black-Scholes model with the following assumptions:

Grant Date:- April 1, 2017

Share price	INR 4,959.04
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	6.63%
Annualized Volatility	56.46%

Grant Date:- October 1, 2017

Share price	INR 4,959.04
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	6.48%
Annualized Volatility	54.87%

The weighted average fair value of options granted under the One 97 ESOP Scheme during the year ended on March 31, 2017 (computed using Black-Scholes model) was INR 2,204.97 for grant date April 1, 2016 and INR 4,277.81 for grant date October 1, 2016. The estimation of fair value on date of grant was made using the Black-Scholes model with the following assumptions:

Grant Date:- April 1, 2016

Share price	INR 2,265.89
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	7.43%
Annualized Volatility	53.73%

Grant Date:- October 1, 2016

Share price	INR 4,341.56
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	6.82%
Annualized Volatility	52.82%

Notes:

1. Weighted average share price is based on the value of Common Equity Shares arrived at by using Back-solve method
2. Dividend yield is considered zero, as no dividend payout is expected in the foreseeable future.
3. Risk free return is based on the yield to maturity of Indian treasury securities, with a maturity corresponding to the expected term of ESOP.
4. Annualized volatility is based on the median weekly volatility of selected comparables companies for a time period commensurate with the expected term.

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(Amounts in INR crores, unless otherwise stated)

25. Related party transactions

A. Entities over which company exercise control

Name	Country of incorporation
Indian Subsidiaries	
One97 Communications India Limited	India
Paytm Financial Services Limited	India
Paytm Entertainment Limited (w.e.f July 25, 2017)	India
Paytm Money Limited (w.e.f September 20, 2017)	India
Wasteland Entertainment Private Limited (w.e.f July 6,2017)	India
Mobiquest Mobile Technologies Private Limited (w.e.f August 10,2017)	India
Urja Money Private Limited (w.e.f October 16,2017)	India
Little Internet Private Limited (w.e.f December 6,2017)	India
Foreign Subsidiaries	
One97 Communications Nigeria Limited	Nigeria
One97 Communications FZ-LLC	Dubai
One97 Communications Singapore Private Limited	Singapore
One97 USA Inc.	USA
Subsidiaries of Subsidiaries	
One97 Communications Rwanda Private Limited	Rwanda
One97 Communications Tanzania Private Limited	Tanzania
One97 Communications Bangladesh Private Limited	Bangladesh
One97 Uganda Limited	Uganda
One97 Ivory Coast SA	Ivory Coast
One97 Benin SA	Benin
Paytm Labs Inc.	Canada
One97 Communications Malaysia Sdn. Bdn	Malaysia
Nearbuy India Private Limited (w.e.f December 6,2017)	India
Xceed IT Solution Private Limited (w.e.f August 10, 2017)	India
Acumen Game Entertainment Private Limited (w.e.f November 13, 2017)	India
Controlled Trust	
One97 Employee welfare Trust	India

B. Entities over which company exercise significant influence

Name	Country of incorporation
Loginext Solutions Private Limited	India
Socomo Technologies Private Limited	India
Little Internet Singapore Pte. Limited (till November 30, 2017)	Singapore
QoRQL Private Limited	India
Indi Yuva Limited (till November 30, 2017)	Mauritius
Paytm Payments Bank Limited (w.e.f May 23,2017)	India
Mobiquest Mobile Technologies Private Limited (till August 09, 2017)	India
Little Internet Private Limited (till December 05, 2017)	India

C. Key Management Personnel

Vijay Shekhar Sharma	Managing Director and Chairman
Madhur Deora	Chief Financial Officer (w.e.f June 10, 2017)
Amit Sinha	Chief Financial Officer (from April 01, 2017 to June 10, 2017)

D. Entities having significant influence over the Company

SAIF III Mauritius Company Limited
SAIF Partners India V Limited
SAIF Partners India IV Limited
SAIF India V FII Holdings Limited
Alipay Singapore E-Commerce Private Limited
Alibaba.com Singapore E-Commerce Private Limited
Alipay Labs (Singapore) Pte Limited
SVF India Holdings (Cayman) Limited

E. Relatives of Individuals owning interest in the voting power of the Company that gives the control or significant influence

Ajay Shekhar Sharma — Brother of Mr. Vijay Shekhar Sharma

F. Related parties as per Companies Act, 2013

Paytm E-commerce Private Limited

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(Amounts in INR crores, unless otherwise stated)

Details of transactions with related parties during the year ended March 31, 2018 and March 31, 2017:-

Particulars	March 31, 2018	March 31, 2017
Rendering of Services		
One97 Communications Nigeria Ltd	0.45	11.26
One97 Communications FZ-LLC	0.34	0.18
Mobiquest Mobile Technologies Private Limited	4.87	-
Paytm E-commerce Private Limited	1,603.11	2.56
Paytm Payments Bank Limited	490.86	-
Wasteland Entertainment Private Limited	0.83	-
Nearbuy India Private Limited	0.64	-
Socomo Technologies Private Limited	0.15	0.24
Little Internet Private Limited	2.50	1.08
One97 Benin SA	0.01	0.00
One97 Communications Rwanda Private Limited	-	0.10
Paytm Labs Inc.	0.33	0.24
One97 Communications Tanzania Private Limited	0.21	0.07
One97 Uganda Limited	0.33	0.44
One97 Communications Bangladesh Private Limited	0.08	0.19
One 97 USA Inc.	-	0.05
Reimbursement of Expenses		
Paytm Payments Bank Limited	117.75	-
Paytm E-commerce Private Limited	121.21	4.58
Mobiquest Mobile Technologies Private Limited	0.26	-
Paytm Money Limited	0.39	-
Paytm Labs Inc.	16.70	-
Assets given on Finance Lease		
Paytm Payments Bank Limited	23.24	-
Repayment for Assets given on Finance Lease		
Paytm Payments Bank Limited	21.66	-
Interest income		
Paytm Payments Bank Limited	5.78	-
Paytm E-commerce Private Limited	43.95	-
Urja Money Private Limited	0.11	-
Gain on Sale of Wallet business		
Paytm Payments Bank Limited	62.99	-
Receiving of Services (Legal & Professional Services)		
One97 USA Inc.	1.32	2.10
Paytm Labs Inc.	31.15	45.55
Purchase of Fixed Assets		
Paytm Labs Inc.	0.05	0.03
Alipay Labs (Singapore) Pte Limited		

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(Amounts in INR crores, unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Other Expenses		
One97 Communications Nigeria Ltd	-	0.82
One97 Communication Kenya Ltd	-	0.34
O S Communications PLC	-	0.08
Paytm E-commerce Private Limited	1.14	-
Paytm Payments Bank Limited	373.06	-
Paytm Labs Inc.	0.07	0.12
Alipay Labs (Singapore) Pte Limited	24.11	1.52
Issue of Equity Shares		
SVF India Holdings (Cayman) Limited	8.09	-
Security Premium received		
SVF India Holdings (Cayman) Limited	6,433.81	-
Investment in Shares of Subsidiaries		
Wasteland Entertainment Private Limited	35.00	-
Mobiquest Mobile Technologies Private Limited	10.21	-
One97 Communications India Limited	17.90	-
Paytm Entertainment Limited	0.01	-
Paytm Financial Services Limited	2.00	-
Paytm Money Limited	10.00	-
Urja Money Private Limited	6.00	-
Little Internet Private Limited	272.31	-
Inter corporate loan given		
Urja Money Private Limited	2.20	-
Stock Options granted to employees of subsidiary		
One97 Communications Singapore Private Limited	4.75	-
Gain on Sale of Investment in Associates		
Little Internet Singapore Pte. Limited	7.27	-
Indi Yuva Limited	0.78	-
Sale of Investment in Associates		
Little Internet Singapore Pte. Limited	33.29	-
Indi Yuva Limited	0.08	-
Investment in Associates		
Paytm Payments Bank Limited	71.00	-
Advances Given during the year		
One97 Communications FZ-LLC	-	16.19
Paytm Labs Inc.	46.28	16.40
Wasteland Entertainment Private Limited	6.22	-
Paytm Payments Bank Limited	-	62.69

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(Amounts in INR crores, unless otherwise stated)

Details of balances outstanding with related parties as at March 31, 2018 and March 31, 2017:-

Particulars	March 31, 2018	March 31, 2017
Other Receivable for expenditure incurred		
One97 Benin SA	0.45	0.45
One97 Communications FZ-LLC	0.18	0.11
One97 Communications Nigeria Limited	1.26	1.28
One97 Communications Rwanda Private Limited	0.56	0.56
One97 Communications Singapore Private Limited	0.00	0.00
One97 Communications Tanzania Private Limited	0.12	0.02
One97 Ivory Coast SA	0.34	0.33
One97 Uganda Limited	1.48	1.19
One97 Communications Bangladesh Private Limited	1.75	1.77
One 97 USA Inc.	-	0.04
Paytm Labs Inc.	16.98	0.43
Paytm Money Limited	0.57	-
Mobiquest Mobile Technologies Private Limited	0.28	-
Alibaba.com Singapore E-Commerce Private Limited	0.08	-
Paytm E-commerce Private Limited	157.87	4.62
Paytm Payments Bank Limited	6.97	-
Advance Recoverable in Cash		
Paytm Labs Inc.	34.20	12.63
Paytm Payments Bank Limited	125.44	62.69
Paytm E-commerce Private Limited	23.55	-
Wasteland Entertainment Private Limited	6.22	-
Inter corporate loan Receivable		
Urja Money Private Limited	2.20	-
Amount Receivable for sale of business		
Paytm E-commerce Private Limited	495.20	621.25
Paytm Payments Bank Limited	54.29	-
Amount Receivable from Payment Gateway		
Paytm Payments Bank Limited	115.57	0.72
Trade Receivables		
One97 Communications Nigeria Limited	16.35	12.80
Paytm E-commerce Private Limited	273.23	2.94
Paytm Payments Bank Limited	75.38	-
Mobiquest Mobile Technologies Private Limited	2.17	-
Nearbuy India Private Limited	0.08	-
Other Financial Assets		
One97 Communications Nigeria Limited	0.26	10.33
One97 Communications Bangladesh Private Limited	0.08	-
One97 Benin SA	0.01	-
One97 Communications FZ-LLC	16.38	16.19
One97 Communications Tanzania Private Limited	0.11	-
One97 Uganda Limited	0.04	-
One97 Communications Rwanda Private Limited	0.01	0.01
Paytm Payments Bank Limited	4.95	-

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Particulars	March 31, 2018	March 31, 2017
Trade payables (including accrued expenses)		
One97 Communications Singapore Private Limited	0.03	0.03
One97 Communications FZ-LLC	-	0.07
One 97 USA Inc.	2.53	1.20
Alipay Labs (Singapore) Pte Limited	11.47	1.52
Paytm E-commerce Private Limited	0.80	-
Paytm Payments Bank Limited	45.26	-
Other payables		
Socomo Technologies Private Limited	0.02	0.05
Little Internet Private Limited	0.18	0.16
Paytm E-commerce Private Limited	32.04	203.29
Paytm Payments Bank Limited	2.48	-
Nearbuy India Private Limited	0.21	-
Wasteland Entertainment Private Limited	0.03	-
Advance from customer		
Socomo Technologies Private Limited	0.02	0.03
Wasteland Entertainment Private Limited	0.01	-
Little Internet Private Limited	0.11	0.11

Compensation of key management personnel and their relatives for the year ended on:

Particulars	March 31, 2018	March 31, 2017
Salaries, bonus and incentives	5.83	5.86
ESOP Expenses	12.40	9.17
Total compensation paid	**18.23**	**15.03**

Terms and conditions of transactions with related parties

(i) The services provided and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(ii) The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity, leave benefits as they are determined on an actuarial basis for the Company as a whole.

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26. Gratuity

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service . The scheme of the Company is funded. Disclosures are as per actuarial report of independent actuary.

The following tables summarize the components of net benefit expenses recognized in the statement of profit and loss and the funded status and amount recognized in the balance sheet for the respective plans.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2018:

		Defined benefit obligation	**Fair value of plan assets ***	**Benefit liability**
	As at April 01, 2017	(9.98)	4.35	(5.63)
Gratuity cost charged to profit or loss	Service cost	(4.23)	-	-
	Net interest expense	(0.75)	-	-
	Return on plan assets (excluding amounts included in net interest expense)	-	0.45	-
	Sub-total included in profit or loss	**(4.98)**	**0.45**	**(4.53)**
Remeasurement gains/(losses) in other comprehensive income	Benefits paid	0.76	(0.76)	-
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	0.15	-	-
	Experience adjustments	(1.04)	-	-
	Sub-total included in OCI	(0.89)	-	(0.89)
	Net liability transferred on sale of business		-	-
	Contributions by employer	-	2.75	2.75
	As at March 31, 2018	**(15.09)**	**6.79**	**(8.30)**

* Fair value of the total plan assets are 100% in Funds managed by Insurer

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017:

		Defined benefit obligation	**Fair value of plan assets ***	**Benefit liability**
	As at April 01, 2016	(7.46)	2.56	(4.90)
Gratuity cost charged to profit or loss	Service cost	(3.60)	-	-
	Net interest expense	(0.60)	-	-
	Return on plan assets (excluding amounts included in net interest expense)	-	0.20	-
	Sub-total included in profit or loss^	**(4.19)**	**0.20**	**(3.99)**
Remeasurement gains/(losses) in other comprehensive income	Benefits paid	0.42	(0.42)	-
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	(0.15)	-	-
	Experience adjustments	0.29	-	-
	Sub-total included in OCI	0.15	-	0.15
	Net liability transferred on sale of business	(1.11)		(1.11)
	Contributions by employer	-	2.00	2.00
	As at March 31, 2017	**(9.98)**	**4.35**	**(5.63)**

The principal assumptions used in determining Gratuity are shown below:

(i) Economic Assumptions

Particulars	March 31, 2018	March 31, 2017
	%	%
Discount rate	7.8	7.5
Future salary increases	10	10

(i) Demographic Assumptions

Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
Ages	Withdrawal Rate %	
Up to 30 Years	30	30
From 31 to 44 years	30	30
Above 44 years	30	30

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Assumptions	March 31, 2018		March 31, 2018	
	Discount rate		Future salary increases	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.26)	0.27	0.24	(0.24)

The sensitivity analysis 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.

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2018
Within the next 12 months (next annual reporting period)	2.78
Between 2 and 5 years	7.57
Beyond 5 years	4.74
Total expected payments	**15.09**

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(Amounts in INR crores, unless otherwise stated)

27. Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Consolidated statement of profit and loss:
Profit or loss section

	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	(1.01)	3.65
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	**(1.01)**	**3.65**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

	March 31, 2018	March 31, 2017
Accounting profit before income tax including discontinued operations	(1,491.46)	(875.98)
At India's statutory income tax rate of 30.90% (31 March 2017: 30.90%)	(460.86)	(270.68)
Adjustments in respect of current income tax of previous years	(1.01)	3.65
Other non-deductible expenses	(0.71)	(0.20)
Losses on which deferred taxes not recognised*	414.97	265.89
Other temporary differences on which deferred taxes not recognised*	46.60	4.99
Income tax expense reported in the statement of profit and loss	(1.01)	3.65

* Deferred tax not recognised since it is not probable that taxable profits will be available against which the unutilsed tax losses and temporary differences can be utilised, as assessed at March 31,2018.

Expiry dates of unused tax losses

Year ending March 31,	As of March 31,2018
2023	331.61
2024	1,494.29
2025	717.97
2026	1,288.15
	3,832.02
Unlimited period for unabsorbed Depreciation	163.00

Expiry dates of unused tax losses

Year ending March 31,	As of March 31,2017
2023	331.61
2024	1,494.29
2025	801.78
	2,627.68
Unlimited period for unabsorbed Depreciation	109.42

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(Amounts in INR crores, unless otherwise stated)

28. Commitments and contingencies

a. Leases

Operating lease: Company as Lessee

The Company has taken certain office space on operating lease. Rental expense towards leases charged to statement of profit and loss for the year ended March 31, 2018 amount to INR 11.74 (March 31, 2017 INR 11.80).

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2018	March 31, 2017
Not later than one year	10.41	8.54
Later than one year but not later than five years	18.71	0.11
Later than five years	1.32	-

b. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 3.59 (Net of capital advance of INR 0.29) (March 31 2017: INR 39.95 (Net of capital advances of INR 0.37).

c. Contingent liabilities

	March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debts	2.70	1.59
Total	**2.70**	**1.59**

Claims against the company not acknowledged as debts represents certain claims which the company considers to be frivolous.

The Company has contingent Liability towards Bank Guarantees provided of INR 241.93 (March 31, 2017 INR 92.92).

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(Amounts in INR crores, unless otherwise stated)

29. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

	March 31 2018	March 31 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	0.74	-
Interest due on above	0.14	-
	0.88	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.14	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	0.14	-

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30. Fair value

The management has assessed that fair value of all financial assets and liabilities including cash and cash equivalents, trade receivables, security deposits, other financial assets, investments, trade payables, borrowings and other financial liabilities, approximate their carrying amounts.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilsties measured at fair value on a recurring basis as of March 31, 2018

	Fair value measurement at end of the reporting year Using		
	Level 1	**Level 2**	**Level 3**
Assets			
Investments at fair value through OCI	-	-	3.58
Investments at fair value through Profit and loss	3,652.98	-	100.70

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017

	Fair value measurement at end of the reporting year Using		
	Level 1	**Level 2**	**Level 3**
Assets			
Investments at fair value through OCI	-	-	4.14
Investments at fair value through Profit and loss	290.17	-	59.91

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31. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management Framework rests on policies and procedures issued by appropriate authorities; process of regular reviews/audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a. 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 prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Company ensures optimization of cash through fund planning and robust cash management practices.

(i) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.5% increase or decrease in interest rate, with all other variables held constant, of the Company's loss before tax due to the impact on floating rate borrowings.

As at	March 31, 2018	March 31, 2017
Effect on loss before tax:		
I-Base*- decrease by 50 bps	(1.21)	(0.45)
I-Base*- increase by 50 bps	1.21	0.45

*ICICI Bank Base Rate

Other financial assets and liabilities of the Company are either non-interest bearing or fixed interest bearing instruments, the Company's net exposure to interest risk on such instruments is negligible.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Company's borrowings while assuming all other variables to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

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(ii) Price risk

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits. All debt mutual fund investments are in AAA rated government bonds and treasury bills.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.
Set out below is the impact of a 0.25% movement in the NAV of mutual funds on the Company's loss before tax:

	Change in NAV	Effect on loss before tax
March 31, 2018	0.25%	(9.13)
	-0.25%	9.13
March 31, 2017	0.25%	(0.73)
	-0.25%	0.73

(iii) Foreign currency risk

The Indian Rupee is the Company's most significant currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The carrying amounts of the Company's financial assets and liabilities denominated in United States Dollar (USD) and Canadian Dollar (CAD) are as follows:

	March 31,2018		March 31,2017	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in USD Crores	0.70	0.27	0.73	0.78
Amount in CAD Crores	1.12	-	0.26	-

The following tables demonstrate the sensitivity to a reasonably possible change in USD and exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on loss before tax
March 31, 2018	10% strengthening of USD against INR	(3.14)
	10% weakening of USD against INR	2.57
March 31, 2017	10% strengthening of USD against INR	0.40
	10% weakening of USD against INR	(0.33)

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The following tables demonstrate the sensitivity to a reasonably possible change in CAD and exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in CAD rate	Effect on loss before tax
March 31, 2018	10% strengthening of CAD against INR	(5.23)
	10% weakening of CAD against INR	6.22
March 31, 2017	10% strengthening of CAD against INR	(1.42)
	10% weakening of CAD against INR	1.13

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

b. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade receivables

The Company is exposed to credit risk in the event of non-payment by customers. Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date by grouping the receivables in homogeneous group. The calculation is based on lifetime expected credit losses. Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Company has not recognised an allowance for doubtful receivables because the amounts are still considered recoverable.

Ageing of past due but not impaired receivables is as follows:

As at	March 31,2018	March 31,2017
up to 90 days	184.22	35.19
91 to 180 days	55.70	14.70
181 to 270 days	5.91	6.18
271 to 365 days	12.66	2.04
Total	**258.49**	**58.11**

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(Amounts in INR Crores, unless otherwise stated)

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.
At March 31, 2018 the Company had 5 customers (March 31, 2017: 5 customers) that owed the Company more than INR 414.23 (March 31,2017: INR 61.30) and accounted for approximately 73% (March 31, 2017 : 63%) of all the receivables outstanding.

(ii) Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds is made only with banks of high repute.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 7.

c. Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, working capital loans etc. Company monitor their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

Particulars	Less than 180 days
As at March 31, 2018	
Borrowings	241.65
Trade payables	426.35
Other financial liabilities	227.84
Total	**895.84**
As at March 31, 2017	
Borrowings	90.27
Trade payables	221.62
Other financial liabilities	1,147.50
Total	**1,459.39**

There are no financial liabilities with contractual payments beyond 180 days.

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One97 Communications Limited

(Amounts in INR Crores, unless otherwise stated)

32. Discontinued Operations

(a) On July 29, 2016, the Board of Directors approved the transfer of wallet business on a going concern basis by way of slump sale, to a newly incorporated entity i.e. Paytm Payments Bank Limited subject to certain approvals. On January 3, 2017, RBI has granted banking licence to Paytm Payments Bank Limited to carry on payments bank business in India subject to certain terms and conditions. In the month of May 2017, Paytm Payments Bank Limited has received the requisite approvals in respect of certain terms as mentioned in RBI letter dated January 3, 2017. Accordingly, the Company has transferred its wallet business on May 23, 2017 to Paytm Payments Bank Limited on a going concern basis for a consideration of INR 65.00 (present value of which is INR 63.10). The Company has recognised a gain of INR 62.99 which has been shown as exceptional gain in the statement of Profit & loss.

The results of Wallet business for the year are presented below:

	March 31, 2018	March 31, 2017
Revenue	30.39	48.00
Expenses	35.64	98.98
Loss for the year from a discontinued operations	**(5.25)**	**(50.98)**

The net cash flows incurred by Wallet business are as follows:-

	March 31, 2018	March 31, 2017
Operating	(5.25)	(50.98)
Investing	-	-
Financing	-	-
Net cash inflow/(outflow)	**(5.25)**	**(50.98)**

(b) During previous year, the Company had discontinued its Marketplace business. Revenue, cost, and loss of the Marketplace business for the year ended March 31, 2017 are INR 345.93, INR 579.71 and INR 233.78 respectively. The business of Marketplace represented Company's operating segment until March 27, 2017, being the date on which transfer of Marketplace segment was consummated. Being a discontinued operation, this segment is no longer presented in segment reporting note.

33. Capital Management

The Company's objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

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One97 Communications Limited

The Company's capital management objective is to remain a debt-free company till the time it achieves break-even. In order to meet this objective, Company meets anticipated funding requirements for developing new businesses, expanding its geographical base, entering in to strategic mergers and acquisitions and other strategic investments, by issuance of equity capital together with cash generated from Company's operating and investing activities. The company utilizes certain short term overdraft and working capital facilities to meet anticipated interim working capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

34. Segment Reporting

The Board of Directors (chief operating decision maker or CODM) monitor the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss before tax from continuing operations.

During the current year, the Company had changed the structure of its internal organization in a manner that causes the composition of its reportable segment to change, the corresponding items of segment information for previous year has been accordingly restated.

For management purposes, the Company is organized into business segments based on its services and has four reportable segments, as follows:

- Payments: Includes the services provided by acting as a payment facilitator to third party merchants and money transfer facilitator to consumers.
- Commerce: Includes acting as an aggregator for digital product like movie, deal, online travel aggregator and provision of services like advertisement, brand promotion and technical support.
- Cloud: Includes provision of services to client for their various business needs like hosting services, marketing services.
- Others: Includes other businesses of the Company like wealth management services.

No operating segments have been aggregated to form the above reportable segments.

The business of Wallet is included in the 'Payments' segment in Company's operating segments until May 23, 2017, being the date on which transfer of Wallet business was consummated. Being a discontinued operation, this business is no longer presented within the Payments segment.

The business of Marketplace represents Company's operating segment until March 31, 2017, being the date on which transfer of Marketplace was consummated. Being a discontinued operation, this segment is no longer presented in segment reporting note.

Segment assets comprise assets directly managed by each segment, and primarily include receivables, property, plant and equipment, Capital work-in-progress, intangibles assets, intangible assets under development. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

One97 Communications Limited

The Company has revenues primarily from customers inside India. Substantially all of the Company's non-current operating assets are inside India.

Revenue from two customers amounted to INR 578.35 (March 31, 2017: Nil), arising from sale of services in the Payments segment.

Revenue from two customers amounted to INR 1,516.03 (March 31, 2017: Nil), arising from sale of services in the Commerce segment.

Revenue from three customers amounted to INR 168.84 (March 31, 2017: Four customer amounting to INR 203.74), arising from sale of services in the Mobile Value Added Services segment.

Adjustments and eliminations

(i) Other income including fair value gains and losses on financial assets and finance costs are not allocated to individual segments as the underlying instruments are managed on the Company level.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on the Company level.

(iii) Capital expenditure consists of additions of property, plant and equipment and intangible assets but excluding capital work-in-progress and intangible assets under development.

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One97 Communications Limited

One97 Communications Limited
Notes to the Financial Statements for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

Particulars	Payments		Commerce		Cloud		Others		Corporate		Total	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
REVENUE												
External Sales	988.1027	255.40	1,735.18	61.32	260.13	280.84	4.00	0.77	-	-	2,987.41	598.33
Inter Segment sales	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-					-	-	-	-	-	-
Total revenue	988.10	255.40	1,735.18	61.32	260.13	280.84	4.00	0.77	-	-	2,987.41	598.33
RESULT												
Segment result	(1,214.72)	(949.37)	(487.60)	(446.63)	23.95	58.73	(10.93)	(3.65)	-	-	(1,689.30)	(1,340.92)
Unallocated corporate expenses									(13.58)	(2.39)	(13.58)	(2.39)
Operating profit											(1,702.88)	(1,343.31)
Interest expenses									(27.74)	(4.43)	(27.74)	(4.43)
Interest income									73.97	5.38	73.97	5.38
Other income			8.05	-					164.68	159.81	172.73	159.81
Exceptional items	62.98	-	(65.29)	591.32					-	-	(2.31)	591.32
Tax Expense									1.01	(3.65)	1.01	(3.65)
Loss after tax from continuing operations											(1,485.22)	(594.88)

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(Amounts in INR Crores, unless otherwise stated)

Particulars	Payments		Commerce		Cloud		Others		Corporate		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
OTHER INFORMATION												
Segment assets	1,792.85	702.44	608.09	314.80	268.55	232.97	12.58	2.37	-	-	2,682.07	1,252.58
Unallocated corporate assets #	-	-					-	-	5,874.20	2,635.70	5,874.20	2,635.70
Total assets	1,792.85	702.44	608.09	314.80	268.55	232.97	12.58	2.37	5,874.20	2,635.70	8,556.27	3,888.28
Segment liabilities	547.51	1,071.68	100.89	91.60	66.41	46.45	1.73	0.00	-	-	716.54	1,209.73
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	264.18	302.92	264.18	302.92
Total liabilities	547.51	1,071.68	100.89	91.60	66.41	46.45	1.73	0.00	264.18	302.92	980.72	1,512.65
Depreciation & Amortization*	42.54	16.60	9.89	7.15	16.22	15.26	0.27	0.04	-	-	68.92	39.05
Capital Expenditure*	27.98	51.48	7.33	14.87	6.00	68.81	0.13	0.05	-	-	41.44	135.21
Provision for doubtful debts*	0.61	-	1.05	0.62	30.52	7.00	0.00	0.01	-	-	32.18	7.63

*Represents numbers for the year ended March 31, 2018 and March 31, 2017

#Includes INR 495.20 (March 31, 2017: INR 621.25) receivable for sale of Marketplace business to Paytm E-Commerce Private Limited and INR 54.29 (March 31, 2017: Nil) for sale of Wallet business to Paytm Payments Bank Limited.

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One97 Communications Limited

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35. Events after the reporting period

The Company, subsequent to March 31, 2018, entered into an agreement to sell its online gaming/contests business to Acumen Game Entertainment Private Limited on slump sale basis, as a going concern, for an agreed consideration of USD 5 million. Acumen Game Entertainment Private Limited is an Indian Company with 55% shares held by Paytm Entertainment Limited (wholly owned subsidiary of the Company) and 45% shares held by AGTech Media Holdings Limited. The transaction of transfer of business was yet to be consummated till the date of adoption of these financial statements by the Board of Directors.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

S. R. Batliboi & Associates LLP

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

Vijay S.S.

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Vimal Chawla
Company Secretary

Madhur Deora
Chief Financial Officer

Vikas Garg
Senior Vice President - Finance

One97 Communications Limited

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of One97 Communications Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of One97 Communications Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated

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Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate special purpose financial statements and on the other financial information of one associate, the aforesaid consolidated Ind AS financial statements give the information required by the 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 consolidated state of affairs of the Group and its associates as at March 31, 2018, their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

The consolidated financial statements also include the Company's share of net loss of INR 22.77 for the year ended March 31, 2018, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act based on our audit and on the consideration of report of the other auditor on separate special purpose financial statements and the other financial information of one associate, as noted in sub-paragraph (a) of the Other Matters paragraph, we report, to the extent applicable, that:

(a) We/ the other auditor have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the statement of other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the

S.R. Batliboi & Associates LLP

books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies incorporated in India as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and subsidiary companies and on the basis of the report of other auditor as noted in sub-paragraph (a) of the Other Matters paragraph for one associate, none of the directors of the Holding Company, its subsidiary companies and associates incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associates, incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended by the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate special purpose financial statements of one associate as noted in sub-paragraph (a) of the Other Matters paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on consolidated financial position of the Group and its associates – Refer Note 29 to the consolidated Ind AS financial statements;

   ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associates incorporated in India;

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Yogender Seth**
Partner
Membership Number: 94524
Place of Signature: Noida
Date: May 18, 2018

S.R. Batliboi & Associates LLP

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of One97 Communications Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of One97 Communications Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of One97 Communications Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date, to the extent applicable.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

S.R. Batliboi & Associates LLP

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, to the extent applicable, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such associate incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Yogender Seth
Partner
Membership Number: 94524
Place of Signature: Noida
Date: May 18, 2018

S.R. Batliboi & Associates LLP

One97 Communications Limited
Consolidated Balance Sheet as at March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

		As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	161.13	130.73
Capital work in progress		18.54	72.62
Goodwill		312.21	-
Intangible assets	4	99.02	13.63
Intangible assets under development		1.63	0.49
Investment in associates	5	175.57	254.47
Financial assets			
Investments	6(a)	211.59	69.63
Security deposits	6(b)	32.48	13.03
Others	6(c)	243.64	302.32
Income tax asset		281.26	115.66
Prepayments		16.09	11.24
Deferred tax assets (net)		0.80	2.52
Other non current assets	8	37.59	1.71
		1,591.55	988.05
Current assets			
Financial assets			
Investments	6(a)	4,455.09	290.15
Trade receivables	7	504.78	100.38
Cash and cash equivalents	9(a)	331.84	576.35
Bank balances other than cash and cash equivalents	9(b)	38.21	22.47
Security Deposits	6(b)	10.70	0.90
Others	6(c)	1,108.71	1,592.28
Prepayments		51.87	17.01
Other current assets	8	583.90	312.15
		7,085.10	2,911.69
TOTAL ASSETS		8,676.65	3,899.74
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	55.31	46.98
Instruments entirely equity in nature		173.63	-
Other equity		7,254.90	2,330.65
Equity attributable to equityholders of the parents		7,483.84	2,377.63
Non-controlling interests		135.47	-
Total Equity		7,619.31	2,377.63
Non-current liabilities			
Deferred tax liability (net)		22.67	-
Provisions	11	31.04	5.63
		53.71	5.63
Current liabilities			
Financial liabilities			
Borrowings	12(a)	242.12	90.28
Trade payables	12(b)	462.68	229.76
Others	12(c)	235.80	1,147.57
Other current liabilities	13	53.51	39.12
Provisions	11	9.52	9.75
		1,003.63	1,516.48
Total Liabilities		1,057.34	1,522.11
TOTAL EQUITY AND LIABILITIES		8,676.65	3,899.74

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

S.R. Batliboi & Associates LLP

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

Vijay S.S.

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Vimal Chawla
Company Secretary

Vikas Garg
Senior Vice President - Finance

Madhur Deora
Chief Financial Officer

One97 Communications Limited

One97 Communications Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017
Continuing Operations			
Income			
Revenue from operations	14	3,058.09	614.62
Other income	15	256.71	165.57
Total Income *		3,314.80	780.19
*excluding Revenue from operations of discontinued operations for the year ended INR 30.39 (March 31, 2017 : INR 393.94)			
Expenses			
Employee benefits expense	16	625.36	332.64
Finance costs	17	28.83	4.50
Depreciation and amortization expense	18	78.88	40.00
Other expenses	19	4,151.88	1,584.15
Total expenses*		4,884.95	1,961.29
*excluding expenses of discontinued operations for the year ended INR 35.64 (March 31, 2017 : INR 673.85)			
Loss before share of result of associates and taxation from continuing operations		(1,570.15)	(1,181.10)
Share of result of associates		(30.81)	(27.47)
Loss before exceptional items and tax from continuing operations		(1,600.96)	(1,208.57)
Exceptional items	20	3.40	591.32
Loss before tax from continuing operations		(1,597.56)	(617.25)
Tax expense			
Current tax		2.79	1.61
Tax expense related to earlier periods		(1.01)	2.17
Deferred tax expense/(credit)		(0.25)	(1.30)
		1.53	2.48
Loss for the year from continuing operations		(1,599.09)	(619.73)
Loss for the year from discontinued operations		(5.25)	(279.91)
Loss for the year		(1,604.34)	(899.64)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(0.76)	0.14
Net gain/(loss) on FVTOCI instruments		-	(2.09)
Items that will be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		(0.95)	(1.50)
Total other comprehensive income/(loss) for the year		(1.71)	(3.45)
Total comprehensive income/(loss) for the year		(1,606.05)	(903.09)
Loss for the year			
Attributable to:			
Equity holders of the parent		(1,589.46)	(899.64)
Non-controlling interests		(14.88)	-
Total comprehensive income/(loss) for the year			
Attributable to:			
Equity holders of the parent		(1,591.17)	(903.09)
Non-controlling interests		(14.88)	-
Basic & Diluted Earnings per share for continuing operations attributable to equity holders of the parent (INR per Share)	21	(317.40)	(134.17)
Basic & Diluted Earnings per share for discontinued operations attributable to equity holders of the parent (INR per Share)	21	(1.04)	(60.60)
Basic & Diluted Earnings per share for continuing and discontinued operations attributable to equity holders of the parent (INR per Share)	21	(318.44)	(194.77)

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

S.R. Batliboi & Associates LLP

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

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Vikas Garg
Senior Vice President - Finance

Vigar Chawla
Company Secretary

Madhur Deora
Chief Financial Officer

One97 Communications Limited

One97 Communications Limited
Consolidated Statement of Changes in Equity for the Year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

a) Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of Shares (in crores)	INR (in crores)
At April 1, 2016*	4.59	46.23
Shares issued during the year	0.06	0.61
Shares issued during the year - ESOP	0.01	0.14
At March 31, 2017*	4.66	46.98
Shares issued during the year	0.81	8.09
Shares issued during the year - ESOP	0.02	0.24
At March 31, 2018*	5.49	55.31

* Net of treasury shares 326,639 (March 31, 2017: 364,313) at nil cost through employee welfare trust

b) Instruments entirely equity in nature (refer note 10(e))

Obligation to issue fixed number of shares	INR (in crores)
At April 1, 2016	-
Changes during the year	-
At March 31, 2017	-
Changes during the year	173.63
At March 31, 2018	173.63

c) Other Equity

Particulars	Attributable to the equity shareholders of the parent							Non-controlling Interests	Total Equity
	Share application money pending allotment	Reserves and Surplus			Items of OCI		Total		
		Security Premium Reserve	Retained Earnings	ESOP Reserve	FVTOCI reserve	FCTR			
As at April 1, 2016	0.01	4,478.96	(1,717.98)	26.53	-	2.14	2,789.66	-	2,789.66
Loss for the year	-	-	(899.64)	-	-	-	(899.64)	-	(899.64)
Other comprehensive income	-	-	(2.97)	-	1.02	(1.50)	(3.45)	-	(3.45)
Total comprehensive income	-	-	(902.61)	-	1.02	(1.50)	(903.09)	-	(903.09)
Exercise of share options	(0.01)	-	-	-	-	-	(0.01)	-	(0.01)
Adjustment on forfeiture of vested ESOP	-	-	0.14	(0.14)	-	-	-	-	-
Share based payment expenses	-	-	-	44.83	-	-	44.83	-	44.83
Receipt of share application money	0.22	-	-	-	-	-	0.22	-	0.22
Amount received on issue of shares	-	402.97	-	-	-	-	402.97	-	402.97
Amount utilised for share issue expenses	-	(3.93)	-	-	-	-	(3.93)	-	(3.93)
Amount transferred to securities premium on exercise of options	-	5.27	-	(5.27)	-	-	-	-	-
As at March 31, 2017	0.22	4,883.27	(2,620.45)	65.95	1.02	0.64	2,330.65	-	2,330.65
Loss for the year	-	-	(1,589.46)	-	-	-	(1,589.46)	(14.88)	(1,604.34)
Other comprehensive income	-	-	(0.76)	-	-	(0.95)	(1.71)	-	(1.71)
Total comprehensive income	-	-	(1,590.22)	-	-	(0.95)	(1,591.17)	(14.88)	(1,606.05)
Exercise of share options	(0.22)	-	-	-	-	-	(0.22)	-	(0.22)
Adjustment on forfeiture of vested ESOP	-	-	3.10	(3.10)	-	-	-	-	-
Share based payment expenses	-	-	-	83.82	-	-	83.82	-	83.82
Receipt of share application money	0.05	-	-	-	-	-	0.05	-	0.05
Amount received on issue of shares	-	6,435.13	-	-	-	-	6,435.13	-	6,435.13
Amount utilised for share issue expenses	-	(6.89)	-	-	-	-	(6.89)	-	(6.89)
Acquisition of subsidiaries	-	-	-	-	-	-	-	150.35	150.35
Amount transferred to securities premium on exercise of options	-	12.38	-	(12.40)	-	-	(0.02)	-	(0.02)
Other adjustments	-	-	3.55	-	-	-	3.55	-	3.55
As at March 31, 2018	0.05	11,323.89	(4,204.02)	134.27	1.02	(0.31)	7,254.90	135.47	7,390.37

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

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

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Vikas Garg
Senior Vice President - Finance

Madhur Deora
Chief Financial Officer

Vineet Chawla
Company Secretary

S.R. Batliboi & Associates LLP

One97 Communications Limited

One97 Communications Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

	March 31, 2018	March 31, 2017
Cash flow from operating activities:		
Loss before tax from continuing operations	(1,597.56)	(617.25)
Loss before tax from discontinued operations	(5.25)	(279.91)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	78.88	40.00
Interest income	(75.27)	(31.02)
Interest cost	18.88	3.71
Trade receivables/Advance written off	3.12	-
Provision for doubtful advances	1.82	0.62
Provision for Impairment of trade receivables	35.91	9.89
Gain on sale of wallet business (refer note 33)	(62.99)	-
Gain on sale of marketplace business (refer note 33)	-	(591.32)
Provision for impairment of investments in associates	59.59	-
Fixed assets written off	0.11	0.24
Rent equalisation reserve	0.18	(0.10)
Share based payment expenses	83.68	44.83
Provision for employee incentive	37.70	2.64
Share of result of associates	30.81	27.47
Fair value gain on financial instruments at FVTPL	(177.44)	(129.83)
Gain on sale of property, plant and equipment	(0.25)	(0.63)
Operating loss before working capital changes	**(1,568.08)**	**(1,520.66)**
Working capital adjustments:		
Increase/(decrease) in trade payables	221.34	(112.83)
Increase in other current liabilities	14.39	12.13
Increase/(decrease) in other non-current liabilities	(2.83)	-
Increase/(decrease) in other financial liabilities	(990.72)	890.26
(Increase)/decrease in trade receivables	(441.23)	17.90
(Increase)/decrease in other financial assets	682.29	(934.18)
(Increase)/decrease in Deferred tax assets	1.72	-
(Increase)in other current assets	(298.40)	(113.60)
(Increase) in prepayments	(39.69)	(13.54)
(Increase) in security deposits	(29.25)	(6.95)
Cash used in operations	**(2,450.46)**	**(1,781.47)**
Income tax paid	(164.91)	(42.71)
Cash flow used in operating activities (A)	(2,615.37)	(1,824.18)
Cash flow from/(used in) investing activities		
Purchase of property, plant and equipment including intangible assets, work in progress and capital advances	(59.51)	(112.18)
Proceeds from sale of property, plant and equipment	0.42	0.63
Acquisition of subsidiaries (net of cash acquired)	(17.95)	-
Investment in bank deposits (having original maturity of more than 12 months)	(119.64)	(89.68)
Investment in bank deposits (having original maturity of more than three months but less than 12 months)	(88.82)	(15.89)
Maturity of bank deposits (having original maturity of more than 12 months)	74.49	23.39
Maturity of bank deposits (having original maturity of more than three months but less than 12 months)	73.08	20.04
Investments in non current investments	(182.52)	(195.24)
Sale of Non current Investment	81.06	-
Investments in current investments	(10,350.85)	(1,177.00)
Proceeds from sale of current investments	6,317.69	3,203.93
Interest received	74.97	28.93
Cash flow from/ (used in) investing activities (B)	(4,197.58)	1,686.93
Cash flow from/(used in) financing activities		
Proceeds from issue of share capital	8.33	403.73
Share Premium received on issue of share capital	6,435.15	-
Share issue expenses	(6.89)	(3.93)
Share application money received during the year	0.05	0.21
Share application money utilised during the year	(0.22)	-
Interest paid	(18.88)	(3.71)
Proceeds/(repayments) from secured loans	(23.65)	23.65
Cash flow from financing activities (C)	6,393.89	419.95

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One97 Communications Limited

Vijay

One97 Communications Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2018
(Amounts in INR Crores, unless otherwise stated)

	March 31, 2018	March 31, 2017
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.95)	(1.50)
Net decrease in cash and cash equivalents (A+B+C)	(420.01)	281.20
Cash and cash equivalent at the beginning of the year	509.73	228.53
Cash and cash equivalent at the end of the year (refer note 9(a))	89.72	509.73

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership No: 94524
Place: Noida
Date: 18 May 2018

S.R. Batliboi & Associates LLP

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

Vijay Shekhar Sharma
Chairman
DIN No. 00466521

Vimal Chawla
Company Secretary

Madhur Deora
Chief Financial Officer

Vikas Garg
Senior Vice President - Finance

One97 Communications Limited

1. Corporate information

These Consolidated Financial Statements comprise financial statements of One97 Communications Limited ("the Company" or "the Holding Company") together with its subsidiaries, controlled trusts and associates, herein after referred to as the "Group" for the year ended March 31, 2018.

One97 Communications Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 ("the Act"). The registered office of the Company is located at 1st Floor, Devika Tower, Nehru Place, New Delhi - 110019. The principal place of business of the Group is in India.

The Group is in the business of providing payment services primarily as payment facilitator and providing voice and messaging platforms,to the telecom operators and enterprise customers.

Till May 22, 2017 the Holding Company was in the business of issuing and operating semi-closed wallet (e-wallet operations) under Prepaid Payment Instruments (PPI) licence granted by RBI. On May 23, 2017 the Holding Company has transferred its e- wallet operations to Paytm Payments Bank Limited on a going concern basis. With effect from March 27, 2017, the Holding Company transferred Physical Goods Marketplace Business to Paytm E-commerce Private Limited.

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on May 18, 2018.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements ("Financial Statements") of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies' (Indian Accounting Standard) Rules, 2015, as amended from time to time.

Effective April 1, 2016, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) which have been measured at fair value

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the financial statements are presented in Indian Rupees ('Rupees' or 'Rs.' or 'INR') and are rounded to the nearest crores up to two decimal places, except per share data and unless stated otherwise.

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One97 Communications Limited

2.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- The assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 19 *Employee Benefits.*

- Deferred tax assets and liabilities are recognized and measured in accordance with Ind AS 12 Income Taxes.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The consideration transferred by the acquirer is recognized at fair value at the acquisition date. Deferred consideration is classified as a liability under Ind AS 109 and is measured at amortized cost.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.3 Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Group as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Specifically, the Group controls an investee if and only if the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b) Exposure, or rights, to variable returns from its involvement with the investee, and
c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee
b) Rights arising from other contractual arrangements
c) The Group's voting rights and potential voting rights
d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e. year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in Fixed assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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One97 Communications Limited

2.4 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the subsidiaries

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of the associates is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit and loss. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.5 Summary of significant accounting policies

a. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current / non-current classification.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the

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reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities, are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Foreign currencies

Functional and presentation currency

Items included in the Financial Statements of the Group are measured using the currency of the primary economic environment in which it operates i.e. the "functional currency". The Group's Financial Statements are presented in INR, which is also the parent Group's functional currency.The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency at exchange rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or consolidated statement of profit and loss, are also recognised in OCI or consolidated statement of profit and loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their consolidated statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidatiòn are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

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One97 Communications Limited

c. Fair value measurement

The Group measures certain financial instruments (e.g. investments) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liabilities takes place either in the principal market for the asset or liability or in absence of principal market, in the most advantageous market for the asset or liability.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements 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 (Unadjusted) marked prices in the active markets for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management or its expert verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. Where the Group acts as an agent for selling goods or services, only the commission income is included within revenue. The specific revenue recognition criteria described below must also be met before revenue is recognized.

Sale of mobile value added services

Revenue from services is recognized by reference to stage of completion as and when services are rendered as per the terms of the agreement with customer. Revenues are disclosed net of the service tax charged on such services. In

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terms of the contract, excess of revenue over the billed at the year-end is carried in the Financial Statement as unbilled revenue.

Commission

The Group facilitates recharge of talk time, bill payments and availability of bus tickets, etc. and earns commission for the respective services. Commission income is recognized when the services have been provided by the Group.

Service fees

The Group earns service fee from merchants and recognizes such revenue when the services have been provided by the merchants. Such service fee is generally determined as a percentage of transaction value executed by the merchants. Amount received by the Group pending settlement are disclosed as Payable to the merchants under Current Liabilities. Service fee also includes Royalty charged to customers for providing brand and technical support. Such fee is determined as a percentage of transaction value executed by the customers.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.
Current income tax relating to items recognised outside consolidated statement of profit and loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Payments of tax as per Minimum Alternative Tax (MAT), if any is included as part of current tax in consolidated statement of profit and loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:
When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside consolidated statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax
Credit of MAT is recognised as deferred tax asset only when it is probable that taxable profit will be available against which the credit can be utilised. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss account. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is no longer probable that the Group will pay normal income tax during the specified period.

Taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of value added/goods and services/ service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or disclosed separately in consolidated statement of profit and loss as part of the expense item, as applicable, or
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

f. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

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For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance Sheet.
Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations or
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

Additional disclosures are provided in Note 33. All other notes to the Financial Statements mainly include amounts for continuing operations, unless otherwise mentioned.

g. Property, plant and equipment

On transition to Ind AS, the Group elected to continue with the carrying value of all of its property, plant and equipment and capital work-in-progress recognised as at April 1, 2015 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment and capital work-in-progress.

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment.

Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All repair and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

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Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work in progress'.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss on the date of disposal or retirement.

Depreciation is provided using the written down value method and charged to consolidated statement of profit and loss as per the rates prescribed under schedule II of the Companies Act, 2013, given below:

Assets	Rate of Depreciation (per annum)
Servers and networking equipment (Computers)	39.30%
Laptops and desktops (Computers)	63.16%
Office equipment	45.07%
Furniture and fittings	25.89%
Vehicles	31.23%

Leasehold improvements are depreciated over lower of the period of the lease and useful life.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Separately acquired intangible assets, such as software are measured initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of profit and loss in the year in which the expenditure is incurred. Intangible assets with finite useful lives are carried at cost and are amortised on a written down value basis over their estimated useful lives and charged to consolidated statement of profit and loss.

Other Software and licenses acquired are amortized at the rate of 40% per annum on written down value method. Other intangibles i.e Customer relationship, right to use brand and non- compete right acquired in business combination are amortised over their useful life on straight line basis, which is taken to be 5 years.

The amortization period and the amortization method are reviewed at least at each financial year end. 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. The amortisation expense on intangible assets is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

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Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the 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 any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to five years. Amortization is recognized in the consolidated statement of profit and loss. During the period of development, the asset is tested for impairment annually.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Impairment of non-financial assets

For all non-financial assets, the Group assesses whether there are indicators of impairment. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount for an asset or CGU is the higher of its value in use and fair value less costs of disposal. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount the asset is considered impaired and the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

In assessing value in use, the estimated future cash flows of the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by

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the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

k. Provisions and contingencies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Financial Statements.

l. Retirement and other employee benefits

For defined benefit plans (gratuity), obligations are measured at discounted present value (using the projected unit credit method) whilst plan assets are recorded at fair value. The employees of subsidiaries are not covered under defined benefit plan. The operating and financing costs of such plans are recognised separately in the consolidated statement of profit and loss; service costs are spread systematically over the expected service lives of employees and financing costs are recognised in the periods in which they arise. Re-measurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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The Group's contributions to defined contribution plans (provident fund) are recognized in profit or loss when the employee renders related service. The Group has no further obligations under these plans beyond its periodic contributions. The employees of subsidiaries are not covered under defined contribution plan.

The Group provides for liability at year end on account of un-availed earned leave as per actuarial valuation using projected unit credit method.

m. Share-based payments

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Stock Option Plan (ESOP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The Group has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. The Group uses EWT as a vehicle for distributing shares to employees under the ESOP schemes. The EWT holds shares of the Group, for giving shares to employees. The Group treats EWT as its extension and shares of the Group held by EWT are treated as treasury shares. Other assets held by EWT are consolidated on a line-by-line basis with Group's Financial Statements.

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n. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables and is most relevant to the Group.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to consolidated statement of profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group 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 EIR.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head other expenses in the consolidated statement of profit and loss. For the financial assets measured as at amortised cost ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, including bank overdrafts.

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Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

Offsetting of financial instruments

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

o. Cash and cash equivalents

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

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For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

Group as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are classified as operating leases. Payments made under operating leases are charged to consolidated statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

q. Earnings/ (loss) per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders 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 by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

r. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other reserve.

s. Segment reporting

Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Only those business activities are identified as operating segment for which the operating results are regularly reviewed by the CODM to make decisions about resource allocation and performance measurement.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Group as a whole.

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t. Standards issued but not yet effective

The standards issued, but not yet effective up the date of issuance of the Group's financial statements is disclosed below.

IND AS 115 Revenue from contracts with customers

IND AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
The new revenue standard will supersede all current revenue recognition requirement under IND AS. In March 2016, the Ministry of Corporate Affairs in India, issued amendments to IND AS 115, deferring the adoption of the standard to accounting period commencing on or after April 1, 2018. The Group has not yet selected a transition method and is evaluating the impact of IND AS 115 on the financial statements.

Ind AS 116 Lease

IND AS 116 was issued in July 2017 on Leases and will replace the existing leases Standard, IND AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. The effective date for adoption of IND AS 116 is annual periods beginning on or after April 1, 2019 though early adoption is permitted for companies applying IND AS 115. The Group is currently assessing the impact of adopting IND AS 116 on the Group's financial statements.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.
The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group has not classified any associate or joint venture as held for sale, the Group does not expect any effect on its consolidated financial statements

Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

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These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

i. The beginning of the reporting period in which the entity first applies the Appendix, or
ii. The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

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(Amounts in INR in crores, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Furniture and Fittings	Leasehold Improvements	Vehicles	Office Equipments	Total
Gross block						
As at April 1, 2016	63.40	4.21	15.14	0.78	7.62	91.15
Additions	91.68	0.74	4.34	-	3.34	100.10
Foreign Currency Translation Reserve	0.17	0.02	0.01	-	0.00	0.20
Discontinued Operation (Refer note 33)	3.84	-	-	-	-	3.84
Deductions/Disposals	6.95	-	-	-	0.04	6.99
As at March 31, 2017	144.46	4.97	19.49	0.78	10.92	180.62
As at April 1, 2017	144.46	4.97	19.49	0.78	10.92	180.62
Acquisition of business (Refer note 37)	4.76	0.48	0.15	-	2.92	8.31
Additions	78.34	1.66	5.93	0.67	5.12	91.72
FCTR	(0.09)	(0.03)	(0.04)	-	(0.00)	(0.16)
Deductions/Disposals	4.28	-	-	-	0.03	4.31
As at Mar 31 2018	223.19	7.08	25.53	1.45	18.93	276.18
Depreciation / amortisation						
As at April 1, 2016	19.96	0.79	1.22	0.15	1.18	23.30
For the period	28.76	0.92	2.25	0.20	3.06	35.19
Foreign Currency Translation Reserve	0.55	0.01	0.00	-	0.00	0.56
Discontinued Operation (Refer note 33)	2.66	-	-	-	-	2.66
Deletions / adjustments	6.46	-	-	-	0.04	6.50
As at March 31, 2017	40.15	1.72	3.47	0.35	4.20	49.89
As at April 1, 2017	40.15	1.72	3.47	0.35	4.20	49.89
Acquisition of business (Refer note 37)	2.46	0.14	0.04	-	0.91	3.55
For the period	57.65	1.04	2.56	0.17	3.82	65.24
Foreign Currency Translation Reserve	(0.02)	(0.01)	(0.01)	-	0.00	(0.04)
Deletions / adjustments	3.58	-	-	-	0.01	3.59
As at Mar 31 2018	96.66	2.89	6.06	0.52	8.92	115.05
As at Mar 31 2018	126.53	4.19	19.47	0.93	10.01	161.13
As at March 31, 2017	104.31	3.25	16.02	0.43	6.72	130.73

4. Intangible assets

Particulars	Goodwill	Customer Relationship	Brand	Non-compete	Software	Internally Generated Software	Total
Gross block							
As at April 1, 2016	-	-	-	-	17.67	0.11	17.78
Additions	-	-	-	-	7.10	0.85	7.95
Foreign Currency Translation Reserve	-	-	-	-	-	0.02	0.02
Discontinued Operation (Refer note 33)	-	-	-	-	1.73	-	1.73
Deductions/Disposals	-	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	23.04	0.98	24.02
As at April 1, 2017	-	-	-	-	23.04	0.98	24.02
Acquisition of business (Refer note 37)	312.21	25.11	43.49	3.89	3.70	8.38	84.57
Additions	-	-	-	-	21.87	0.72	22.59
Foreign Currency Translation Reserve	-	-	-	-	-	-	-
Deductions/Disposals	-	-	-	-	-	-	-
As at Mar 31 2018	312.21	25.11	43.49	3.89	48.61	10.08	131.18
Depreciation / amortisation							
As at April 1, 2016	-	-	-	-	4.53	0.10	4.63
For the year	-	-	-	-	5.92	0.52	6.44
Foreign Currency Translation Reserve	-	-	-	-	0.04	-	0.04
Discontinued Operation (Refer note 33)	-	-	-	-	0.72	-	0.72
Deletions / adjustments	-	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	9.77	0.62	10.39
As at April 1, 2017	-	-	-	-	9.77	0.62	10.39
Acquisition of business (Refer note 37)	-	-	-	-	1.91	6.22	8.13
For the year	-	1.82	3.17	0.37	6.22	2.06	13.64
Foreign Currency Translation Reserve	-	-	-	-	-	-	-
Deletions / adjustments	-	-	-	-	-	-	-
As at Mar 31 2018	-	1.82	3.17	0.37	17.90	8.90	32.16
Net block							
As at Mar 31 2018	312.21	23.29	40.32	3.52	30.71	1.18	99.02
As at March 31, 2017	-	-	-	-	13.27	0.36	13.63

(Amounts in INR Crores, unless otherwise stated)

5. Investment in associates

	As at March 31, 2018	As at March 31, 2017
Unquoted equity shares		
Paytm Payments Bank Limited 195,904,900 (March 31, 2017 : 107,004,900) equity shares of INR 10 each	158.07	91.93
Unquoted Compulsorily Convertible Preference shares		
Loginext Solutions Private Limited** 279,443 (March 31, 2017 : 279,443) Compulsorily Convertible Preference share of face value of INR 10 each	15.51	40.23
Socomo Technologies Private Limited** 28,800 (March 31, 2017 : 28,800) Compulsorily Convertible Preference share of face value of INR 1 each	-	40.25
Indi Yuva Limited Nil (March 31, 2017 : 1,190,476) Compulsorily Convertible Preference share of face value of USD 0.01 each	-	0.37
Little Internet Singapore Pte. Limited Nil (March 31, 2017 : 4,608,917) Compulsorily Convertible Preference share of face value of USD 0.01 each	-	27.70
Little Internet Private Limited# Nil (March 31, 2017 : 520,000) Compulsorily Convertible Preference share of face value of INR 10 each	-	52.00
Unquoted Compulsorily Convertible Debenture		
QorQL Private Limited 2,000,000 (March 31, 2017 : 2,000,000) Compulsorily Convertible Debentures of INR 10 each	1.99	1.99
	175.57	254.47

* Investments acquired during the year.

** Net of provision for impairment amounting to INR 22.50 (March 31, 2017 : Nil) and INR 37.10 (March 31, 2017 : Nil) respectively for Loginext Solutions Private Limited and Socomo Technologies Private Limited respectively.

Converted to Investment in subsidiary during the year ended March 31, 2018.

6. Financial assets

a) Investments

	As at March 31, 2018	As at March 31, 2017
Investments at fair value through OCI		
Unquoted equity shares		
Ciqual Limited## 127,489 (March 31, 2017 127,489) equity shares of GBP 0.01 each	-	-
Highorbit Careers Private Limited 235 (March 31, 2017 : 235) equity shares of INR 10 each	0.36	0.36
ZEPO Technologies Private Limited 3,458 (March 31, 2017 : 3,458) Equity shares of face value INR 10 each	2.28	2.76
Pilani Experts Technology Labs Private Limited 1,277 (March 31, 2017 : 1277,) equity shares of INR 10 each	0.49	0.49
Red Pixels Ventures Limited 1,093 (March 31, 2017 : 1,093) Equity shares of face value INR 10 each	0.44	0.53
Plivo Inc. 793,696 (March 31, 2017 : 793,696) common stock of USD 1 each	4.86	5.21
Insightful Labs Nil (March 31, 2017 : 30,000) common stock of USD 1 each	-	0.04
Software Is Correct INC 50,000 (March 31, 2017 : 50,000) common stock of USD 1 each	-	0.32
	8.43	9.71

Investments at fair value through Profit and loss	As at March 31, 2018	As at March 31, 2017
Unquoted Compulsorily Convertible Preference shares		
Raining Clouds Tech Private Limited## 3,620 (March 31, 2017 : 3,620) Redeemable Convertible Preference Shares of INR 10 each	-	-
Busy Bees Logistics Solution Private Limited 18,121 (March 31, 2017 : 18,121) Compulsorily Convertible Preference share of face value of INR 10 each	48.58	52.36
Avenues Payments India Private Limited 11,379 (March 31, 2017 : Nil) Compulsorily Convertible Preference share of face value of INR 100 each	7.00	-
Paytm E-commerce Private Limited 11,276 (March 31, 2017 : 17,537) Equity shares of face value INR 10 each held by Employee Welfare Trust	45.13	7.57

(Amounts in INR Crores, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Debentures (unquoted)		
Ciqual Limited## 27,876,274 (March 31, 2017 : 27,876,274) Convertible Loan Notes of GBP 0.01 each#	-	-
Mutual Funds (Quoted)		
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan 20,366,791 units (March 31, 2017 :Nil units)	568.87	-
Aditya Birla Sun Life Floating Rate Fund - Long Term - Growth-Direct 14,398,760 units (March 31, 2017 :Nil units)	310.04	-
Aditya Birla Sun Life Savings Fund - Growth - Direct Plan 7,457,811 units (March 31, 2017 :Nil units)	256.49	-
Axis Liquid Fund Growth 41,357 units (March 31, 2017 :Nil units)	7.97	-
Birla Sun Life Floating Rate Fund 4,04,421 units (March 31, 2017 :Nil units)	9.38	-
Birla Sun Life Short Term Fund - Growth-Direct Plan Nil units (March 31, 2017 :10,079,633 units)	-	63.04
DSP BlackRock Liquidity Fund-Direct Plan-Growth 153,196 units (March 31, 2017 :4,750 units)	38.04	1.10
HDFC Floating Rate Income Fund Short -Direct Plan - Wholesale Growth Option 33,850,370 units (March 31, 2017 :Nil units)	102.85	-
HDFC Liquid Fund - Direct Plan-Growth 2,316,075 units (March 31, 2017 :Nil units)	793.00	-
HDFC Short Term Opportunities Fund- Direct Plan - Growth Nil units (March 31, 2017 :56,931,494 units)	-	103.03
ICICI Prudential Flexible Income - Direct Plan - Growth 1,820,260 units (March 31, 2017 :Nil units)	60.96	-
ICICI Prudential Liquid - Direct Plan - Growth 22,308,384 units (March 31, 2017 :Nil units)	573.30	-
ICICI Prudential Liquid Regular Plan Growth 45,932 units (March 31, 2017 :45,932 units)	1.18	1.10
ICICI Prudential Ultra Short Term - Direct Plan - Growth Nil units (March 31, 2017 :33,083,814 units)	-	56.61
IDFC Cash Fund Growth Direct Plan 352,191 units (March 31, 2017 :Nil units)	74.32	-
Kotak Floater Short Term Regular Plan 4,22,290 units (March 31, 2017 :Nil units)	-	-
Kotak Floater Short Term Direct Plan 2,235 units (March 31, 2017 :Nil units)	0.63	-
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option 264,754 units (March 31, 2017 :164,477 units)	112.25	65.25
Reliance Medium Term Fund Direct Plan Growth 68,389,527 units (March 31, 2017 :Nil units)	254.42	-
Reliance Money Manager Fund Direct Plan Growth 1,051,459 units (March 31, 2017 :Nil units)	256.42	-
SBI Magnum Insta Cash Fund - Direct Plan - Growth 27,156 units (March 31, 2017 :Nil units)	10.44	-
SBI Premier Liquid Fund - Direct Plan - Growth 77,954 units (March 31, 2017 :Nil units)	21.24	-
UTI-Treasury Advantage Fund-Institutional Plan-Direct Plan-Growth 1,061,933 units (March 31, 2017 :Nil units)	256.30	-
Investments at amortised cost		
Debt instruments (unquoted)		
Kotak Mahindra Prime Ltd 8.019% NCD 29 Jan 2019 150 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	15.03	-
Kotak Mahindra Prime Ltd 8.70% NCD 10 Aug 2018 100 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	10.49	-
Kotak Mahindra Prime Ltd 8.03% NCD 14 Feb 2019 500 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	50.16	-
Kotak Mahindra Investments Ltd 8.10% CP 21 Feb 2019 4000 (March 31, 2017 : Nil) Commercial Papers of INR 500,000 each	185.05	-
HDFC 7.40% NCD 22 Nov 2018 175 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 10,000,000 each	177.49	-

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	As at March 31, 2018	As at March 31, 2017
HDFC 0% ZCB 30 Oct 2018 1000 (March 31, 2017 : Nil) Zero Coupon Bonds of INR 1,000,000 each	150.07	-
LIC Housing Finance Limited 9.65% NCD 25 Mar 2019 250 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	27.61	-
LIC Housing Finance Limited 9.7624% NCD 8 Mar 2019 250 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	25.33	-
LIC Housing Finance Limited 8.70% NCD 17 Dec 2018 500 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	53.61	-
Tata Capital Financial Services Limited 8.20% NCD 8 Mar 2019 500 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	52.15	-
LIC Housing Finance Limited 7.085% NCD 23 Apr 2019 1000 (March 31, 2017 : Nil) Redeemable Non Convertible Debentures of INR 1,000,000 each	102.45	-
	4,658.25	350.07
Total investments	4,666.68	359.78
Current	4,455.09	290.15
Non-Current	211.59	69.63
	4,666.68	359.78
Aggregate book value of unquoted investments	**958.58**	**69.63**
Aggregate book value of quoted investments	**3,708.10**	**290.15**

Note :

ICICI Prudential Liquid Plan - Growth is marked under lien by banks for guarantees amounting to INR 0.70 (March 31, 2017 INR 0.77) issued against various contracts.

Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities. Refer note 31 for determination of their fair values.

Financial instruments at fair value through profit or loss reflect the positive change of INR 33.23 (31 March 2017: 20.67) in fair value of investments in equity and preference shares.

The Company holds these investments, however the fair value is Nil.

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(Amounts in INR Crores, unless otherwise stated)

b) **Security Deposits**

	Non-Current As at		Current As At	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Security deposits				
Unsecured, considered good	32.48	13.03	10.70	0.90
Unsecured, considered doubtful	0.11	0.11	-	-
	32.59	13.14	10.70	0.90
Provision for doubtful deposits	(0.11)	(0.11)	-	-
	32.48	13.03	10.70	0.90
	32.48	13.03	10.70	0.90

c) **Other financial assets**

	Non-current As at		Current As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Bank balances				
Bank balance in Escrow account [(Refer note 9(a)(a)]	-	-	-	846.46
Deposits with original maturity for more than 12 months	8.07	6.37	132.27	88.81
Others				
Loan to employees	-	-	0.28	-
Loan to Corporates	-	-	2.16	-
Accrued Interest on Marketable Securities	6.08	-	-	-
Interest accrued but not due on fixed deposits	0.49	0.08	5.33	5.44
Unbilled revenue (net)	-	-	48.99	76.87
A	14.64	6.45	189.03	1,017.58
Amount recoverable from Payment Gateway banks* (net)				
Unsecured, considered good	-	-	410.44	180.97
Unsecured, considered doubtful	-	-	3.02	3.02
	-	-	413.46	183.99
Less : Provision for recoverable from Payment Gateway banks	-	-	(3.02)	(3.02)
B	-	-	410.44	180.97
Amount recoverable from related parties#	229.00	295.87	509.24	393.73
C	229.00	295.87	509.24	393.73
Total [A+B+C]	243.64	302.32	1,108.71	1,592.28

* The amount represent recoverable from payment gateway banks on account of credit card/debit card and net banking transactions related to third party merchant, wallet and market place merchants.

'# Amount recoverable from related parties includes INR 54.29 for Sale of Wallet Business during the year ended March 31, 2018 (March 31, 2017 : Nil) and INR 495.20 from Sale of Physical Marketplace business during the year ended March 31, 2018 (March 31, 2017 : 620.77).

Break up of financial assets carried at amortised cost

	Non-current As at		Current As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Trade receivables (Note 7)	-	-	504.78	100.38
Cash and cash equivalents (Note 9(a))	-	-	331.83	576.34
Bank balances other than cash and cash equivalents (Note 9(b))	-	-	38.21	22.47
Security Deposits (Note 6)	32.16	13.03	10.70	0.90
Others (Note 8)	243.63	302.32	1,108.71	1,592.28
Investments (Note6(a))	102.45	-	746.98	-
	378.24	315.35	2,741.21	2,292.37

Break up of financial assets carried at fair value

	Non-current As at		Current As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Investments at fair value through OCI	8.45	9.72	-	-
Investments at fair value through Profit and loss	100.70	59.91	3,708.10	290.15
	109.15	69.63	3,708.10	290.15

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(Amounts in INR Crores, unless otherwise stated)

7. Trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade Receivables	135.61	97.44
Receivables from related parties (Refer Note (i) below)	369.17	2.94
	504.78	100.38

	As at March 31, 2018	As at March 31, 2017
Break-up		
Trade receivables		
Secured, considered good		
Unsecured, considered good	504.78	100.38
Doubtful	62.01	24.17
	566.79	124.55
Impairment allowance on trade receivables		
Unsecured, considered good	-	-
Doubtful	(62.01)	(24.17)
	(62.01)	(24.17)
Total Trade receivables	504.78	100.38

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed above.

(ii) For related party receivables, refer note 26

(iii) Trade receivables are non-interest bearing and carry a credit period of upto 90 days.

8. Other assets

	Non-current As at March 31, 2018	Non-current As at March 31, 2017	Current As at March 31, 2018	Current As at March 31, 2017
Capital advances				
Unsecured, considered good	1.00	1.71	-	-
Doubtful	0.08	0.08	-	-
	1.08	1.79	-	-
Less Provision for doubtful advances	(0.08)	(0.08)	-	-
A	1.00	1.71	-	-
Advances to vendors				
Unsecured, considered good	36.59	-	410.48	236.05
Doubtful	-	0.41	4.98	2.75
	36.59	0.41	415.46	238.80
Less Provision for doubtful advances	-	(0.41)	(4.98)	(2.75)
B	36.59	-	410.48	236.05
Others				
Service tax input credit	-	-	-	75.46
GST input credit	-	-	41.52	-
Advances to related parties*			131.63	(0.00)
Value Added Tax (VAT) credit receivable	-	-	0.27	0.64
C	-	-	173.42	76.10
Total (A+B+C)	37.59	1.71	583.90	312.15

*No advances are recoverable from directors or other officers of the Company either severally or jointly with any other person. Nor any advance are recoverable from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed above.

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(Amounts in INR Crores, unless otherwise stated)

9(a). Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Cash in hand	0.11	0.06
Balance with banks		
- On current accounts	320.28	82.48
On cash credit account		
- Deposits with original maturity for less than 3 months	11.45	-
- Escrow Account (Refer note (a))	-	438.65
- Nodal Account (Refer note (b))	-	55.16
	331.84	576.35

Notes :

(a) The Group maintained balance in Escrow Account in accordance with RBI guidelines relating to semi closed wallet (Prepaid Payment Instrument) till May 22, 2017, which was used to settle all merchant liablities to the extent money used from wallet. As at March 31, 2017, amounts deposited by the Company over and above the wallet liability are disclosed under cash and cash equivelants and amount pertaning to wallet liability are disclosed under "other financial assets" (refer note 7(c)). On May 23, 2017 the Company has transferred its e-wallet operations to Paytm Payments Bank Limited and accordingly, the Escrow Account has been closed and balance transferred to current account.

(b) The Group uses a Nodal Account to receive money through debit/credit card and net banking transactions towards all transactions happening on its portal, as well as to settle the respective merchants. The amounts collected but yet to be transferred to merchants of INR 34.02 (March 31, 2017: INR 29.50) are netted off with nodal account balance. The excess balance (if any) available in Nodal Account is available for use by the Company and is disclosed as cash and cash equivalents.

(c) Fixed deposits are marked under lien by banks for guarantees amounting to INR 241.93 (March 31, 2017 : INR 91.54) issued against various contracts.

(d) Fixed deposits with a carrying amount of INR 62.11 (March 31, 2017 : INR 18.93) are subject to first charge to secure the Company's Working Capital facility.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2018	As at March 31, 2017
Cash in hand	0.11	0.06
Balance with banks		
- On current accounts	320.28	82.48
- Deposits with original maturity of less than 3 months	11.45	-
- Escrow Account	-	438.65
- Nodal Account	-	55.17
	331.84	576.36
Other bank balances		
Less: Bank overdraft	(242.12)	(66.63)
	(242.12)	(66.63)
Cash and cash equivalents for the purpose of cash flow statement	89.72	509.73

9(b). Bank balances other than cash and cash equivalents

Deposits with original maturity of more than 3 months but less than 12 months	38.21	22.47
	38.21	22.47

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(Amounts in INR Crores, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
10. Share Capital		
Authorised share capital		
56,100,000 (March 31, 2017 : 56,100,000) equity shares of INR 10 each	56.10	56.10
2,759,000 (March 31, 2017 : 2,759,000) 0.001% series B cumulative convertible preference shares of INR 174 each	48.01	48.01
	104.11	104.11

Terms/ rights attached to equity shares
All the equity shares issued to investors and other shareholders shall rank pari passu and have a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held only.

	As at March 31, 2018	As at March 31, 2017
Issued, subscribed and fully paid up shares		
55,325,271 (March 31, 2017 : 46,990,653) equity shares of INR 10 each fully paid up	55.31	46.98
Total issued, subscribed and fully paid-up share capital	55.31	46.98

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year*	4.66	46.98	4.59	46.23
Shares issued during the year	0.81	8.09	0.06	0.61
Shares issued during the year - ESOP	0.02	0.24	0.01	0.14
Shares outstanding at the end of the year*	5.49	55.31	4.66	46.98

* Net of treasury shares 326,639 (March 31, 2017: 364,113) at nil cost through employee welfare trust

b. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	March 31, 2018		March 31, 2017	
	Number of Shares held	% holding	Number of Shares held	% holding
Alipay Singapore E-Commerce Private Limited	1.75	31.71%	1.75	37.34%
SVF India Holding (Cayman) Limited	1.13	20.47%	-	
SAIF III Mauritius Company Limited	0.75	13.54%	0.94	20.04%
Mr. Vijay Shekhar Sharma	0.91	16.36%	0.94	19.95%
Alibaba.com Singapore E-Commerce Private Limited	0.44	8.00%	0.44	9.42%
SAIF Partners India IV Limited	0.31	5.52%	0.38	8.17%

c. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock options plan (ESOP) of the Company, please refer note 25

Share application money pending allotment amounting to INR 0.05 (March 31, 2017 : INR 0.22) represents amount received from employees for exercising the employee stock

d. Aggregate number of bonus shares issued and share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has neither issued bonus shares, shares for consideration other than cash, nor bought back shares during the period of five years immediately preceding the reporting

e. Instruments entirely equity in nature
Consequent to framework agreement entered on November 30, 2017 between the Company, Little Internet Private Limited ('LI'), Shareholders of LI, Nearbuy India Private Limited ('NBI'), and Shareholders of NBI. The shareholders of NBI swapped their shares in NBI with shares in LI, resulting in their becoming 37% shareholders of LI and NBI becoming wholly owned subsidiary of LI. The Company through further restructuring of its existing investments in LI (5%) and Little Singapore Pte Limited ('LS') (27%), as well as through its obligation to issue further shares amounting to INR 173.63 to other shareholders of LI, became 63% shareholder in LI. The restructuring of existing investment in LI and LS, as discussed above, resulted in LS buying back 27% stake of the Company in LS for INR 77.40 and the Company further infusing INR 83.53 in LI. The buyback resulted in the Company recording gain of INR 44.11. Company's obligation to issue further shares amounting to INR 173.63 to other shareholders of LI has been disclosed as "Instruments entirely equity in nature" under Equity.

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(Amounts in INR Crores, unless otherwise stated)

11. Provisions

	Non-current		Current	
	As at		As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for employee benefits				
Provision for gratuity (refer note 27)	9.89	5.63	0.36	-
Provision for leave benefits	21.15	-	7.71	9.60
Other provisions				
Provision for income tax	-	-	1.45	0.15
	31.04	**5.63**	**9.52**	**9.75**

12. Financial libilities

(a) Borrowings

	As at March 31, 2018	As at March 31, 2017
Bank overdraft (Refer Note below)	242.12	66.63
Short term borrowings from bank (Refer Note below)	-	23.65
	242.12	**90.28**

Note:
Borrowings (in INR) are repayable on demand and carry interest at I-MCLR and "spread" per annum. As on the reporting date, I-MCLR is 8.15% and spread is 1.45%. Borrowings from bank are secured against Fixed Deposits, Current Assets and also backed by irrevocable and personal guarantee of Mr. Vijay Shekhar Sharma, Director.

	As at March 31, 2018	As at March 31, 2017
(b) Trade Payables		
Trade payables	405.15	228.24
Trade payables to related parties	57.53	1.52
	462.68	**229.76**
(c) Others		
Payable to merchants	150.07	43.51
Wallet liability*	0.00	852.05
Payable on purchase of fixed assets	13.39	35.32
Employee benefits payable	63.72	24.84
Others	8.62	191.85
	235.80	**1,147.57**

*The Group received authorization from RBI to set up and operate semi closed wallet (SCW) on August 06, 2013. Consequently, amounts received from subscribers to the SCW are deposited in Escrow Bank account and are recorded as wallet liability. Also refer note 9(a)(a)

Terms and conditions of the above financial liabilities:
(i) Trade and other payables are non-interest bearing and carry credit period of upto 60 days
(ii) For related parties, refer to Note 26

13. Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance from customers	29.30	14.20
Unearned commission	0.08	1.35
Statutory dues payable:		
Tax deducted at source payable	15.22	20.15
Service tax payable	0.23	1.55
GST Payable	5.05	-
Provident fund payable	1.63	1.54
Other statutory dues	2.00	0.33
	53.51	**39.12**

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(Amounts in INR Crores, unless otherwise stated)

	March 31, 2018	March 31, 2017
14. Revenue from operations		
Sale of services	3,058.09	614.62
	3,058.09	614.62
15. Other income		
Fair value Gain on financial instruments at FVTPL	177.44	150.53
Profit on sale of property, plant and equipment (net)	0.25	0.63
Miscellanous Income	0.01	0.35
Interest income		
- on bank deposits	11.02	6.25
- others	64.25	1.92
Other non operating income	3.74	5.89
	256.71	165.57
16. Employee benefits expense		
Salaries, bonus and incentives	510.99	267.58
Contribution to provident and other funds	11.56	6.70
Employee stock option (refer Note 25)	83.68	44.83
Gratuity expenses (refer Note 27)	4.87	3.46
Staff welfare expenses	14.26	10.07
	625.36	332.64
17. Finance costs		
Interest		
- on borrowings	12.28	3.22
- on others	6.60	0.49
Bank charges	9.95	0.79
	28.83	4.50
18. Depreciation and amortization expense		
Depreciation of tangible assets	65.24	33.72
Amortization of intangible assets	13.64	6.28
	78.88	40.00

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	March 31, 2018	March 31, 2017
19. Other expenses		
Payment gateway expenses	1,204.13	241.43
Connectivity and content fees	165.80	76.42
Customer and merchant onboarding expenses	73.95	23.99
Contest expenses	14.25	10.63
Communication costs	27.90	23.28
Legal and professional fees	31.55	7.89
Marketing and business promotion expenses	1,901.63	708.63
Advertisement expenses	331.16	260.85
Subcontract expenses	212.60	120.89
Corporate Social Responsibility (CSR) expenditure	2.28	0.42
Fixed assets written off	0.11	0.24
Insurance	7.79	6.20
Logistic, packing & collection cost	0.29	-
Payment to auditor	2.77	1.69
Postage and Courier	2.36	4.91
Power and fuel	7.16	4.66
Printing and stationery	3.41	1.57
Trade receivables/Advance written off	3.12	5.15
Less: utilisation from provision for impairment of trade receivables/advances	-	(5.15)
Provision for doubtful advances	1.82	0.62
Provision for Impairment of trade receivables	35.91	9.89
Repair and maintance - Buildings	14.33	6.17
Repair and maintance - Others	4.15	1.78
Repair and maintance - Plant and machinery	17.56	9.49
Rates and taxes	9.30	1.44
Rent	16.12	12.81
Service tax expense/reversal under rule 6(3)/GST input credit reversal	24.13	20.12
Travelling and conveyance	34.65	18.85
Exchange differences (net)	0.57	7.12
Miscellaneous expenses	1.08	2.16
	4,151.88	**1,584.15**

20. Exceptional Items	March 31, 2018	March 31, 2017
Gain on sale of wallet business (refer note 33)	62.99	-
Gain on sale of marketplace business (refer note 33)	-	591.32
Provision for impairment of investments in associates	(59.59)	-
	3.40	**591.32**

a) During the current year, Company transferred its Wallet business on a going concern basis, by way of slump sale, to Paytm Payments Bank Limited. Total sale consideration of INR 65, the fair value of which is INR 63.10 (discounted at 9.75%) and net assets transferred is INR 0.11 resulting a total gain of INR 62.99

b) The Company basis its assessment of future business projections of its associates, Socomo Technologies Private Limited and Loginext Solutions Private Limited, has recognised provision of INR 59.59 for impairment in the carrying value of its investment.

c) During the previous year, Company transferred its Marketplace segment on a going concern basis, by way of slump sale, to Paytm E-Commerce Private Limited. Total sale consideration of INR 730, the fair value of which is INR 20.77 (discounted at 9.75%) and net assets transferred is INR 29.45 resulting a total gain of INR 591.32

21. Earnings per shares (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 by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2018	March 31, 2017
Profit attributable to equity holders:		
Continuing operations	(1,599.09)	(619.73)
Discontinued operation	(5.25)	(279.91)
Profit attributable to equity holders for basic earnings	**(1,604.34)**	**(899.64)**
Weighted average number of Equity shares for basic EPS*	5.04	4.62
Earnings per share for continuing operations		
Basic and Diluted earnings per equity share*	(317.40)	(134.17)
Earnings per share for discontinued operations		
Basic and Diluted earnings per equity share*	(1.04)	(60.60)
Earnings per share for continuing and discontinued operations		
Basic and Diluted earnings per equity share*	(318.44)	(194.77)

* In view of losses during the current and previous period, the options which are anti-dilutive have been ignored in the calculation of diluted earnings per share. Accordingly, there is no variation between basic and diluted earnings per share.

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22. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Impairment reviews

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value. In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates; discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU for allocation of the goodwill.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred taxes

Deferred tax assets can be recognised for deductible temporary differences (including unused tax losses) only to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Management based on future projections has concluded that as at March 31, 2018 it is not probable that such deferred tax assets can be realised in excess of available taxable temporary differences. Such projections include estimates and assumptions such as revenue growth rate, inflation impact etc Management re-assesses unrecognised deferred tax assets at each reporting date and recognises to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. For details about deferred tax assets, please refer note 28.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations, please refer Note 27.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model, Price of Recent Investment (PORI) method and Comparable Company Multiples (CCM) method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

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(Amounts in INR in crores, unless otherwise stated)

23. Group Information

A. Entities over which company exercise control

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Country of incorporation	% equity interest	
		As at March 31, 2018	As at March 31, 2017
Indian Subsidiaries			
One97 Communications India Limited	India	100	100
Paytm Financials Services Limited	India	100	100
One97 Employee welfare Trust	India	100	100
Wasteland Entertainment Private Limited (w.e.f July 6,2017)	India	70	-
Mobiquest Mobile Technologies Private Limited (w.e.f August 10,2017)	India	55	-
Urja Money Private Limited (w.e.f October 16,2017)	India	54	-
Little Internet Private Limited (w.e.f December 6,2017)	India	63	-
Paytm Entertainment Limited (w.e.f July 25, 2017)	India	100	-
Paytm Money Limited (w.e.f September 20, 2017)	India	100	-
Foreign Subsidiaries			
One97 Communications Nigeria Limited	Nigeria	100	100
One97 Communications FZ-LLC	Dubai	100	100
One97 Communications Singapore Private Limited	Singapore	100	100
One97 USA Inc.	USA	100	100
Subsidiaries of Subsidiaries			
One97 Communications Rwanda Private Limited	Rwanda	100	100
One97 Communications Tanzania Private Limited	Tanzania	100	100
One97 Communications Bangladesh Private Limited	Bangladesh	100	100
One97 Uganda Limited	Uganda	100	100
One97 Ivory Coast SA	Ivory Coast	100	100
One97 Benin SA	Benin	100	100
Paytm Labs Inc.	Canada	100	100
One97 Communications Malaysia Sdn. Bdn	Malaysia	100	100
Xceed IT Solution Private Limited (w.e.f August 10, 2017)	India	55	-
Nearbuy India Private Limited (w.e.f December 6, 2017)	India	63	-
Acumen Game Entertainment Private Limited (w.e.f November 13, 2017)	India	55	

B. Entities over which company exercise significant influence

Name	Country of incorporation	% interest	
		As at March 31, 2018	As at March 31, 2017
Loginext Solutions Private Limited	India	31.40	31.40
Socomo Technologies Private Limited	India	11.32	11.32
QoRQL Private Limited	India	32.00	32.00
Paytm Payments Bank Limited (w.e.f May 23,2017)	India	49.00	49.00
Indi Yuva Ltd. (till November 30, 2017)	Mauritius	27.14	27.14
Little Internet Singapore Pte. Limited (till November 30, 2017)	Singapore	21.19	26.65
Little Internet Private Limited (till December 05, 2017)	India	24.87	32.00

C. Entities having significant influence over the Group :-

SAIF III Mauritius Company Limited
SAIF Partners India V Limited
SAIF Partners India IV Limited
SAIF India V FII Holdings Limited
Alipay Singapore E-Commerce Private Limited
Alibaba.com Singapore E-Commerce Private Limited
Alipay Labs (Singapore) Pte Limited
SVF India Holdings (Cayman) Limited

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(Amounts in INR Crores, unless otherwise stated)

24. Investment in an associate

Note 24 provides the information about the Group's structure including details of associates
The following table illustrates the summarised financial information of the Group's investment in associates:

As at March 31, 2018

Particulars	Loginext Solutions Private Limited	Paytm Payments Bank Limited	Socomo Technologies Private Limited	Indi Yuva Ltd. **	Little Internet Singapore Pte. Limited *	QorQL Private Limited	Total
Current assets	20.10	2,189.31	10.13	-	-	0.14	2,219.68
Non-current assets	2.33	119.38	10.10	-	-	2.59	134.40
Current liabilities	(1.42)	(1,986.13)	(1.31)	-	-	(0.01)	(1,988.87)
Non-current liabilities	(0.51)	-	(0.27)	-	-	(1.12)	(1.91)
Equity	**20.51**	**322.55**	**18.64**	-	-	**1.60**	**363.30**
Proportion of the Group's ownership	31.40%	49.00%	11.36%	-	-	32.00%	
Carrying amount of the investment	6.44	158.07	2.12	-	-	0.51	167.14
Goodwill/ (Capital Reserves)	31.57		34.97	-	-	1.48	68.02
Provision for impairment of carrying value	(22.50)	-	(37.09)	-	-	-	(59.59)
Total Carrying amount of the investment	**15.51**	**158.07**	-	-	-	**1.99**	**175.57**

For the year ended March 31, 2018

Particulars	Loginext Solutions Private Limited	Paytm Payments Bank Limited	Socomo Technologies Private Limited *	Indi Yuva Ltd. **	Little Internet Singapore Pte. Limited *	QorQL Private Limited	Total
Revenue	7.44	224.05	13.03	-	-	0.03	244.56
Total comprehensive income for the year	(7.09)	(46.46)	(27.79)	-	-	(0.92)	(82.26)
Group's share of profit for the year	**(2.22)**	**(22.77)**	**(3.16)**	**0.03**	**(2.70)**	-	**(30.81)**
Unrecognised share of losses	-	-	**(1.15)**	-	-	-	**(1.15)**

As at March 31, 2017

Particulars	Loginext Solutions Private Limited	Paytm Payments Bank Limited	Socomo Technologies Private Limited	Indi Yuva Ltd.	Little Internet Singapore Pte. Limited	QorQL Private Limited	Total
Current assets	3.48	220.80	30.86	7.19	163.20	1.79	427.32
Non-current assets	24.38	38.18	18.47	49.94	1.05	0.97	133.00
Current liabilities	(0.29)	(71.69)	(2.56)	(0.15)	(16.38)	(0.03)	(91.11)
Non-current liabilities	-	-	(0.28)	-	(0.36)	(1.12)	(1.76)
Equity	**27.58**	**187.29**	**46.48**	**56.98**	**147.51**	**1.61**	**467.44**
Proportion of the Group's ownership	31%	49%	11%	27%	27%	32%	
Carrying amount of the investment	8.66	91.93	5.28	15.46	39.31	0.51	161.15
Goodwill/ (Capital Reserves)	31.57	-	34.97	(15.09)	40.39	1.48	93.31
Total Carrying amount of the investment	**40.23**	**91.93**	**40.25**	**0.37**	**79.70**	**1.99**	**254.47**

For the year ended March 31, 2017

Particulars	Loginext Solutions Private Limited	Paytm Payments Bank Limited	Socomo Technologies Private Limited	Indi Yuva Ltd.	Little Internet Singapore Pte. Limited	QorQL Private Limited	Total
Revenue	4.53	2.47	6.50	-	4.32	0.00	17.81
Total comprehensive income for the year	(13.45)	(30.72)	(22.33)	(0.12)	(20.97)	(0.03)	(87.61)
Group's share of profit for the year	**(2.11)**	**(15.08)**	**(2.54)**	**(0.03)**	**(5.59)**	**(0.01)**	**(25.36)**

* The information pertains to nine months period ended December 31, 2017. Since then, the Group has ceased to recognise its share of losses of the associate entity when applying the equity method.
** During the year investments in associates disposed off, the cumulative share of losses derecognised till the date of disposal.

(Amounts in INR Crores, unless otherwise stated)

25. Employee Stock Option Plans

During the year ended March 31, 2009, the Holding Company introduced One 97 Employee Stock Option Plan – I for the benefit of employees as approved by the Board of Directors in the meeting held on September 08, 2008 and by the members in the Extra Ordinary General Meeting held on October 22, 2008 for a total of 951,355 options. The Holding Company has appropriated 795,056 options of INR10 each to be granted to eligible employees which were granted on December 31, 2008. These options were granted to all eligible, permanent employees who were on rolls of Holding Company as at December 31, 2008 and to be settled in equity. These options have a vesting period of 4 years and were vested at one year interval in the following proportion:

Date of vesting	% of total options vesting
December 31, 2009	10%
December 31, 2010	20%
December 31, 2011	30%
December 31, 2012	40%

Out of 795,056 options granted, exercise price of 233,602 options granted to employees who joined the Holding Company till March 31, 2007 is INR10 per option and for 561,454 options granted to employees joining between April 01, 2007 and December 31, 2008 the exercise price is Rs 49 per option.

On September 03, 2010, the Holding Company has appropriated 252,101 options of INR 10 each to be granted to eligible employees (including grant of 30,000 options to independent non-executive directors) at an exercise price of INR 180 each. Options granted to independent non-executive directors were approved in Extra-Ordinary General meeting of members held on November 22, 2010. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
September 03, 2011	10%
September 03, 2012	20%
September 03, 2013	30%
September 03, 2014	40%

On September 01, 2011, the Holding Company increased the ESOP pool by adding 107,407 options taking total ESOP pool to 1,058,762 as approved by the Board of Directors in the meeting held on August 02, 2011 and by the members in the Extra Ordinary General Meeting held on August 19, 2011.

On January 30, 2012, the Holding Company has appropriated 4,330 options of INR 10 each to be granted to one eligible employee at an exercise price of INR 232 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
January 30, 2012	10%
January 30, 2013	20%
January 30, 2014	30%
January 30, 2015	40%

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On December 29, 2012, the Holding Company has appropriated 196,163 options of INR 10 each to be granted to eligible employee at an exercise price of INR 180 each as approved by the Board of Directors in the meeting held on November 29, 2012 and by the members in the Extra Ordinary General Meeting held on December 29, 2012.
These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
December 29, 2012	10%
December 29, 2013	20%
December 29, 2014	30%
December 29, 2015	40%

On August 01, 2013, the Holding Company has appropriated 166,668 options of INR 10 each to be granted to eligible employees at an exercise price of INR 180 each as approved by the Board of Directors in the meeting held on January 31, 2014. 30% of these options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
August 1, 2014	10%
August 1, 2015	20%
August 1, 2016	30%
August 1, 2017	40%

Remaining 70% of the options will be vested upon achievement of certain performance targets.

On March 31, 2014, the Holding Company increased the ESOP pool by adding 260,000 options taking total ESOP pool to 1,318,762 as approved by the Board of Directors in the meeting held on January 31, 2014 and by the members in the Extra Ordinary General Meeting held on August 31, 2014.

On April 01, 2014 the Holding Company has appropriated 313,446 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each as ratified by the Board of Directors in the meeting held on June 10, 2015.

Date of vesting	% of total options vesting
April 1, 2015	10%
April 1,2016	20%
April 1,2017	30%
April 1,2018	40%

On April 01, 2015, the Holding Company has appropriated 491,722 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
April 1,2016	10%
April 1,2017	20%
April 1,2018	30%
April 1,2019	40%

On September 30, 2015, the Holding Company increased the ESOP pool by adding 604,858 options taking total ESOP pool to 1,923,620 as approved by the Board of Directors in the meeting held on July 24, 2015 and by the members in the Annual General Meeting held on September 30, 2015.

(Amounts in INR Crores, unless otherwise stated)

On October 01, 2015 the Holding Company has appropriated 104,864 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
October 1,2016	10%
October 1,2017	20%
October 1,2018	30%
October 1,2019	40%

On April 01, 2016 the Holding Company has appropriated 391,018 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
April 1,2017	10%
April 1,2018	20%
April 1,2019	30%
April 1,2020	40%

On October 01, 2016 the Holding Company has appropriated 101,970 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
October 1,2017	10%
October 1,2018	20%
October 1,2019	30%
October 1,2020	40%

On April 01, 2017 the Holding Company has appropriated 361,128 options of INR 10 each to be granted to eligible employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
April 1,2018	10%
April 1,2019	20%
April 1,2020	30%
April 1,2021	40%

On October 01, 2017 the Holding Company has appropriated 29,044 options of INR 10 each to be granted to eligible

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employees at an exercise price of INR 90 each. These options have a vesting period of 4 years at one year interval in following proportion:

Date of vesting	% of total options vesting
October 1,2018	10%
October 1,2019	20%
October 1,2020	30%
October 1,2021	40%

The total options outstanding as at March 31, 2018 are 988,521 (March 31, 2017: 1,139,075) out of which 19,785 (March 31, 2017: 56,053) options have an exercise price of INR 10 each, 5,016 (March 31, 2017: 68,616) options have an exercise price of INR 49 each, 137,813 (March 31, 2017: 161,008) options have an exercise price of INR 180 each and 825,907 (March 31, 2017: 853,398) options have an exercise price of INR 90 each.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year :

Particulars	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		INR		INR
	March 31, 2018		March 31, 2017	
Outstanding at the beginning of the year	1,139,075	96.31	1,035,434	98.51
Options granted during the year	390,172	90.00	505,715	90.00
Options exercised during the year	(226,034)	77.18	(166,412)	99.86
Options forfeited during the year	(314,692)	88.37	(235,662)	90.52
Options outstanding at the end of the year	988,521	100.74	1,139,075	96.31
Vested options outstanding at the end of the year (exercisable)	385,779	117.51	433,294	106.60

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was 1.82 years (31 March 2017: 1.90 years).

The weighted average fair value of options granted during the year was INR 4,894.71 (March 31, 2017 was INR 2,622.92).

The weighted average fair value of options granted under the One 97 ESOP Scheme during the year ended on March 31, 2018 (computed using Black-Scholes model) was INR 4,894.71 for grant date April 1, 2017 and October 1, 2017. The estimation of fair value on date of grant was made using the Black-Scholes model with the following assumptions:

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(Amounts in INR Crores, unless otherwise stated)

Grant Date:- April 1, 2017

Share price	INR 4,959.04
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	6.63%
Annualized Volatility	56.46%

Grant Date:- October 1, 2017

Share price	INR 4,959.04
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	6.48%
Annualized Volatility	54.87%

The weighted average fair value of options granted under the One 97 ESOP Scheme during the year ended on March 31, 2017 (computed using Black-Scholes model) was INR 2,204.97 for grant date April 1, 2016 and INR 4,277.81 for grant date October 1, 2016. The estimation of fair value on date of grant was made using the Black-Scholes model with the following assumptions:

Grant Date:- April 1, 2016

Share price	INR 2,265.89
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	7.43%
Annualized Volatility	53.73%

Grant Date:- October 1, 2016

Share price	INR 4,341.56
Weighted average exercise price	INR 90
Dividend yield %	0%
Expected life (years)	4
Risk free interest rate	6.82%
Annualized Volatility	52.82%

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(Amounts in INR Crores, unless otherwise stated)

Notes:

(i) Weighted average share price is based on the value of Common Equity Shares arrived at by using Back-solve method

(ii) Dividend yield is considered zero, as no dividend payout is expected in the foreseeable future.

(iii) Risk free return is based on the yield to maturity of Indian treasury securities, with a maturity corresponding to the expected term of ESOP.

(iv) Annualized volatility is based on the median weekly volatility of selected comparables companies for a time period commensurate with the expected term.

Little India Private Limited 2017 Plan (Little Plan)

Particulars	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		INR		INR
	March 31, 2018		March 31, 2017	
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	1,970,619	-	-	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options outstanding at the end of the year	1,970,619	-	-	-

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was 4.14 years (31 March 2017: Nil).

The weighted average fair value of options granted during the year was INR 161.84 (March 31, 2017 was INR Nil).

The expense recognised for employee services received during the year is shown in the following table:

	March 31,2018	March 31,2017
Expense arising from equity-settled share-based payment transactions	77.26	44.83
Expense arising from equity-settled share-based payment transactions (Little Plan)	6.55	-
Total expense arising from share-based payment transactions	83.81	44.83

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(Amounts in INR in crores, unless otherwise stated)

26. Related party transactions

A. Entities over which Group exercise significant influence

Loginext Solutions Private Limited
Socomo Technologies Private Limited
Little Internet Singapore Pte. Limited
QoRQL Private Limited
Indi Yuva Ltd.
Paytm Payments Bank Limited
Little Internet Private Limited

B. Key Management Personnel

Vijay Shekhar Sharma	Managing Director and Chairman
Madhur Deora	Chief Financial Officer (from June 10, 2017 to till date)
Amit Sinha	Chief Financial Officer (from April 01, 2016 to October 21, 2016 and from March 20, 2017 to June 10,2017)

C. Entities having significant influence over the Group

SAIF III Mauritius Company Limited
SAIF Partners India V Limited
SAIF Partners India IV Limited
SAIF India V FII Holdings Limited
Alipay Singapore E-Commerce Private Limited
Alibaba.com Singapore E-Commerce Private Limited
Alipay Labs (Singapore) Pte Limited
SVF India Holdings (Cayman) Limited

D. Relatives of Individuals owning interest in the voting power of the Group that gives the control or significant influence

Ajay Shekhar Sharma	Brother of Mr. Vijay Shekhar Sharma

E. Related parties as per Companies Act, 2013

Paytm E-commerce Private Limited

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(Amounts in INR in crores, unless otherwise stated)

Details of transactions with related parties during the year ended March 31, 2018 and March 31, 2017:-

Particulars	March 31, 2018	March 31, 2017
Rendering of services		
Paytm E-commerce Private Limited	1,630.42	2.56
Paytm Payments Bank Limited	490.86	-
Socomo Technologies Private Limited	0.15	0.24
Reimbursement of Expenses		
Paytm Payments Bank Limited	117.75	-
Paytm E-commerce Private Limited	121.21	4.58
Assets given on Finance Lease		
Paytm Payments Bank Limited	23.24	-
Repayment for Assets given on Finance Lease		
Paytm Payments Bank Limited	21.66	-
Interest income		
Paytm Payments Bank Limited	5.78	-
Paytm E-commerce Private Limited	43.95	-
Gain on Sale of Wallet business		
Paytm Payments Bank Limited	62.99	-
Other Expenses		
Paytm E-commerce Private Limited	1.14	-
Paytm Payments Bank Limited	373.06	-
Alipay Labs (Singapore) Pte Limited	24.11	1.52
Issue of Equity Shares		
SVF India Holdings (Cayman) Limited	8.09	-
Security Premium received		
SVF India Holdings (Cayman) Limited	6,433.81	-
Gain on Sale of Investment in Associates		
Little Internet Singapore Pte. Limited (net)	7.27	-
Indi Yuva Limited	3.22	-
Redemption of Shares		
Little Internet Singapore Pte. Limited	33.29	-
Indi Yuva Limited	2.87	-
Investment in Associates		
Paytm Payments Bank Limited	110.90	-
Advances Given during the year		
Paytm Payments Bank Limited	-	62.69

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(Amounts in INR in crores, unless otherwise stated)

Details of balances outstanding with related parties as at March 31, 2018 and March 31, 2017:-

Particulars	March 31, 2018	March 31, 2017
Other Receivable for expenditure incurred		
Alibaba.com Singapore E-Commerce Private Limited	0.08	-
Paytm E-commerce Private Limited	157.87	4.62
Paytm Payments Bank Limited	6.97	-
Advance Recoverable in Cash		
Paytm Payments Bank Limited	125.44	62.69
Paytm E-commerce Private Limited	23.55	-
Amount Receivable for sale of business		
Paytm E-commerce Private Limited	495.20	621.25
Paytm Payments Bank Limited	54.29	-
Amount Receivable from Payment Gateway		
Paytm Payments Bank Limited	115.57	0.72
Trade Receivables		
Paytm E-commerce Private Limited	273.23	2.94
Paytm Payments Bank Limited	75.38	-
Other Financial Assets		
Paytm Payments Bank Limited	4.95	-
Trade payables (including accrued expenses)		
Alipay Labs (Singapore) Pte Limited	11.47	1.52
Paytm E-commerce Private Limited	0.80	
Paytm Payments Bank Limited	45.26	-
Other payables		
Socomo Technologies Private Limited	0.02	0.05
Paytm E-commerce Private Limited	32.04	203.29
Paytm Payments Bank Limited	2.48	-
Advance from customer		
Socomo Technologies Private Limited	0.02	0.03

Compensation of key management personnel and their relatives

Particulars	March 31, 2018	March 31, 2017
Salaries, bonus and incentives	5.83	5.86
ESOP Expenses	12.40	9.17
Total compensation paid	**18.23**	**15.03**

Terms and conditions of transactions with related parties

(i) The services provided and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(ii) The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity, leave benefits as they are determined on an actuarial basis for the Company as a whole.

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(Amounts in INR in crores, unless otherwise stated)

27. Gratuity

The Group has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service . The scheme of the Holding Company is funded. Disclosures are as per actuarial report of independent actuary.

The following tables summarize the components of net benefit expenses recognized in the statement of profit and loss and the funded status and amount recognized in the balance sheet for the respective plans.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2018:

		Defined benefit obligation	Fair value of plan assets *	Benefit liability
	As at April 01, 2017	(9.98)	4.35	(5.63)
	Liability acquired in business combinations	(1.98)	-	(1.98)
Gratuity cost charged to profit or loss	Service cost	(4.40)	-	-
	Net interest expense	(0.80)	-	-
	Return on plan assets (excluding amounts included in net interest expense)	-	0.45	-
	Sub-total included in profit or loss	(5.20)	0.45	(4.75)
Remeasurement gains/(losses) in other comprehensive income	Benefits paid	1.00	(0.76)	0.24
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	0.16	-	-
	Experience adjustments	(1.04)	-	-
	Sub-total included in OCI	(0.88)	-	(0.88)
	Contributions by employer	-	2.75	2.75
	As at March 31, 2018	**(17.04)**	**6.79**	**(10.25)**

* Fair value of the total plan assets are 100% in Funds managed by Insurer

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017:

		Defined benefit obligation	Fair value of plan assets *	Benefit liability
	As at April 01, 2016	(7.46)	2.56	(4.90)
Gratuity cost charged to profit or loss	Service cost	(3.60)	-	-
	Net interest expense	(0.60)	-	-
	Return on plan assets (excluding amounts included in net interest expense)	-	0.20	-
	Sub-total included in profit or loss^	(4.19)	0.20	(3.99)
Remeasurement gains/(losses) in other comprehensive income	Benefits paid	0.42	(0.42)	-
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	(0.15)	-	-
	Experience adjustments	0.29	-	-
	Sub-total included in OCI	0.15	-	0.15
	Net liability transferred on sale of business	(1.11)		(1.11)
	Contributions by employer	-	2.00	2.00
	As at March 31, 2017	**(9.98)**	**4.35**	**(5.63)**

The principal assumptions used in determining Gratuity are shown below:

(i) Economic Assumptions

Particulars	March 31, 2018	March 31, 2017
	%	%
Discount rate	7.8	7.5
Future salary increases	10	10

(i) Demographic Assumptions

Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
Ages	Withdrawal Rate %	
Up to 30 Years	30	30
From 31 to 44 years	30	30
Above 44 years	30	30

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Assumptions	March 31, 2018		March 31, 2018	
	Discount rate		Future salary increases	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.26)	0.27	0.24	(0.24)

The sensitivity analysis 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.

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2018
Within the next 12 months (next annual reporting period)	3.15
Between 2 and 5 years	8.41
Beyond 5 years	5.47
Total expected payments	**17.04**

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(Amounts in INR in crores, unless otherwise stated)

28. Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Consolidated statement of profit and loss:
Profit or loss section

	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge	2.79	1.61
Adjustments in respect of current income tax of previous year	(1.01)	2.17
Deferred tax:		
Relating to origination and reversal of temporary differences	(0.25)	(1.30)
Income tax expense reported in the statement of profit or loss	**1.53**	**2.48**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

	March 31, 2018	March 31, 2017
Accounting profit before income tax including discontinued operations	(1,602.84)	(897.13)
At India's statutory income tax rate of 30.90% (31 March 2017: 30.90%)	(495.28)	(276.23)
Adjustments in respect of current income tax of previous years	(1.01)	2.17
Share of results of associates	9.58	8.49
Tax in foreign jurisdiction	1.73	0.91
Effect of tax free rates in foreign juridiction	(0.37)	(2.84)
Other non-deductible expenses	3.03	(0.05)
Losses on which deferred taxes not recognised	433.58	265.04
Other temporary differences on which deferred taxes utilised	-	-
Other temporary differences on which deferred taxes not recognised	50.27	5.00
	1.53	**2.48**
Income tax expense reported in the statement of profit and loss	1.53	2.48

Deferred tax relates to the following:

	Consolidated Balance Sheet		Consolidated statement of profit and loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purposes	(22.47)	(0.02)	22.45	0.13
Employee benefits	-	-	-	-
Rent equalisation reserve	-	-	-	-
Provision for doubtful debts	0.42	0.24	(0.18)	1.20
Unrealised foreign exchange gain/loss	0.08	1.94	1.86	(1.94)
Losses available for offsetting against future taxable income	0.10	0.36	0.25	(0.36)
Deferred tax expense/(income)			**24.38**	**(0.97)**
Net deferred tax assets/(liabilities)	**(21.87)**	**2.52**		

Reconciliation of deferred tax liabilities (net)

	March 31, 2018	March 31, 2017
Opening balance as of 1 April	2.52	1.55
Tax income/(expense) during the period recognised in profit or loss	0.25	1.30
Impact of Foreign currency translation reserves	(0.15)	(0.33)
Deferred taxes acquired in business combinations	(24.49)	-
Closing balance as at 31 March	**(21.87)**	**2.52**

* Deferred tax not recognised since it is not probable that taxable profits will be available against which the unutilised tax losses and temporary differences can be utilised, as assessed at March 31,2018.

Expiry dates of unused tax losses

Year ending March 31,	As of March 31,2018
2023	331.61
2024	1,494.29
2025	717.97
2026	1,288.15
	3,832.02
Unlimited period for unabsorbed Depreciation	163.00

Expiry dates of unused tax losses

Year ending March 31,	As of March 31,2017
2023	331.61
2024	1,494.29
2025	801.78
	2,627.68
Unlimited period for unabsorbed Depreciation	109.42

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(Amounts in INR in crores, unless otherwise stated)

29. Commitments and contingencies

a. Leases

Operating lease: Company as Lessee

The Company has taken certain office space on operating lease. Rental expense towards leases charged to statement of profit and loss for the year ended March 31, 2018 amount to INR 16.12 (March 31, 2017 INR 12.81).

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2018	March 31, 2017
Not later than one year	10.41	8.54
Later than one year but not later than five years	18.71	0.11
Later than five years	1.32	-

b. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 3.59 (Net of capital advance of INR 0.29) (March 31 2017: INR 39.95 (Net of capital advances of INR 0.37).

c. Contingent liabilities

	March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debts	2.70	1.59
Total	**2.70**	**1.59**

Claims against the company not acknowledged as debts represents certain claims which the company considers to be frivolous.

The Company has contingent Liability towards Bank Guarantees provided of INR 241.93 (March 31, 2017 INR 92.92).

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(Amounts in INR in crores, unless otherwise stated)

30. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

	March 31 2018	March 31 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	0.74	-
Interest due on above	0.14	-
	0.88	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.14	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	0.14	-

(Amounts in INR Crores, unless otherwise stated)

31. Fair value

The management has assessed that fair value of all financial assets and liabilities including cash and cash equivalents, trade receivables, security deposits, other financial assets, investments, trade payables, borrowings and other financial liabilities, approximate their carrying amounts.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018

	Fair value measurement at end of the reporting year Using		
Assets	**Level 1**	**Level 2**	**Level 3**
Investments at fair value through OCI	-	-	8.44
Investments at fair value through Profit and loss	3,708.10	-	100.71

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017

	Fair value measurement at end of the reporting year Using		
Assets	**Level 1**	**Level 2**	**Level 3**
Investments at fair value through OCI	-	-	9.71
Investments at fair value through Profit and loss	290.15	-	59.92

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(Amounts in INR in Crores, unless otherwise stated)

32 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group continues to focus on a system-based approach to business risk management. The Group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management Framework rests on policies and procedures issued by appropriate authorities; process of regular reviews/audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a. 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 prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. The Group has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Group ensures optimization of cash through fund planning and robust cash management practices.

(i) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.5% increase or decrease in interest rate, with all other variables held constant, of the Group's loss before tax due to the impact on floating rate borrowings.

As at	March 31, 2018	March 31, 2017
Effect on loss before tax:		
I-Base*- decrease by 50 bps	(1.21)	(0.45)
I-Base*- increase by 50 bps	1.21	0.45

*ICICI Bank Base

Other financial assets and liabilities of the Group are either non-interest bearing or fixed interest bearing instruments, the Group's net exposure to interest risk on such instruments is negligible.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings while assuming all other variables to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

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(ii) Price risk

The Group invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds (liquid investments) and fixed deposits. All debt mutual fund investments are in AAA rated government bonds and treasury bills.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.
Set out below is the impact of a 0.25% movement in the NAV of mutual funds on the Group's loss before tax:

	Change in NAV	Effect on loss before tax
March 31, 2018	0.25%	(9.27)
	-0.25%	9.27
March 31, 2017	0.25%	(0.73)
	-0.25%	0.73

(iii) Foreign currency risk

The Indian Rupee is the Group's most significant currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The carrying amounts of the Group's financial assets and liabilities denominated in different currencies are as follows:

	March 31,2018		March 31,2017	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
Amount in USD Crores	0.10	0.23	0.07	0.76
Total	**0.10**	**0.23**	**0.07**	**0.76**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on loss before tax
March 31, 2018	10% strengthening of USD against INR	0.88
	10% weakening of USD against INR	(0.72)
March 31, 2017	10% strengthening of USD against INR	5.00
	10% weakening of USD against INR	(4.09)

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(Amounts in INR in Crores, unless otherwise stated)

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

b. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade receivables

The Group is exposed to credit risk in the event of non-payment by customers. Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date by grouping the receivables in homogeneous group. The calculation is based on lifetime expected credit losses. Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because the amounts are still considered recoverable.

Ageing of past due but not impaired receivables is as follows:

As at	March 31,2018	March 31,2017
0 to 90 days	186.25	35.19
91 to 180 days	56.21	14.70
181 to 270 days	5.91	6.18
271 to 365 days	12.66	2.04
Total	**261.03**	**58.11**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.
At March 31, 2018 the Group had 5 customers (March 31, 2017: 5 customers) that owed the Group more than INR 414.23 (March 31,2017: INR 61.30) and accounted for approximately 73 % (March 31, 2017 : 63%) of all the receivables outstanding.

(ii) Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds is made only with banks of high repute.

(Amounts in INR in Crores, unless otherwise stated)

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 6.

c. Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, working capital loans etc. Group monitor their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Group also monitors compliance with its debt covenants. The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in the table below:

Particulars	Less than 180 days
As at March 31, 2018	
Borrowings	242.12
Trade payables	462.68
Other financial liabilities	235.80
Total	**940.60**
As at March 31, 2017	
Borrowings	90.28
Trade payables	229.76
Other financial liabilities	1,147.57
Total	**1,467.61**

There are no financial liabilities with contractual payments beyond 180 days.

33.Discontinued Operations

(a) On July 29, 2016, the Board of Directors approved the transfer of wallet business on a going concern basis by way of slump sale, to a newly incorporated entity i.e. Paytm Payments Bank Limited subject to certain approvals. On January 3, 2017, RBI has granted banking licence to Paytm Payments Bank Limited to carry on payments bank business in India subject to certain terms and conditions. In the month of May, 2017, Paytm Payments Bank Limited has received the requisite approvals in respect of certain terms as mentioned in RBI letter dated January 3, 2017. Accordingly, the Company has transferred its wallet business on May 23, 2017 to Paytm Payments Bank Limited on a going concern basis for a consideration of INR 65.00 (present value of which is INR 63.10). The Company has recognised a gain of INR 62.99 which has been shown as exceptional gain in the statement of Profit & loss.

(Amounts in INR in Crores, unless otherwise stated)

The results of Wallet business for the year are presented below:

	March 31, 2018	March 31, 2017
Revenue	30.39	48.00
Expenses	35.64	98.98
Loss for the year from a discontinued operations	**(5.25)**	**(50.98)**

The net cash flows incurred by Wallet business are as follows:-

	March 31, 2018	March 31, 2017
Operating	(5.25)	(50.98)
Investing	-	-
Financing	-	-
Net cash inflow/(outflow)	**(5.25)**	**(50.98)**

(b) During previous year, the Company had discontinued its Marketplace business. Revenue, cost, and loss of the Marketplace business for the year ended March 31, 2017 are INR 345.93, INR 574.86 and INR 228.93 respectively. The business of Marketplace represented Company's operating segment until March 27, 2017, being the date on which transfer of Marketplace segment was consummated. Being a discontinued operation, this segment is no longer presented in segment reporting note.

34.Capital Management

The Group's objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Group's capital management objective is to remain a debt-free Group till the time it achieves break-even. In order to meet this objective, Group meets anticipated funding requirements for developing new businesses, expanding its geographical base, entering in to strategic mergers and acquisitions and other strategic investments, by issuance of equity capital together with cash generated from Group's operating and investing activities. The Group utilizes certain short term overdraft and working capital facilities to meet anticipated interim working capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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35. Segment Reporting

The Board of Directors (chief operating decision maker or CODM) monitor the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss before tax from continuing operations.

During the current year, the Group had changed the structure of its internal organization in a manner that causes the composition of its reportable segment to change, the corresponding items of segment information for previous year has been accordingly restated.

For management purposes, the Group is organized into business segments based on its services and has four reportable segments, as follows:

- Payments: Includes the services provided by acting as a payment facilitator to third party merchants and money transfer facilitator to consumers.
- Commerce: Includes acting as an aggregator for digital product like movie, deal, online travel aggregator and provision of services like advertisement, brand promotion and technical support.
- Cloud: Includes provision of services to client for their various business needs like hosting services, marketing services.
- Others: Includes other businesses of the Group like wealth management services.

No operating segments have been aggregated to form the above reportable segments.

The business of Wallet is included in the 'Payments' segment in Group's operating segments until May 23, 2017, being the date on which transfer of Wallet business was consummated. Being a discontinued operation, this business is no longer presented within the Payments segment.

The business of Marketplace represents Group's operating segment until March 31, 2017, being the date on which transfer of Marketplace was consummated. Being a discontinued operation, this segment is no longer presented in segment reporting note.

Segment assets comprise assets directly managed by each segment, and primarily include receivables, property, plant and equipment, Capital work-in-progress, intangibles assets, intangible assets under development. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

The Group has revenues primarily from customers inside India. Substantially all of the Group's non-current operating assets are inside India.

Revenue from two customers amounted to INR 578.35 (March 31, 2017: Nil), arising from sale of services in the Payments segment.

Revenue from two customers amounted to INR 1,516.03 (March 31, 2017: Nil), arising from sale of services in the Commerce segment.

Revenue from three customers amounted to INR 168.84 (March 31, 2017: Four customer amounting to INR 203.74), arising from sale of services in the Mobile Value Added Services segment.

Adjustments and eliminations

(i) Other income including fair value gains and losses on financial assets and finance costs are not allocated to individual segments as the underlying instruments are managed on the Group level.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on the Group level.

(iii) Capital expenditure consists of additions of property, plant and equipment and intangible assets but excluding capital work-in-progress and intangible assets under development.

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(Amounts in INR crores, unless otherwise stated)

Particulars	Payments		Commerce		Cloud		Others		Corporate		Total	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
REVENUE												
External Sales	988.05	257.07	1,778.50	61.32	287.50	295.46	4.04	0.77	-	-	3,058.09	614.62
Inter Segment sales	-	-					-	-	-	-	-	-
Other Income	-	-					-	-	-	-	-	-
Total revenue	988.05	257.07	1,778.50	61.32	287.50	295.46	4.04	0.77	-	-	3,058.09	614.62
RESULT												
Segment result	(1,255.73)	(941.99)	(524.33)	(451.48)	10.88	66.85	(13.62)	(3.65)	-	-	(1,782.80)	(1,330.27)
Unallocated corporate expenses									(14.44)	(2.99)	(14.44)	(2.99)
Operating profit											(1,797.24)	(1,333.26)
Interest expenses									(28.84)	(4.59)	(28.84)	(4.59)
Interest income									75.27	5.43	75.27	5.43
Other income			10.49	-					170.17	151.33	180.66	151.33
Share of results of associates	(22.77)	(27.47)	(8.04)	-							(30.81)	(27.47)
Exceptional items	62.99	-	(59.59)	591.32						-	3.40	591.32
Tax Expense									(1.53)	(2.48)	(1.53)	(2.48)
Loss after tax from continuing operations											(1,599.09)	(619.73)

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One97 Communications Limited
Notes to the Consolidated Financial Statements for the year ended March 31, 2018
(Amounts in INR crores, unless otherwise stated)

Particulars	Payments		Commerce		Cloud		Others		Corporate		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
OTHER INFORMATION												
Segment assets	1,746.71	723.60	684.06	314.80	227.84	202.84	8.39	2.37	-	-	2,667.00	1,243.61
Unallocated corporate assets #	-	-					-	-	6,009.65	2,656.13	6,009.65	2,656.13
Total assets	1,746.71	723.60	684.06	314.80	227.84	202.84	8.39	2.37	6,009.65	2,656.13	8,676.65	3,899.74
Segment liabilities	549.65	1,077.90	132.88	91.60	82.91	50.52	2.25	(0.06)	-	-	767.69	1,219.96
Unallocated corporate liabilities	-	-					-	-	289.65	302.15	289.65	302.15
Total liabilities	549.65	1,077.90					2.25	(0.06)	289.65	302.15	1,057.34	1,522.11
Depreciation & Amortization*	42.55	16.40	17.52	7.16	18.52	16.40	0.29	0.04	-	-	78.88	40.00
Capital Expenditure*	46.99	51.48	81.94	14.87	12.22	70.27	0.58	0.05	-	-	141.73	136.67
Provision for doubtful debts*	0.61	4.74	1.05	-	36.07	-	0.00	0.62	-	-	37.73	5.36

*Represents numbers for the year ended March 31, 2018 and March 31, 2017

#Includes INR 495.20 (March 31, 2017: INR 621.25) receivable for sale of Marketplace business to Paytm E-Commerce Private Limited and INR 54.29 (March 31, 2017: Nil) for sale of Wallet business to Paytm Payments Bank Limited.

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(Amounts in INR Crores, unless otherwise stated)

36. Additional information

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
One97 Communications Limited	98.05 %	7,470.99	92.23 %	(1,481.28)
Subsidiaries				
Indian				
One97 Communications India Limited	0.52 %	39.72	0.03 %	(0.47)
Paytm Financial Services Limited	0.03 %	2.12	(0.01)%	0.12
Paytm Entertainment Limited	0.00 %	0.01	0.00 %	(0.00)
Paytm Money Limited	0.06 %	4.90	0.32 %	(5.10)
Wasteland Entertainment Private Limited	(0.06)%	(4.28)	0.27 %	(4.28)
Urja Money Private Limited	(0.02)%	(1.36)	0.08 %	(1.36)
Mobiquest Mobile Technologies Private Limited	(0.01)%	(0.99)	0.06 %	(0.99)
Little Internet Private Limited	(0.16)%	(12.17)	1.15 %	(18.40)
Foreign				
One97 Communications Singapore Private Limited	(0.11)%	(8.07)	2.21 %	(35.55)
One97 Communications FZ-LLC	(0.06)%	(4.64)	0.78 %	(12.46)
One97 Communications Nigeria Limited	(0.08)%	(5.83)	0.40 %	(6.38)
One97 USA Inc.	0.05 %	3.44	(0.01)%	0.09
Non Controlling interests in subsidiaries	1.78 %	135.47	0.93 %	(14.88)
Interest in Associate				
Indian				
Paytm Payments Bank Limited			1.42 %	(22.76)
Loginext Solutions Private Limited			0.14 %	(2.22)
Socomo Technologies Private Limited			(0.16)%	2.54
Indi Yuva Limited			(0.00)%	0.03
QorQL Private Limited			0.00 %	-
Foreign				
Little Internet Singapore Pte. Limited			0.17%	(2.70)
	100.00%	**7,619.31**	**100.00%**	**(1,606.05)**

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(Amounts in INR in Crores, unless otherwise stated)

37. Business combinations:

a) Acquisition of 63% interest in Little Internet Private Limited

i. Consequent to framework agreement entered on November 30, 2017 between the Holding company, Little Internet Private Limited ('LI'), shareholders of LI, Nearbuy India Private Limited ('NBI'), and shareholders of NBI, the shareholders of NBI swapped their shares in NBI with shares in LI, resulting in their becoming 37% shareholders of LI and NBI becoming wholly owned subsidiary of LI. The Holding company through further restructuring of its existing investments in LI (5%) and Little Singapore Pte Limited ('LS') (27%), as well as through its obligation to issue further shares amounting to INR 173.63 to other shareholders of LI, became 63% shareholder in LI. The restructuring of existing investment in LI and LS, as discussed above, resulted in LS buying back 27% stake of the Holding company in LS for INR 77.40 and the Holding company further infusing INR 83.53 in LI.

With the above, the Group has enhanced the reach of its payment business segment. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets.

ii. The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognised and non-controlling interest in LI as of the date of acquisition, i.e. December 06, 2017. The acquisition was recorded on the basis of assets and liabilities as at November 30, 2017 for convenience purposes as the transactions between November 30, 2017 and December 6, 2017 were not material.

	As of December 6, 2017
Assets acquired	
Property, plant and equipment	5.82
Goodwill	241.22
Intangible assets	
Brand	39.88
Customer relationship	22.9
Non-compete	2.5
Other intangible assets	2.38
Intangible assets under development	0.43
Financial assets	
Cash and cash equivalents	85.06
Trade receivables	1.43
Loans	1.49
Others	32.69
Other assets	6.24
Liabilities assumed	
Borrowings	(6.14)
Financial liabilities	
Trade payables	(22.04)
Others	(15.52)
Other liabilities	(27.69)
Net identifiable assets (A)	**370.47**
Goodwill arising on Acquisition (B)	**40.65**
Non-controlling Interest (C)	**138.81**
Purchase Consideration (A+B-C)	**272.31**

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(Amounts in INR in Crores, unless otherwise stated)

No contingent liabilities were transferred to the Group as part of acquisition of LI.

iii. The goodwill recognised in the transaction consists largely of the synergies expected from the combined operation of the Group and LI and certain intangible assets such as assembled work force which have not been recognised separately as it do not meet the criteria for recognition as intangible assets under IAS 38 "Intangible Assets". None of the goodwill recognised is deductible for Income tax purposes.

iv. From the date of acquisition, LI has contributed INR 8.60 of revenue and INR 29.42 to the loss after tax. If the business combination had taken at the beginning for the year ended March 31, 2018, revenue from LI operations would have been INR 39.74 and the loss after tax from LI operations would have been INR 66.82

v. The details of receivables acquired through business combination are as follows:

As of December 6, 2017	Fair value	Gross contractual amount of receivable	Best estimate of amount not expected to be collected
Trade receivables	1.43	1.43	-

vi. Purchase Consideration:

Cash paid	83.53
Obligation to issue shares fixed number of shares	173.63
Fair value of existing investment in associates	15.15
Total purchase consideration	**272.31**

vii. Analysis of cash flows on acquisition:

Cash consideration paid	-
Net cash acquired with the subsidiary	1.53
Net cash outflow in respect of business combination (included in cash flows from investing activities)	(1.53)

b) Acquisition of 54% interest in Urja Money Private Limited

i. The Holding company entered into a share subscription agreement with Urja Money Private Limited to acquire (by infusion of funds) 54% equity interest in Urja Money Private Limited ('Urja') as on September 26, 2017 for INR 6. The transaction was consummated on October 16, 2017. With this acquisition, the Group will use Urja's technology to create a loan management system in collaboration with lending partners. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets.

ii. The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognised and non-controlling interest in Urja as of the date of acquisition, i.e. October 16, 2017. The acquisition was recorded on the basis of assets and liabilities as at October 31, 2017 for convenience purposes as the transactions between October 16, 2017 and October 31, 2017 were not material.

(Amounts in INR in Crores, unless otherwise stated)

	As of October 16, 2017
Assets acquired	
Property, plant and equipment	0.02
Other intangible assets	0.02
Intangible assets under development	0.80
Financial assets	
Cash and cash equivalents	4.54
Trade receivables	0.07
Loans	2.13
Others	0.04
Liabilities assumed	
Borrowings	(2.20)
Financial liabilities	
Trade payables	(0.08)
Others	(0.19)
Other current liabilities	(0.12)
Net identifiable assets (A)	**5.03**
Goodwill arising on Acquisition (B)	**3.30**
Non-controlling Interest (C)	**2.33**
Purchase Consideration (A+B-C)	**6.00**

No significant receivables have been acquired as part of acquisition of Urja. No contingent liabilities were transferred to the Group as part of acquisition of Urja.

iii. The goodwill recognised in the transaction consists largely of the synergies expected from the combined operation of the Group and Urja and certain intangible assets such as assembled work force and customer lists which have not been recognised separately as these do not meet the criteria for recognition as intangible assets under IAS 38 "Intangible Assets". None of the goodwill recognised is deductible for Income tax purposes.

iv. From the date of acquisition, Urja has contributed INR 0.04 of revenue and INR 2.54 to the loss after tax. If the business combination had taken place at the beginning of the year ended March 31, 2018, revenue from Urja operations would have been INR 0.29 and the loss after tax from Urja operations would have been INR 4.25.

v. Analysis of cash flows on acquisition:

Cash consideration paid	-
Net cash acquired with the subsidiary	0.54
Net cash inflow in respect of business combination (included in cash flows from investing activities)	(0.54)

(Amounts in INR in Crores, unless otherwise stated)

c) Acquisition of 54% interest in Mobiquest Mobile Technologies Private Limited

i. The Holding company acquired 16.99% voting interest in Mobiquest Mobile Technologies Private Limited (Mobiquest) by investing INR 2.16 on June 28, 2017.

The Group made further investment of INR 8.05 (including INR 4.48 by subscribing to fresh equity shares) resulting in Group's holding of 54% in Mobiquest. The transaction got consummated on August 10, 2017. With this acquisition, the Group has enhanced the reach of its payments business segment towards usage for loyalty points and data analytics.

The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The acquisition was recorded on the basis of assets and liabilities as at July 31, 2017 for convenience purposes as the transactions between July 31, 2017 and August 10, 2017 were not material.

ii. The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognised and non-controlling interest in Mobiquest as of the date of acquisition, i.e. August 10, 2017.

	As of August 10, 2017
Assets acquired	
Property, plant and equipment	0.12
Goodwill	-
Intangible assets	
Brand	1.13
Customer relationship	2.21
Non-compete right	0.37
Other intangibles	0.11
Financial assets	
Cash and cash equivalents	5.33
Trade receivables	3.06
Others	1.03
Other current assets	0.77
Liabilities assumed	
Deferred tax liability (net)	(1.26)
Financial liabilities	
Trade payables	(4.89)
Others	(1.70)
Other current liabilities	(0.14)
Net identifiable assets (A)	**6.14**
Goodwill arising on Acquisition (B)	**6.84**
Non-controlling Interest (C)	**2.77**
Purchase Consideration (A+B-C)	**10.21**

No contingent liabilities were transferred to the Group as part of acquisition of Mobiquest.

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(Amounts in INR in Crores, unless otherwise stated)

The goodwill recognised in the transaction consists largely of the synergies expected from the combined operation of the Group and Mobiquest and certain intangible assets such as assembled work force and customer lists which have not been recognised separately as these do not meet the criteria for recognition as intangible assets under IAS 38 "Intangible Assets". None of the goodwill recognised is deductible for Income tax purposes.

iii. From the date of acquisition, Mobiquest has contributed INR 3.58 of revenue and INR 1.80 to the loss after tax.

iv. The details of receivables acquired through business combination are as follows:

As of August 10, 2017	Fair value	Gross contractual amount of receivable	Best estimate of amount not expected to be collected
Trade receivables	3.06	4.47	1.41

v. Analysis of cash flows on acquisition:

Cash consideration paid	5.73
Net cash acquired with the subsidiary	0.83
Net cash outflow in respect of business combination (included in cash flows from investing activities)	4.90

d) Acquisition of 70% interest in Wasteland Entertainment Private Limited

i. The Holding company entered into a share subscription agreement with Wasteland Entertainment Private Limited to acquire (by infusion of funds) 70% equity interest in Wasteland Entertainment Private Limited ('Wasteland') as on June 14, 2017 for INR 35. The transaction was consummated on July 06, 2017. With this acquisition, the Group enhanced the reach of its payments business segment towards usage for events and related activities. The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets.

The acquisition was recorded on the basis of assets and liabilities as at June 30, 2017 for convenience purposes as the transactions between June 30, 2017 and July 6, 2017 were not material.

ii. The following table summarizes the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognised and non-controlling interest in Wasteland as of the date of acquisition, i.e. July 06, 2017.

	As determined as of July 06, 2017
Assets acquired	
Property, plant and equipment	0.06
Intangible assets	
Brand	2.39
Non-compete right	1.02
Other intangibles	1.52

(Amounts in INR in Crores, unless otherwise stated)

	As determined as of July 06, 2017
Financial assets	
Cash and cash equivalents	0.00
Bank balances other than cash and cash equivalents	35.02
Others	0.05
Liabilities assumed	
Deferred tax liability (net)	(1.16)
Financial liabilities	
Trade payables	(0.03)
Others	(17.62)
Other current liabilities	(0.02)
Net identifiable assets (A)	**21.24**
Goodwill arising on Acquisition (B)	**20.19**
Non-controlling Interest (C)	**6.44**
Purchase Consideration (A+B-C)	**35.00**

No significant receivables were acquired as part of acquisition of Wasteland. No contingent liabilities were transferred to the Group as part of acquisition of Wasteland.

The goodwill recognised in the transaction consists largely of the synergies expected from the combined operation of the Group and Wasteland and certain intangible assets such as assembled work force and customer lists which have not been recognised separately as these do not meet the criteria for recognition as intangible assets under IAS 38 "Intangible Assets". None of the goodwill recognised is deductible for Income tax purposes.

iii. From the date of acquisition, Wasteland has contributed INR 8.10 of revenue and INR 6.14 to the loss after tax. If the business combination had taken place at the beginning of the year ended March 31, 2018, revenue from Wasteland operations would have been INR 9.40 and the loss after tax from Wasteland operations would have been INR 6.20.

iv. Analysis of cash flows on acquisition:

Cash consideration paid	-
Net cash acquired with the subsidiary	0.03
Net cash outflow in respect of business combination (included in cash flows from investing activities)	(0.03)

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(Amounts in INR in Crores, unless otherwise stated)

38. Impairment review of goodwill

The group during the year has acquired entities (Refer Note 32) for enhancing its payment service business. The group monitors the business of the respective acquisitions independently and thus considers each acquisition as a separate Cash Generating Unit ('CGU').

Particulars	As at March 31, 2018
Little Internet Private Limited (Little)	281.87
Wasteland Entertainment Private Limited (Wasteland)	20.19
Mobiquest Mobile Solutions Pvt. Limited (Mobiquest)	6.80
Urja Money Private Limited (Urja)	3.35
Total	**312.21**

The Group reviews the goodwill for any impairment at the CGU level. The recoverable amount of the above CGUs are based on value-in-use, which is determined based on five year business plans that have been approved by the management for internal purposes. The said planning horizon of five years reflects the assumptions for short to medium-term market developments. The cash flows beyond the planning period are extrapolated using appropriate terminal growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal/external sources of information.

The key assumptions used in value-in-use calculations are as follows:

- Earnings before interest and taxes margins ('EBIT')
- Discount rate
- Growth rates

EBIT margins: The margins have been estimated based on past experience after considering incremental revenue arising out of increase in payment business from the existing and new customers. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; whereas, factors like increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to the CGU estimated based on the weighted average cost of capital. Pre-tax discount rate used ranged from 17.50% to 20.00% for the year ended March 31, 2018 which is consistent with companies in similar business.

Growth rates: The terminal growth rates used are in line with the long-term average growth rates of the respective industry in which the entity operates and are consistent with the internal/external sources of information. The terminal growth rates used in extrapolating cash flows beyond the planning period was 5.5% for one of the CGU and revenue multiple ranging from 2 to 3.5 for the terminal year for other CGUs.

Sensitivity analysis – For the significant acquisitions the recoverable amount exceed the carrying amount in the range of 20% to 26% and no reasonable possible change in the discount rate and terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

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39. Events after the reporting period

The Holding Company, subsequent to March 31, 2018, entered into an agreement to sell its online gaming/contests business to Acumen Game Entertainment Private Limited on slump sale basis, as a going concern, for an agreed consideration of USD 5 million. Acumen Game Entertainment Private Limited is an Indian Company with 55% shares held by Paytm Entertainment Limited and 45% shares held by AGTech Media Holdings Limited. The transaction of transfer of business was yet to be consummated till the date of adoption of these financial statements by the Board of Directors.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per Yogender Seth

Partner

Membership No: 94524

Place: Noida

Date: 18 May 2018

S.R. Batliboi & Associates LLP

For and on behalf of Board of Directors of

One97 Communications Limited

Vijay S.S.

Vijay Shekhar Sharma

Chairman

DIN No. 00466521

Vimal Chawla

Company Secretary

Madhur Deora

Chief Financial Officer

Vikas Garg

Senior Vice President – Finance

One97 Communications Limited