



August 21, 2024

BSE Limited

Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Scrip Code: 543396

National Stock Exchange of India Limited

The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai – 400 051

Symbol: PAYTM

Sub.: Disclosure under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of 24th Annual General Meeting and Annual Report for the financial year 2023-24

Dear Sir / Ma'am,

This is in reference to our letter dated August 18, 2024 regarding the 24th Annual General Meeting ("AGM") of the Company scheduled to be held on **Thursday, September 12, 2024 at 09:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")**. The AGM is being convened in accordance with the provisions of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, we are enclosing herewith the following:

1. Notice of the 24th AGM; and
2. Annual Report for the financial year 2023-24.

The aforesaid documents are also available on the website of the Company at <https://ir.paytm.com/agm> and are being sent in electronic mode to all the Members of the Company whose e-mail addresses are registered with the Company/ Register and Share Transfer Agent/ Depositories/ Depository Participant(s).

The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all resolutions as set out in the Notice of AGM to those Members, who will be holding shares either in physical or in electronic form as on the **cut-off date i.e., Thursday, September 05, 2024**. The remote e-voting shall commence on **Monday, September 09, 2024, from 09:00 a.m. (IST)** and conclude on **Wednesday, September 11, 2024, at 05:00 p.m. (IST)**.

This disclosure will also be hosted on the Company's website viz. <https://ir.paytm.com/>.

Kindly take the same on record.

Thanking you

Yours faithfully,

For One 97 Communications Limited

**Sunil Kumar Bansal
Company Secretary & Compliance Officer**
Encl.: As above



One 97 Communications Limited

CIN: L72200DL2000PLC108985

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

Corporate Office: One Skymark, Tower - D, Plot No. H - 10B, Sector - 98,
Noida - 201304, Uttar Pradesh, India

Telephone No.: +91 - 120 - 4770770; **Fax:** +91 - 120 - 4770771

Email: compliance.officer@paytm.com; **Website:** www.paytm.com

Notice of 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting ("AGM") of the Members of One 97 Communications Limited ("Company"), will be held on Thursday, September 12, 2024 at 09:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business(es):

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and Auditors thereon**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and Auditors thereon, be and are hereby received, considered and adopted.

RESOLVED FURTHER THAT the Audited Consolidated Financial Statements of the Company for the financial year ended

March 31, 2024, together with the report of the Auditors thereon, be and are hereby received, considered and adopted."

- To re-appoint Mr. Ravi Chandra Adusumalli (DIN: 00253613), as Director liable to retire by rotation, being eligible offers himself for re-appointment**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013, Mr. Ravi Chandra Adusumalli (DIN: 00253613), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

- To approve the appointment of Mr. Rajeev Krishnamuralil Agarwal (DIN: 07984221) as a Non-Executive Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the rules framed thereunder, read with Regulations 16, 17, 25 and all other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), subject to such approvals, permissions, consents, sanctions, as may be required, under any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), in accordance with relevant provisions of the Articles of Association of the Company and the Nomination, Remuneration and Board Diversity Policy of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board") Mr. Rajeev Krishnamuralilal Agarwal (DIN: 07984221), who was appointed as an Additional Director by the Board w.e.f. June 17, 2024 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice from a Member proposing his candidature for the office of Director as a Non-Executive Independent Director under Section 160 of the Act, and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for

a term of 5 (five) consecutive years with effect from June 17, 2024 to June 16, 2029.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including but not limited to seeking all necessary approvals, to sign and execute all deeds, applications, documents, papers, forms and writings as may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this resolution and for the matters connected therewith or incidental thereto."

4. To approve the framework for payment of remuneration to Non-Executive Independent Directors of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule V of the Act (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), or any other law for the time being in force read with the Nomination, Remuneration and Board Diversity Policy, the Articles of Association of the Company,

and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) and subject to such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Non-Executive Independent Director(s) of the Company for their respective tenures, with effect from April 01, 2024, as per the remuneration framework for Non-Executive Independent Directors set out in the explanatory statement of this Notice, in such amounts or proportions and in such manner as may be determined by the Board as per applicable provisions the Act and SEBI Listing Regulations.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company may pay the above remuneration to its Non-Executive Independent Director(s) as minimum remuneration, for a period not exceeding three years for their respective tenures on or after April 01, 2024, as the case may be.

RESOLVED FURTHER THAT the above remuneration shall be paid in addition to sitting fees payable to the Non-Executive Independent Director(s) for attending the meetings of the Board or Committees thereof as may be decided by the Board as per the provisions of Section 197 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to approve the reimbursement of expenses for participation of Non-Executive Independent Director(s) in the Board and / or Committee meetings based on actual expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including but not limited to seeking all necessary approvals, to sign and execute all deeds, applications, documents, papers, forms and writings as may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever as may arise and to take all such steps and decisions in this regard to give effect to this resolution and for the matters connected therewith or incidental thereto."

5. To approve payment of remuneration to Mrs. Pallavi Shardul Shroff (DIN: 00013580), Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in furtherance to the resolution passed on September 02, 2021 by the Members of the Company and pursuant to the provisions of Sections 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule V of the Act (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), or any other law for the time being in force read with the Nomination, Remuneration and Board Diversity Policy, the Articles of Association of the Company, and pursuant to the recommendation of the

Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) and subject to such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mrs. Pallavi Shardul Shroff (DIN: 00013580), Non-Executive Independent Director of the Company as per the remuneration framework for Non-Executive Independent Directors set out in the explanatory statement of this Notice, in such amounts or proportions and in such manner as may be determined by the Board for a period effective from April 01, 2024, till February 08, 2026.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company may pay the above remuneration to Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director as minimum remuneration as per provisions of Section 197 read with Schedule V of the Act, for a period effective from April 01, 2024, till February 08, 2026.

RESOLVED FURTHER THAT the above remuneration shall be paid in addition to sitting fees payable to Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director for attending the meetings of the Board or Committees thereof as may be decided by the Board as per the provisions of Section 197 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to approve the reimbursement of expenses for participation of Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director, in the Board and / or Committee meetings based on actual expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including but not limited to seeking all necessary approvals, to sign and execute all deeds, applications, documents, papers, forms and writings as may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this resolution and for the matters connected therewith or incidental thereto."

6. To approve payment of remuneration to Mr. Ashit Ranjit Lilani (DIN: 00766821), Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** in furtherance to the resolution passed on September 02, 2021 by the Members of the Company and pursuant to the provisions of Sections 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule V of the Act, (including any amendment(s),

statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), or any other law for the time being in force read with the Nomination, Remuneration and Board Diversity Policy, the Articles of Association of the Company, and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) and subject to such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Ashit Ranjit Lilani, (DIN: 00766821) Non-Executive Independent Director of the Company as per the remuneration framework for Non-Executive Independent Directors set out in the explanatory statement of this Notice, in such amounts or proportions and in such manner as may be determined by the Board for a period effective from April 01, 2024, till July 04, 2026.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company may pay the above remuneration to Mr. Ashit Ranjit Lilani, Non-Executive Independent Director as minimum remuneration, as per provisions of Section 197 read with Schedule V of Act, for a period effective from April 01, 2024, till July 04, 2026.

RESOLVED FURTHER THAT the above remuneration shall be paid in addition to

sitting fees payable to Mr. Ashit Ranjit Lilani, Non-Executive Independent Director for attending the meetings of the Board or Committees thereof as may be decided by the Board as per provisions of Section 197 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to approve the reimbursement of expenses for participation of Mr. Ashit Ranjit Lilani, Non-Executive Independent Director in the Board and / or Committee meetings based on actual expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including but not limited to seeking all necessary approvals, to sign and execute all deeds, applications, documents, papers, forms and writings as may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this resolution and for the matters connected therewith or incidental thereto."

7. To approve payment of remuneration to Mr. Neeraj Arora, (DIN: 07221836) Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** in furtherance to the resolution passed on September 02, 2021 by

the Members of the Company and pursuant to the provisions of Sections 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule V of the Act, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), or any other law for the time being in force read with the Nomination, Remuneration and Board Diversity Policy, the Articles of Association of the Company, and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) and subject to such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Neeraj Arora, (DIN: 07221836) Non-Executive Independent Director of the Company as per the remuneration framework for Non-Executive Independent Director(s) set out in the explanatory statement of this Notice, in such amounts or proportions and in such manner as may be determined by the Board for a period effective from April 01, 2024, till June 17, 2024.

RESOLVED FURTHER THAT the above remuneration being paid to Mr. Neeraj Arora shall be deemed as a minimum remuneration as per provisions of Section 197 read with Schedule V of the Act, effective from April 01, 2024, till June 17, 2024.

RESOLVED FURTHER THAT the above remuneration shall be paid in addition to sitting fees paid to Mr. Neeraj Arora, Non-Executive Independent Director for attending the meetings of the Board or Committees thereof as may be decided by the Board as per provisions of Section 197 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to approve the reimbursement of expenses for participation of Mr. Neeraj Arora, Non-Executive Independent Director in the Board and / or Committee meetings based on actual expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including but not limited to seeking all necessary approvals, to sign and execute all deeds, applications, documents, papers, forms and writings as may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this resolution and for the matters connected therewith or incidental thereto."

8. To approve payment of remuneration to Mr. Gopalasamudram Srinivasaraghavan Sundararajan (DIN: 00361030) Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in furtherance and in partial modification to the resolution no. 2 passed on November 20, 2022 by the Members of the Company and pursuant to the provisions of Sections 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule V of the Act, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), or any other law for the time being in force read with the Nomination, Remuneration and Board Diversity Policy, the Articles of Association of the Company, and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) and subject to such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Gopalasamudram Srinivasaraghavan Sundararajan, (DIN: 00361030) Non-Executive Independent Director of the Company as per the remuneration framework for Non-Executive Independent Directors set out in the explanatory statement of this Notice, in such amounts or proportions and in such manner as may be determined by the Board for a period of 3 years effective from April 01, 2024 to March 31, 2027.

RESOLVED FURTHER THAT where in any financial year, the Company has no

profits or its profits are inadequate, the Company may pay the above remuneration to Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director as minimum remuneration, as per provisions of Section 197 read with Schedule V of the Act, for a period of 3 years effective from April 01, 2024 to March 31, 2027.

RESOLVED FURTHER THAT the above remuneration shall be paid in addition to sitting fees payable to Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director for attending the meetings of the Board or Committees thereof as may be decided by the Board as per provisions of Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to approve the reimbursement of expenses for participation of Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director in the Board and / or Committee meetings based on actual expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including but not limited to seeking all necessary approvals, to sign and execute all deeds, applications, documents, papers, forms and writings as may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this resolution and

for the matters connected therewith or incidental thereto."

9. To approve payment of remuneration to Mr. Rajeev Krishnamuralilal Agarwal, (DIN: 07984221) Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule V of the Act, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), or any other law for the time being in force read with the Nomination, Remuneration and Board Diversity Policy, the Articles of Association of the Company, and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) and subject to such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Rajeev Krishnamuralilal Agarwal, (DIN: 07984221) Non-Executive Independent Director of the Company as

per the remuneration framework for Non-Executive Independent Directors set out in the explanatory statement of this Notice, in such amounts or proportions and in such manner as may be determined by the Board for a period of 3 years with effect from June 17, 2024 to June 16, 2027.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company may pay the above remuneration to Mr. Rajeev Krishnamuralilal Agarwal, Non-Executive Independent Director as minimum remuneration, as per provisions of Section 197 read with Schedule V of the Act, for a period of 3 years effective from June 17, 2024 to June 16, 2027.

RESOLVED FURTHER THAT the above remuneration shall be paid in addition to sitting fees payable to Mr. Rajeev Krishnamuralilal Agarwal, Non-Executive Independent Director for attending the meetings of the Board or Committees thereof as may be decided by the Board as per provisions of Section 197 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to approve the reimbursement of expenses for participation of Mr. Rajeev Krishnamuralilal Agarwal, Non-Executive Independent Director in the Board and / or Committee meetings based on actual expenses.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including but not limited to seeking all

necessary approvals, to sign and execute all deeds, applications, documents, papers, forms and writings as may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or

doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this resolution and for the matters connected therewith or incidental thereto."

By order of the Board of Directors
For **One 97 Communications Limited**

Date: August 13, 2024

Address: One Skymark, Tower - D,
Plot No. H - 10B, Sector - 98,
Noida - 201304, Uttar Pradesh, India

Sunil Kumar Bansal
Company Secretary
and Compliance Officer
Membership No.: F 4810

Notes:

1. In order to facilitate the maximum participation of the Members of the Company from different locations, the 24th AGM of the Company is being held through VC/ OAVM in terms of various circulars issued by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI").
2. Pursuant to various circulars including the General Circular No. 09/2023 dated September 25, 2023, issued by the MCA ("MCA Circulars") and the various circulars including SEBI Circular No. SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI ("SEBI Circulars") (hereinafter collectively referred as the "Circulars"), companies are allowed to hold AGM through VC/ OAVM, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars, the Company will be providing the facility of remote e-voting and e-voting at AGM to its Members in respect of the business(es) to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited ("NSDL"), to provide the VC/ OAVM facility for conducting the AGM and voting through remote e-voting or e-voting at the AGM. The procedure for participating in the meeting through VC/ OAVM is explained in notes.
4. Pursuant to MCA Circulars, Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. An explanatory statement pursuant to Section 102 of the Act read with relevant rules made thereunder setting out material facts relating to the business set out under Item Nos. 3 to 9 forms part of the Notice of AGM ("Notice"). Further, the relevant details with respect to Item Nos. 2 to 9 pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS-2, in respect of the Directors seeking appointment/ re-appointment/ fixation of remuneration at this AGM also forms part of the Notice.
6. In terms of the MCA Circulars, since the AGM is being held through VC/ OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of the proxies by Members under Section 105 of the Act is not available and hence the proxy form, attendance slip, and route map for AGM are not annexed to this Notice.
7. **Electronic Dispatch of Notice and Annual Report**
In compliance with the Circulars, the Notice along with the Annual Report for FY 2023-24 ("Annual Report") is being sent only through electronic mode to Members whose email address are registered with the Company/ Link Intime India Private Limited, the Registrar and Share Transfer Agent of the

Company ("RTA")/ Depositories/ Depository Participant(s) and whose names appear in the Register of Members of the Company and/ or in the Register of Beneficial Owners maintained by the Depositories. Members may please note that this Notice and Annual Report will also be available on the Company's website at <https://ir.paytm.com/agm>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com & www.nseindia.com respectively, on the website of NSDL at www.evoting.nsdl.com and on the website of RTA at [https://linkintime.co.in](http://linkintime.co.in).

8. Inspection of the Documents

The Register of Directors and Key Managerial Personnel ("KMPs") and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act and the certificate from the Secretarial Auditor of the Company certifying that the ESOP Schemes of the Company have been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, or any other documents referred to in the accompanying Notice and explanatory statement, shall be made available for inspection electronically by the Members, on a working day during business hours between 11:00 a.m. (IST) to 5:00 p.m. (IST) in accordance with the applicable statutory requirements based on the requests received by the Company at compliance.officer@paytm.com. Further, the said documents/ registers will also be available for inspection, electronically, during the AGM.

9. Remote e-voting

- a. The facility for the Members to exercise their right to vote through electronic means will be available during the following period:
Commencement of e-voting: Monday, September 09, 2024 at 9:00 a.m. (IST)
Conclusion of e-voting: Wednesday, September 11, 2024 at 5:00 p.m. (IST)
- b. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of the aforesaid period. The voting rights of the Members for remote e-voting and for e-voting at the AGM shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as at close of the business hours on Thursday, September 05, 2024 ("Cut-off date").
- c. The Members of the Company, whose names appear in the Register of Members or in the Register of beneficial owners maintained by the depositories as on Cut-off date and who are otherwise not barred to cast their vote, are entitled to vote electronically either through remote e-voting or e-voting at the AGM, on the resolutions set forth in this Notice. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently or cast the vote again. A person who is not a Member as on the Cut-off date should treat this Notice for information purposes only.
- d. Any person who acquires shares of the Company and becomes a Member

- of the Company after the dispatch of Notice and holding shares as on Cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if the Members are already registered with NSDL for remote e-voting, then they can use their existing user ID and password for casting the vote.
- e. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again at the AGM.
- f. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote at the AGM.
- g. Pursuant to the SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on 'e-voting facility provided by Listed Companies', Individual Members holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants ("DP's") only. This enables e-voting for all individual demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ DP's. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in the e-voting process.
- h. Members who have not registered/ updated their email address are requested to register/ update the same (i) in case of shares held in demat mode, as per the process advised by concerned DP's; and (ii) In case of share held in physical form, may get their e-mail addresses registered with RTA by clicking the link: https://liiplweb.linkintime.co.in/EmailReg>Email_Register.html and follow the registration process as guided therein. The Members are requested to provide details such as name, folio number, certificate number, PAN, mobile number and e-mail ID and also upload the image of PAN, Aadhaar Card, share certificate & Form ISR-1 in PDF or JPEG format (up to 1 MB).

On submission of the Member details, an OTP will be received by the Member which needs to be entered in the link for verification.

In case of any queries, Member may write to rnt.helpdesk@linkintime.co.in, under help section or call on Tel no.: 022-49186000;

Members may also refer to the FAQs available on the website of the Company at <https://ir.paytm.com/faqs>.

Login method for Individual Members holding securities in demat/physical mode is given below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding shares in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding shares in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding shares in demat mode with NSDL. | <ul style="list-style-type: none"> • Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. |

| Type of shareholders | Login Method |
|---|--|
| Individual Members holding shares in demat mode with CDSL | <ul style="list-style-type: none"> Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;"> App Store Google Play </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> |
| Individual Members (holding shares in demat mode) login through their depository participants | <ul style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding shares in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---|--|
| Individual Members holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Members holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B) Login Method for e-Voting for Members other than Individual Members holding shares in demat mode and Members holding shares in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12***** |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for Members other than Individual Members are given below:
 - a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
- How to cast your vote electronically on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in

- which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@vapn.in with a copy marked to evoting@nsdl.com and to the Company at compliance.officer@paytm.com. Institutional Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under the "e-voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (compliance.officer@paytm.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliance.officer@paytm.com.

If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see a link of "VC/OAVM link" placed under "Join meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in Member's login where the EVEN of the Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members will be required to allow cameras and use the Internet with a good speed to avoid any disturbance during the meeting.
4. Participants connecting from Mobile Devices or Tablets or through Laptop connecting via mobile hotspot may

experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/ folio number, e-mail ID, mobile number at compliance.officer@paytm.com. The same will be replied by the Company suitably.
6. Instructions for Members to speak during the AGM:
 - a) To ensure smooth transmission and co-ordination during the Q&A Session, the Company is providing the facility of speaker registration.
 - b) The Members, who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at compliance.officer@paytm.com on or before Thursday, September 05, 2024. Only those Members who are registered as speakers will be allowed to express their views or ask questions during the AGM.
 - c) Members can also submit their questions in advance with regard to the accounts or any other matter to be placed at the AGM by sending an email to the Company at compliance.officer@paytm.com, by mentioning their name, DP ID Client ID/ folio number, mobile number on or before Thursday, September 05, 2024.

- d) Members can also send their video by sending an email at compliance.officer@paytm.com. The maximum duration of the video should be three minutes, such questions will be replied to by the Company suitably.
- e) Members will get confirmation on first cum first basis depending upon the provision made by the Company and will receive 'speaking serial number' once they mark attendance for the meeting.

Note:

- The Company reserves the right to restrict the number of questions and number of speakers, depending upon the availability of time, for smooth conduct of the AGM.
- Members are requested to speak only when the moderator of the meeting/ management will announce the name and serial number for speaking.

7. Scrutinizer for e-Voting and declaration of results:

- a) Mr. Prabhakar Kumar (ICSI M. No. F5781 & COP No. 10630), failing him Mr. Ashok Kumar (ICSI M. No. A55136 & COP No. 20599), Partners of VAPN & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

- b) The Scrutinizer shall, immediately after the conclusion of e-voting at the general meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two (2) working days of the conclusion of the AGM or three days, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, submit the same to the Chairman of the meeting or a person authorized by him in writing, who shall countersign the same.
- c) The Chairman or the authorized person shall declare the results. The results declared shall be available on the website of the Company <https://ir.paytm.com/agm> and on the website of NSDL at <https://www.evoting.nsdl.com> and shall also be displayed on the notice board at the registered and corporate office of the Company. The results shall simultaneously be communicated to the Stock Exchanges.
- d) The resolutions will be deemed to be passed on the date of AGM, i.e. Thursday, September 12, 2024. subject to receipt of the requisite number of votes in favour of the resolutions.
- 8. The transcript of the AGM shall also be made available on the website of the Company at <https://ir.paytm.com/agm>.
- 9. Members may please note that SEBI vide its Circular No. SEBI/ HO/ MIRSD/ MIRSD_RTAMB/ P/ CIR/ 2022/ 8 dated January 25, 2022, has mandated the Listed Companies to issue securities in dematerialized form

only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://ir.paytm.com/faqs> and on the website of the RTA, at <https://liiplweb.linkintime.co.in/client-downloads.html>. It may be noted that any service request of the Members holding shares in physical form shall only be processed after the folio is KYC Compliant as per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 read with SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 Dated June 10, 2024. The KYC formats are available on the Company's website at <https://ir.paytm.com/faqs> and on the website of the RTA at <https://liiplweb.linkintime.co.in/KYC-downloads.html>.

All Members are encouraged to provide 'choice of nomination' for ensuring smooth transmission of shares held by them as well as to prevent accumulation of unclaimed assets in securities market as per the provisions of SEBI circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024.

10. In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from

time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

11. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://ir.paytm.com/faqs>. Members are requested to submit the said details to their DP's in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
12. Transfer to Investor Education and Protection Fund
 - a) Transfer of Unclaimed Dividend:

The Company has not transferred any amount to the Investor Education and Protection Fund ("IEPF"), as there are no unclaimed/ unpaid dividends for any of the financial years.

- b) Transfer of Unclaimed Matured Fixed Deposits and Interest accrued thereon:

The Company does not have any Fixed Deposits.

- c) Transfer of Shares:

Adhering to the various requirements set out in the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has not transferred any equity shares of the Company during FY 2023-24

to the IEPF Authority in respect of which dividend had remained unpaid or unclaimed for seven consecutive years.

- d) Details of unclaimed amounts on the Company's website:

Since there were no unpaid and unclaimed dividend amounts lying with the Company, the Company was not required to upload any such details on its website or on the website of the Ministry of Corporate Affairs at the web-link: <http://www.iepf.gov.in>.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors ("Board"), on the recommendation of the Nomination and Remuneration Committee ("NRC"), approved the appointment of Mr. Rajeev Krishnamuralil Agarwal (DIN: 07984221) as an Additional Director in the capacity of Non-Executive Independent Director to hold office till 3 months from the date of appointment i.e. June 17, 2024 or up to the date of ensuing Annual General Meeting, whichever is earlier.

Further, the Board, on the recommendation of NRC also approved and recommended the appointment of Mr. Rajeev Krishnamuralil Agarwal as the Non-Executive Independent Director of the Company for a period of five years w.e.f. June 17, 2024 to June 16, 2029, subject to approval of the Members.

While considering his appointment, NRC evaluated the balance of skills, experience, knowledge and made its affirmative recommendations to the Board for his appointment as the Non-Executive Independent Director on the Board of the Company.

In accordance with provisions of Regulation 25(2A) of the SEBI Listing Regulations read with provisions of the Act, Independent Director shall be appointed subject to the approval of the Members of the Company by way of Special Resolution. *Further, in accordance with the proviso to Regulation 25(2A) of the SEBI Listing Regulations, where a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against*

the resolution, then the appointment of such an independent director shall be deemed to have been made under sub-regulation (2A).

Profile of Mr. Rajeev Krishnamuralil Agarwal

Mr. Rajeev Krishnamuralil Agarwal is an Engineering graduate from I.I.T, Roorkee, belongs to 1983 batch of Indian Revenue Service and has got wide experience of Securities Markets, Commodity Markets and Taxation - Whole Time Member, Securities and Exchange Board of India ("SEBI"), for 5 years; Member, Forward Markets Commission, erstwhile regulator of Commodity futures markets, for 5 and a half years; Indian Revenue Service for 28 years. During his tenure on the Board of SEBI, he supervised and handled the Policy of important departments dealing with markets in equity, bonds, currency and commodities, Mutual Funds, Foreign Investors, International Affairs, Corporate Governance, PEs, VCFs, Start Ups etc. He was responsible for the revival package of Mutual Fund Industry in 2012. He also supervised the smooth merger of commodity Market regulator, Forward Markets Commission, with SEBI in 2015 - merger of regulators being a very rare event globally. He has wide exposure of Global Markets and their regulation having interacted with Global peers and International bodies such as IOSCO and Pacific Pension Investment Institute, San Francisco, a body of Global Pension Funds. Presently, he is running an Advisory in capital market advising Indian corporates / start-ups on regulatory issues and corporate governance. He is also on the panel of experts of few Global Consultancies.

The profile of Mr. Rajeev Krishnamuralil Agarwal is also available on the Company's website viz. <https://ir.paytm.com/directors-and-committees>.

The Company has received, inter alia, the following consent, declaration and confirmation with regard to the proposed appointment of above Director:

- (i) Consent to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 of the Act;
- (iii) Declaration to the effect that he meets the criteria of independence as provided under the Act and the SEBI Listing Regulations;
- (iv) Declaration that he is not debarred from holding the office of Directors by virtue of any SEBI order or any other such authority;
- (v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as a Non-Executive Independent Director of the Company; and
- (vi) Confirmation that he has registered himself with the Independent Directors' databank and satisfied the requirement regarding the online proficiency self-assessment test in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, if any.

The Company has received a notice, in writing, from a Member, proposing the candidature

of Mr. Rajeev Krishnamuralil Agarwal as the Non-Executive Independent Director.

In the opinion of the Board, Mr. Rajeev Krishnamuralil Agarwal is a person of integrity and fulfills the criteria for being appointed as an Independent Director in accordance with Section 149 of the Act, rules framed thereunder, and Regulation 16(1)(b) of the SEBI Listing Regulations.

The letter of appointment of Mr. Rajeev Krishnamuralil Agarwal setting out all the terms and conditions of his appointment, is available for inspection as per the instructions given at Note no. 8 of this Notice.

The information as required to be disclosed under paragraph (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V to the Act, Secretarial Standard on General Meetings (SS-2) issued by Institute of Company Secretaries of India and Regulation 36(3) of the SEBI Listing Regulations, forms part of this Notice.

Mr. Rajeev Krishnamuralil Agarwal has not been associated with the Company or its Group / Subsidiary Companies in any way before his appointment as above.

The Board recommends the Special Resolution set out at item no. 3 of the Notice for approval by the Members. Save and except Mr. Rajeev Krishnamuralil Agarwal, and his relatives to the extent of their shareholding in the Company, if any, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

Item No. 4 to 9

The Members of the Company, have approved the appointment of the following Non-Executive Independent Directors, as detailed hereunder:

| Name of Director | Date of approval of Members | Effective Date of Appointment & Tenure |
|---|-----------------------------|--|
| Mrs. Pallavi Shardul Shroff | June 30, 2021 | February 09, 2021 to February 08, 2026 |
| Mr. Ashit Ranjit Lilani | September 02, 2021 | July 05, 2021 to July 04, 2026 |
| Mr. Neeraj Arora | September 02, 2021 | July 11, 2021 to July 10, 2026* |
| Mr. Gopalasamudram Srinivasaraghavan Sundararajan | November 20, 2022 | August 29, 2022 to August 28, 2027 |

Note: Mr. Rajeev Krishnamuralil Agarwal (DIN: 07984221) has been appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. June 17, 2024 subject to the approval of the Members of the Company, as being sought under Item no. 3 of this Notice.

* Mr. Neeraj Arora tendered his resignation w.e.f. June 17, 2024.

The remuneration payable to Mrs. Pallavi Shardul Shroff, Mr. Ashit Ranjit Lilani and Mr. Neeraj Arora was approved by the Members at their Extra-ordinary General Meeting ("EGM") held on September 02, 2021, which was effective till March 31, 2024. Further, the remuneration payable to Mr. Gopalasamudram Srinivasaraghavan Sundararajan was approved by the Members through Postal Ballot on November 20, 2022 w.e.f. August 29, 2022 to August 28, 2025.

The notices of the aforesaid General Meetings & Postal Ballot are available on the website of the Company at <https://ir.paytm.com/agm>.

Details of Committee Chairpersonship/ Membership of above Non-Executive Independent Directors, as on date of this Notice, are given below:

| Particulars | Mrs. Pallavi Shardul Shroff | Mr. Ashit Ranjit Lilani | Mr. Neeraj Arora* | Mr. Gopalasamudram Srinivasaraghavan Sundararajan | Mr. Rajeev Krishnamuralil Agarwal |
|-------------|--|---|-------------------|---|--|
| Chairperson | NIL | <ul style="list-style-type: none"> Nomination and Remuneration Committee | NIL | <ul style="list-style-type: none"> Audit Committee Risk Management Committee Corporate Social Responsibility Committee | <ul style="list-style-type: none"> Stakeholders' Relationship Committee |
| Member | <ul style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee | <ul style="list-style-type: none"> Risk Management Committee Stakeholders' Relationship Committee Investment Committee | NIL | NIL | <ul style="list-style-type: none"> Audit Committee Risk Management Committee |

*Mr. Neeraj Arora tendered his resignation w.e.f June 17, 2024.

Based on the benchmarking done by the Company considering companies with good governance practices and companies in similar sector or type of business and market capitalization, the Board of the Company upon the recommendation of NRC, at its meeting held on January 19, 2024 & June 17, 2024, approved the framework for payment remuneration to Non-Executive Independent Director(s), as detailed herein below. The proposed remuneration shall be a combination of fixed & variable components. The variable component will be linked to attendance at the meetings, Chairpersonship / Membership positions held in the various committee(s) of the Board.

This compensation framework will adequately compensate for the time and contribution made by our Non-Executive Independent Directors.

Framework for payment of remuneration to each Non-Executive Independent Director not exceeding Rs. 48 Lakhs per annum w.e.f. April 01, 2024

| Particulars | Amount (INR) per annum |
|---|---------------------------|
| A. Fixed Compensation: | |
| • Board fee | 20 Lakhs |
| B. Variable Compensation: | |
| • Fee in the capacity of Chairperson of Audit Committee (AC) | 12 Lakhs |
| • Fee in the capacity of Chairperson(s) of Nomination and Remuneration Committee (NRC)/Risk Management Committee (RMC) | 6 Lakhs |
| • Fee in the capacity of Member of AC | 6 Lakhs |
| • Fee in the capacity of Member of NRC/ RMC | 3 Lakhs |
| • Board / Committee (AC/NRC/RMC) attendance fees linked with % of meeting attendance (will be payable on a pro-rata basis based on actual % of attendance, subject to minimum 75% attendance in meetings). The fee shall be calculated for the period, a Director has served during the year or on an annual basis, as the case may be. | 8 Lakhs |

Note:

- No fee for the Chairpersonship/ Membership position will be payable for any Committee other than the AC, NRC and RMC.
- The before Chairperson of a Committee will not be eligible for an additional fee as a member of the same Committee.
- In case a Non-Executive Independent Director is not on the Board for the whole year, the annual compensation for such Director will be paid on a pro rata basis.
- Non-Executive Independent Directors will be reimbursed expenses incurred by them for participation in Board/ Committee meetings on actual basis.
- Non-Executive Independent Directors shall also be entitled to a sitting fee up to INR 1 Lakh per Board, AC, NRC and RMC meetings attended by them, in addition to remuneration as per above framework in accordance with the provisions of the Act.

The Board upon the recommendation of NRC, at its meeting(s) held on January 19, 2024 and June 17, 2024, approved the payment of remuneration to Non-Executive Independent Directors as per aforesaid framework subject to approval of Members, as mentioned in the respective resolution(s) forming part of this Notice.

The Board shall further approve the actual payment of remuneration to Non-Executive Independent Directors as per terms of above framework.

Presently, in view of the Company incurring losses, the above remuneration will exceed the statutory limits prescribed under Section 197(1) but will be within the limits prescribed under Schedule V of the Act, based on the effective capital of the Company as on March 31, 2024. Accordingly, the approval of the Members is required and being sought by way of Ordinary Resolution(s) as per Schedule V of the Act, as mentioned in the respective resolution(s). Further, the said remuneration would be paid as minimum remuneration in accordance with Schedule V of the Act for a period not exceeding three years from the date(s) as mentioned in the respective resolution(s) forming part of this Notice.

The above Directors of the Company have extensive experience and deep knowledge in Business and Risk management, governance, strategic leadership and management, technology and digital expertise, industry and sector experience / knowledge, financial and risk management, marketing and global business / international expertise.

While the approval of Members is being sought for payment of remuneration to Non-Executive Independent Directors for

a period not exceeding three years, or as mentioned in the respective resolutions forming part of this Notice, however on the recommendations of the Board, the approval of Members may again be sought for approval of revised remuneration structure once the Company is profitable under Section 197 read with Schedule V of the Act, given that revised remuneration under that clause may be more appropriate for independent directors at that point of time.

The information as required to be disclosed in accordance with the Schedule V of the Act, forms part of this Notice.

The Board recommends the Ordinary Resolution(s) set out at Item Nos. 4 to 9 of the Notice for approval by the Members. The said Non-Executive Independent Directors of the Company shall be deemed to be concerned or interested in resolution(s) set out at Item Nos. 4 to 9 regarding remuneration payable to them as mentioned in the said resolutions. Further, none of other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholdings in the Company, if any in the resolution(s) as set out in Item Nos. 4 to 9 of the Notice.

The statement contains additional information as required under Schedule V of the Act with respect to Item Nos. 4 to 9

I. General Information

(a) Nature of industry:

The Company owns and operates the brand "Paytm". Paytm is India's leading mobile payments and financial services distribution company,

offering consumers and merchants a comprehensive suite of payment services. Pioneer of the mobile QR payments revolution in India, Paytm builds technologies that help small businesses with payments and commerce. The Company also distributes various financial services offerings to its consumers and merchants in partnership with financial institutions.

(b) Date or expected date of commencement of commercial production:

The Company commenced business from the date of its incorporation on December 22, 2000.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

(d) Financial performance based on given indicators:

(Amounts in INR Million)

| Particulars | Consolidated | | Standalone | |
|------------------------------|--------------|-------------------|------------|-------------------|
| | Year ended | March 31, 2024 | Year ended | March 31, 2023 |
| Total income | 105,247 | 84,000 | 81,852 | 64,271 |
| Total expenses | 116,446 | 101,304 | 94,441 | 82,199 |
| Contribution Profit | 55,377 | 39,003 | 48,585 | 34,016 |
| Contribution Margin % | 55.50 | 48.80 | 63.42 | 56.43 |
| EBITDA (Before ESOP expense) | 5,588 | (1,756) | 3,576 | (3,208) |
| Margin % | 5.6 | (2.20) | 4.7 | (5.30) |
| Net Profit/(Loss) | (14,224) | (17,765) | (14,762) | (18,558) |
| Paid-up Capital | 636 | 634 | 636 | 634 |
| Reserves & Surplus | 132,630 | 129,522 | 122,754 | 122,233 |

(e) Foreign investments or collaborations, if any:

The Company has not entered into any material foreign collaboration during the previous 3 (three) financial years. The foreign investors, mainly comprising of FII's and NRIs, are on account of issuances of securities and/or secondary market purchases, from time to time. As on March 31, 2024, the aggregate foreign shareholding in the Company was approx 60.88%.

II. Information about the Non-Executive Independent Directors:

| Particulars | Mrs. Pallavi Shardul Shroff | Mr. Ashit Ranjit Lilani | Mr. Neeraj Arora | Mr. Gopalasamudram Srinivasaraghavan Sundararajan | Mr. Rajeev Krishnamuralilal Agarwal |
|---|--------------------------------|----------------------------|---------------------|---|---|
| Background Details | | | | | |
| Recognition or awards | | | | | |
| Past Remuneration | | | | | NA |
| Job Profile and Suitability | | | | | |
| Remuneration proposed | | | | | |
| 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) | | | | | |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any. | | | | | |

For background details and recognition or awards, please refer the detailed profile available on the website of the Company at <https://ir.paytm.com/directors-and-committees>.

The details about the past remuneration of Non-Executive Independent Directors are given in the Corporate Governance Report at page no. 71 forming part of the Annual Report FY 2023-24.

The Directors of the Company play an important role in the sustainable growth, attaining the overall strategic goals of the Company and ensuring adoption of good governance practices. The Non-Executive Independent Directors of the Company bring with them significant professional expertise, rich experience and knowledge across a wide spectrum of functional areas such as business and management, corporate governance, technology and digital expertise, finance, marketing, legal, and regulatory affairs. They actively engage with the Management for fostering the effectiveness of the Company's performance and setting high quality governance standards and norms for the Company.

As per remuneration framework mentioned herein above.

The proposed remuneration is in line with the benchmarking done by the Company considering companies with good governance practices and companies in similar sector or type of business and market capitalization.

The Non-Executive Independent Directors continue to meet the criteria of Independence as per the provisions of the Act and the SEBI Listing Regulations. They do not have any pecuniary relationship directly or indirectly with the Company or with the managerial personnel of the Company, except to the extent of Remuneration, as applicable, and reimbursement of out-of-pocket expenses received by them for attending the meetings.

Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director, is the Managing Partner of Shardul Amarchand Mangaldas & Co ("SAMCO"), leading law firm. SAMCO provide certain legal services, in ordinary course of business to the Company. SAMCO has confirmed that the revenue they generate directly or indirectly from the Company is a "minuscule percentage" of their gross turnover, and as a result none of its partners are conflicted vis-à-vis the Company.

Mrs. Shroff has confirmed that she fulfils the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and is independent of the management. She only receives remuneration in her capacity as an Independent Director, which is aligned with what other Independent Directors receive.

III. Other Information:

a) Reason of loss or inadequate profits:

The Company has invested in growing and strengthening the Paytm ecosystem through the acquisition and retention of consumers and merchants, providing them greater access to technology and financial services. In the quarter ended March 2024, the average Monthly Transacting User ("MTU") base reached 96 million, marking a 7% year-over-year increase. Additionally, the number of merchants paying for subscription payment devices rose to 10.7 million, up from 6.8 million as of March 2023. The Company has made substantial investments in marketing and promotions, product and engineering talent, expanding the sales team, and providing devices and services to merchants.

b) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

Focus on monetization along with control on costs has yielded strong results. For FY 2024, the EBITDA before ESOP cost

was Rs 559 Cr as compared to Rs (176) Cr for FY 2023, while contribution margin improved from Rs 3,900 Cr to Rs 5,538 Cr in the same period. While since then there were temporary disruptions in growth of revenue, and profitability due to RBI directive on our associate, Paytm Payments Bank Limited ("PPBL") on January 31, 2024, we have completed the transition of services from PPBL to other partners. This ensures that our existing customers and merchants will be able to use our services as before while also opening up more long-term monetisation opportunities with the partner banks, given our strong customer and merchant engagement on the platform.

We are conducting a comprehensive review of our cost structure across all areas. We are creating a leaner organizational structure focused on enhancing performance and productivity. We will continue to enhance our merchant sales team and risk and compliance functions. Significant progress has been made in using AI to enhance cost efficiencies across our operations.

Information of Directors in accordance with provisions of Regulation 36(3) of the SEBI Listing Regulations, Companies Act, 2013 and Secretarial Standards 2 on General Meetings (SS-2), as on the date of this Notice:

| Particulars | Mr. Ravi Chandra Adusumalli | Mrs. Pallavi Shardul Shroff | Mr. Ashit Ranjit Lilani | Mr. Neeraj Arora | Mr. Gopalasamudram Srinivasaraghavan Sundarajan | Mr. Rajeev Krishnamurallil Agarwal |
|--|---|---|---|---|---|---|
| Directors Identification Number (DIN) | 00253613 | 00013580 | 00766821 | 07221836 | 00361030 | 07984221 |
| Age | 48 years | 67 years | 57 years | 45 years | 63 years | 65 years |
| Original date of appointment | 16-02-2012 | 09-02-2018 | 05-07-2021 | 11-07-2021 | 29-08-2022 | 17-06-2024 |
| Qualifications | <ul style="list-style-type: none"> • Bachelor's degree in economics and government from Cornell University • Bachelor's degree in Economics Hons. (1976) Lady Shri Ram College, Delhi University • M.M.S. (1978) Jamnala Bajaj Institute of Management Studies, Bombay University • LLB (1981) Govt. Law College, Bombay University | <ul style="list-style-type: none"> • B.A., Economics Hons. (1976) Lady Shri Ram College, Delhi University • M.M.S. (1978) Jamnala Bajaj Institute of Management Studies, Bombay University • LLB (1981) Govt. Law College, Bombay University | <ul style="list-style-type: none"> • Bachelor's degree in commerce from the Bangalore University • Master's degree in business administration from Philadelphia College of Textiles and Science | <ul style="list-style-type: none"> • Bachelor's degree in commerce from the Bangalore University • Master's degree in business administration from Philadelphia College of Textiles and Science | <ul style="list-style-type: none"> • Bachelor's degree of technology in mechanical engineering from the Indian Institute of Technology • Post graduate program in management from the Indian Institute of Management (IIM), Ahmedabad | <ul style="list-style-type: none"> • BE (Electronics & Comm.) from IIT Roorkee • Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Ahmedabad |
| Brief profile & Experience and nature of expertise in specific functional areas | <p>The detailed profile is available on the website of the Company at https://ii.paytm.com/directors-and-committees. Further, the details of the skill set possessed by the Non-Executive Directors are provided separately in this table below.</p> | | | | | |
| Remuneration sought to be paid | Not Applicable | As per remuneration framework mentioned herein above. | | | | |
| Remuneration Last Drawn | Nil | The details about the past remuneration of Non-Executive Independent Directors are given in the Corporate Governance Report at page no. 71, forming part of the Annual Report for FY 2023-24. | 9(9) | 9(9) | 9(9) | Not Applicable |
| Number of Meetings of Board attended from April 01, 2023, till March 31, 2024 | 9(9) | | 8(9) | 7(9) | | Not Applicable |
| Number of Committee Meetings attended from April 01, 2023, till March 31, 2024 | 18(18) | 12(14) | 10(12) | 6(7) | 15(15) | Not Applicable |
| Shareholding (as on the date of this Notice) in One 97 Communications Limited, either directly or as beneficial holder | Nil | Nil | Mr. Neeraj Arora holds 75,000 (0.01%) equity shares of the Company. He also holds 197,180 (0.03%) equity shares of the Company, as a trustee of The Neeraj Arora Revocable Trust. | Nil | Nil | Nil |

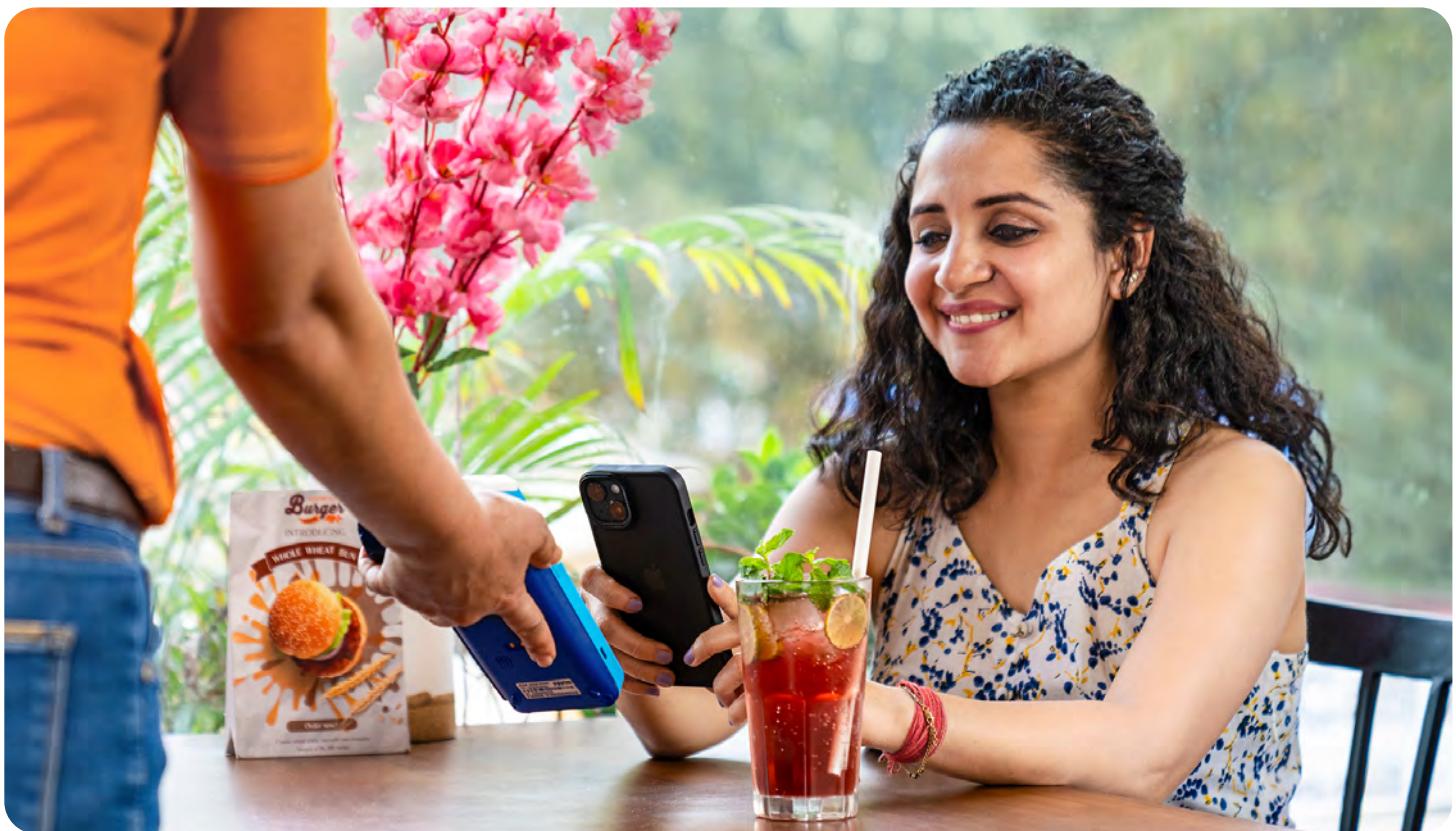
| Particulars | Mr. Ravi Chandra Adusumalli | Mrs. Pallavi Shardul Shroff | Mr. Ashit Ranjit Lilani | Mr. Neeraj Arora | Mr. Gopalasamudram Srinivasaraghavan Sundararajan | Mr. Rajeev Krishnamurallil Agarwal |
|---|--|---|---|--|---|--|
| Relationship with other Directors / KMPs | Not related to any Director or Key Managerial Personnel of the Company | | | | | |
| Terms and conditions of appointment/ Re-appointment | Liable to retire by rotation | NA | NA | NA | NA | As mentioned in the explanatory statement to Item no. 3 above. |
| Listed Companies from which the person has resigned from the directorship in past 3 (three) years till the date of approval of notice | Nil | <ul style="list-style-type: none"> • Trident Limited • Apollo Tyres Limited • Asian Paints Limited | Nil | Nil | Nil | Nil |
| Directorships held in other companies (excluding foreign companies) | from which the person has resigned from the directorship in past 3 (three) years till the date of approval of notice | <ul style="list-style-type: none"> • Capfloat Financial Services Private Limited • PVR INOX Limited • First Commercial Services India Private Limited • Urbanclap Technologies India Private Limited • PAI Platforms Private Limited • PAI Private Limited (Formerly Known as Paytm E-Commerce Pvt. Ltd.) | <ul style="list-style-type: none"> • InterGlobe Aviation Limited • VRB Consumer Products Private Limited • Mountain Trail Foods Private Limited • Amarchand Towers Property Holdings Private Limited • Baghbaan Properties Private Limited • PSNS Properties Private Limited • Juniper Hotels Limited • Paytm Payments Services Limited • Aavanti Realty Private Limited • First Full Services Private Limited • First Universal Virtual International Arbitration Centre Private Limited • UVAC Centre (India) Private Limited • Amarchand Mangaldas Properties Private Limited • CSEP Research Foundation | <ul style="list-style-type: none"> • Hinduja Leyland Finance Limited • Utkarsh Coreinvest Limited • Hinduja Housing Finance Limited • GROWXCD Finance Private Limited • MK Ventures Capital Limited | <ul style="list-style-type: none"> • UGRO Capital Limited • Trust Asset Management Private Limited • Star Health and Allied Insurance Company Limited • ACC Limited | |

| | | | | | | |
|--|-----------------------------|---|-------------------------|---|---|------------------------------------|
| Particulars | Mr. Ravi Chandra Adusumalli | Mrs. Pallavi Shardul Shroff | Mr. Ashit Ranjit Lilani | Mr. Neeraj Arora | Mr. Gopalasamudram Srinivasaraghavan Sundararajan | Mr. Rajeev Krishnamurallai Agarwal |
| Membership/ Chairmanship of committees of other Boards of companies (excluding foreign companies) | NIL | <p>I. InterGlobe Aviation Limited</p> <ul style="list-style-type: none"> • Nomination and Remuneration Committee (Chairperson) • Stakeholders' Relationship Committee (Member) • Audit Committee (Member) • Corporate Social Responsibility Committee (Member) <p>II. PVR Limited</p> <ul style="list-style-type: none"> • Audit Committee (Member) <p>III. Juniper Hotels Limited</p> <ul style="list-style-type: none"> • Risk Management Committee (Chairperson) • Audit Committee (Chairperson) • Nomination and Remuneration Committee (Member) | <p>Nil</p> | <p>I. Hinduja Housing Finance Limited</p> <ul style="list-style-type: none"> • Audit Committee (Chairman) <p>II. Hinduja Leyland Finance Limited</p> <ul style="list-style-type: none"> • Audit Committee (Chairman) <p>III. Utkarsh CoreInvest Limited</p> <ul style="list-style-type: none"> • Audit Committee (Chairman) | <p>I. UGRO Capital Limited</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee (Chairman) • Nomination and Remuneration Committee (Chairman) • Securities Allotment and Transfer Committee (Chairman) • Audit Committee (Member) • Compliance Committee (Member) • Corporate Social Responsibility Committee (Member) • Investment and Borrowing Committee (Member) <p>II. Star Health And Allied Insurance Company Limited</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee (Chairman) • Audit Committee (Member) • Nomination and Remuneration Committee (Member) • Board Administrative Committee (Member) | |

| Particulars | Mr. Ravi Chandra Adusumalli | Mrs. Pallavi Shardul Shroff | Mr. Ashit Ranjit Lilani | Mr. Neeraj Arora | Mr. Gopalasamudram Srinivasaraghavan Sundararajan | Mr. Rajeev Krishnamurallai Agarwal |
|-------------|-----------------------------|-----------------------------|-------------------------|------------------|---|---|
| | | | | | <p>III ACC Limited</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee (Chairman) • Public Consumer Committee (Chairman) • IT & Data Security Committee (Chairman) • Reputation Risk Committee (Chairman) • Audit Committee (Member) • Nominations and Remuneration Committee (Member) • Corporate Social Responsibility Committee (Member) • Legal, Regulatory & Tax Committee (Member) <p>IV MKVentures Capital Limited</p> <ul style="list-style-type: none"> • Risk Management Committee (Member) <p>V Trust Asset Management Private Limited</p> <ul style="list-style-type: none"> • Audit Committee (Member) | <p>Business and Management</p> <ul style="list-style-type: none"> • Business and Management • Corporate Governance • Technology and digital expertise • Finance • Marketing <p>Skills and capabilities required for the role and the manner in which the proposed person meets such requirements</p> <ul style="list-style-type: none"> • Business and Management • Corporate Governance • Technology and digital expertise • Finance • Marketing |
| | | | | | <p>Business and Management</p> <ul style="list-style-type: none"> • Business and Management • Corporate Governance • Technology and digital expertise • Finance • Marketing | <p>Business and Management</p> <ul style="list-style-type: none"> • Business and Management • Corporate Governance • Technology and digital expertise • Finance • Marketing |

Paytm

Annual Report FY '24





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Corporate Information

Board of Directors

Mr. Vijay Shekhar Sharma
Chairman, Managing Director and
Chief Executive Officer

Mr. Ravi Chandra Adusumalli
Non-Executive Non-Independent Director

Mr. Rajeev Krishnamuralil Agarwal
Non-Executive Independent Director

Mr. Madhur Deora
Executive Director, President and
Group Chief Financial Officer

Mr. Ashit Ranjit Lilani
Non-Executive Independent Director

Mrs. Pallavi Shardul Shroff
Non-Executive Independent Director

Mr. Gopalasamudram Srinivasaraghavan
Sundararajan
Non-Executive Independent Director

Other Information

Mr. Sunil Kumar Bansal
Company Secretary and
Compliance Officer

Statutory Auditors
S. R. Batliboi and Associates LLP

Secretarial Auditors
PI & Associates

Registrar and Share Transfer Agent
Link Intime India Private Limited

Registered Office
First Floor, Devika Tower, Nehru Place,
New Delhi -110019, India

Corporate Office
One Skymark, Tower-D, Plot No.
H-10B, Sector-98, Noida,
Uttar Pradesh - 201304, India

Website
[www.paytm.com](#)

(Details of Directors as on June 17, 2024, in alphabetical order, by last name, except for Chairman.)

Board of Directors



Mr. Vijay Shekhar Sharma
Chairman, Managing Director
and Chief Executive Officer



**Mr. Ravi Chandra
Adusumalli**
Non-Executive
Non-Independent Director



**Mr. Rajeev Krishnamuralilal
Agarwal**
Non-Executive
Independent Director



Mr. Madhur Deora
Executive Director,
President and Group Chief
Financial Officer



Mr. Ashit Ranjit Lilani
Non-Executive
Independent Director



Mrs. Pallavi Shardul Shroff
Non-Executive
Independent Director



**Mr. Gopalasamudram
Srinivasaraghavan Sundararajan**
Non-Executive
Independent Director

| Audit Committee | Nomination and Remuneration Committee | Risk Management Committee | Stakeholders' Relationship Committee | Corporate Social Responsibility Committee | Investment Committee |
|-----------------|---------------------------------------|---------------------------|--------------------------------------|---|----------------------|
| Chairperson | Chairperson | Chairperson | Chairperson | Chairperson | - |
| Member | Member | Member | Member | Member | Member |

Letter to Shareholders

Dear Shareholders,

Last year has been one of the most significant learning experiences for us. We focused on generating free cash flow and delivered on that for the full year. We were also laser-focused on delivering profits after accounting for all costs, including ESOP costs, and we came very close to achieving that target.

In the last quarter, we encountered regulatory action on our associate entity Paytm Payments Bank Limited ('PPBL'), which presented significant challenges and provided us with many valuable lessons. I am very proud of our resilient Paytm team, who navigated this situation with courage, dedication and humility.

There are times when actions speak louder than words and results speak louder than plans. After resolving many of the challenges that we faced, we are now refocused on our path to deliver a long-term, sustainable and profitable business model. Our resilient and committed team will deliver on our mission to building for India. The focus on financial inclusion and digitizing the informal economy will bring long-term benefits to both the company and the country.

For me personally, this year has been centered on our core business, instilling a compliance-first approach in every team member, and striving to become a consistently free cash generating company. The Paytm team has identified significant savings through the use of AI and has expanded in areas where we see the future of technology heading.

I believe that AI will be as instrumental in advancing India as the mobile/smartphone revolution has been. Your company has always been a technology first company and will not only leverage AI-led cost savings but also build AI-first products that can help small merchants and micro-businesses harness the power of technology previously available only to large enterprises.

Helping and serving our nation is a privilege we do not take lightly. The entire Paytm team remains committed to delivering fully compliant, fully made-in-India innovations that bring millions of Indians the advantages of the formal financial system.

Thank you for your support and guidance.

Best,
Vijay Shekhar Sharma

Statutory Reports

Management Discussion and Analysis

Macroeconomic overview

Mobile payments in India have seen robust growth over the past decade, especially in the unorganised sector. We believe that there still remains ample scope to further deepen penetration, as consumers and businesses look to rapidly adopt affordable, secure and easy-to-use technology. With our world-class, technology-led, mobile-first payment and financial services, we strive to bring unserved and underserved Indian consumers and businesses to the mainstream economy.

We enable merchants to accept a variety of payment options through our offerings such as QR codes, Soundboxes, EDC devices (card machines) and online payment gateway, and also help grow their businesses, by leveraging our app traffic and marketing services offerings. Consumers come to our app for the variety of payment use cases (such as P2P payments, merchant payments, mobile recharges, utility bills, etc) and the extensive range of payment options we offer.

India continues to be one of the fastest growing economies globally and is estimated to attain 8.2%⁽¹⁾ real GDP growth in FY24. The Reserve Bank of India has further raised India's FY25 real GDP forecast to 7.2% from 7.0%⁽²⁾, on prospects of improving rural and urban demand conditions. This puts India firmly on track to become a \$7 trillion economy by 2030⁽³⁾.

Industry overview and Outlook

India's payments landscape has benefitted from multiple developments over the past few years, be it innovations in mobile payments and digital infrastructure, continued regulatory support, or government initiatives to push for increased consumer and merchant acceptance.

Given the increasing shift towards a cashless economy and user preference for transacting via their mobile phones, mobile payments continue to scale rapidly. This is further boosted by the growth of digital commerce and services. As a result, digital transactions in India have surpassed INR 3.2 thousand lakh crore in FY 2023 and are expected to touch INR 4 thousand lakh crore by FY 2026.⁽⁴⁾

Paytm is an integral part in the growth of mobile payments across the country. We offer a comprehensive suite of payment solutions to both consumers and merchants. This helps merchants expand their businesses using Paytm app traffic and also provides attractive cross-sell and up-sell opportunities.

⁽¹⁾ Ministry of Statistics & Programme Implementation, <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2022323>

⁽²⁾ RBI Monetary Policy Committee Meeting, 7th June, https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=58050

⁽³⁾ DEA, Monthly Economic Review Dec'23, <https://dea.gov.in/sites/default/files/Monthly%20Economic%20Review%20December%202023.pdf>

⁽⁴⁾ Digitized India: Catalysing the Payments landscape dated January 11, 2024, prepared by Redseer

We believe that non-cash payments still remain under-penetrated in India, when compared to other countries. For instance, the value of card transactions (credit card + debit card) remains at c.8% of GDP in FY24. Including mobile payments such as UPI (P2M only), this ratio is c.25% (Source: RBI, NPCI) and is expected to grow multifold in the coming years.

The Indian Digital Lending market is expected to grow to \$515 billion by 2030, growing at a 2021-30E CAGR of 33%⁽⁵⁾. The Indian WealthTech market will grow to \$237 billion⁽⁵⁾ by 2030 on the back of a growing base of retail investors, with the InsuranceTech market expected to reach \$88 billion⁽⁵⁾ by 2030 driven by untapped opportunities and innovative models.

Our Business Model

Over the past year, in response to evolving industry landscape and regulations our business model has seen some changes, such as pausing small ticket credit (Paytm Postpaid), transition of UPI to multiple bank partners given the embargo on Paytm Payments Bank. This transition has helped de-risk our business model and also opens up new opportunities for long-term monetization, given our platform's strength around customer and merchant engagement. We continue to build a payment led ecosystem based on a comprehensive suite of payments services to consumers and merchants and leverage this ecosystem to distribute high margin financial services and marketing services.

Our payments business is an important customer and merchant acquisition tool for the platform. We enable merchants to accept a variety of payment options through our offerings such as QR codes, soundboxes, EDC devices and online payment gateway, and also help grow their businesses, by leveraging our app traffic and Marketing services offerings. Consumers come to our app for the variety of payment use cases (such as P2P payments, merchant payments, mobile recharges, utility bills, etc) as well as the comprehensiveness of available payment instruments.

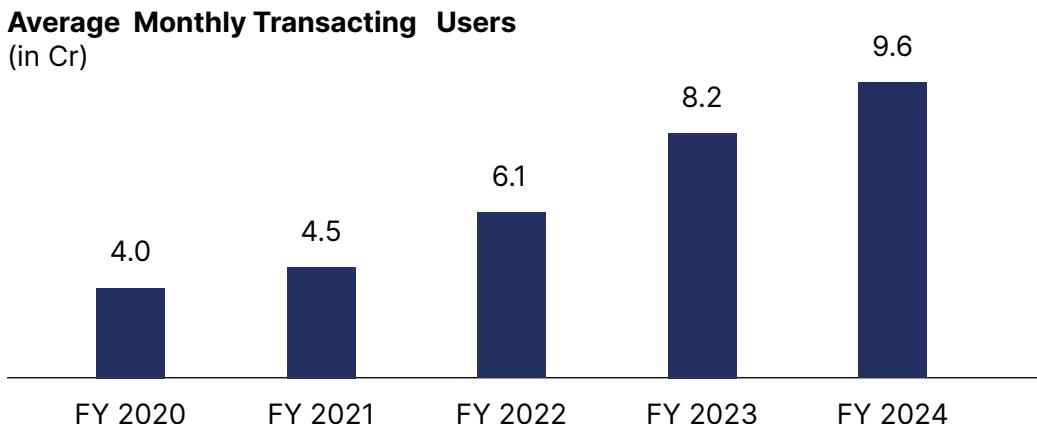
The large size of our ecosystem allows us to distribute high margin financial services such as credit, wealth management and insurance to our consumers and merchants. We also offer high margin Marketing Services use cases such as ticketing, gift vouchers, commerce to consumers and empower merchants to grow their business using services such as advertising and loyalty solutions.

⁽⁵⁾\$1 Tn India FinTech Opportunity report dated December 2022, prepared by EY

Payment Services

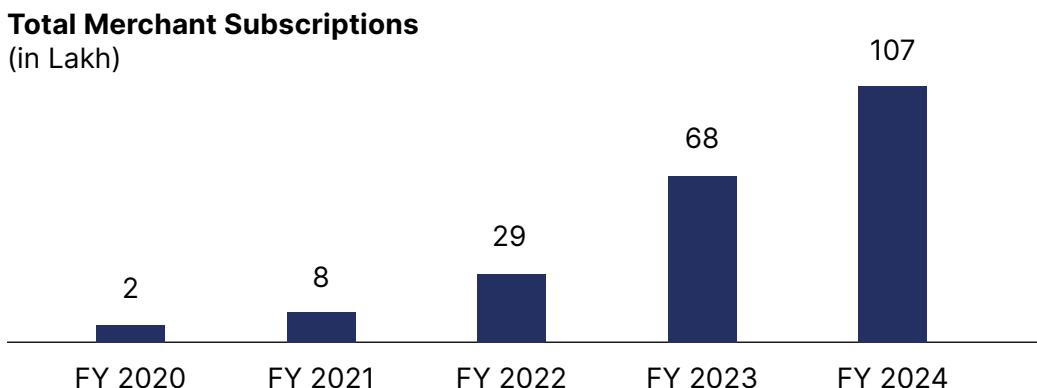
On our app, consumers can use instruments such as cards, net banking, UPI and UPI Lite to make online payments for a variety of use cases. Consumers can also make online payments on mobile apps and in-store payments through QR codes and devices.

The increased adoption of payments use-cases has resulted in our Monthly Transacting Users (MTU) growing 16% YoY to 9.6 crore in FY 2024 from 8.2 crore in FY 2023

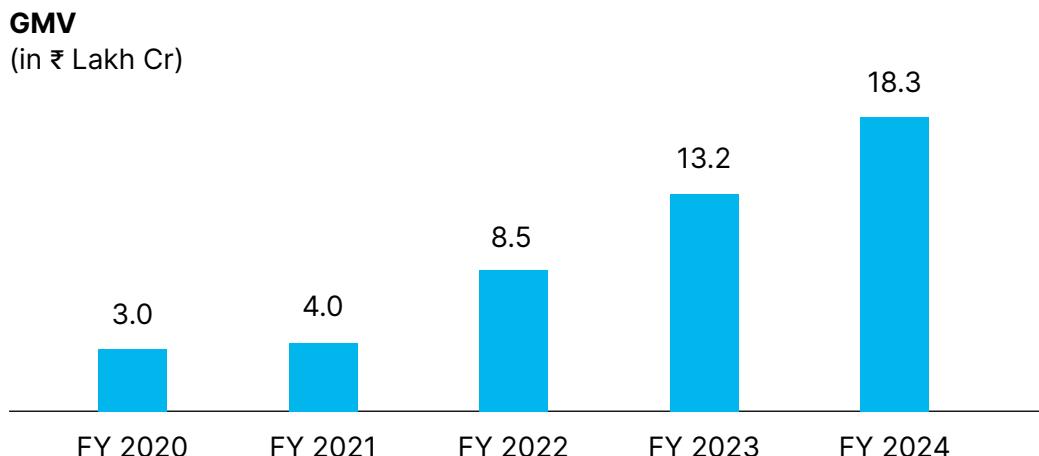


On the merchant side of our platform, we help our partners grow their businesses by providing solutions that allow them to accept payments through a wide variety of instruments and by deploying devices that help with reconciliations.

- Small merchants can use QR codes, or use Soundbox devices which allow better reconciliation for merchants, hence enhancing their trust in mobile payments, and generating subscription revenues for us. The government also pays us incentive on certain types of transactions.
- Our mid-sized and large retailers also use our POS devices which enables them to accept mobile and card payments, thus generating both MDR as well as subscription revenues for us.
- For Online and Omni channel merchants we offer a robust payment gateway product, allowing merchants to reliably accept payments across all channels, which generates MDR revenue and platform fees.



Driven by increased user and merchant engagement, we witnessed growth in our GMV, which for the full year FY 2024 at ₹18.3 Lakh Cr, has grown 39% YoY from ₹13.2 Lakh Cr in FY 2023.



Financial Services

Our Financial services offerings to consumers and merchants consist of innovative financial inclusion offerings like mobile credit, insurance, and wealth management for consumers and merchants.

Loan Distribution

As part of our loan distribution business, we operate a technology platform with capabilities across the entire loan lifecycle including origination, loan management and collection to provide credit access to our consumers and merchants through our financial institution partners. Our partners are able to work with Paytm to distribute products to customers who would have otherwise been harder to reach or service in a cost-effective manner.

We distribute two types of loans (1) Loans where we also help the lenders with collection; (2) Distribution-only loans where our lending partner is responsible for the collections.

Our loan distribution business continues to scale providing attractive upsell revenues. Our lending partners disbursed loans of value ₹ 52,390 Cr in FY 2024, a growth of 48% YoY from ₹ 35,378 Cr in FY 2023. Out of the total disbursed loan value, ₹ 25,264 Cr were disbursals from Postpaid loans, which have now been paused.

Marketing Services

To help our merchant partners grow their business by leveraging Paytm's consumer traffic, we offer them marketing services like ability to sell tickets, deals and gift vouchers to customers. In addition, we also provide advertising, and loyalty services.

The distribution of co-branded credit cards also falls under our marketing services business. As of March 2024, we have a total of 1.2 million activated cards with SBI Card, HDFC Bank and Kotak Bank. We generate upfront revenue on card activation and receive a portion of the interchange fee

for the lifetime of the card. We see a strong runway for growth in this business, especially given the upsell potential to payments and loan distribution consumers.

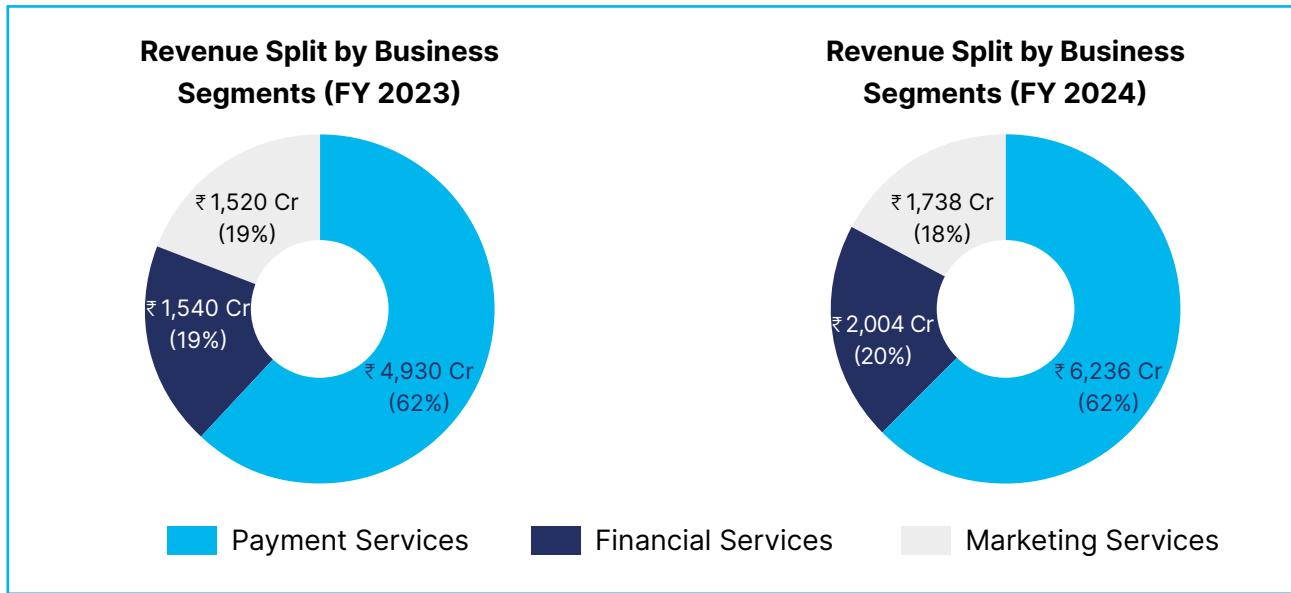
Business Update and Outlook

In FY 2024, we achieved our first full year (since IPO) of EBITDA before ESOP profitability of ₹ 559 Cr, demonstrated strong revenue momentum (+25% YoY) and discipline around profitability (EBITDA margin up 8% YoY).

However, we were impacted by the RBI directive on our associate, Paytm Payment Bank Ltd ("PPBL") in January 2024, which affected our scale of revenue and near-term profitability. With support from the Regulator, NPCI and our Bank partners, we have now successfully transitioned the services provided by PPBL to other partner banks which enables us to continue serving our customers and merchants uninterrupted. We believe this transition will further de-risk our business model and will open up more long-term monetisation opportunities with the partner banks, leveraging our strong customer and merchant engagement on the platform.

Strong Revenue Momentum in FY 2024

We report our revenue under two lines, (i) Payment and Financial Services, and (ii) Marketing Services.

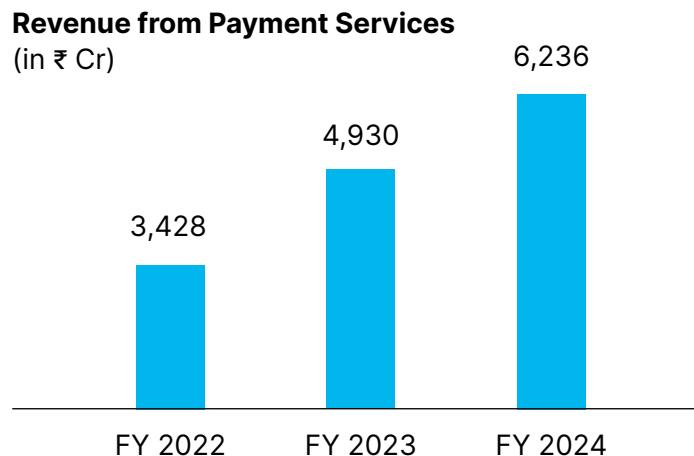


Total revenue has grown from ₹ 7,990 Cr in FY 2023 to ₹ 9,978 Cr in FY 2024, growing at 25% YoY, due to GMV growth, device additions, and growth in the financial services distribution business.

- Payments revenue has grown from ₹ 4,930 Cr in FY 2023 to ₹ 6,236 Cr in FY 2024, growing at 26% YoY. Payments business forms 62% of total revenues in FY 2024.
- Revenue from Financial Services & Others have scaled up by 30% YoY and were ₹ 2,004 Cr in FY 2024, compared to ₹ 1,540 Cr in FY 2023. Financial Services & Others now account for 20% of total revenues in FY 2024.

- Revenue from Marketing Services stood at ₹ 1,738 Cr in FY 2024, growing at 14% YoY from ₹ 1,520 Cr in FY 2023. This segment is 18% of total revenues in FY 2024.

Payment Services

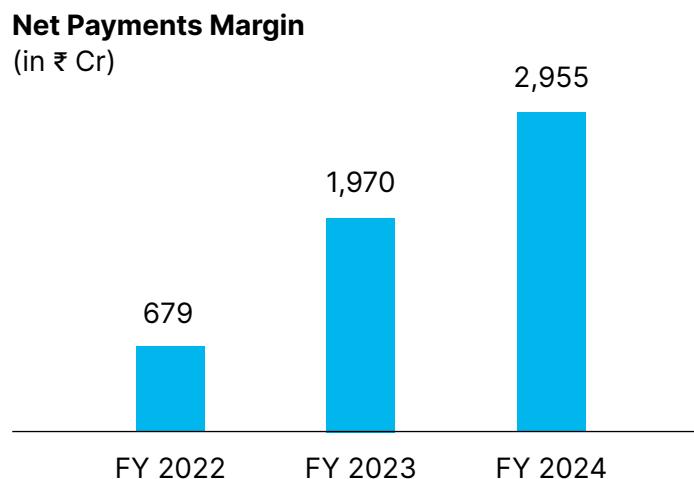


Our revenue from Payment services grew 26% to ₹ 6,236 Cr in FY2024 from ₹ 4,930 Cr in FY2023.

Payments business has two margin drivers - Payments processing margin and Subscriptions

In payment processing, we make a payment processing margin (i.e. revenues earned from processing payments less charges incurred on such transactions). We earn revenues on processing all kinds of payments, including those made with UPI (in the form of incentives from the government and MDR on payments made through Rupay Credit Card on UPI).

Apart from earning revenues on processing payments, we also earn subscription revenue from merchants who use our payment devices, such as Soundbox and EDC machines. As of March 2024, our deployed payment devices increased to 107 lakh from 68 lakh in FY 2023, thus accelerating our subscription revenues. Merchants use our devices not only for accepting payments but also for fraud prevention and reconciliation services.

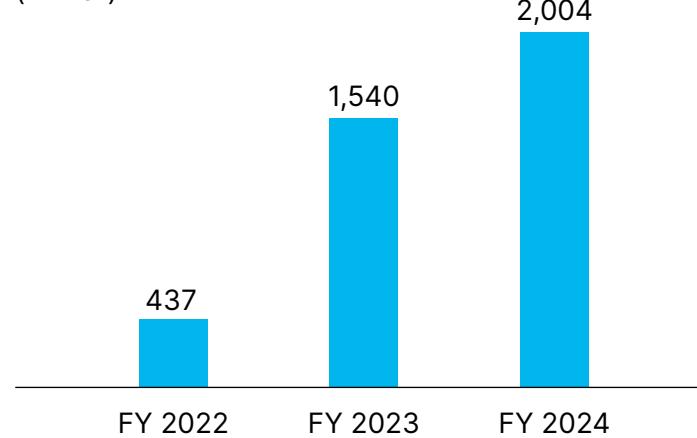


Net Payments Margin, defined as payments revenue (on payment processing as well as subscription revenue) less payment processing charges is a key indicator of profitability in this business. Payments profitability has improved over the years, with net payments margin growing 50% YoY to ₹ 2,955 Cr for FY 2024. Improvement in payment profitability is on account of increased monetization in the payments business as well as optimization of processing charges.

Financial Services and Others

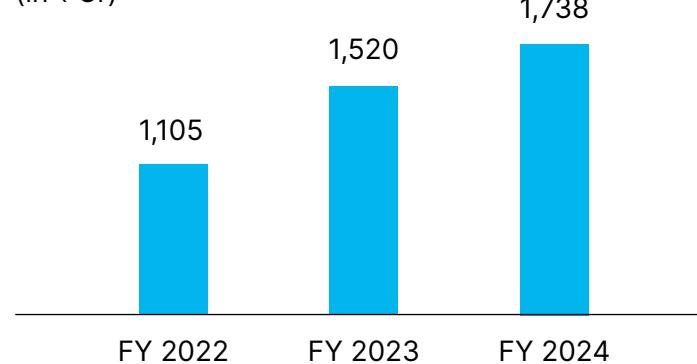
Financial Services and Others include revenues that we make from our financial services partners or consumers of our financial services offerings, primarily loan distribution. Revenue from financial services and others grew 30% to ₹ 2,004 Cr in FY 2024 from ₹ 1,540 Cr in FY 2023, primarily driven by 48% Y-o-Y growth in the value of loans processed in FY 2024 to ₹ 52,390 Cr, from ₹ 35,378 Cr in FY 2023. We are also focusing on insurance broking and equity broking. In addition, we are expanding distribution of mutual funds where we see strong tailwinds in terms of participation of the retail investors in the equity markets.

Revenue from Financial Services and Others
(in ₹ Cr)



Marketing Services

Revenue from Marketing Services
(in ₹ Cr)



Our revenue from Marketing Services grew 14% to ₹ 1,738 Cr in FY 2024 from ₹ 1,520 Cr in FY 2023.

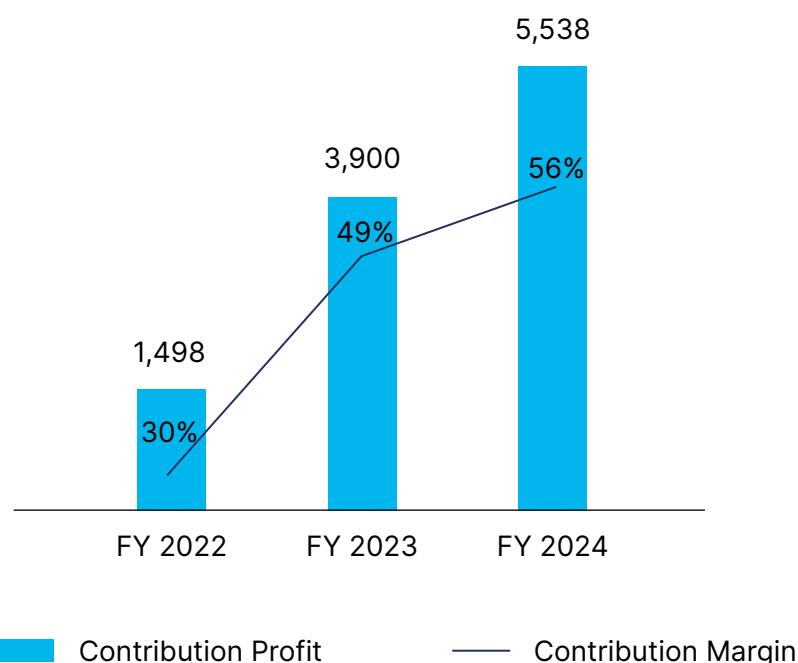
Our revenue streams include transaction fees charged to merchants and convenience fees to customers, typically a percentage of transaction value for services like travel, entertainment, and deals. Additionally, we generate revenue through subscription and volume-based fees for our cloud and software solutions provided to merchants. Our advertising partners also contribute to revenue based on campaign scale and type.

Contribution Profit

Driven by improvement in Net Payments Margin and increased share of high margin financial services business, our contribution profit grew 42% to ₹ 5,538 Cr in FY 2024 from ₹ 3,900 Cr in FY 2023. As a % of revenue of operations, our contribution margin was 56% in FY 2024, up from 49% in FY 2023.

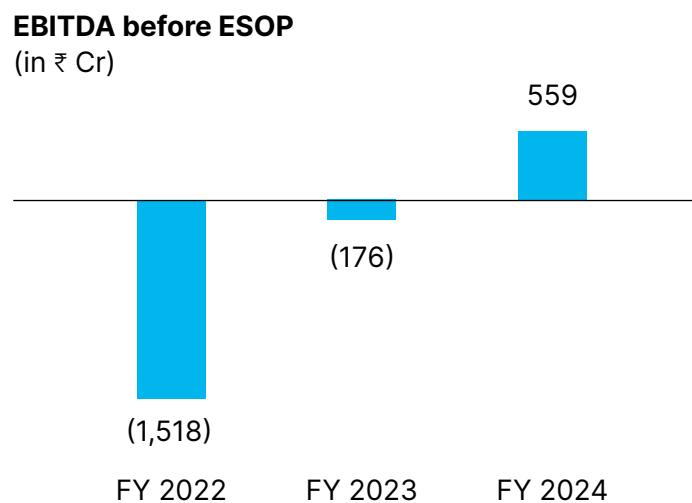
Contribution Profit (₹ Cr) & Contribution Margin (%)

(in ₹ Cr)



EBITDA before ESOP

Our indirect expenses have grown 22% to ₹ 4,979 Cr in FY 2024 from ₹ 4,076 Cr in FY 2023. The improvement (+669 bps) in contribution margin has led to significant improvements in our EBITDA before ESOP to ₹ 559 Cr in FY 2024 from (₹176) Cr in FY 2023. Our EBITDA before ESOP margin (as % of revenue) was 6% for FY 2024 as compared to (2%) in FY 2023.



Our marketing expenses have grown 7% to ₹ 612 Cr in FY 2024 from ₹ 574 Cr in FY 2023, while our employee expenses have grown 34% to ₹ 3,124 Cr in FY 2024 from ₹ 2,323 Cr in FY 2023 with investments primarily in technology, merchants sales and financial services. Our software, cloud and data center expenses have declined 7% YoY to ₹ 643 Cr in FY 2024 from ₹ 694 Cr in FY 2023 driven by optimisations in cloud costs. This is a result of our indigenously developed payments technology platform, which is upgraded with new-age technological solutions and equipped with faster speed and higher security. Other direct expenses grew 24% from ₹ 485 Cr in FY 2023 to ₹ 600 Cr in FY 2024, primarily due to increase in device refurbishment expenses and provisions for doubtful debt.

We are optimizing our cost structure, leveraging AI capabilities, and focusing on our core business will enable us to achieve significant cost efficiencies. This includes creating a leaner organization structure and pruning non-core businesses.

For the coming year, while we continue to invest in the merchant sales team, as well as risk and compliance functions, we expect reductions in other employee costs. We expect annualized people cost savings of ₹ 400 - ₹ 500 Cr.

Discussion on financial performance with respect to operational performance

(Amounts in ₹ Crores)

| Particulars | FY 2024 | FY 2023 | FY 2022 | Y-o-Y Δ |
|---|--------------|--------------|----------------|------------|
| Revenue from Operations | 9,978 | 7,990 | 4,974 | 25% |
| Payments & Financial Services | 8,132 | 6,385 | 3,858 | 27% |
| Payment Services to Consumers | 2,168 | 2,105 | 1,528 | 3% |
| Payment Services to Merchants | 3,960 | 2,739 | 1,892 | 45% |
| Financial Services and Others | 2,004 | 1,540 | 437 | 30% |
| Marketing services | 1,738 | 1,520 | 1,105 | 14% |
| Other Operating Revenue | 108 | 86 | 12 | 26% |
| Total Direct Expenses | 4,440 | 4,090 | 3,476 | 9% |
| Contribution Profit | 5,538 | 3,900 | 1,498 | 42% |
| Margin % | 55.5% | 48.8% | 30.1% | 669 bps |
| Indirect Expenses (excluding ESOP expense) | 4,979 | 4,076 | 3,016 | 22% |
| % of Revenue | 49.9% | 51.0% | 60.6% | (111) bps |
| EBITDA (before ESOP expense) | 559 | (176) | (1,518) | nm |
| Margin % | 5.6% | (2.2%) | (30.5%) | nm |

Details of Key Consolidated Financial Ratios

| Particulars | FY 2024 | FY 2023 | FY 2022 | Y-o-Y Δ |
|-----------------------------|---------|---------|---------|---------|
| Debtors Turnover Ratio | 6.91 | 7.99 | 8.17 | (14)% |
| Current Ratio | 3.46 | 3.12 | 3.22 | 11% |
| Debt-Equity Ratio | 0.01 | 0.02 | 0.02 | (23)% |
| Operating Profit Margin (%) | (16.5)% | (26.5)% | (52.0)% | 38% |
| Net Profit Margin (%) | (14.3)% | (22.2)% | (48.2)% | 36% |
| Return on Equity Ratio (%) | (10.8)% | (13.1)% | (23.2)% | (17)% |

* Interest coverage ratio has not been computed as earnings available for the interest payments are negative for the current and previous financial years

* Inventory turnover ratio is not applicable for our business

Drivers for Growth and Opportunities

Ourecosystem allows us to address large and fast growing market opportunities: As India's leading mobile ecosystem for consumers and merchants, we have built the largest payments ecosystem in terms of number of consumers and merchants. Customers use various payment services on our platform, and merchants use us to accept payments and grow their business. We also provide financial services through our financial institution partners, particularly loan distribution. Payments is a universal need for consumers and merchants, and provides us an attractive way of acquiring, retaining and monetising customers and merchants. It continues to give us very high engagement, and in addition, we believe we can make substantial revenues and profits in payments. Mobile distribution of credit is a massive and scalable profit pool in India. Our ecosystem allows us to address these multiple large and fast growing market opportunities at scale and gives us multiple growth vectors.

Our business model creates sustainable advantages for us: We believe that our brand, distribution, insights, technology skills, and the scope of our ecosystem give us an advantage to grow our business through, (i) cost-effective acquisition of consumers and merchants; (ii) reinforce our platform by building higher engagement and stickiness with consumers and merchants; and (iii) build high monetisation products at low cost of acquisition.

Our product and technology DNA: Our technology stack is built ground up and integrated across all aspects of our ecosystem. This allows us to integrate our payments offering seamlessly with other offerings. Similarly, for financial services, our technology infrastructure is built on a stack that is owned, controlled and written by us and our subsidiaries. Our technology ownership and scope of our ecosystem has allowed us (and financial institution partners) to offer services such as Paytm QR, Paytm Soundbox, Gold investments, Personal Loans and Merchant Cash Advance. All of these products aim to improve the experience of consumers and merchants who use it in our ecosystem.

Enabling regulatory environment: In our view, the regulatory environment in India remains constructive and supportive of digital payments and financial services. RBI in its *Payments Vision 2025* has reinforced the themes of enabling growth of digital payments across multiple instruments including UPI and cards. Regulatory compliance remains a key focus for us as an organization.

Internal Control Systems and Risk Management Framework

In a rapidly evolving business, technical and regulatory environment coupled with dynamic consumer demands and growing competition, our risk profile is also evolving constantly. Our Company is cognizant that effective risk management is core to a sustainable business. We have therefore adopted a dynamic risk management framework that functions under the oversight of our Audit Committee and Risk Management Committee.

Anti-money laundering and Counter-terrorism Financing Risk Management: To ensure clean day-to-day operations, we have instituted comprehensive on-boarding and risk management practices, which include appropriate anti-money laundering policies and procedures.

Investments and Acquisitions Risk Management: To ensure that our investments and acquisitions are strategically complementary to our business, we have an identified team of professionals who manage our portfolio in alignment with the Company's growth plans.

Business and Operational Risks

Macro economic environment: We continue to monitor and adapt to any macro-economic condition that affects our customers and merchants as it could also have an impact on our business. We will continue to do all that is necessary and in our control in such scenarios.

Financial: We continue to focus on improving profitability while making disciplined investments in areas such as expanding our products and services, broadening our marketing and promotional activities to acquire and retain customers and merchants. There could be growth in expenses as we continue to expand our business operations.

Pace of technology innovation: We make significant investments to constantly improve the scale, stability and functionality of our technology. Failure to maintain best-in-class technology infrastructure could harm our business and prospects.

Cybersecurity: Our platform incorporates multiple layers of protection for business continuity and to manage cybersecurity risks and data security breaches. We use analytics and machine learning to ensure optimum automated fraud detection during transaction processing. Encrypted data transmission using security protocols and algorithms ensures confidentiality and prevents leakage of confidential customer data. Data and technology infrastructures are vulnerable to cyber attacks, as any such incident could damage our reputation and brand and substantially harm our business.

Regulatory: We are extremely focused on ensuring compliance with the statutory and regulatory framework, and are continuously strengthening our compliance processes and management depth as some of our businesses are subject to a fast evolving regulatory landscape.

Competition: We consistently invest in enhancing our platform and customer-centric services in order to maintain our leadership. Our industry is extremely competitive, and consumers and merchants have multiple options.

Litigation: We have a dedicated team to manage litigation risk and engage external consultants where necessary, thereby ensuring minimum impact of materiality. As a Company (or key management) we may be subject to legal proceedings, including ongoing litigation in tax, civil or other matters.

Material developments in Human Resources

In FY 2024, we had an average of 43,960 active on-roll employees, inclusive of all subsidiaries. Out of the 43,960 employees, 35,512 employees were engaged in sales. We also engage contractors to provide us with a temporary workforce. None of our employees are represented by a labour union. We have not experienced any work stoppages since our incorporation.

Employee costs (excluding ESOP cost) as a % of revenue, have grown marginally to 31% in FY 2024 from 29% in FY 2023. Our Employee costs (excluding ESOP expense) at ₹ 3,124 Cr in FY 2024 grew 34% from ₹ 2,323 Cr in FY 2023, as we strengthened our merchants sales and financial services teams to drive penetration of our high margin use cases such as merchant subscriptions and loan distribution. We also invested in our product and technology team to help scale our platform to support the next leg of users and transactions.

Sustainability and Supporting our Community

We are governed by our values of serving the community, and maintaining trust while moving fast, responsibly and focusing on the underserved and unserved. Not only do we solve for our merchants receiving mobile payments via various sources, and in turn, engaging more users, but also provide seamless and safe access to micro-credit, business payment solutions and wealth management.

Paytm is committed to sustainability and is dedicated to ESG. The company's sustainability efforts include reducing its carbon footprint, promoting financial inclusion, and supporting local communities.

Mobile Payments: Paytm has played a significant role in promoting mobile payments and reducing the reliance on cash transactions. By providing a seamless and secure digital payment experience, Paytm has contributed to greater financial inclusion and transparency, reducing the environmental impact associated with the production and circulation of physical currency. Products like Soundbox devices allow better reconciliation for merchants, hence enhancing their trust in digital payments.

Financial Inclusion: Paytm has been instrumental in promoting financial inclusion by providing access to financial services to individuals who were previously unserved. Through its services, Paytm has enabled people to send, and receive money digitally, empowering them economically and reducing inequalities.

Paytm's commitment to ESG principles goes beyond its business operations. The company actively engages in social and environmental initiatives to drive positive change. It supports various social causes, including education, healthcare, and disaster relief.

Engaging Users on Social Causes

As one of India's largest digital platforms, we take pride in being able to mobilize our ecosystem participants in times of social and disaster relief. During the year we have continued to raise social awareness and raise contributions from our users to aid the Central and State governments, as

well as independent local bodies, by enabling online payments to their preferred non-governmental organization or any other platform.

International forums for Sustainability

We proudly represent our country on international forums working for sustainability. Since December 2017, our Founder, Vijay Shekhar Sharma, has been the United Nations Environment Programme's ("UNEP") Advocate for Clean Air, and helps drive greater environmental action and awareness to advocate for UNEP's global #BreatheLife campaign – a major initiative on air quality seeking to influence policy and citizen action for a healthy future.

Our Founder is also on the Advisory Board of the Green Digital Finance Alliance. The Alliance was set up to address the potential for digital finance and fintech-powered business innovations to reshape the financial system in ways that better align it with the needs of sustainable development.

Laptop Donation - Shikshit Bharat

"Shikshit Bharat" an initiative started to promote education and support the overall development of underprivileged children in India. The initiative aims to provide access to quality education, infrastructure, and resources to children from economically weaker sections of society. The focus of the initiative is on building and establishing computer labs, and other educational facilities like e-libraries to create a conducive learning environment for students.

Paytm Foundation donated laptops and desktops and created an impact in the lives of more than 7,500 students. These digital equipment were used to equip children with essential life skills and vocational training, empowering them for better opportunities in the future. Encouraged by the success of this initiative, we have plans to further expand this initiative, which aims to bridge the digital divide faced in the country.

Creating Awareness of Digital Financial Platforms

Through our partnerships with Law Enforcement Agencies (LEA) for training programs, we have successfully trained over 5,000 officials so far. The programs are designed to help Investigation agencies, such as state police, cyber cell, and CID, to understand the overall financial ecosystem, covering topics like payments processing, typical frauds in cyber crime domain. We also inform them about safety measures we have built to prevent fraud on our platform. So far we have conducted over 100 sessions across more than 20 states in the country.

Board's Report

Dear Members,

The Board of Directors ("Board") hereby submits the 24th Annual Report on the business and operations of One 97 Communications Limited ("Company" or "Our" or "We" or "Paytm") together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2024 ("FY 2023-24"). Wherever required, the consolidated performance of the Company and its subsidiary(ies) has also been provided.

Financial Performance

The standalone and consolidated financial highlights of the Company's operations are summarised below:

| Particulars | (Amounts in ₹ Million, except earnings per share) | | | |
|---|---|-----------------|-----------------|-----------------|
| | Consolidated | | Standalone | |
| | Year ended | Year ended | March 31, 2024 | March 31, 2023 |
| Revenue from operations | 99,778 | 79,903 | 76,608 | 60,277 |
| Other income | 5,469 | 4,097 | 5,244 | 3,994 |
| Total income | 105,247 | 84,000 | 81,852 | 64,271 |
| Total expenses | 116,446 | 101,304 | 94,441 | 82,199 |
| Loss before share of profit / (loss) of associates / joint ventures, exceptional items and tax | (11,199) | (17,304) | (12,589) | (17,928) |
| Share of profit/ (loss) of associates / joint ventures | (377) | (125) | - | - |
| Loss on impairment of an associate | (2,271) | - | (2,096) | - |
| Loss before exceptional items and tax | (13,847) | (17,429) | (14,685) | (17,928) |
| Exceptional items | (57) | - | (77) | (630) |
| Loss before tax | (13,904) | (17,429) | (14,762) | (18,558) |
| Income Tax expense | 320 | 336 | - | - |
| Loss for the year | (14,224) | (17,765) | (14,762) | (18,558) |
| Other comprehensive Income/ (Loss) | 1,896 | 2,082 | (93) | (23) |
| Total Comprehensive Income/ (Loss) | (12,328) | (15,683) | (14,855) | (18,581) |
| Earnings per equity share of the face value ₹ 1 each (Amount in ₹) | | | | |
| Basic | (22) | (27) | (23) | (29) |
| Diluted | (22) | (27) | (23) | (29) |

State of Affairs of the Company / Operational Highlights

Your Company continued expansion of its payments and financial services businesses during FY 2023-24. Our payments business is our acquisition engine which brings customers to our platform. We monetize these customers by cross selling various financial & marketing services.

As a result of the Reserve Bank of India (RBI) direction to Paytm Payments Bank Limited ("PPBL") our associate Company, on January 31, 2024, Paytm has become a Third-Party Application Provider ("TPAP") for the UPI channel, partnering with Axis Bank, HDFC Bank, State Bank of India and YES Bank. The Company has transitioned users of the @paytm handle to new bank handles—@pthdfc, @ptaxis, @ptsbi, or @ptyes—ensuring seamless UPI payments. We have now partnered with various banks for existing and new UPI customers and merchants, card acquiring and Bank Identification Number sponsorship for card acceptance offering to merchants, nodal/escrow accounts for merchant fund settlement, FasTag distribution and BBPS. This will open up more long-term monetisation opportunities with the partner banks, given our strong customer and merchant engagement on the platform.

Key aspects of our Company's consolidated performance during FY 2023-24 are as follows:

- The Company achieved its first full year of operating profitability, with EBITDA before ESOP of ₹ 559 Cr (including UPI Incentives), driven by 25% YoY revenue growth and expansion of contribution margin. With recent disruptions, there has been a steady state annualised EBITDA impact of around

₹ 500 Cr owing to discontinuation of PPBL offerings such as wallet and FasTag. Our average monthly transacting users for the quarter ended March 2024 were 9.6 Cr, up by 7% YoY from 9.0 Cr; driven by variety of use cases that we offer, as mobile payments adoption for consumers and merchants in India continues to grow.

- Subscription services for payment devices, such as Soundbox and POS machines, is also witnessing strong adoption, with 1.07 Cr merchants paying us subscriptions as of March 2024, a significant increase from 68 lakhs as of March 2023.
- Our loan distribution business, in partnership with our lending partners, continues to scale with loans amounting to ₹ 52,390 Cr, a YoY growth of 48%.
- Gross merchandise volume of payments facilitated through our platform for the year ended March 31, 2024 has grown 38% YoY to ₹ 18.34 Lakh Cr from ₹ 13.22 Lakh Cr for the year ended March 31, 2023.

The growth of UPI and other mobile payment methods presents a wealth of untapped opportunities. In March 2024, we received approval from National Payments Corporation of India (NPCI) to participate in UPI as a TPAP under multi-bank model. Our pioneering innovation, Paytm Soundbox, has been groundbreaking for our merchants. Our device has seen a rapid adoption across the country and played a vital role in empowering small and micro-businesses in India. It supports 11 languages including English and Regional Languages. In order to serve the diverse needs of our growing merchant base, we continue to launch innovative products, like Card Soundbox

(enabling merchants to accept mobile and card payments), Pocket Soundbox (a small card-sized device which easily fits in the pocket and is helpful for merchants on the go, including auto drivers, delivery agents, parking fee collectors etc.) and Music Soundbox (allowing merchants to listen to music over Bluetooth speaker, improving their engagement).

During this period, as disclosed on March 1, 2024, Paytm and PPBL undertook additional measures to pursue independent future plans and mutually agreed to discontinue various inter-company agreements with Paytm and its group entities. Also, the shareholders of PPBL have agreed to simplify the Shareholders Agreement to support PPBL's governance. Further, PPBL has reconstituted its Board of Directors to be fully independent, with the appointment of various Independent Directors and a new Chairman. Paytm supports the direction of independent future plans for PPBL and has accordingly withdrawn its nominee from PPBL's Board of Directors. Mr. Vijay Shekhar Sharma has also resigned from the Board of Directors of PPBL to enable this transition.

Dividend

As the Company does not have profits during the year under review, the Board does not recommend any dividend for FY 2023-24.

Further, pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company adopted the Dividend Distribution Policy and the same is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

Transfer to Reserves

During the year under review, the details of amount transferred to other reserves (including ESOP Reserve), forms part of note no. 11(b) of the standalone financial statements and note no. 10(b) of the consolidated financial statements of the Company which forms part of the Annual Report.

Particulars of Loans, Guarantees or Investments

The particulars of loans, guarantees and investments as on March 31, 2024, covered under Section 186 of the Companies Act, 2013 ("Act") are given in note nos. 5, 6 and 7 of the standalone financial statements and note nos. 5 and 6 of the consolidated financial statements, which forms part of the Annual Report.

Subsidiaries, Associates and Joint Ventures

In order to meet regulatory requirements (such as separate independent and regulated legal entities e.g. for stock broking or insurance broking, for payment aggregation, and also for our overseas marketing cloud business) and to support our business needs, including those from third party acquisitions integrated within the group over time, the Company has 29 subsidiaries, 10 associates and 3 joint ventures in India and abroad as on March 31, 2024. There was no change in the status of the said subsidiaries, associates & joint ventures during the year under review.

Paytm Payments Services Limited ("PPSL") is a material subsidiary of the Company, engaged in

the business of providing payment aggregator services and payment gateway services in accordance with RBI guidelines and to develop infrastructure including information technology, handling, facilitating, processing and settlement of transactions, customer grievances and dispute between various parties in accordance with Payments and Settlements Systems Act, 2007. The details of PPSL are set out in the Corporate Governance Report, which forms part of the Annual Report.

In compliance with Regulation 16(1)(c) of SEBI Listing Regulations, the Company has formulated a policy for determining material subsidiaries. The said policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

Pursuant to Section 129(3) of the Act read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of each subsidiary, associate and joint venture in the prescribed Form AOC-1 is annexed as **Annexure I** to this report. The said statement also provides the details of the performance and financial position of each subsidiary, associate and joint venture.

Copies of the financial statements of the subsidiary companies are available on the website of the Company at <https://ir.paytm.com/annual-reports>.

Utilisation of Proceeds of Initial Public Offer ("IPO")

Pursuant to Regulation 32 of the SEBI Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, the Company confirms that during FY 2023-24, there was no deviation or

variation in the utilization of proceeds of IPO from the objects stated in the Prospectus dated November 11, 2021.

The Monitoring Agency Reports for such utilization were received by the Company from Axis Bank Limited, its Monitoring Agency on quarterly basis affirming no deviation or variation in utilization of the issue proceeds from the objects stated in Prospectus and are submitted to the Stock Exchanges. Details on actual utilization of the Net IPO proceeds are given in note no. 38 of the standalone financial statements and note no. 43 of the consolidated financial statements, which forms part of the Annual Report.

Employees Stock Option Schemes

The Company grants share-based benefits to eligible employees with a view to attract and retain talent, align individual performance with the Company's objectives and promote increased participation by them in the growth of the Company.

The Company has two Employees Stock Option Schemes viz. One 97 Employees Stock Option Scheme 2008 ("ESOP 2008") and One 97 Employees Stock Option Scheme 2019 ("ESOP 2019"). After the institution of ESOP 2019, which has been effective from September 30, 2019, no fresh options have been granted to employees under ESOP 2008.

Post IPO of equity shares of the Company, ESOP 2019 has been ratified confirmed and amended, as per the requirements of Regulation 12(1) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations 2021"), by the Members of the Company through Postal Ballot on February 19, 2022.

A statement containing relevant disclosures pursuant to Regulation 14 of the SEBI SBEB Regulations 2021 is available on the website of the Company at www.paytm.com/investor-relations/agm.

During the year under review, the Company has issued and allotted 1,625,556 (Sixteen Lakhs Twenty Five Thousand Five Hundred and Fifty Six) equity shares of ₹ 1/- each to its employees pursuant to exercise of vested options by the eligible employees under ESOP 2008 and ESOP 2019. As on March 31, 2024, the issued, subscribed and paid-up capital of the Company stood at ₹ 635,413,773/- (Sixty Three Crores Fifty Four Lakhs Thirteen Thousand Seven Hundred Seventy Three) comprising 635,413,773 equity shares of ₹ 1/- each. The equity shares issued under the said Schemes rank pari-passu with the existing equity shares of the Company.

The Company has obtained a certificate from M/s. PI & Associates, Secretarial Auditors of the Company, (Firm Registration No.: P2014UP035400) confirming that ESOP 2008 and ESOP 2019 have been implemented in accordance with the SEBI SBEB Regulations 2021 and resolution(s) passed by the Members of the Company. The said certificates will be made available for inspection by the Members electronically during the 24th Annual General Meeting ("AGM").

Transactions with Related Parties

The Company has adopted a Policy on Related Party Transactions ("RPT Policy") in compliance with Regulation 23 of the SEBI Listing

Regulations. During the year under review, the Board on the recommendations of the Audit Committee reviewed and amended the RPT Policy in its meeting held on July 21, 2023, to incorporate certain amendments in the SEBI Listing Regulations. The RPT Policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>. All the transactions with related parties entered into by the Company during FY 2023-24 were on an arm's length basis and in the ordinary course of business & in the best interest of the Company. The Company had also engaged independent consultants, wherever necessary, to review and confirm that the transactions were undertaken on an arms' length and at prevailing market rate. The said transactions were entered into by the Company with the prior approval of the Audit Committee.

During the year under review, the Company entered into material related party transactions with PPBL for which prior approval of the Audit Committee was obtained and the same was also approved by the Members of the Company, through Postal Ballot, on March 23, 2023. The particulars of material contracts/arrangements with related parties in Form AOC-2 as required under Section 134(3)(h) of the Act, is annexed as **Annexure II** to this report.

In view of termination of various agreements by the Company with PPBL during March 2024, we do not expect the transactions with PPBL to be material related party transactions going forward.

For further details of related party transactions during FY 2023-24 please refer to note no. 25 of the standalone financial statements and note no. 26 of the consolidated financial statements which forms part of the Annual Report.

Directors and Key Managerial Personnel

Directors

As on March 31, 2024, the Board comprise of 7 (seven) Directors with an appropriate mix of Executive Directors, Non-Executive Non-Independent Director and Non-Executive Independent Directors in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. The Board of the Company consists of eminent individuals of diverse backgrounds with skills, experience and expertise in various areas as detailed in the Corporate Governance Report, which forms part of the Annual Report.

Mr. Ravi Chandra Adusumalli (DIN : 00253613), Non-Executive Non-Independent Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

Subsequently, after closure of FY 2023-24 Mr. Rajeev Krishnamuralilal Agarwal (DIN: 07984221) was appointed as an additional Director in the capacity of Non-Executive Independent Director of the Company by the Board, at its meeting held on June 17, 2024 basis the recommendation of the Nomination and Remuneration Committee, subject to approval of the Members of the Company.

All Directors of the Company have confirmed that they meet all the requirements to act as a Director of the Company in accordance with the provisions of the Act and the SEBI Listing Regulations.

Mr. Vivek Kumar Mathur (DIN: 03581311), ceased to be an Alternate Director to Mr. Ravi Chandra Adusumalli w.e.f. June 30, 2023 as there was no requirement for an alternate director to Mr. Ravi Chandra Adusumalli.

Mr. Neeraj Arora (DIN: 07221836), Non-Executive Independent Director has tendered his resignation from the directorship of the Company w.e.f. June 17, 2024 due to his pre-occupation and other personal commitments. He has also confirmed that there are no material reasons for his resignation other than those mentioned.

The Board places on record its appreciation for the contribution made by Mr. Neeraj Arora and Mr. Vivek Kumar Mathur, during their tenure as Directors of the Company.

Key Managerial Personnel

The Board at its meeting held on July 21, 2023, has approved the appointment of Mr. Sunil Kumar Bansal (ICSI Membership No.: F4810) as the Company Secretary and Compliance Officer of the Company w.e.f. July 21, 2023. Consequent to the said appointment, Ms. Sonali Singh, Company Secretary (ICSI Membership No.: A26585) who was appointed as an Interim Compliance Officer of the Company w.e.f. March 15, 2023, ceased to be the Interim Compliance Officer of the Company w.e.f. July 21, 2023.

Pursuant to the provisions of Section 203 of the Act, Mr. Vijay Shekhar Sharma, Chairman, Managing Director and Chief Executive Officer, Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer and Mr. Sunil Kumar Bansal, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company as on March 31, 2024.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors confirming that they continue to fulfill the criteria of independence in accordance with Sections 149, 150 read with Schedule IV of the Act and Regulation 16 and 25 of the SEBI Listing

Regulations. All Independent Directors have affirmed compliance with the Code of Conduct for Independent Directors as prescribed in Schedule IV to the Act.

Further, in the opinion of the Board, the Independent Directors of the Company possess requisite expertise and experience including proficiency and hold high standards of integrity to discharge their duties with independent judgment.

Corporate Social Responsibility ("CSR")

In view of the losses incurred by the Company during the previous financial years, the Company was not required to contribute towards CSR activities during FY 2023-24. However, the Company had voluntarily undertaken certain initiatives during the year under review which were approved by the CSR Committee. A brief outline of the CSR policy of the Company and the activities undertaken during the year are set out in **Annexure III** to this report in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy as adopted by the Company is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

For details regarding the composition and terms of reference of the CSR Committee, please refer to the Corporate Governance Report, which forms part of the Annual Report.

Board Meetings

The Board met 9 (nine) times during FY 2023-24. The details of the meetings of the Board and attendance of the Directors at the Board meetings are set out in the Corporate Governance Report,

which forms part of the Annual Report. The intervening gap between two consecutive Board meetings was within the period prescribed under the provisions of Section 173 of the Act and SEBI Listing Regulations.

Board Committees

As on March 31, 2024, the Board had the following Committees:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee
- (iv) Risk Management Committee
- (v) Corporate Social Responsibility Committee
- (vi) Investment Committee

The details of composition, terms of reference and number of meetings held during the year and the attendance of the Committee members at each meeting are given in the Corporate Governance Report, which forms part of the Annual Report.

During the year under review, the IPO Committee and the Buy-back Committee were dissolved by the Board w.e.f. July 21, 2023.

Report on Corporate Governance

In compliance with Regulation 34 read with Schedule V of the SEBI Listing Regulations, the Report on Corporate Governance of the Company, forms part of the Annual Report.

A certificate from the Chairman, Managing Director and Chief Executive Officer and the Executive Director, President and Group Chief Financial Officer of the Company in terms of Regulation 17 of the SEBI Listing Regulations, inter-alia, confirming the correctness of the

financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, also forms a part of the Annual Report.

Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Act, it is confirmed 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 FY 2023-24 and of the 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 frauds and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- 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; and
- 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.

Policy on Appointment and Remuneration

The Board has framed and adopted a Nomination, Remuneration and Board Diversity Policy ("NR Policy") in terms of Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, for identification, selection and appointment of Directors, Key Managerial Personnel ("KMPs") and Senior Management Personnel ("SMPs") of the Company. The Policy lays down the process and parameters for the appointment and remuneration of the KMPs and other SMPs and the criteria for determining qualifications, highest level of personal and professional accomplishments, age, experience of industry and such other factors that the Committee might consider relevant and applicable from time to time towards. During the year under review, the NR Policy was amended to broaden the components of remuneration and also link it with individual's performance and with the Company's performance. The NR Policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

Board Evaluation

Pursuant to the provisions of the Act and the SEBI Listing Regulations, an evaluation process was carried out to evaluate performance of the Board and its Committees, the Chairman of the Board and all Directors, including Independent Directors. The evaluation is aimed at improving the effectiveness of all these constituents and enhancing their contribution to the functioning of the Board. The questionnaire for this evaluation was developed based on improvement areas identified last year by the Nomination and Remuneration Committee. The

results of evaluation of the Board and its various Committees were subsequently discussed at their respective meetings and the areas for improvement of the functioning of the Board and Committees were duly noted.

In a separate meeting of the Independent Directors, performance of the Non-Independent Directors, the Chairman of the Board and the Board as a whole were also discussed.

Business Responsibility and Sustainability Report

In compliance with Regulation 34 of the SEBI Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, the Business Responsibility and Sustainability Report of the Company for FY 2023-24 describing the various initiatives undertaken from an environment, social and governance perspective during FY 2023-24 forms part of the Annual Report.

The Company had voluntarily engaged TUV India Private Limited ("TUVI") to conduct independent external assurance of BRSR for FY 2023-24. The Independent Assurance Statement on Business Responsibility & Sustainability Reporting by TUVI, forms part of the Annual Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for FY 2023-24 on Company's performance, industry trends and other required details prepared in compliance with Regulation 34 of the SEBI Listing Regulations, forms part of the Annual Report.

Annual Return

The Annual Return of the Company in form MGT-7 as required under Section 92 and Section 134 of the Act read with rules made thereunder is available on the website of the Company at <https://ir.paytm.com/agm>.

Internal Auditors and Internal Financial Controls

The Company has appointed M/s Grant Thornton Bharat LLP (LLP Identification No.: AAA-7677) and M/s Protiviti India Member Private Limited (CIN: U93000HR2009PTC057389) as an Independent Joint Internal Auditors under Section 138 of the Act for FY 2023-24. In addition, the Company has also established an in-house Internal Audit department to supervise Internal Audit function. The head of Internal Audit also reports directly to the Audit Committee.

The Board had approved the appointment of M/s PricewaterhouseCoopers Services LLP (LLP Identification No.: AAI-8885) as an Internal Auditor for FY 2024-25, basis recommendation of the Audit Committee.

Internal Audit function is governed by the Internal Audit Charter and Internal Audit Manual approved by the Audit Committee. Internal Audit scope, Internal Audits / reviews along with an update on remediation status are submitted and presented in the quarterly Audit Committee meeting.

Internal Financial Control and their adequacy

The Company has laid down adequate internal financial controls commensurate with the scale and size of the operations of the Company. The

Company has in place adequate policies and procedures for ensuring the orderly and effective control of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, safeguarding assets of the Company, adhering to the management policies besides ensuring compliance.

Human Resource Management and Related Disclosures

Prevention of Sexual Harassment ("POSH") at Workplace

The Prevention of Sexual Harassment at Workplace ("POSH Policy") has been formed under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"), to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment. The Company has also constituted an Internal Complaints Committee ("ICC") as per the requirements under the POSH Act. All the existing employees and any new joiner undergoes a mandatory training on POSH every financial year.

The ICC ensures that all cases reported are resolved in a timely manner, in accordance with the POSH Act. We also conduct awareness

programs for employees on the POSH Policy. The Company organizes several virtual seminars on POSH to ensure awareness and training in accordance to the guidelines laid in the POSH Policy.

The POSH Policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>

A detailed disclosure on POSH has been provided in the Corporate Governance Report, which forms part of the Annual Report.

During FY 2023-24, no complaint was received. 1 complaint pending for closure from the previous year 2022-23 (which was reported in March 2023) was resolved & closed during FY 2023-24.

Particulars of Employees

The statement containing disclosure of remuneration under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is given in **Annexure IV** forming a part of this report.

Further, the information as per Rule 5(2) and Rule 5(3) of the above-mentioned Rules pertaining to the names of top ten employees and other particulars of employees is provided in a separate annexure. However, as per the provisions of Section 136(1) of the Act and the rules thereunder, the Annual Report and the financial statements, excluding the aforesaid annexure, are being sent to the Members, and other persons entitled thereto. Any Member interested in obtaining a copy of the same may write to the Company Secretary and Compliance Officer at compliance.officer@paytm.com.

Risk Management

The Company has a robust Risk Management Framework to identify and evaluate business risks and opportunities. This framework includes appropriate policies and procedures that seek 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 risk scorecards and risk dashboards which help in identifying risks trend, exposure and potential impact analysis at a Company level and for business segments. The Company has identified various risks and also has mitigation / monitoring plans for each risk identified. The Risk Assessment and Management Policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

The Company's insurable assets like server, computer equipments, office equipments, furniture & fixtures etc. have been adequately insured against major risks. The Company has also taken Directors' & Officers' Liability Insurance Policy to protect the Company, Directors and Officers from unexpected exigencies. The Risk Management Committee of the Board has been constituted to periodically review the Risk Management framework and approve the necessary changes required therein.

Vigil Mechanism/ Whistle Blower Mechanism Policy

The Company has adopted a Vigil Mechanism/ Whistle Blower Mechanism Policy ("Policy") with protective clauses for the whistle blowers. The

Policy provides adequate safeguards against victimization of whistle blowers and provides direct access to the Chairman of the Audit Committee, in exceptional circumstances.

The Policy provides for a mechanism to report concerns about unethical behavior, actual or suspected fraud, instances of leak of Unpublished Price Sensitive Information or violations of your Company's Code of Conduct. The detailed disclosure is given in the Corporate Governance Report, which forms part of the Annual Report.

The Policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

Foreign Exchange Earnings and Outgo

The Foreign Exchange earnings and outgo during FY 2023-24, is as follows:

| Particulars | (Amounts in ₹ Million) | |
|---------------------------|------------------------|-----------------|
| | FY 2023-24 | FY 2022-23 |
| Foreign Exchange Earnings | 534.82 | 308.98 |
| Foreign Exchange Outgo | 1,867.36 | 2,786.63 |
| Opex: | 204.46 | 1,264.30 |
| Total | 2,071.82 | 4,050.93 |

Auditors and Auditor's Report

Statutory Auditors

M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration no. 101049W/E300004), were appointed as the Statutory Auditors of the Company at the AGM held on September 12, 2023, for a term of 5 (five) consecutive years from the conclusion of 23rd AGM till the conclusion of 28th AGM of the Company.

The Report given by the Statutory Auditors on the standalone financial statements of the Company and the consolidated financial statements of the Company for the financial year ended March 31, 2024, forms part of the Annual Report. There has been no qualification, reservation, adverse remarks or disclaimer given by the Statutory Auditors in their Report which calls for any explanation.

Secretarial Auditors

M/s PI & Associates, Practicing Company Secretaries (Firm Registration No.: P2014UP035400), carried out the Secretarial Audit for FY 2023-24 in compliance with the Act, rules made thereunder, and the SEBI Listing Regulations, as Secretarial Auditors of the Company for FY 2023-24. The Secretarial Auditors' Report is enclosed as **Annexure V** to this report.

In compliance with Regulation 24A of the SEBI Listing Regulations, the Secretarial Audit Report of PPSL, a material subsidiary of the Company for FY 2023-24 issued by M/s. PI & Associates, Practicing Company Secretaries is enclosed as **Annexure VI** to this report.

The Secretarial Audit Report of the Company and its unlisted material subsidiary does not contain any qualification, reservation, adverse remark or disclaimer.

Conservation of Energy and Technology Absorption

Energy Conservation:

The Company's operations are not energy intensive. However, the Company has implemented various energy conservation measures, such as adopting good practices in all major offices for energy conservation like

the use of LED lights, ban on one-time use plastic, energy-efficient appliances, sensor-based water faucets and sensor-based lighting systems in toilets.

The corporate office building of the Company is an Indian Green Building Council Platinum certified building and is primarily focused on developing sustainable sites, increased water and energy efficiency, reduced waste and emissions, use of eco-friendly building materials, and improving indoor environmental quality more efficiently than conventional designs like energy-efficient windows, LED lighting, energy-efficient appliances, geothermal heat pumps, and energy efficient insulation.

Further, in most of our facilities, VRV/VRF air-conditioned systems are installed that are second generation energy efficient products. We have also installed VAV controllers in all meeting rooms & floors to maintain the required cooling as per floor occupancy, which ultimately reduces the overall load of the air handling unit and chiller. Heat resistant facade glasses have been installed all across the building that restricts the heat & maintains the temperature on the floor, which also facilitates the natural light throughout the day. All electrical appliances that we are sourcing for the office are 5* (star) rated for higher energy efficiency. We have a BMS (Building Management System) for controlling and monitoring energy conservation.

The other conservation measures undertaken by the Company during FY 2023-24 are mentioned in the Business Responsibility and Sustainability Report, which forms part of the Annual Report.

Update on Technology Absorption

We expanded our hugely successful Paytm Soundbox and have invested heavily in our

Made-in-India IoT devices. This year, we launched Pocket Soundbox, Music Soundbox and Card Soundbox enabled with 4G technology, completely designed and made in India to benefit and cater every segment of the merchants.

Our latest innovation Card Soundbox has become India's first Soundbox with card payments, which will empower merchants to accept both mobile and card payments across all Visa, Mastercard, Amex and RuPay networks. It accepts payments with a simple 'Tap & Pay' and by scanning the QR. It is expanding payment acceptance for merchants by combining Soundbox with NFC or contactless debit and credit card payments with mobile payments.

This year, we prioritized technology development to enhance our development processes and deliver exceptional customer experiences. We integrated Generative AI tools like CoPilot to empower our developers. This resulted in increased productivity and faster development cycles.

In a continuous effort to revolutionise the mobile payment landscape by building in India and for India, some of the other major innovations by us in the year 2023 include Paytm AI Router, bond investing on Paytm Money, Split-bill feature, and pin favourite contact feature. Our R&D design and software capabilities are amongst the best in the world. We are constantly building various GenAI and big data features that enhance payment trust when consumers or merchants use Paytm. Acknowledging the importance of GenAI in today's era, we are taking steps to leverage its full benefit.

The details of our expenses linked to strengthening and expanding our technology platform are provided in the notes of our

standalone financial statements, which form a part of the Annual Report.

The other details of our technology-led innovation are mentioned in the Management Discussion and Analysis Report, which forms part of the Annual Report.

The details on benefits and savings from our technology are mentioned in the Business Responsibility and Sustainability Report, which forms part of the Annual Report.

Awards and Recognitions

During FY 2023-24, the Company received multiple awards and recognition. Details in respect of such awards and recognition received by the Company are available on the website of the Company at <https://ir.paytm.com/awards>.

Secretarial Standards

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Act.

Other Statutory Disclosures

No disclosure or reporting is made with respect to the following items, as there were no transactions during FY 2023-24:

- The issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of equity shares (including sweat equity shares) to employees of the Company under any scheme except Employees' Stock Options Schemes referred to in this Report;
- In terms of the provisions of Section 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 deposits during the financial year under review and as such, no amount of principal or interest was outstanding as on March 31, 2024;

- No fraud under Section 143 (12) of the Act has been reported by the Auditors to the Audit Committee or the Board or Central Government;
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;
- There was no change in the nature of business;
- There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report;
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016;
- There was no instance of one-time settlement with any Bank or Financial Institution;
- Executive Directors of the Company have not received any remuneration or commission from any of its subsidiaries;
- There was no revision in the financial statements;
- There are no significant or material orders were passed by the regulators or courts or tribunals which impact the going

concern status of the Company and its operations in future;

- The Company is not required to maintain cost records under Section 148 of the Act; and
- The Company has not made any downstream investments during the year under review and a certificate from the Statutory Auditors has been obtained in this regard;
- There was no instance wherein the Company failed to implement any corporate action within the statutory time limit; and
- The Company has not made any political party contribution under Section 182 of the Act.

Cautionary Statement

Statements in this Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement(s).

Acknowledgement

The Board is grateful for the continued support provided by our valued customers, investors, government, regulatory authorities and other stakeholders. The Board appreciates the hard work and exemplary dedication of the employees of our Company for showing remarkable teamwork during FY 2023-24.

For and on behalf of the Board
One 97 Communications Limited

Vijay Shekhar Sharma

Chairman, Managing Director and Chief Executive Officer
DIN: 00466521

Date: June 17, 2024

Place: Noida

Annexure I

FORM NO. AOC 1

Pursuant to Section 129(3) of the Act read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of each subsidiary, associate and joint venture:

Part A: Subsidiaries

| Sr. No. | Name of Subsidiary Company | Reporting Period | Reporting Currency/ Exchange rate | Share capital | Reserve & Surplus | Total Assets | Total Liabilities | Investments* | Turnover# | (Amount in INR millions) | | | | |
|---------|---|------------------|-----------------------------------|---------------|-------------------|--------------|-------------------|--------------|-----------|--------------------------|-------------------------|-----------------------|----------------|---------|
| | | | | | | | | | | Profit before Taxation | Provisions for Taxation | Profit After Taxation | % shareholding | |
| 1 | One 97 Communications India Limited | April to March | INR | 831.50 | -421.41 | 483.57 | 73.47 | 406.79 | 17.49 | -518.48 | -8.40 | -510.08 | 100.00% | |
| 2 | Paytm Entertainment Limited | April to March | INR | 788.74 | 1,557.79 | 2,351.18 | 4.66 | 1,433.96 | 69.00 | 64.92 | 16.37 | 48.55 | 100.00% | |
| 3 | Paytm Money Limited | April to March | INR | 2,588.70 | -934.81 | 5,368.91 | 3,715.02 | 75.78 | 1,957.18 | 717.26 | 1.04 | 716.22 | 100.00% | |
| 4 | Mobiquest Mobile Private Technologies Limited | April to March | INR | 3.61 | -81.59 | 175.10 | 253.08 | - | 391.48 | -62.04 | - | -62.04 | 82.49% | |
| 5 | Wasteland Entertainment Private Limited | April to March | INR | 0.52 | 47.28 | 2,182.70 | 2,134.90 | 8.10 | 2,370.70 | -101.90 | - | -101.90 | 100.00% | |
| 6 | Urja Money Private Limited | April to March | INR | 31.16 | -84.68 | 103.42 | 156.94 | 1.00 | 166.41 | -20.20 | - | -20.20 | 83.34% | |
| 7 | Little Internet Private Limited | April to March | INR | 223.83 | -357.58 | 5.21 | 138.96 | - | 23.78 | 4.20 | - | 4.20 | 62.53% | |
| 8 | Origen Technologies Private Limited | April to March | INR | 9.75 | 119.72 | 249.73 | 120.26 | - | 135.11 | -42.22 | - | -42.22 | 100.00% | |
| 9 | Paytm Payments Services Limited | April to March | INR | 500.00 | 1,360.68 | 12,616.12 | 10,755.44 | 861.80 | 23,111.83 | 882.53 | 259.85 | 622.69 | 100.00% | |
| 10 | Paytm Insurance Broking Private Limited | April to March | INR | 750.00 | -374.97 | 483.68 | 108.66 | - | 323.30 | 83.38 | - | 83.38 | 100.00% | |
| 11 | Paytm Services Private Limited | April to March | INR | 30.00 | 36.12 | 228.13 | 162.01 | - | 1,553.70 | 3.71 | -2.56 | 6.27 | 100.00% | |
| 12 | Xceed IT Solutions Private Limited | April to March | INR | 0.50 | 0.02 | 0.59 | 0.08 | - | 0.01 | -0.00 | - | -0.00 | 82.49% | |
| 13 | Nearbuy India Limited | April to March | INR | 9.00 | -124.78 | 55.66 | 171.43 | - | 80.97 | -17.75 | - | -17.75 | 62.53% | |
| 14 | Fincollect Services Private Limited | April to March | INR | 1.00 | 7.12 | 538.93 | 530.81 | - | 1,997.09 | 28.71 | 2.47 | 26.24 | 83.34% | |
| 15 | One97 Communications Nigeria Limited | April to March | NGN | 0.05943 | 2.96 | -178.67 | 32.87 | 208.58 | - | 27.82 | -222.00 | 1.19 | -223.19 | 100.00% |

Part A: Subsidiaries

| Sr. No. | Name of Subsidiary Company | Reporting Period | Reporting Currency/ Exchange rate | Share capital | Reserve & Surplus | Total Assets | Total Liabilities | Investments* | Turnover# | (Amount in INR millions) | | |
|---------|---|---------------------|-----------------------------------|---------------|-------------------|--------------|-------------------|--------------|-----------|--------------------------|-------------------------|-----------------------|
| | | | | | | | | | | Profit before Taxation | Provisions for Taxation | Profit After Taxation |
| 16 | One97 Communications FZ- LLC | April to March | AED 22,6893 | 20.85 | 126.01 | 405.99 | 259.13 | - | 311.99 | 18.16 | - | 18.16 |
| 17 | One97 Communications Rwanda Private Limited | April to March | RWF 0.06394 | 12.09 | -9.73 | 2.36 | 0.00 | - | 0.07 | 0.15 | - | 0.15 |
| 18 | One97 Communications Tanzania Private Limited | April to March | TZS 0.03225 | 54.61 | -9.15 | 116.46 | 71.00 | - | 64.56 | 1.01 | 0.53 | 0.47 |
| 19 | One 97 Communications Bangladesh Private Limited | July to June | BDT 0.75111 | 4.34 | 195.97 | 254.93 | 54.61 | - | 114.40 | 97.59 | 3.02 | 94.57 |
| 20 | One 97 Ivory Coast SA | January to December | XOF 0.13711 | 1.25 | -2.68 | 0.53 | 1.96 | - | - | 2.35 | - | 70.00% |
| 21 | One 97 Benin SA | January to December | XOF 0.13711 | 1.28 | -12.84 | 19.96 | 31.52 | - | - | -1.82 | - | 100.00% |
| 22 | One97 Uganda Limited | April to March | UGX 0.02134 | 25.90 | -30.38 | 0.83 | 5.31 | - | -0.12 | -1.45 | - | -1.45 |
| 23 | One97 Communications Singapore Private Limited | April to March | SGD 61.6716 | 415.10 | 13,833.62 | 14,306.96 | 58.23 | 14,057.05 | 109.60 | -112.78 | 0.01 | -112.79 |
| 24 | Paytm Labs Inc. | April to March | CAD 61.5227 | 311.05 | 1,131.92 | 1615.49 | 172.52 | - | 1,188.14 | -103.57 | 32.68 | -136.25 |
| 25 | One97USA Inc. | January to December | USD 83.3411 | 34.76 | 4.40 | 47.14 | 7.98 | - | 76.92 | 5.04 | -1.45 | 6.50 |
| 26 | One Nine Communications Sdn. Bhd. | April to March | MYR 176309 | 1.53 | 7.23 | 44.60 | 35.83 | - | 51.73 | 3.10 | 0.23 | 2.86 |
| 27 | One Nine Communication Private Limited | Seven Nepal | NPR 0.61733 | 3.23 | 23.87 | 160.75 | 133.65 | - | 34.43 | 12.44 | 3.20 | 9.24 |
| 28 | One Nine Solutions Ltd | Seven Digital | KES 0.62504 | 3.54 | -0.68 | 6.71 | 3.84 | - | 2.94 | -0.52 | 0.08 | -0.61 |
| 29 | One Nine Communications Saudi Arabia For Communication and Information Technology | Seven | SAR 22.1982 | 11.01 | -17.01 | 1.77 | 7.77 | - | 2.26 | -3.75 | - | -3.75 |

* Investments are net off impairment

Turnover including other income

None of the above mentioned companies have proposed dividend in the current financial year.

Part B: Associates and Joint Venture

Part B: Associates and Joint Venture

| S. No. | Name of Associate / Joint venture Company | Paytm Payments Bank Limited | Paytm Financial Services Limited | Paytm General Insurance Limited** | Paytm Life Insurance Limited* | First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | Admirable Software Limited | Paytm Insuretech Private Limited | Foster Payment Networks Private Limited* | Infinity Transoft Solution Private Limited | Eatgood Technologies Private Limited | First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.)** | Bluefield Technology Beijing Co.Ltd. (formerly known as Paytm First Games Technology Beijing Co. Ltd.) | Socomo Technologies Private Limited |
|--------|--|-----------------------------|----------------------------------|-----------------------------------|-------------------------------|--|----------------------------|----------------------------------|--|--|--------------------------------------|---|--|-------------------------------------|
| 5 | Networth attributable to Shareholding as per latest audited/ unaudited Balance Sheet | INR 2,314.04 million | INR 145 million | Nil | INR 0.05 million | INR 75.94 million | INR 15.70 million | INR 276.39 million | Nil | Nil | Nil | INR 1.75 million | Nil | Nil |
| 6 | Profit/(Loss) for the year (Share of Group) | | | | | | | | | | | | | |
| | (i). Considered in Consolidation | INR (244.61) million | INR (79.78) million | Nil | INR (62) million | INR (7.89) million | Nil | INR 13.16 million | INR 0.37 million | INR (26.35) million | INR (0.55) million | INR (61.23) million | Nil | |
| | (ii). Not Considered in Consolidation | Not Applicable | Not Applicable | Not Applicable | INR (0.39) million | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

*Investments are net off Impairment

**These companies are yet to commence operations

Shares are held by an associate company of the Group i.e. Paytm Financial Services Limited

^Shares are held by two associate companies of the Group i.e. Paytm Financial Services Limited and Paytm Payments Bank Limited

^^Shares are held by a Joint Venture of the Group, i.e. First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)

For and on behalf of the Board
One 97 Communications Limited

Vijay Shekhar Sharma
Chairman, Managing Director
and Chief Executive Officer
DIN: 00466521

Date: May 22, 2024
Place: New Delhi

Madhur Deora
Executive Director, President and
Group Chief Financial Officer
DIN: 07720350

Date: May 22, 2024
Place: New Delhi

Sunil Kumar Bansal
Company Secretary and
Compliance Officer
ICSI M. No.: F4810
Date: May 22, 2024
Place: Gurugram

Annexure II

FORM NO. AOC 2

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

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

All arrangements/ transactions entered into by the Company with its related parties during the year under review were in the ordinary course of business and on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

a) Name(s) of the related party and nature of relationship

Paytm Payments Bank Limited ("PPBL") is an associate of the Company. The Company holds 49% of the paid-up share capital (directly and through its subsidiary) of PPBL.

b) Nature of contracts/ arrangements/ transactions

Availing of Services: - Payment Solutions Services, procurement of FasTags, purchase/lease of assets/equipment and other banking and related services.

Rendering of Services: - Payment Gateway Services, Agent Institution for Bharat Bill Payment System (BBPS), Technology Services, Branding/ Intellectual Property, Advertising and Promotion services, VAS services, distribution of toll FasTag sale/lease/ exchange of assets/equipment, reimbursement of expenses including reimbursement for ESOP Granted to PPBL Employees, incentive sharing (for digital transactions) other services including providing non-financial guarantee, in the ordinary course of business.

c) Duration of the contracts/arrangements/ transactions

Generally, these are long-term contracts for a duration ranging from 1 to 5 years.

During the year under review, the Company entered into material related party transactions with PPBL for which prior approval of the Audit Committee was obtained and the same was also approved by the Members of the Company on March 23, 2023.

Further, the Company has terminated various agreements with PPBL during March 2024 and the Company does not expect to have material related party transactions with PPBL going forward.

d) Salient terms of the contracts or arrangements or transactions including the value, if any:

- (i) Both the parties shall diligently perform their duties/obligation under the contract and provide the services in timely manner and in accordance with the terms of the work order/agreement;
- (ii) Both the parties shall submit invoices on timely basis for the services provided to each other in accordance with the terms of arrangement and shall promptly pay the same;
- (iii) Both the parties shall be responsible for maintaining data confidentiality and put in place adequate systems to safeguard data and information; and
- (iv) Both parties shall comply with the requirements of local laws and regulations.

For the value of the transactions refer to the Related Party Disclosure in the

financial statements, which forms part of the Annual Report.

(e) Date(s) of approval by the Board, if any:

The aforesaid transactions, on the recommendations of the Audit Committee, were approved by the Board on February 03, 2023 and were subsequently approved by the Members of the Company through Postal Ballot on March 23, 2023.

Further, the aforesaid contracts/arrangements entered into with PPBL were in the ordinary course of business and on an arm's length basis.

(f) Amount paid as advances, if any:

For further details of related party transactions during FY 2023-24, please refer to note no. 25 of the standalone financial statements and note no. 26 of the consolidated financial statements, which form part of the Annual Report.

For and on behalf of the Board
One 97 Communications Limited

Date: June 17, 2024

Place: Noida

Vijay Shekhar Sharma
Chairman, Managing Director and Chief Executive Officer
DIN: 00466521

Annexure III

Annual Report on Corporate Social Responsibility activities for FY 2023-24

1. Brief outline on Corporate Social Responsibility Policy of the Company

Corporate Social Responsibility (“CSR”) is strongly connected with the principles of sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences.

The Company believes in combining the power of technology to build an inclusive society and lays a greater emphasis on the growth as well as social welfare of the communities in which we live and work.

The Company invests in various CSR initiatives through Paytm Foundation, a philanthropic arm of the Company with the aim to create opportunities for the marginalized communities by facilitating quality education, creating financially inclusive society, promoting a healthy society, focusing on environment and sustainability and empowering women.

The CSR Policy has been formulated in terms of provisions of Section 135(4) of the Companies Act, 2013 (“Act”) read with Rule 6 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended which has been approved by the Board.

As per the CSR Policy, the Company shall undertake CSR initiatives, projects and programmes as specified in Schedule VII of the Act as amended, at various work-centers and locations of the Company.

2. Composition of CSR Committee as on March 31, 2024:

| S. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|--|--|--|--|
| 1. | Mr. Gopalasamudram Srinivasaraghavan Sundararajan* | Chairman (Non-Executive Independent Director) | 3 | 3 |
| 2. | Mr. Ravi Chandra Adusumalli | Member (Non-Executive Non-Independent Director) | 3 | 3 |
| 3. | Mr. Vijay Shekhar Sharma* | Member (Chairman, Managing Director and Chief Executive Officer) | 3 | 3 |

*During FY 2023-24, the following changes occurred in the composition of the CSR Committee w.e.f. October 20, 2023:

Mr. Gopalasamudram Srinivasaraghavan Sundararajan was re-designated as the Chairman of the Committee and Mr. Vijay Shekhar Sharma, who was earlier appointed as the Chairman of the Committee was re-designated as the member of the Committee.

During the period under review, the CSR Committee approved voluntary contribution of up to INR 10 Crore to Paytm Foundation, to contribute / donate in the areas specified under Sections 135 & 181 of the Act. The said contribution was in accordance with the approval obtained from the Members of the Company at their Annual General Meeting held on August 19, 2022.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company:

The details of composition of the CSR Committee, CSR Policy and CSR Projects are available on the website of the Company at <https://ir.paytm.com/csr>.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| S. No. | Financial Year | Amount Available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|--------|----------------|--|---|
| | | NIL | |

6. Average net profit of the company as per Section 135(5):

Not Applicable (since the average net profit of the last three financial years is Negative).

- 7.** (a) Two percent of average net profit of the company as per Section 135(5): **NIL**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
- (c) Amount required to be set off for the financial year, if any: **NIL**
- (d) Total CSR obligation for the financial year (7a+7b- 7c): **NIL**

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|--|---|------------------|------------------|---|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| Not Applicable* | | | | | |

*Although CSR spending is not mandated for the Company for the financial year 2023-24, the Company has voluntarily contributed INR 85.77 lakhs to the Paytm Foundation, the philanthropic arm of the Company. This contribution is intended to support the Corporate Social Responsibility activities outlined in Schedule VII of the Act, as well as any other charitable activities under Section 181 of the Act, during this financial year

b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) |
|--------|---------------------|---|-----------------------|-------------------------|----------|------------------|---|---|--|--|--|
| S. No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area (Yes / No) | Location of the project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation – Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |
| | | | | State | District | | | | | | Name |
| NIL | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (11) | | |
|--------|---------------------|---|---------------------|--------------------------|----------|---------------------------------------|---|--|-------------------------|--|
| S. No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project. | | Amount spent for the project (in INR) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation – Through Implementing Agency | | |
| | | | | State | District | | | Name | CSR registration number | |
| NIL | | | | | | | | | | |

Note - During the year under review, the following projects were undertaken by Paytm Foundation out of the contribution/ donation made by the Company as given below:

I. Contribution as per Schedule VII

| S. No. | Name of the project & description | Item from the list of activities in Schedule VII to the Act | Location of the project | Project duration | Implementing Partner | Amount spent (₹ in lakhs) |
|------------------------|---|---|---------------------------------------|------------------|----------------------|---------------------------|
| 1. | Shikshit Bharat Project - The aim of this project is to donate used laptops and desktops to underprivileged students, especially in rural areas, to bridge the digital gap and promote digital education. | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; | Uttar Pradesh, Delhi, Jammu & Kashmir | 1 year | Direct | 4.31* |
| 2. | Scaler Project - Our initiative aims to provide scholarships to talented engineering students from underprivileged backgrounds for 4 years. | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; | Karnataka | 1 year | Scaler Foundation | 25.00 |
| Total CSR amount spent | | | | | | 29.31 |

*Depreciated value of used laptops and desktops

II. Contribution other than Schedule VII

| S. No. | Name of the project & description | Location of the project | Project duration | Implementing Partner | Amount spent (₹ in lakhs) |
|--|---|-------------------------|------------------|----------------------|---------------------------|
| 1 | Donation to CMRF Orissa - Supported victims of the Balasore Train Accident through CMRF Orissa | Orissa | Onetime | Direct | 56.46 |
| Total amount spent on charitable activities | | | | | 56.46 |

- (d) Amount spent in Administrative Overheads: **NIL**
- (e) Amount spent on Impact Assessment, if applicable: **NIL**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **NIL**

(g) Excess amount for set off, if any:

| S. No. | Particular | Amount (in ₹) |
|--------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | NIL |
| (ii) | Total amount spent for the Financial Year | NIL |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | NIL |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| S. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|--------|---------------------------|--|---|--|----------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹). | Date of transfer | |
| NIL | | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|--------|-------------|---------------------|---|------------------|---|---|--|---|
| Sl. No | Project ID. | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹). | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project Completed / Ongoing |
| NIL | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not Applicable

For and on behalf of the Board

One 97 Communications Limited

Gopalasamudram Srinivasaraghavan Sundararajan

Chairman, CSR Committee

DIN: 00361030

Date: June 17, 2024

Place: Chennai

Vijay Shekhar Sharma

Chairman, Managing Director and

Chief Executive Officer

DIN: 00466521

Date: June 17, 2024

Place: Noida

Annexure IV

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during FY 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2023-24 are as under:**

| Name of Directors | Percentage (%) increase in remuneration in FY 2023-24* | Rate of remuneration of each Director to median remuneration of the employees of the Company |
|---|--|--|
| Executive Directors | | |
| Mr. Vijay Shekhar Sharma, Chairman, Managing Director and Chief Executive Officer | -* | 91.74 |
| Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer | 15.00 ^ | 102.45 |
| Non-Executive Non-Independent Director | | |
| Mr. Ravi Chandra Adusumalli | N.A. | N.A. |
| Non-Executive Independent Directors** | | |
| Mr. Neeraj Arora | 1.06 | 38.04 |
| Mr. Ashit Ranjit Lilani | 1.06 | 38.04 |
| Mrs. Pallavi Shardul Shroff | 1.02 | 47.59 |
| Mr. Gopalasamudram Srinivasaraghavan Sundararajan | N.A.*** | 47.59 |
| Key Managerial Personnel other than Executive Directors | | |
| Mr. Sunil Kumar Bansal, Company Secretary and Compliance Officer**** | N.A. | 29.82 |

Notes:

*There has been no change in the remuneration of Mr. Vijay Shekhar Sharma for FY 2023-24. Perquisites paid during FY 2023-24 amounts to Rs. 4.51 million (FY 2022-23 Rs. 2.31 million). Perquisites up to 25% of the fixed remuneration are capped for Mr. Vijay Shekhar Sharma which is in-line with the approvals provided by the Members in the 22nd AGM dated August 19, 2022.

**The % increase in remuneration of Mr. Neeraj Arora, Mr. Ashit Ranjit Lilani and Mrs. Pallavi Shardul Shroff is due to USD-INR conversion rate.

***Mr. Gopalasamudram Srinivasaraghavan Sundararajan was appointed as a Non-Executive Independent Director during FY 2022-23 w.e.f. August 29, 2022. Hence, the % increase in the remuneration is not comparable.

****Mr. Sunil Kumar Bansal joined the Company w.e.f. June 01, 2023 and was designated as Company Secretary and Compliance Officer w.e.f. July 21, 2023. Hence, the % increase in the remuneration is not comparable. The above details for Mr. Sunil Kumar Bansal pertains to the period from June 01, 2023 to March 31, 2024.

[^] Perquisite value of Rs. 3.52 million on exercise of ESOPs by Mr. Madhur Deora during FY 2023-24 has not been considered while calculating % increase in his remuneration.

[#]The % increase and ratio of the remuneration to the median remuneration of the employees remuneration for Executive Directors and Key Managerial Personnel (other than Executive Directors) is computed based on the remuneration excluding perquisite value of stock options exercised during FY 2023-24, value of gratuity and leave encashment.

ii. The percentage (%) increase in the median remuneration of the employees in the financial year:

The percentage of the median remuneration of employees in FY 2023-24 has increased by 7.1%.

iii. The number of permanent employees on the rolls of the Company:

There were 28,107 employees (excluding subsidiary Companies employees) on the rolls of the Company as on March 31, 2024. This number has increased from FY 2022-23 by 8.3%.

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the remuneration of employees, excluding remuneration of KMPs, during FY 2023-24 was 14.6%. There has been no increase in the remuneration of Mr. Vijay Shekhar Sharma from FY 2022-23 remuneration and 15% increase in remuneration of Mr. Madhur Deora as approved by the Members at the AGM held on September 12, 2023.

However, the remuneration paid to them are within the limits as approved by the Members of the Company at their Annual General Meeting held on August 19, 2022 and September 12, 2023 respectively. Further, no remuneration was paid to Non-Executive Non-Independent Director for FY 2023-24 and the remuneration paid to Non-Executive Independent Directors for FY 2023-24 is within the overall limits as approved by the Members of the Company.

v. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration of Directors is as per the policy on Nomination, Remuneration and Board Diversity Policy of the Company.

For and on behalf of the Board
One 97 Communications Limited

Vijay Shekhar Sharma

Date: June 17, 2024

Chairman, Managing Director and Chief Executive Officer

Place: Noida

DIN: 00466521

Annexure V

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

One 97 Communications Limited

First Floor, Devika Tower Nehru Place,
New Delhi- 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **One 97 Communications Limited (hereinafter called "the Company" or "OCL")**. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the financial year ended on March 31, 2024 ("Audit Period"). The Company is in the business of providing:

- a) payment and financial services which primarily includes payment facilitator services, facilitation of consumer and merchant lending to consumers and merchants, wealth management, etc.
- b) Commerce and cloud services which primarily consists of aggregator for digital products, ticketing business, providing voice and messaging platforms to the telecom operators and enterprise customers and other businesses, etc.

Limitation of the Auditors

- (i) Based on our verification of the Company's 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, complied with the statutory provisions listed hereunder; and

- (ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("Guidance Note") and Auditing Standards issued by the Institute of Company Secretaries of India ("ICSI"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and

- perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
- (iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.
- (iv) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Board-processes and compliance-mechanism.
- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period, 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;
 - (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 and Overseas 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations");
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable during the Audit Period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable)**

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the Audit Period)**
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable during the Audit Period)** and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '**Listing Regulations**').

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) and Listing Regulations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned hereinabove.

We further report that:

- (i) The Board of Directors of the Company was duly constituted with proper balance of Executive Director(s), Non-Executive Directors and Independent Directors during the Audit Period. During the Audit Period, there was no change in the composition of Board of directors except Mr. Vivek Kumar Mathur resigned from the post of Alternate Director to Mr. Ravi Chandra Adusumalli with

effect from June 30, 2023. We noted that the composition of the Board of Directors of the Company was in Compliance of the Act and Listing Regulations.

- (ii) Further, the composition of all statutory committees was also in compliance with the Act and Listing Regulations.
- (iii) Adequate notice was given to all directors to schedule the Board Meetings, Statutory Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meetings and Committee Meetings which were held at shorter notice 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.
- (iv) Majority decisions were carried through and there were no instances where any director expressed any dissenting views.

We further report that in our opinion, the Company has, in all material respects, adequate systems and processes 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 following events occurred in the Company having major bearing on its affairs:

- a. The Reserve Bank of India ("RBI") vide its Press Release dated January 31, 2024, directed Paytm Payments Bank Limited ("PPBL") to stop onboarding new customers with immediate effect.

- b. The Company and PPBL have mutually agreed to discontinue various inter-company agreements. Also, on March 01, 2024, the Board of the Company approved the amendment in Shareholders Agreement dated January 31, 2023, amongst the Company, PPBL, Mr. Vijay Shekhar Sharma and One 97 Communications India Limited, Wholly Owned Subsidiary of the Company.
- c. On March 14, 2024 National Payment Corporation of India ("NPCI") granted its approval to participate in UPI as a Third-Party Application Provider ("TPAP") under multibank model.
- d. The RBI had earlier directed its material subsidiary i.e. Paytm Payments Services Limited (PPSL), not to onboard new online merchants and to seek necessary approval for past downward investment made by the Company to comply with FDI Guidelines. As informed to us, the requisite application filed by the PPSL on December 14, 2022 with the Government of India under FDI Guidelines is still pending for disposal as on even date.
- e. The Company, during the quarter ended December 31, 2022, received a demand of Rs. 10,815 million the against the show cause notice issued by Uttar Pradesh GST Department against which the Company has filed a writ petition before the Hon'ble High Court of Allahabad which stayed the said demand however, the matter is still pending for disposal as on even date.
- f. The Company has received a Show Cause Notice ("SCN") from SEBI related to the 21,000,000 Employee Stock Options granted to Managing Director and CEO of the Company (which is subject to achievement of specified milestones) regarding compliance with SEBI SBEB Regulations. The Company has submitted its preliminary response and is in the process of seeking further information from SEBI in this regard.

**For PI & Associates,
Company Secretaries**

Date: May 22, 2024

Place: New Delhi

Nitesh Latwal

Partner

ACS No.: 32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN: A032109F000409607

Disclaimer

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
One 97 Communications Limited

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

- (i) 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.
- (ii) 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 sampling 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.
- (iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (iv) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
- (v) The compliance of the provisions of corporate and other sector specific laws as applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.
- (vi) 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**

Date: May 22, 2024

Place: New Delhi

Nitesh Latwal

Partner

ACS No.: 32109

CP No.: 16276

Peer Review No.: 1498/2021

UDIN:A032109F000409607

Annexure VI

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
 Paytm Payments Services Limited
 (U65990DL2020PLC371251)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Paytm Payments Services Limited (hereinafter called "the Company")**.

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the financial year ended on March 31, 2024 (**"Audit Period"**). As informed to us, the Company is in the process of obtaining its License to operate as a Payment Aggregator ('PA') from the Reserve Bank of India ('RBI') under the Guidelines on Regulation of Payment Aggregators and Payment Gateways dated November 17, 2020.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, 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, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and as applicable to the Company, 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 made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of law mentioned herein below:

- (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;

- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable**)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not Applicable**)
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable**)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable**)
 - e. The Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Securities Receipts) Regulations, 2008; (**Not Applicable**)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client; (**Not Applicable**)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable**)
 - h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (**Not Applicable**)
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Not Applicable**)
- Based upon the Management Representation for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc) and wherever required from the Company, 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 the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company: -
- i. The Payment and Settlement Systems Act, 2007 read with Payments and Settlement Systems Regulations, 2008 (**'PSS Act, 2007'**);
 - ii. Guidelines on Regulation of Payment Aggregators and Payment Gateways (**'PA/PG Guidelines'**) as updated thereunder; and
 - iii. Directions for Opening and Operation of Accounts and Settlement of Payments for Electronic Payment Transactions Involving Intermediaries (**'Intermediaries Directions'**) vide RBI's Notification dated November 24, 2009.
 - iv. Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 to the extent it relates to Payment Aggregator/ Payment Gateway.

We further report basis upon the explanation provided by the management that the Company has been complying with the abovementioned Act, Guidelines and Directions to the extend it is applicable and post receipt of license from RBI, the Company will duly comply with the foregoing Act, Guidelines and Directions.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings and the Company is generally in compliance with the standards.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable; **(Not Applicable)**

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. read with matters of emphasis provided hereinbelow.

We further report that:

- I. As on even date, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Companies Act, 2013. The

following changes took place during the Audit Period:

- (a) Mr. Vivek Kumar Mathur has resigned from the office of Director w.e.f. August 03, 2023.
- II. Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.
- III. Majority decisions were carried through and there were no instances where any director expressed any dissenting views.

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 following events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines:

- 1) As informed to us, the Company has filed the required application on December 14, 2022 with the Government of India

for past downward investment from the Parent Company, One 97 Communications Limited, into the Company in order to comply with the Press Note 3/ 2020 ('**PN-3**') prescribed under FDI guidelines and the application is under process.

- 2) In response to the application made by the Company to the RBI for authorization to continue with the online Payment Aggregation business under Payment Systems under PSS Act, 2007 on March 09, 2023, the RBI on March 23, 2023 had made following directions:
 - (a) In case, the request of Company is approved by the Government of India, then the Company may submit application seeking authorisation to operate as a PA, within fifteen days thereof.
 - (b) However, if any adverse decision is taken by Government of India regarding the Company's request, then same shall be informed to RBI immediately.
 - (c) Further, the Company was advised that previous restrictions imposed vide RBI letter dated November 25, 2022 on new merchant onboarding shall continue, until advised otherwise.

**For PI & Associates,
Company Secretaries**

Date: May 10, 2024

Partner

Place: New Delhi

Ankit Singh

FCS No.: F11685

C P No: 16274

Peer Review No.: 1498/2021

UDIN: F011685F000340167

"Annexure A"

To,
The Members,
Paytm Payments Services 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. Wherever required, we have obtained the Compliance Certificate/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**

Date: May 10, 2024

Partner

Place: New Delhi

Ankit Singh

FCS No.: F11685

C P No: 16274

Peer Review No.: 1498/2021

UDIN: F011685F000340167

Corporate Governance Report

The report on Corporate Governance is prepared pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

This report is divided into following sections:

| COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE | BOARD OF DIRECTORS | BOARD COMMITTEES | GENERAL BODY MEETINGS |
|--|------------------------|---------------------------------|-----------------------|
| CODES, POLICIES AND FRAMEWORKS | MEANS OF COMMUNICATION | GENERAL SHAREHOLDER INFORMATION | OTHER DISCLOSURES |

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

One 97 Communications Limited ("Company") believes that effective Corporate Governance is a key component to enhance and maintain stakeholders' value. The Company has adopted sound management practices and adheres to the applicable regulatory and legal framework.

The principles of Corporate Governance are based on transparency, accountability, business ethics which focuses on the sustainable success of the Company. The Company understands that a strong and transparent disclosure regime is pivotal to shareholders' ability to exercise their rights on an informed basis. The Company constantly endeavors to promote mutual trust and co-operation with all its stakeholders by practicing requisite levels of disclosure and transparency, as per applicable laws and its policy(ies).

The Company is committed to follow the highest level of Corporate Governance practices across all functions. It is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

B. BOARD OF DIRECTORS

The Company is a professionally managed company functioning under the overall supervision of its Board of Directors ("Board"). The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of the Company's business. The functions of the Board are supported by the Managing Director and Chief Executive Officer, Executive Director, Key Managerial Personnel and Senior Management

Personnel for discharging its fiduciary duties. The Board provides strategic guidance & oversees how the Executive Management serves and protects the long-term interest of all the stakeholders of your Company. The Board strives to achieve compliance with all relevant laws, regulations, governance practices, and secretarial, accounting & auditing standards. It identifies key risk areas and key performance indicators of business of your Company and constantly monitors the same.

The Board has established various Committees to discharge its responsibilities in an effective manner in compliance with applicable laws as mentioned in this report.

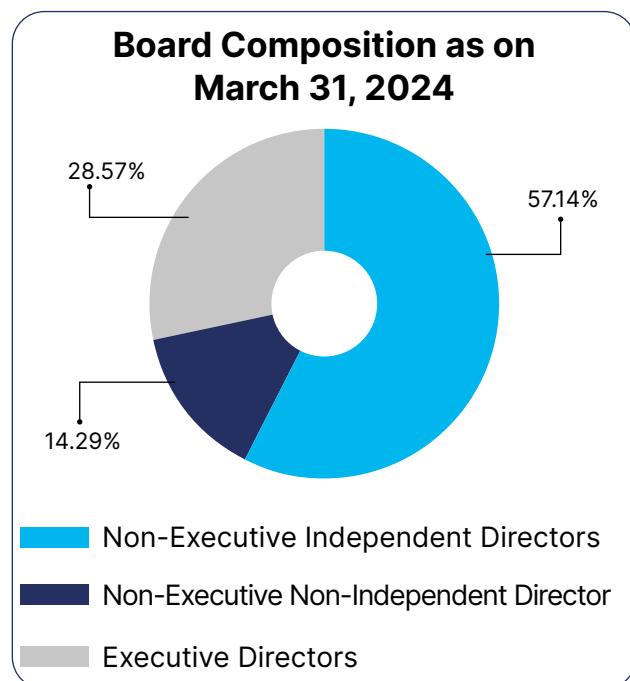
The Board of the Company consists of eminent individuals of diverse backgrounds with skills, experience, and expertise in the areas like technology, strategic planning, finance etc. The composition and strength of the Board is reviewed from time to time to ensure that it remains aligned with the statutory as well as the business requirements. Brief profile of Directors of the Company is available on the website of the Company at <https://ir.paytm.com/directors-and-committees>.

Board Composition

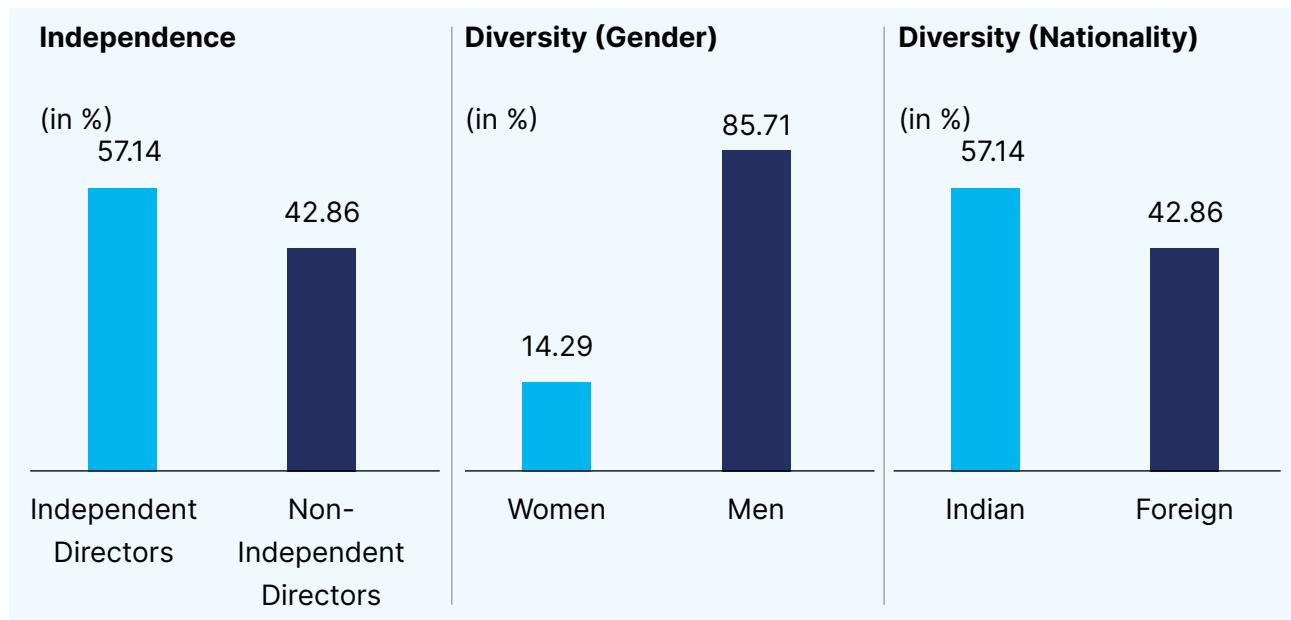
The Board comprises highly experienced persons, with an appropriate mix of Executive

Directors, Non-Executive Non-Independent Director, Non-Executive Independent Directors including an Independent Woman Director. The composition of the Board is in conformity with the Companies Act, 2013 ("Act") and the SEBI Listing Regulations.

As on March 31, 2024, the Board comprises of seven (7) Directors, out of which four (4) are Non-Executive Independent Directors ("ID") including a Woman Director, two (2) are Executive Directors and one (1) is Non-Executive Non-Independent Director.



Board Composition Analysis as on March 31, 2024



The following table illustrates the composition of the Board, their attendance at the last Annual General Meeting ("AGM"), names of other listed entities in which directorship is held, Committee Membership(s) or Chairpersonship(s) in other companies, their shareholding in the Company as at March 31, 2024:

| Name of the Director* and DIN | Designation | Whether attended last AGM | Name of other listed entity(s) where person is Director along with category of Directorships ¹ | Number of other Directorships ¹ | Committees Membership/Chairpersonships ² | |
|---|--|---------------------------|---|--|---|--------|
| | | | | | Chair-person | Member |
| Mr. Vijay Shekhar Sharma ³ DIN: 00466521 | Executive Director (Chairman, Managing Director and Chief Executive Officer) | Yes | NIL | 2 | NIL | NIL |
| Mr. Ravi Chandra Adusumalli ⁴ DIN: 00253613 | Non-Executive Non-Independent Director | No | NIL | NIL | NIL | NIL |
| Mr. Neeraj Arora ^{3,5} DIN: 07221836 | Non-Executive Independent Director | Yes | NIL | NIL | NIL | NIL |
| Mr. Madhur Deora ³ DIN: 07720350 | Executive Director, President and Group Chief Financial Officer | Yes | NIL | 3 | 1 | NIL |
| Mr. Ashit Ranjit Lilani DIN: 00766821 | Non-Executive Independent Director | Yes | NIL | NIL | NIL | NIL |

| Name of the Director* and DIN | Designation | Whether attended last AGM | Name of other listed entity(s) where person is Director along with category of Directorships ¹ | Number of other Directorships ¹ | Committees Membership/ Chairpersonships ² | |
|--|------------------------------------|---------------------------|--|--|--|--------|
| | | | | | Chair-person | Member |
| Mrs. Pallavi Shardul Shroff ⁶ DIN: 00013580 | Non-Executive Independent Director | Yes | <ul style="list-style-type: none"> • Asian Paints Limited - ID • Apollo Tyres Limited - ID • Interglobe Aviation Limited - ID • PVR INOX Limited - ID • Juniper Hotels Limited - ID | 6 | 1 | 5 |
| Mr. Gopalasamudram Srinivasaraghavan Sundararajan DIN: 00361030 | Non-Executive Independent Director | Yes | NIL | 3 | 3 | NIL |

*In alphabetical order, by last name, except Chairman

Notes:

- The directorships, held by Directors, as mentioned above, do not include the directorships held in private companies, deemed public companies, foreign body corporates and Section 8 companies.
- The Chairpersonship and Membership of Audit Committee and Stakeholders Relationship Committee of public companies (excluding the Company) have been considered. The details of Committee Memberships provided above do not include Chairpersonship of Committees as the same has been provided separately.
- As on March 31, 2024, apart from the following Directors, no other Director of the Company holds shares in the Company:
 - Mr. Vijay Shekhar Sharma, Chairman, Managing Director and Chief Executive Officer holds 57,845,053 (9.10%) equity shares of the Company. He also holds beneficial interest in 65,335,101 (10.28%) equity shares of the Company held by Resilient Asset Management B.V., an overseas entity 100% owned by him;
 - Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer holds 688,394 (0.11%) equity shares of the Company;
 - Mr. Neeraj Arora, Non-Executive Independent Director holds 75,000 (0.01%) equity shares of the Company. He also holds 197,180 (0.03%) equity shares of the Company, as a trustee of 'The Neeraj Arora Revocable Trust'.

Further, there are no convertible instruments issued by the Company (except ESOPs as per the details mentioned in this report).

- Mr. Vivek Kumar Mathur (DIN: 03581311), Alternate Director to Mr. Ravi Chandra Adusumalli tendered his resignation w.e.f. June 30, 2023 as there was no requirement for an Alternate Director to Mr. Ravi Chandra Adusumalli.
- Mr. Neeraj Arora (DIN: 07221836), Non-Executive Independent Director of the Company tendered his resignation w.e.f. June 17, 2024 on account of pre-occupation and other personal commitments. He has also confirmed that there are no material reasons for his resignation other than those mentioned.

6. Mrs. Pallavi Shardul Shroff (DIN: 00013580) resigned from Asian Paints Limited w.e.f. March 31, 2024.
7. Mr. Rajeev Krishnamuralil Agarwal (DIN: 07984221) has been appointed as a Non-Executive Independent Director of the Company w.e.f. June 17, 2024 for a term of five (5) consecutive years, subject to the approval of the Members of the Company.
8. None of the Directors are related inter-se and are independent to each other.

Board Meetings and Attendance

During FY 2023-24, the Board met nine (9) times with necessary quorum being present at all meetings. The intervening gap between any two consecutive Board meetings was within the period prescribed under the provisions of Section 173 of the Act and Regulation 17 of the SEBI Listing Regulations. During the year, the Board also transacted some of the businesses by passing resolutions through circulation in order to meet urgent requirements in accordance with applicable provisions of the Act.

The details of the Board meetings held during FY 2023-24 and attendance of Directors at these meetings are given below:

| S. No. | Date of Board meeting | Mr. Vijay Shekhar Sharma | Mr. Ravi Chandra Adusumalli | Mr. Neeraj Arora | Mr. Madhur Deora | Mr. Ashit Ranjit Lilani | Mrs. Pallavi Shardul Shroff | Mr. Gopalasamudram S. Sundararajan | No. of Directors present (Board Strength) |
|--|-----------------------|--------------------------|-----------------------------|------------------|------------------|-------------------------|-----------------------------|------------------------------------|---|
| 1. | May 5, 2023 | Yes | Yes | Leave of absence | Yes | Yes | Leave of absence | Yes | 5(7) |
| 2. | July 21, 2023 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 7(7) |
| 3. | October 20, 2023 | Yes | Yes | Leave of absence | Yes | Yes | Leave of absence | Yes | 5(7) |
| 4. | October 31, 2023 | Yes | Yes | Yes | Yes | Yes | Leave of absence | Yes | 6(7) |
| 5. | January 19, 2024 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 7(7) |
| 6. | February 24, 2024 | Yes | Yes | Yes | Yes | Yes | Leave of absence | Yes | 6(7) |
| 7. | February 29, 2024 | Yes | Yes | Yes | Yes | Leave of absence | Yes | Yes | 6(7) |
| 8. | March 16, 2024 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 7(7) |
| 9. | March 27, 2024 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 7(7) |
| Number of meetings attended (total held during tenure) | | 9(9) | 9(9) | 7(9) | 9(9) | 8(9) | 5(9) | 9(9) | |
| | | 100.00 | 100.00 | 77.78 | 100.00 | 88.89 | 55.56 | 100.00 | |

Key Board Skills, Expertise and Competencies

The Board of the Company represents, inter-alia, the following core skills, expertise and competencies:

| Area | Particulars |
|----------------------------------|---|
| Business and Management | Knowledge, experience, or meaningful exposure of the business environment, economic conditions, cultures across various geographical markets, industry verticals, and regulatory jurisdictions, and a broad perspective on market opportunities. |
| Corporate Governance | Experience in designing, finalizing and implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company, supporting a strong Board base and management accountability, transparency, and protection of shareholders interests. |
| Technology and digital expertise | Understanding the use of digital/ information technology, ability to anticipate technological driven changes and disruption impacting business and appreciation of the need of cyber security and controls across the organisation. |
| Finance | Knowledge and skills in accounting, finance, treasury management, oversight for risk management and internal controls, understanding of capital allocation, funding and financial reporting processes. |
| Marketing | Ability to lead the strategies to grow market share, build brand awareness and equity, enhance brand reputation, and to leverage consumer insights for business benefits. Ability and experience to leverage the innovation in products and categories in consumer space for growth and profitability and understanding of Research and Development activities. |

| Skills | Mr. Vijay Shekhar Sharma | Mr. Ravi Chandra Adusumalli | Mr. Neeraj Arora | Mr. Madhur Deora | Mr. Ashit Ranjit Lilani | Mrs. Pallavi Shardul Shroff | Mr. Gopalasamudram Srinivasaraghavan Sundararajan |
|----------------------------------|--------------------------|-----------------------------|------------------|------------------|-------------------------|-----------------------------|---|
| Business and Management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Corporate Governance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Technology and digital expertise | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Finance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Marketing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Information flow to the Board Members

The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the Company. The schedule of the Board and Committee meetings are finalized in advance in consultation with the Board members and communicated to them in advance. Additional meetings are also called, when necessary, to consider the urgent business matters.

The detailed agenda along with the relevant notes and other material information are sent in advance, individually to each Director and in exceptional cases, placed at the meeting of the Board in accordance with the applicable laws. This ensures timely and informed decisions by the Board.

The Company's quarterly and annual financial results/ statements are first presented to the Audit Committee and subsequently placed before the Board for its approval.

In addition to above, various matters such as appointment of Directors and Key Managerial Personnel, details of investor grievances, important managerial decisions, material developments and legal/ statutory matters are presented to the respective Committee(s) and placed for noting / approval of the Board subsequently upon recommendation by the respective Committee(s).

Senior Management Personnel and functional heads of various businesses are invited to provide additional insights and clarifications on the items being discussed at the Board or Committee meetings.

Post meeting follow-up system

The important decisions taken at the Board and Committee meetings are tracked till their closure and an 'action taken report' is placed before each Board and Committee meeting for noting.

Information available to the Board

The Board has complete and unfettered access to all relevant information within the Company. Information is provided to the Board Members on a continuous basis for their review, inputs and approval. This information inter-alia includes:

- Annual operating plans, capital budgets and updates thereon;
- Regular business updates;
- Quarterly/ annual standalone and consolidated financial results/ financial statements of the Company and its operating divisions or business segments;
- Minutes of meetings of the Board and its Committees, resolutions passed by circulation, and Board minutes of the unlisted subsidiary companies;
- Information on recruitment/remuneration of Senior Management Personnel;
- Materially important show cause, demand, prosecution notices and penalty notices, if any.
- Details of any acquisition, joint venture or collaboration agreement;
- Quarterly treasury reports;
- Quarterly compliance certificate with the 'Exceptions Reports and Material Litigations', which includes non-compliance

of any regulatory, statutory nature or the SEBI Listing Regulations;

- Review of vigil/ whistle blower mechanism and framework on Prevention of Sexual Harassment of Women at Workplace;
- Disclosures received from Directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions;
- Update on Corporate Social Responsibility activities, if any; and

Company Secretary

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings.

The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements.

The Company Secretary also interfaces between the management, Members and regulatory/ statutory authorities for governance matters.

Independent Directors

The Independent Directors are the Board members who meet the definition and criteria of 'independence' as set out in Section 149(6) of the Act read with rules made thereunder, Regulation 16 of the SEBI Listing Regulations, and other applicable laws. As on March 31,

2024, the Board is comprised of four (4) Non-Executive Independent Directors.

In the opinion of the Board and based on the declarations received, all the Non-Executive Independent Directors fulfill the criteria provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and are independent of the management. They have also confirmed that they have enrolled themselves in the Independent Directors' Data Bank maintained by the Indian Institute of Corporate Affairs.

Further, in terms of Regulation 25(8) of the SEBI Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Meeting of Non-Executive Independent Directors

During FY 2023-2024, the Non-Executive Independent Directors of the Company met on March 27, 2024, without the presence of other members of the Board and management, in accordance with the provisions of the Act read with rules and Schedule IV thereto and the SEBI Listing Regulations.

The Non-Executive Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for them to effectively and reasonably perform their duties. The suggestions made by Non-

Executive Independent Directors, were accepted by the Board.

Familiarisation Programmes for Non-Executive Independent Directors

The familiarisation programmes include periodic presentations made at the Board and Committee meetings on business and performance updates, business strategy, nature of the industry in which the Company operates, business model, regulatory updates and risk involved and such other matters as deemed necessary.

The details of familiarisation programmes imparted to Non-Executive Independent Directors are available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

Succession Planning

The Company believes that a sound succession plan for the senior leadership is very important for creating a robust future for the Company. The Company has a mechanism for succession planning which focuses on orderly succession of Directors and other Senior Management Personnel.

The Nomination and Remuneration Committee implements this mechanism in concurrence with

the Board. It strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

Performance Evaluation

In compliance with the provisions of the Act, the SEBI Listing Regulations and the guidance note issued by SEBI on board evaluation, annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and its Committees.

The Nomination and Remuneration Committee, at its meeting held on January 09, 2024, deliberated, reviewed and approved the structured process, format, attributes, criteria and questionnaires as a whole, for the performance evaluation of the Board, its Committees and Individual Directors including the additional questions for evaluation of Chairperson, Managing Director and Chief Executive Officer, and Non-Executive Independent Directors, keeping in view the Board priorities and best practices.

All the Directors participated and completed the performance evaluation process for FY 2023-24. The results of evaluation were discussed in the respective Committee and Board meetings.

Overview of Evaluation Framework and Evaluation Criteria:

| S. No | Category | Criteria |
|-------|--|--|
| 1. | Board of Directors | Evaluation by the Board on various criteria such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision making, board practices and overall effectiveness of Board as a whole. |
| 2. | Board Committees | Evaluation by the Board after seeking inputs from the committee members on the basis of criteria such as committee composition, effectiveness of committee in terms of well-defined charters & powers and information-flow with the Board in terms of reporting and due consideration of Committees' decisions, findings, and recommendations at the Board level. |
| 3. | Individual Directors | Evaluation by the Board on parameters such as understanding of the company's business, its market and short, medium and long-term goals, ability to express disagreement & divergent views and independent judgement, understanding the need to balance entrepreneurial leadership with need for effective governance etc. All the directors were subject to peer-evaluation. |
| 4. | Chairman, Managing Director and Chief Executive Officer ("Chairman, MD & CEO") | Evaluation of Chairman, MD & CEO on certain additional parameters such as leadership development, Board management, developing and delivering the Company's strategy and business plans, evaluation and actualization of domestic and international industry trends and business opportunities etc; |
| 5. | Non-Executive Independent Directors | Non-Executive Independent Directors were evaluated by the Board on certain additional performance indicators including: <ul style="list-style-type: none"> • Providing strategic guidance to the Company and help determine important policies with a view to ensuring long-term viability and strength. • Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberations, particularly on issues of strategy, performance and conflict management. |

Outcome of the Evaluation process and action plan

The Board expressed satisfaction with its overall effectiveness and performance, and lauded the Company's ethical standards and transparency. It was noted that the Board as a whole is functioning as a highly effective and cohesive body. It was also noted that the Committees are functioning effectively in accordance with their defined charters/ terms of reference.

The recommendations arising out of the evaluation process were discussed with the Board and have been implemented.

Directors' remuneration

In terms of the provisions of the Act and the SEBI Listing Regulations, the Board has approved Nomination, Remuneration and Board Diversity Policy ("Policy") for Directors, Key Managerial Personnel and other Senior Management Personnel which includes the criteria of making payments to Non-Executive Directors. The Company's remuneration policy is directed towards rewarding performance based on a periodic review of the achievements.

As required under the Act and the SEBI Listing Regulations, the Nomination and Remuneration Committee recommends to the Board the payment of remuneration to the Directors, Key Managerial Personnel, and other Senior Management Personnel.

The Policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>. The Board affirms that the remuneration paid to the Directors is as per terms laid out in the Policy.

The details of remuneration paid to Directors during FY 2023-24 are given below:

| Directors | Sitting Fees | Remuneration ^{2,3} | Commission | Perquisites | Allowances | Variable Bonus ⁶ | (Amount in ₹ Millions) | |
|---|--------------|-----------------------------|------------|-------------|------------|-----------------------------|------------------------|--|
| | | | | | | | Total | |
| Executive Directors | | | | | | | | |
| Mr. Vijay Shekhar Sharma ^{4,5} | - | 40.00 | - | 4.51 | - | - | 44.51 | |
| Mr. Madhur Deora ⁶ | - | 36.55 | - | - | - | 5.53 | 42.08 | |
| Non-Executive Non-Independent Directors | | | | | | | | |
| Mr. Ravi Chandra Adusumalli | - | - | - | - | - | - | - | |
| Non-Executive Independent Directors | | | | | | | | |
| Mr. Neeraj Arora | - | 16.59 | - | - | - | - | 16.59 | |
| Mr. Ashit Ranjit Lilani | - | 16.59 | - | - | - | - | 16.59 | |
| Mrs. Pallavi Shardul Shroff | - | 20.75 | - | - | - | - | 20.75 | |
| Mr. Gopalasamudram Srinivasaraghavan Sundararajan | - | 20.75 | - | - | - | - | 20.75 | |
| Total | | 151.23 | | 4.51 | | 5.53 | 161.27 | |

Notes:

- As per the Nomination, Remuneration and Board Diversity policy, the Non-Executive Independent Directors are entitled to such remuneration as approved by the Board within the overall limits approved by the Members and permissible under the applicable provisions of the Act. No remuneration was paid to the Non-Executive Non-Independent Directors for FY 2023-24.
- The remuneration paid to the Executive Directors includes the Company's contribution to the Provident Fund, if any, liability for gratuity and leave encashment, is provided on actuarial basis for the Company as a whole, the amount pertaining to the Executive Directors is not ascertainable and, therefore, not included.
- The Non-Executive Independent Directors continue to meet the criteria of Independence as per the provisions of the Act and the SEBI Listing Regulations. They do not have any pecuniary relationship with the Company, directly

or indirectly, or with the managerial personnel of the Company, except to the extent of Remuneration, as applicable, and reimbursement of out-of-pocket expenses received by them for attending the meetings.

Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director, is the Managing Partner of Shardul Amarchand Mangaldas & Co ("SAMCO"), leading law firm. SAMCO provide certain legal services, in the ordinary course of business to the Company. SAMCO has confirmed that the revenue they generate directly or indirectly from the Company is a "minuscule percentage" of their gross turnover, and as a result none of its partners are conflicted vis-à-vis the Company.

Mrs. Shroff has confirmed that she fulfils the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and is independent of the management. She only receives remuneration in her capacity as an Independent Director, which is aligned with what other Independent Directors receive.

4. Perquisites provided to Mr. Vijay Shekhar Sharma include perquisite value of two vehicles and related expenses, utility and other expenses in relation to the Company leased accommodation and club subscriptions. As per the approvals provided by the Members, the aggregate value of perquisites shall not exceed 25% of remuneration.
5. Mr. Vijay Shekhar Sharma was not granted any ESOPs during the FY 2023-24. During FY 2021-22, Mr. Vijay Shekhar Sharma was granted 21,000,000 stock options, under One 97 Employees Stock Option Scheme 2019, and duly approved by the Nomination and Remuneration Committee, the Board and the Members of the Company. These options will vest equally in 4 tranches having a minimum vesting period of 24 months, 36 months, 48 months and 60 months for each tranche, from the date of grant as mentioned in his grant letter, subject to achievement of certain milestones.
6. For Mr. Madhur Deora, the variable bonus for FY 2023-24 includes payments of the Long-Term Incentive Plan (LTIP), distributed as follows:
 - For FY 2022 performance: 50% paid in FY 2023, 25% in FY 2024, and 25% in FY 2025.
 - For FY 2023 performance: 50% paid in FY 2024, 25% in FY 2025, and 25% in FY 2026.
 - For FY 2024 performance: 50% to be paid in FY 2025, 25% in FY 2026, and 25% in FY 2027.

The above remuneration of Mr. Madhur Deora does not include the perquisite value of ₹ 3,520,000 towards the value of Stock Options exercised during FY 2023-24.

During FY 2023-24, Mr. Madhur Deora was not granted any stock options. As on date of this report, he also holds 667,774 stock options which were granted in previous financial years, under One 97 Employees Stock Option Scheme 2019, and were duly approved by the Nomination and Remuneration Committee, Board and Members of the Company. These options shall vest over a period of 5 years @ 10%, 20%, 20%, 25% and 25% per year, from the respective dates of grants, as mentioned in his grant letters.

The vested options can be exercised anytime during his employment with the Company.

7. None of the Directors have been granted any stock options during FY 2023-24.
8. No sitting fee was paid to Directors during FY 2023-24.
9. The terms of severance, notice period and termination for the Executive Directors of the Company is governed by terms and conditions of their agreements with the Company. Further, no notice period or severance fee is paid to any other Director.
10. The details of the remuneration framework for Non-Executive Independent Directors w.e.f. April 01, 2024 are part of the Notice of the 24th Annual General Meeting.

C. BOARD COMMITTEES

The Board has constituted various Committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter/ terms of reference, which defines the scope, powers and composition of the Committee, in compliance with the provisions of the Act and the SEBI Listing Regulations.

Mr. Sunil Kumar Bansal, Company Secretary and Compliance Officer is the Secretary to all the Committees constituted by the Board.

Generally, the Committee meetings are held prior to the Board meeting and the Board is apprised about the deliberations, recommendations and decisions taken by the Committee(s).

During FY 2023-24, the Board has accepted all the recommendations of its Committees.

Audit Committee

Composition, Meetings and Attendance

As on March 31, 2024, the Audit Committee comprised of three (3) Non-Executive Directors out of whom two (2) are Non-Executive Independent Directors and one (1) is Non-Executive Non-Independent Director. Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director is the Chairman of the Committee. He holds Post Graduate Diploma in Management

from the Indian Institute of Management (IIM), Ahmedabad and possesses expert financial knowledge. All the members of the Committee are financially literate and have necessary accounting and financial management expertise/background.

During FY 2023-24, there were no changes in the composition of the Committee.

The composition of the Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

During FY 2023-24, the Committee met eight (8) times as detailed hereunder.

The composition of the Committee and attendance of members at the Committee meetings held during FY 2023-24, are given below:

| S. No. | Date of Committee meeting | Name of the Committee Members | | | No. of Members present (Total Strength) |
|---|---------------------------|---|-------------------------------------|-------------------------------------|---|
| | | Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Chairman | Mr. Ravi Chandra Adusumalli, Member | Mrs. Pallavi Shardul Shroff, Member | |
| 1 | May 04, 2023 | Yes | Yes | Yes | 3(3) |
| 2 | July 21, 2023 | Yes | Yes | Yes | 3(3) |
| 3 | August 04, 2023 | Yes | Yes | Yes | 3(3) |
| 4 | October 20, 2023 | Yes | Yes | Yes | 3(3) |
| 5 | January 11, 2024 | Yes | Yes | Yes | 3(3) |
| 6 | January 19, 2024 | Yes | Yes | Yes | 3(3) |
| 7 | February 29, 2024 | Yes | Yes | Yes | 3(3) |
| 8 | March 27, 2024 | Yes | Yes | Yes | 3(3) |
| Number of meetings attended (total held during tenure) | | 8(8) | 8(8) | 8(8) | |

Note:

The following changes were made in the composition of the Committee w.e.f. June 17, 2024:

- a) Mr. Ravi Chandra Adusumalli, Non-Executive Non-Independent Director, stepped down as a Member of the Committee.
- b) Mr. Rajeev Krishnamuralilal Agarwal, Non-Executive Independent Director, was appointed as a Member of the Committee.

Terms of Reference

Following are the terms of reference of the Audit Committee:

A. The Audit Committee shall have powers, including the following:

- Investigate any activity within its terms of reference;
- Seek information from any employee;
- Obtain outside legal or other professional advice; and
- Secure attendance of outsiders with relevant expertise, if it is considered necessary.

B. The role of the Audit Committee shall include the following:

- Oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement

to be included in the Board's report in terms of clause(c) of sub-section 3 of Section 134 of the Act;

- b. Changes, if any, in accounting policies and practices and reasons for the same;
- c. Major accounting entries involving estimates based on the exercise of judgment by management;
- d. Significant adjustments made in the financial statements arising out of audit findings;
- e. Compliance with listing and other legal requirements relating to financial statements;
- f. Disclosure of any related party transactions; and
- g. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/ or the applicable Accounting Standards and/or the Act.

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistleblower mechanism;
- Monitoring the end use of funds raised through public offers and related matters; overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- Approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
 - Considering and commenting on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
 - Carrying out any other function required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Act, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- Statement of deviations in terms of the SEBI Listing Regulations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
 - b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of the SEBI Listing Regulations.

C. The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and

Nomination and Remuneration Committee

Composition, Meetings and Attendance

As on March 31, 2024, the Nomination and Remuneration Committee comprised of three (3) Non-Executive Directors out of whom two (2) are Non-Executive Independent Directors and one (1) is Non-Executive Non-Independent Director. Mr. Ashit Ranjit Lilani, Non-Executive Independent Director is the Chairman of the Committee.

During FY 2023-24, there were no changes in the composition of the Committee.

The composition of the Nomination and Remuneration Committee meets the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

During FY 2023-24, the Committee met six (6) as detailed hereunder.

The composition of the Committee and attendance of members at the Committee meetings held during FY 2023-24, are given below:

| S. No. | Date of Committee meeting | Name of the Committee Members | | | No. of Members present (Total Strength) |
|---|---------------------------|-----------------------------------|--------------------------|-------------------------------------|---|
| | | Mr. Ashit Ranjit Lilani, Chairman | Mr. Neeraj Arora, Member | Mr. Ravi Chandra Adusumalli, Member | |
| 1 | April 28, 2023 | Yes | Yes | Yes* | 3(3) |
| 2 | July 20, 2023 | Yes | Yes | Yes | 3(3) |
| 3 | August 04, 2023 | Yes | Yes | Yes | 3(3) |
| 4 | October 10, 2023 | Yes | Leave of absence | Yes | 2(3) |
| 5 | January 09, 2024 | Leave of absence | Yes | Yes | 2(3) |
| 6 | January 19, 2024 | Yes | Yes | Yes | 3(3) |
| Number of meetings attended (total held during tenure) | | 5(6) | 5(6) | 6(6) | |

* The Nomination and Remuneration Committee Meeting held on April 28, 2023 was attended by Mr. Vivek Kumar Mathur as an Alternate Director to Mr. Ravi Chandra Adusumalli.

Note:

The following changes were made in the composition of the Committee w.e.f. June 17, 2024:

- a) Mr. Neeraj Arora, Non-Executive Independent Director, stepped down as a Member of the Committee.
- b) Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director, was appointed as a Member of the Committee.

The details relating to remuneration of Directors, as required under the SEBI Listing Regulations have been given under a separate section, viz. 'Directors Remuneration' in this Report.

Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company, Board policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees ("Remuneration Policy");
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;

- The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that :
 - a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:
 - a) administering the One 97 Employee Stock Option Scheme 2008, One 97 Employee Stock Option Scheme 2019 ("Plans");
 - b) determining the eligibility of employees to participate under the Plans;
 - c) granting options to eligible employees and determining the date of grant;
 - d) determining the number of options to be granted to an employee;
 - e) determining the exercise price under the Plans; and
 - f) construing and interpreting the Plans and any agreements defining the rights and obligations of the Company and eligible employees under the Plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plans.
 - g) Approving allotment of shares consequent to exercise of employee stock options under the Plans.
- Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- Carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Act, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

Composition, Meetings and Attendance

As on March 31, 2024, the Stakeholders' Relationship Committee comprised of three (3) Directors out of whom two (2) are Non-Executive Independent Directors and one (1) is Executive Director. Mrs. Pallavi Shardul Shroff,

Non-Executive Independent Director is the Chairperson of the Committee.

During FY 2023-24, there were no changes in the composition of the Committee.

The composition of the Stakeholders' Relationship Committee meets the requirements of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

During FY 2023-24, the Committee met two (2) times as detailed hereunder.

The composition of the Committee and attendance of members at the Committee meetings held during FY 2023-24, are given below:

| S. No. | Date of Committee meeting | Name of the Committee Members | | | No. of Members present (Total Strength) |
|---|---------------------------------|--|-----------------------------|------------------------------------|--|
| | | Mrs. Pallavi Shardul Shroff, Chairperson | Mr. Madhur Deora, Member | Mr. Ashit Ranjit Lilani, Member | |
| 1 | October 10, 2023 | Yes | Yes | Yes | 3(3) |
| 2 | March 27, 2024 | Yes | Yes | Yes | 3(3) |
| Number of meetings attended (total held during tenure) | | 2(2) | 2(2) | 2(2) | |

Note:

The following changes were made in the composition of the Committee w.e.f. June 17, 2024:

- a) Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director, stepped down as a member and Chairperson of the Committee.
- b) Mr. Rajeev Krishnamuralil Agarwal, Non-Executive Independent Director, was appointed as a member and Chairman of the Committee.

Terms of Reference

- Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Giving effect to allotment of equity shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed

dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

- Carrying out any other function required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time

Compliance Officer

During FY 2023-24, Mr. Sunil Kumar Bansal (ICSI Membership No.: F4810) was appointed as the Company Secretary and Compliance Officer of the Company with effect from July 21, 2023. Consequently, Ms. Sonali Singh (ICSI Membership No.: A26585) who was appointed as the Interim Compliance Officer of the Company w.e.f. March 15, 2023 ceased to be the Interim Compliance Officer of the Company w.e.f. July 21, 2023.

Nature of Complaints and Redressal Status

During FY 2023-24, the complaints received by the Company were general in nature, which were resolved by the Company to the satisfaction of the investors.

The details of investors complaints received and redressed, during the FY 2023-24, are as follows:

Status of Investor Complaints

| | |
|---|-----|
| Pending at the beginning of the FY 2023-24 | NIL |
| Received during the FY 2023-24 | 5 |
| Disposed off during the FY 2023-24 | 5 |
| Pending at the end of the FY 2023-24 | NIL |
| Complaints not resolved to the satisfaction of investor | NIL |

Risk Management Committee

Composition, Meetings and Attendance

As on March 31, 2024, the Risk Management Committee comprised of four (4) Directors out of whom three (3) are Non-Executive Independent Directors and one (1) Executive Director. Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director is the Chairman of the Committee.

During FY 2023-24, there were no changes in the composition of the Committee.

The composition of the Risk Management Committee meets the requirements of Regulation 21 of the SEBI Listing Regulations.

During FY 2023-24, the Committee met four (4) times as detailed hereunder.

The composition of the Committee and the attendance of members at the meetings held during the FY 2023-24, are given below:

| S. No. | Date of Committee meeting | Name of the Committee Members | | | | No. of Members present (Total Strength) |
|---|---------------------------------|---|---|--|--|---|
| | | Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Chairman | Mr. Vijay Shekhar Sharma, Member | Mrs. Pallavi Shardul Shroff, Member | Mr. Ashit Ranjit Lilani, Member | |
| 1 | May 04, 2023 | Yes | Yes | Leave of absence | Yes | 3(4) |
| 2 | July 19, 2023 | Yes | Yes | Leave of absence | Yes | 3(4) |
| 3 | October 10, 2023 | Yes | Yes | Yes | Yes | 4(4) |
| 4 | January 09, 2024 | Yes | Yes | Yes | Leave of absence | 3(4) |
| Number of meetings attended (total held during tenure) | | 4(4) | 4(4) | 2(4) | 3(4) | |

Note:

The following changes were made in the composition of the Committee w.e.f. June 17, 2024:

- a) Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director, stepped down as a Member of the Committee.
- b) Mr. Rajeev Krishnamuralilal Agarwal, Non-Executive Independent Director, was appointed as a Member of the Committee.

Terms of Reference

- Formulation of a detailed risk management policy which shall include:
 - a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
 - b) measures for risk mitigation including systems and processes for internal control of identified risks; and business continuity plan;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
- Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

- To implement and monitor policies and/or processes for ensuring cyber security; and
- Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing Regulations.

Corporate Social Responsibility Committee

Composition, Meetings and Attendance

As on March 31, 2024, Corporate Social Responsibility ("CSR") Committee comprised of three (3) Directors out of whom one (1) is Non-Executive Independent Director, one (1) is Non-Executive Non-Independent Director, and one (1) is Executive Director. Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director is the Chairman of the Committee.

During FY 2023-24, the following changes occurred in the composition of the Committee:

- a) Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director, was re-designated as the Chairman of the Committee w.e.f. October 20, 2023; and
- b) Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive Officer of the Company, who was earlier appointed as the Chairman of the Committee was re-designated as the Member of the Committee w.e.f. October 20, 2023.

The composition of the CSR Committee meets the requirements of Section 135 of the Act.

During FY 2023-24, the Committee met three (3) times as detailed hereunder.

The composition of the Committee and the attendance of members at the meetings held during the FY 2023-24, are given below:

| S. No. | Date of Committee meeting | Name of the Committee Members | | | No. of Members present (Total Strength) |
|---|---------------------------------|--|---|---|--|
| | | Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Chairman | Mr. Ravi Chandra Adusumalli, Member | Mr. Vijay Shekhar Sharma, Member | |
| 1 | July 19, 2023 | Yes | Yes | Yes | 3(3) |
| 2 | October 10, 2023 | Yes | Yes | Yes | 3(3) |
| 3 | March 27, 2024 | Yes | Yes | Yes | 3(3) |
| Number of meetings attended (total held during tenure) | | 3(3) | 3(3) | 3(3) | |

Terms of Reference

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, as amended;
- Review and recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the corporate social responsibility policy of the Company and its implementation from time to time;
- Monitor the Company's ESG framework, strategy, goals and disclosures;
- Constitute an ESG sub-committee (management level committee) which will provide an oversight on key policies and programs required to implement ESG strategy as well as monitor its execution; and
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Other Committees

Apart from the above statutory committees, the Board had constituted the Investment Committee to meet the specific business needs.

Investment Committee

Composition, Meeting and Attendance

As on March 31, 2024, Investment Committee comprised of three (3) Directors out of whom one (1) is Non-Executive Independent Director, one (1) is Non-Executive Non-Independent Director, and one (1) is Executive Director.

During FY 2023-24, the Committee met one (1) time as detailed hereunder.

The composition of the Committee and the attendance of members at the meeting held during the FY 2023-24, are given below:

| S. No. | Date of Committee meeting | Name of the Committee Members | | | No. of Members present (Total Strength) |
|-----------|---|-------------------------------------|-----------------------------|--|--|
| | | Mr. Vijay Shekhar Sharma, Member | Mr. Neeraj Arora, Member | Mr. Ravi Chandra Adusumalli, Member | |
| 1 | April 19, 2023 | Yes | Yes | Yes | 3(3) |
| | Number of meetings attended (total held during tenure) | 1(1) | 1(1) | 1(1) | |

Note:

The following changes were made in the composition of the Committee w.e.f. June 17, 2024:

- Mr. Neeraj Arora, Non-Executive Independent Director, stepped down as a Member of the Committee.
- Mr. Ashit Ranjit Lilani, Non-Executive Independent Director, was appointed as a Member of the Committee.

Terms of Reference

- To take various investment decisions of the Company.
- Recommendation/approval to invest or sell investments.
- To frame various policies pertaining to strategic investment of the Company.
- And any other functions as the board may assign to it from time to time.

Particulars of the Senior Management including the changes therein

a. Senior Management as on March 31, 2024

| Name of employee | Designation |
|-------------------------|---------------------------------------|
| Mr. Bhavesh Gupta* | President and Chief Operating Officer |
| Mr. Manmeet Singh Dhody | CTO, Payments |
| Mr. Sanjeev Garg | Senior Vice President - Finance |
| Mr. Srinivas Yanamandra | Head of Compliance |
| Ms. Urvashi Sahai | General Counsel |

b. Changes in Senior Management during FY 2023-24

| Name of employee | Designation | Date of change | Resigned |
|--------------------|----------------|----------------|--|
| Mr. Praveen Sharma | SVP – Business | March 31, 2024 | Resigned to pursue other opportunities |

Note: The details of the Key Managerial Personnel of the Company are not included herein above and are provided separately on Page no. 28 of Board's Report.

*Mr. Bhavesh Gupta tendered his resignation on May 04, 2024.

Mr. Ripunjai Gaur, Chief Business Officer of the Company, has been designated as Senior Management Personnel w.e.f. May 22, 2024.

D. GENERAL BODY MEETINGS

Annual General Meetings

The details of the Annual General Meetings held during last three years and the special resolution(s) passed there at, are as follows:

| Financial year | Location | Date | Time | Special Resolutions passed |
|----------------|--------------------------|--------------------|------------------|---|
| 2022-23 | Through Video Conference | September 12, 2023 | 09:00 A.M. (IST) | To approve the remuneration of Mr. Madhur Deora (DIN: 07720350), Whole-time Director designated as "Executive Director, President and Group Chief Financial Officer" of the Company. |
| 2021-22 | Through Video Conference | August 19, 2022 | 04:30 P.M. (IST) | <ol style="list-style-type: none"> Payment of remuneration of Mr. Vijay Shekhar Sharma (DIN: 00466521), Managing Director and Chief Executive Officer of the Company Payment of remuneration of Mr. Madhur Deora (DIN: 07720350), Whole-time Director designated as "Executive Director, President and Group Chief Financial Officer" of the Company |
| 2020-21 | Through Video Conference | June 30, 2021 | 11:00 A.M. (IST) | <ol style="list-style-type: none"> Re-appointment of Mrs. Pallavi Shardul Shroff, as a Non-Executive Independent Director Remuneration of Mr. Vijay Shekhar Sharma, Managing Director for FY 2021- 22 Subscription of optionally convertible debentures issued by VSS Holdings Private Limited Grant of inter-corporate deposit/ loan to VSS Investco Private Limited |

Postal Ballot

During the year under review, no approval from shareholders were sought through postal ballot. As on date of this report, none of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through postal ballot.

E. CODES, POLICIES AND FRAMEWORKS

Code of Conduct

In compliance with the provisions of the Act and Regulation 17 of the SEBI Listing Regulations, the Company has framed and adopted a Code of Conduct for Board and Senior Management ("Code").

The Code is applicable to all the Board members and Senior Management Personnel. The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually. Besides, the Company also procures an annual confirmation of material financial and commercial transactions entered into by Senior Management Personnel with the Company that may have a potential conflict of interest. A declaration signed by the Chairman, Managing Director and Chief Executive Officer, regarding affirmation of the compliance with the Code by Board members and Senior Management for FY 2023-24, is provided in **Annexure A** to this report.

The Code is available on website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

("PIT Regulations"), the Company has formulated a Code of Conduct to Regulate Monitor & Report Trading by Designated Persons and their Immediate Relatives ("PIT Code"). The Company has voluntarily adopted a regime, which is stricter than what is statutorily prescribed, to comply with PIT Regulations in letter and spirit e.g. all the transactions done by Designated Persons ("DPs") require pre-clearance irrespective of value or quantum of trade. The PIT Code, inter-alia, lays down the following:

- procedures to be followed by DPs while trading/ dealing in Company shares and while sharing Unpublished Price Sensitive Information ("UPSI"),
- the obligations and responsibilities of DPs,
- obligations and responsibilities of the Company to maintain a structural digital database,
- a mechanism for prevention of insider trading and handling of UPSI,
- process to familiarise the DPs with the sensitivity of UPSI, educate the DPs in relation to transactions which are prohibited and manner in which permitted transactions shall be carried out.

The Company conducts frequent workshops/training sessions and periodically circulates informative e-mails to educate and sensitize the DPs to familiarise them with the provisions of the PIT Code and compliance requirements.

Mr. Sunil Kumar Bansal, Company Secretary and Compliance Officer is the Compliance Officer to ensure compliance and effective implementation of the PIT Code.

Corporate policies

The Act and the SEBI Listing Regulations, stipulate formulation of certain policies for all listed companies. The website links of key policies / codes adopted by the Company are provided in **Annexure B** to this report.

F. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company believes that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. Accordingly, the Company disseminates information on its operations and initiatives on a regular basis.

a) Quarterly financial results

The quarterly financial results are published in widely circulated national newspapers such as Financial Express (English daily) and Jansatta (Hindi daily - vernacular).

The said results are promptly submitted to the stock exchanges for display on their respective websites and are also available

on the website of the Company at <https://ir.paytm.com/financial-results>.

b) Official news releases

Official news releases and media releases are sent to Stock Exchanges and available on the website of the Company at <https://ir.paytm.com/stock-exchange-filings>.

c) Earning Calls & presentations to Institutional Investors/ Analysts

The Company organises earnings conference calls with analysts and investors after the announcement of financial results. The transcript and audio of quarterly earnings calls is uploaded on the website of the Company as well as filed with the stock exchanges, which is accessible to all the Members and general public.

d) Website: The Company's website <https://ir.paytm.com/> contains a dedicated section for Investors where annual reports, earnings press releases, stock exchange filings, quarterly reports, policies etc., are available, apart from the details about the Company, Board of Directors and its Committees.

e) E-mail: The Company has also designated the e-mail ID compliance.officer@paytm.com exclusively for investor services.

G. GENERAL SHAREHOLDER INFORMATION

| | |
|--|--|
| Date, Time and Venue of the AGM | Thursday, September 12, 2024 at 09:00 a.m. (IST) through Video Conferencing/Other Audio Visual Means facility |
| CIN | L72200DL2000PLC108985 |
| ISIN | INE982J01020 |
| Registered Office Address | First Floor, Devika Tower, Nehru Place, New Delhi 110019, India |
| Financial Year | April 01 to March 31 |
| Adoption of Financial Results (Tentative Schedule, subject to change) | |
| For quarter ending June 30, 2024 | on or before August 14, 2024 |
| For quarter and half year ending September 30, 2024 | on or before November 14, 2024 |
| For quarter and nine months ending December 31, 2024 | on or before February 14, 2025 |
| For quarter and financial year ending March 31, 2025 | on or before May 30, 2025 |
| Trading window closure for Financial Results | From the 1st day after close of quarter till the completion of 48 hours after the Financial Results becomes publicly available |
| Date of Book Closure | N.A. |
| Dividend and Dividend Payment Date | N.A. |

Equity Shares Listing, Stock Code and Listing Fee Payment

| Name and address of the Stock Exchange | Scrip code | Status of fee paid for FY 2023-24 |
|---|------------|-----------------------------------|
| National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra, Mumbai - 400001 | PAYTM | Yes |
| BSE Limited ("BSE") Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 | 543396 | Yes |

The listing fees for FY 2024-25 has been paid by the Company to the NSE and BSE in due timeline.

Registrar and Share Transfer Agent

All the functions related to share registry, both in physical and electronic form, are handled by the Link Intime India Private Limited ("RTA"). The details of RTA are mentioned in the 'Communications Details' section of this report.

Share Transfer System

During FY 2023-24, the RTA of the Company ensured compliance with all the procedural requirements with respect to transfer, transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates.

SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 read with other applicable circulars, from time to time, if any, mandated all the listed companies to issue securities in dematerialised form only, while processing the service request for issue of duplicate securities certificates, renewal/exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, the Company / its RTA are not accepting any lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation. However, investors are not barred from holding shares in physical form. Transfers in electronic form are much simpler and quicker as the members have to approach their respective depository participants and the transfers are processed by NSDL/ CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

Shareholders holding more than 1% of the shares as on March 31, 2024

The details of top shareholders holding more than 1% (PAN-based) of the equity as on March 31, 2024 are as follows:

| Name of the shareholder | Shares | % of shareholding |
|---|------------|-------------------|
| SAIF III Mauritius Company Limited | 68,735,489 | 10.82 |
| Resilient Asset Management B V* | 65,335,101 | 10.28 |
| Antfin (Netherlands) Holding B.V.** | 62,797,816 | 9.88 |
| Vijay Shekhar Sharma* | 57,845,053 | 9.10 |
| Axis Trustee Services Limited | 30,970,406 | 4.87 |
| SAIF Partners India IV Limited | 29,180,478 | 4.59 |
| Mirae Mutual Funds*** | 23,912,957 | 3.76 |
| Nippon Mutual Funds*** | 10,524,779 | 1.66 |
| Morgan Stanley Asia (Singapore) Pte. - Odi*** | 10,095,350 | 1.59 |
| Societe Generale - Odi*** | 8,901,090 | 1.40 |
| SVF India Holdings (Cayman) Limited | 8,869,998 | 1.40 |
| Government Pension Fund Global | 8,503,220 | 1.34 |
| Goldman Sachs (Singapore) Pte. - Odi*** | 8,401,067 | 1.32 |
| Tiger Pacific Master Fund Lp | 6,579,135 | 1.04 |

*Mr. Vijay Shekhar Sharma is the only Significant Beneficial Owner (SBO) of the Company w.e.f. August 14, 2023. He along with Resilient Asset Management B.V., an overseas entity 100% owned by him, holds 19.39% of the total equity share capital of the Company as on March 31, 2024.

**Pursuant to reduction in shareholding of Antfin (Netherlands) Holding B.V. below 10% equity shares in the Company on August 25, 2023, Mr. Yun Ma ceased to be the SBO of the Company.

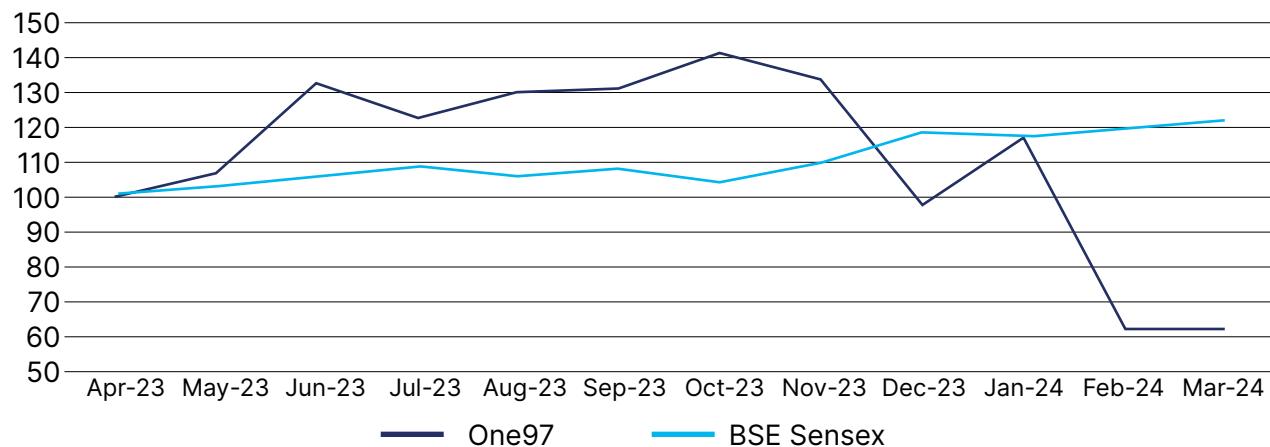
*** Multiple folios associated with a single PAN have been consolidated.

Stock Market Data for the period ended March 31, 2024

| Month | BSE | | | NSE | | |
|--------|------------|-----------|------------|------------|-----------|-------------|
| | High Price | Low Price | Volume | High Price | Low Price | Volume |
| Apr-23 | 674.05 | 631.00 | 5,318,610 | 674.25 | 631.00 | 41,670,958 |
| May-23 | 741.95 | 655.00 | 4,766,785 | 742.00 | 655.00 | 85,620,457 |
| Jun-23 | 915.00 | 694.90 | 6,378,507 | 914.95 | 694.70 | 126,687,435 |
| Jul-23 | 880.00 | 752.25 | 3,509,099 | 875.95 | 752.00 | 70,637,436 |
| Aug-23 | 939.00 | 764.25 | 26,713,768 | 938.65 | 764.15 | 86,760,069 |
| Sep-23 | 919.85 | 825.35 | 2,497,743 | 921.00 | 825.00 | 49,217,468 |
| Oct-23 | 998.30 | 850.05 | 3,567,851 | 998.30 | 850.10 | 67,709,011 |
| Nov-23 | 928.60 | 861.75 | 3,603,612 | 928.85 | 862.10 | 99,736,180 |
| Dec-23 | 884.00 | 592.85 | 19,536,837 | 884.15 | 592.70 | 162,928,459 |
| Jan-24 | 797.70 | 636.90 | 11,170,424 | 798.00 | 636.65 | 104,034,184 |
| Feb-24 | 608.80 | 318.35 | 25,081,145 | 609.00 | 318.05 | 284,874,429 |
| Mar-24 | 437.45 | 334.35 | 12,765,403 | 437.40 | 334.25 | 77,560,391 |

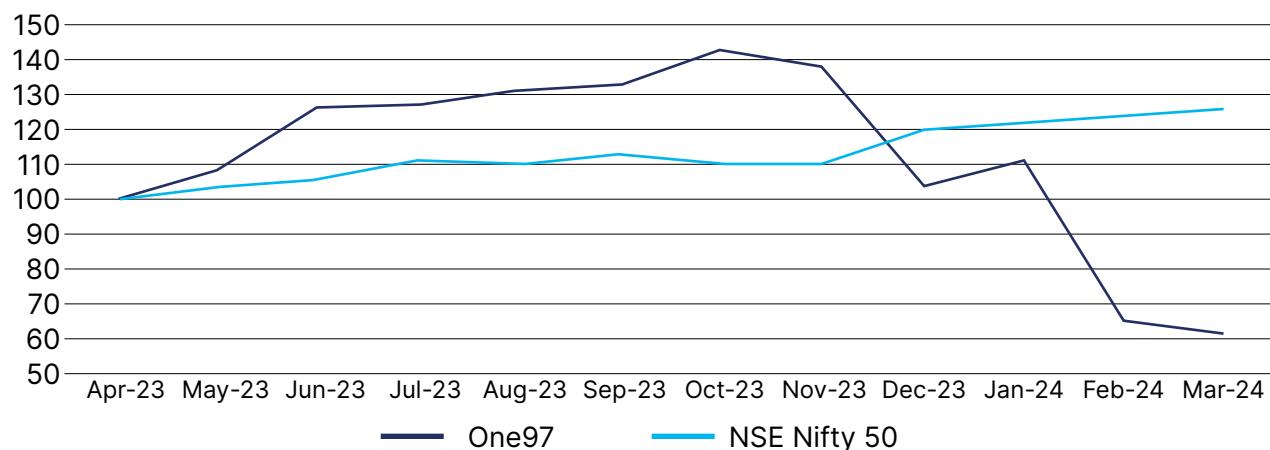
Performance of One 97 Communications Limited in comparison to BSE Sensex (Base 100)

Comparison to BSE Sensex



Performance of One 97 Communications Limited in comparison to NSE Nifty (Base 100)

Comparison to NSE Nifty 50



Distribution of shareholding by number of shares held as on March 31, 2024

| No. of equity shares held | No. of shareholders* | % to total shareholders | No. of shares | % of total shares |
|---------------------------|----------------------|-------------------------|--------------------|-------------------|
| 1 - 500 | 1,230,554 | 97.83 | 46,820,313 | 7.37 |
| 501 - 1,000 | 15,316 | 1.22 | 11,288,686 | 1.78 |
| 1,001 - 2,000 | 6,410 | 0.51 | 9,165,486 | 1.44 |
| 2,001 - 3,000 | 1,972 | 0.16 | 4,926,279 | 0.77 |
| 3,001 - 4,000 | 860 | 0.07 | 3,021,679 | 0.48 |
| 4,001 - 5,000 | 544 | 0.04 | 2,527,005 | 0.40 |
| 5,001 - 10,000 | 1,021 | 0.08 | 7,328,455 | 1.15 |
| 10,000 & above | 1,178 | 0.09 | 550,335,870 | 86.61 |
| Total | 1,257,855 | 100.00 | 635,413,773 | 100.00 |

*Distribution of shareholding is not consolidated on PAN basis.

Shareholding Pattern as on March 31, 2024

| Category | Total Shares | Total Percentage (%) |
|---|--------------------|----------------------|
| Promoter and Promoter Group | - | - |
| Indian | - | - |
| Foreign | - | - |
| Total Promoter Shareholding | - | - |
| Public Shareholding | | |
| Institutional Investor | | |
| Mutual Funds | 39,103,022 | 6.15 |
| Financial Institutions and Banks | - | - |
| Insurance Companies | 236,214 | 0.04 |
| Alternate Investment Funds | 4,209,197 | 0.66 |
| Foreign Portfolio Investors | 131,103,500 | 20.64 |
| Foreign Direct Investment | 252,689,431 | 39.77 |
| NBFC | 20,331 | 0.00 |
| Any Other (Central Government / President of India) | - | - |
| Non-Institutional Investor | | |
| Bodies Corporate | 43,727,900 | 6.88 |
| Clearing Members | 28,584 | 0.00 |
| IEPF | - | - |
| Bodies Corporate (Foreign) | - | - |
| Trust | 7,937 | 0.00 |
| NRI | 5,370,600 | 0.85 |
| Resident Individuals / Hindu Undivided Family / Directors and their relatives (excluding Independent Directors and nominee Directors) | 158,898,779 | 25.01 |
| Foreign National | 18,278 | 0.00 |
| Total Public Shareholding | 635,413,773 | 100.00 |
| Shares held by Employee Trust | - | - |
| Total | 635,413,773 | 100.00 |

Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Members can hold the Company's shares with any of the depository participants, registered with the depositories.

There was no instance of suspension of trading in Company's shares during FY 2023-24.

The break-up of shares held in physical and dematerialised mode as on March 31, 2024 is as follows:

| Shareholding | No. of Shares | % of Total Shares |
|---------------------|--------------------|-------------------|
| Physical Mode | 223,932 | 0.04 |
| Dematerialised Mode | 635,189,841 | 99.96 |
| Total | 635,413,773 | 100.00 |

The equity shares of the Company are liquid and traded in dematerialised form on BSE and NSE.

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2024, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities:

Commodity Risk:

The Company is not exposed to any commodity price risk, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Master Circular dated July 11, 2023, is not applicable.

Foreign Exchange Risk:

Foreign currency risk is the risk that the fair value of 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 and investing activities (when revenue or expense/capex is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss where assets / liabilities are denominated in a currency other than the functional currency of the Company.

During FY 2023-24, the Company did not undertake any derivative hedging activity and managed its foreign exchange risk through a mix of close monitoring, management review and natural hedge.

Plant Locations

Being a service provider company, the Company has no plant locations. However, the details of Company's Offices form part of the Business Responsibility and Sustainability Report.

Credit Rating

The Company has not issued any non-convertible securities and hence, no credit ratings were required to be obtained during FY 2023-24.

Communications Details

| Particulars | Contact | Email | Address |
|---|--|--|--|
| For queries relating to investor grievances and annual report | Mr. Sunil Kumar Bansal Company Secretary and Compliance Officer Ms. Sonali Singh GM - Company Secretary | compliance.officer@paytm.com | One Skymark, Tower D, Plot No. H-10B, Sector-98, Noida-201304 Ph. No. - 120-4770770; |
| For queries relating to financials/investor relations | Mr. Anuj Mittal SVP - Investor Relations | ir@paytm.com | |
| For Registrar and Share Transfer Agent Queries | Mr. Vishal Dixit Link Intime India Private Limited | delhi@linkintime.co.in | Link Intime India Private Limited, Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Ph. No.- 011-49411000 |

H. OTHER DISCLOSURES

Related Party Transactions

During FY 2023-24, the Company had entered into related party transactions with its subsidiary / associate companies and other related parties, with the prior approval of the Audit Committee and Members, wherever necessary. All the transactions with related parties entered into by the Company were on an arm's length basis and in the ordinary course of business and in the best interest of the Company. The Company had also engaged independent consultants, wherever necessary, to review and confirm that the transactions were undertaken on an arms' length basis and at prevailing market rate.

The related party transactions entered by the Company are disclosed every half yearly

to the stock exchange in compliance with Regulation 23 of the SEBI Listing Regulations and are disclosed in notes to accounts of financial statements, forming part of the Annual Report. The policy on dealing with Related Party Transactions is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

Details of Non-compliance with regard to Capital Markets during the last three years

The Company has complied with the applicable rules, regulations and guidelines prescribed by SEBI and Stock Exchanges, from time to time. Subsequent to the date of its listing, there were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI and/or any other statutory authorities on matters relating to the capital market.

Vigil Mechanism/ Whistle Blower Mechanism Policy

The Company has adopted and established a robust vigil/ whistle blower mechanism by formulating and adopting the Vigil Mechanism/ Whistle Blower Mechanism Policy ("WB Policy"), in compliance with Section 177 (9) of the Act read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 4(2)(d)(iv) read with Regulation 22 of the SEBI Listing Regulations, which stipulate a mandatory requirement for all listed companies to establish a Vigil Mechanism/ Whistle Blower Mechanism for directors, employees (and their representative bodies) and other persons (collectively or individually referred to as "Eligible Person(s)") to report concerns of unethical behavior, actual or suspected, fraud or violation of inter-alia the Company's Code of Conduct ("COC") or Anti Bribery and Corruption ("ABAC") Policy. The WB Policy provides a framework for responsible and secure whistle blowing/vigil mechanism.

The Company believes in conducting its business / affairs in a fair and transparent manner, with highest standards of professionalism, honesty, integrity and ethical behavior. In pursuit of the same, the WB Policy encourages Eligible Persons to raise genuine concerns about any malpractices at the workplace without any fear of retaliation or victimization. Adequate safeguards have been provided in the WB Policy to protect Eligible Persons against any kind of victimization or retribution.

All protected disclosures made by Whistle Blowers under this mechanism/WB Policy are recorded and thoroughly investigated (by such internal teams as are best suited to conduct the investigation). If necessary, the General

Counsel, with the prior approval/ concurrence of Chairman of the Audit Committee, is at liberty to engage a suitable external agency for aiding/ carrying out the investigation. A Whistle Blower also has the right to access to the Chairman of the Audit Committee directly in appropriate or exceptional cases, and the chairman of the Audit Committee is authorized to prescribe suitable directions, as may be deemed fit. The identity of the Whistle Blower is kept confidential to the extent possible and permitted under law. Any employee assisting in investigation of any complaint shall also be protected to the same extent as the Whistle Blower.

The WB Policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

During FY 2023-24, total of 68 complaints were received and taken up for investigation out of which 56 complaints were resolved as on March 31, 2024. 12 complaints remained pending/under the process of investigation by the Company as on the aforesaid date (which were received in the last quarter of the financial year and the investigations were completed within the stipulated time period). As on date of this report, 11 out of 12 complaints have been resolved and 1 is in the process of closure. None of the Whistle Blowers have been denied access to the Audit Committee.

Prevention of Sexual Harassment ("POSH") at Workplace

The Company does not tolerate verbal or physical conduct likely to create an intimidating, offensive, or hostile environment for employees. Harassment of any kind including sexual harassment is forbidden in the Company and every employee has the right to be protected against it. The Company is committed to

create a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees of the Company have the right to be treated with dignity. The Company discourages malicious allegations, since they can harm the sanctity of the process and the reputation of the respondent.

The Prevention of Sexual Harassment at Workplace Policy ("POSH Policy") has been formed under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment. In case of any allegations of sexual harassment are substantiated by the Internal Complaints Committee (ICC), appropriate disciplinary action shall be taken against the accused. A helpline number and a designated email ID for ICC is shared to employees to raise complaints or get counseling. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant. The POSH policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

The Company sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.

During FY 2023-24, no complaint was received. 1 complaint pending for closure from FY 2022-23 (which was reported in March 2023) was resolved & closed during FY 2023-24.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During FY 2023-24, the Company has not raised funds through preferential allotment or qualified institutional placement.

No Disqualification Certificate from Practicing Company Secretary

A certificate from Mr. Nitesh Latwal (ICSI Membership No.: A32109), Partner, PI & Associates, Practicing Company Secretaries, (Firm Registration No.: P2014UP035400) pursuant to Schedule V of the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as on March 31, 2024, is provided in **Annexure C** to this report.

Compliance Certificate from Secretarial Auditor regarding compliance of conditions of Corporate Governance

A certificate from PI & Associates, Practicing Company Secretaries, (Firm Registration No.: P2014UP035400) pursuant to Schedule V of the SEBI Listing Regulations, affirming compliance of Corporate Governance during FY 2023-24, is provided in **Annexure D** to this report.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the SEBI Listing Regulations, duly signed by the Chief Executive Officer and Chief Financial Officer of the Company was placed before the Board. The same is provided as **Annexure E** to this report.

Consolidated Fees paid to Statutory Auditors

During FY 2023-24, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors, is given below:

| Particulars | Amount (₹ in Mn) |
|-----------------|------------------|
| Audit Fees* | 24.31 |
| Other services* | 12.10 |
| Total | 36.41 |

*excluding out-of-pocket expenses

Loans and Advances in the nature of Loans to Firms/Companies in which Directors are interested by Name and Amount

The details of loans and advances in the nature of loans to firms/companies in which Directors are interested, forms part of notes to the financial statements.

Details of Material Subsidiary

In compliance with Regulation 16(1)(c) of the SEBI Listing Regulations, the Company has formulated a Policy for Determining Material Subsidiaries. The said policy is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

During FY 2023-24, Paytm Payments Services Limited ("PPSL") continued to be a material subsidiary of the Company.

Mrs. Pallavi Shardul Shroff (DIN: 00013580), Non-Executive Independent Director of the Company is an independent director on the Board of PPSL, in terms of Regulation 24(1) of the SEBI Listing Regulations.

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016)

Statutory Auditors of PPSL resigned with effect from August 07, 2023. The Statutory Auditors did not raise any concern or issue.

Further, the Members of PPSL at their Annual General Meeting held on September 08, 2023 approved the appointment of M/s S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004) as the Statutory Auditors.

The details of PPSL are set out below:

| | |
|---|--------------------------------|
| Date and Place of Incorporation | October 10, 2020, New Delhi |
| Name of Statutory Auditors | S.R. Batliboi & Associates LLP |
| Date of Appointment of Statutory Auditors | September 08, 2023 |

Disclosures with respect to demat suspense account/ unclaimed suspense account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, there are no equity shares lying in the Demat Suspense Account/ Unclaimed Suspense Account.

Disclosure of agreements, if any, binding

In terms of Regulation 30A of the SEBI Listing Regulations, there are no agreements entered which will impact the management or control or impose any restriction or create any liability upon the Company.

Compliance with the Mandatory Requirements of the SEBI Listing Regulations

The Board periodically reviews the compliance of all the applicable laws. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

Compliance with discretionary requirements:

a) Communication to Shareholders

Quarterly and annual financial results/statements along with the transcripts of earnings and presentations are posted on the website of the Company. Other information, such as press releases, stock exchange disclosures and presentations made to investors and analysts, etc., is also regularly updated on the website of the Company. The Company also publishes voting results of general meetings/ postal ballot and makes it available on its website as well as reports the same to Stock Exchanges in terms of Regulation 44 of the SEBI Listing Regulations.

b) Shareholder's Right

The Company ensures that disclosure of all information is disseminated on a non-discretionary basis to all shareholders. Quarterly results along with press releases, investor presentations, recordings as well as transcripts of the earnings calls are uploaded on the website of the Company at <https://ir.paytm.com/financial-results>. The Shareholders' Rights and Frequently Asked Questions can be accessed

on the website of the Company at a <https://ir.paytm.com/rights-of-shareholders> and <https://ir.paytm.com/faqs>, respectively.

c) Audit Qualifications

The Auditors have issued an unmodified opinion on the financial statements of the Company.

d) Reporting of Internal Auditor

The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

Internal audit function is governed by the Internal Audit Charter approved by the Audit Committee, Internal audit scope and Internal Audits / Reviews outcome are submitted and presented in the quarterly Audit Committee meeting.

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Act read with rules made thereunder and as a continuing endeavour towards the 'Go Green' initiative, the Company sends all correspondence/ communications through email to those Members who have registered their email id with their depository participant's/ Company's registrar and share transfer agent.

Annexure A

Declaration

I hereby confirm that the Company has received a confirmation from all the members of the Board and Senior Management, for the financial year ended March 31, 2024, that they are in compliance with the Company's Code of Conduct.

For One 97 Communications Limited

Vijay Shekhar Sharma

Date: May 21, 2024

Chairman, Managing Director and Chief Executive Officer

Place: Noida

DIN: 00466521

Annexure B

Corporate Policies

Every Listed Company is required to formulate certain policies pursuant to provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has formulated and adopted all such applicable policies. These policies are reviewed periodically by the Board and updated as and when needed.

The below-mentioned policies are available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>:

Name of the Policies

- Corporate Social Responsibility Policy
- Vigil Mechanism/whistle blower mechanism policy
- Policy on material events and information
- Code of Conduct for Board and Senior Management
- Policy on Related Party Transactions
- Nomination, Remuneration and Board Diversity Policy
- Policy for determining 'material' subsidiaries
- Dividend distribution policy
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Risk assessment and management policy
- Policy for preservation of documents
- Web archival Policy
- Prevention of Sexual Harassment Policy
- Anti-Bribery and Anti-Corruption Policy
- Policy on familiarization of Independent Director
- Equal Employment Opportunity Policy for Persons with Disabilities
- Code of conduct to Regulate, Monitor & Report Trading by Designated Persons and their immediate relative
- Investor Grievance Redressal Policy
- Conflicts of Interest Policy
- Taxation Policy
- Policy on Succession Planning for Board & Senior Management

Annexure C

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members

One 97 Communications Limited

First Floor, Devika Tower,
Nehru Place New Delhi,
India-110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ONE 97 COMMUNICATIONS LIMITED** having **CIN: L72200DL2000PLC108985** and having registered office at First Floor, Devika Tower Nehru Place, New Delhi -110019 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('DIN') status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the financial year ended on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No | DIN | Name of Director | Initial Date of Appointment | Date of Appointment in Current Term (incl. date of re- appointment) |
|----------|----------|--|--------------------------------|--|
| 1 | 00466521 | Mr. Vijay Shekhar Sharma | December 22, 2000 | December 19, 2022 |
| 2 | 07720350 | Mr. Madhur Deora | May 20, 2022 | May 20, 2022 |
| 3 | 00253613 | Mr. Ravi Chandra Adusumalli | February 16, 2012 | February 16, 2012 |
| 4 | 00013580 | Ms. Pallavi Shardul Shroff | February 09, 2018 | February 09, 2021 |
| 5 | 00766821 | Mr. Ashit Ranjit Lilani | July 05, 2021 | July 05, 2021 |
| 6 | 07221836 | Mr. Neeraj Arora | July 11, 2021 | July 11, 2021 |
| 7 | 00361030 | Mr. Gopalasamudram Srinivasaraghavan Sundararajan | August 29, 2022 | August 29, 2022 |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

Nitesh Latwal

Partner

ACS No.: A32109

CP No.: 16276

UDIN: A032109F000409772

Date: May 22, 2024

Place: New Delhi

Annexure D

Certificate on Corporate Governance

To,

The Members

One 97 Communications Limited

1. We have examined the compliance of the conditions of Corporate Governance by **One 97 Communications Limited ("Company")**, for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI Listing Regulations"**).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

Nitesh Latwal

Partner

ACS No.: A32109

C P No.: 16276

PR: 1498/2021

UDIN: A032109F000409805

Date: May 22, 2024

Place: New Delhi

Annexure E

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification

We, Vijay Shekhar Sharma, Chairman, Managing Director and CEO and Madhur Deora, Executive Director, President and Group Chief Financial Officer of One 97 Communications Limited, to the best of our knowledge and belief hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Vijay Shekhar Sharma

Chairman, Managing Director and
Chief Executive Officer
DIN: 00466521

Date: May 21, 2024

Place: Noida

Madhur Deora

Executive Director, President and
Group Chief Financial Officer
DIN: 07720350

Place: Noida

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

| | | |
|---|--|--|
| 1 Corporate Identity Number (CIN) | L72200DL2000PLC108985 | |
| 2 Name | One 97 Communications Limited | |
| 3 Year of incorporation | 2000 | |
| 4 Registered office address | First Floor, Devika Tower, Nehru Place, New Delhi – 110019, India | |
| 5 Corporate address | One Skymark, Tower D, Plot No. H-10B, Sector-98, Noida–201304, Uttar pradesh, India | |
| 6 E-mail | compliance.officer@paytm.com | |
| 7 Telephone | +91-120- 4770770 | |
| 8 Website | www.paytm.com | |
| 9 Financial year for which reporting is being done | FY 2023-24 | |
| 10 Name of the Stock Exchange(s) where shares are listed | The Equity shares of the Company are listed and traded on National Stock Exchange of India Limited and Bombay Stock Exchange Limited. | |
| 11 Paid-up Capital | ₹ 635,413,773 | |
| 12 Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Sunil Kumar Bansal Company Secretary and Compliance Officer Telephone Number: +91 120 4770770 Email: compliance.officer@paytm.com | |
| 13 Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone | |
| 14 Name of assurance provider | TUV India Private Limited | |
| 15 Type of assurance obtained | Limited | |

II. Products/services

| S. No | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|-------|--------------------------------|---|-----------------------------|
| 1 | Payment and financial services | Payment services for consumers and merchants, which enables them to send and receive payments both online and in-store. Financial Services include mobile credit, insurance, and mutual funds distribution and equity broking for consumers and merchants. | 81 |
| 2 | Marketing Services | Marketing services include ticketing for travel and entertainment, deals and gift vouchers. It also includes advertising, credit card distribution and loyalty programs for merchants. | 19 |

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No | Product/Service | NIC Code | % of total Turnover contributed |
|-------|--|----------|---------------------------------|
| 1 | Key services offered by the Company include digital recharge, bill payments such as utility bills, education and money transfers on the app, online payment gateways as well as offline payment modes to merchants either through QR codes, Soundbox or Card Machines. Apart from this, the Company also offers digital distribution of credit, insurance, mutual funds distribution and equity broking. Other services include ticketing, deals and gift vouchers, advertising services and loyalty programs for merchants as well as distribution of credit cards. | 63999 | 100 |

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|----------------|------------------|-------------------|-------|
| National# | 0 | 70 | 70 |
| International* | 0 | 14 | 14 |

*Note: International locations represent the number of registered offices of the subsidiaries of the Company.

#Note: National locations represent registered office, along with fleet hubs and regional offices.

19. Markets served by the entity:

a. Number of locations

| Locations | Number |
|-----------------------------------|---|
| National (No. of States) | The company provides services in all state in India |
| International (No. of Countries)* | 16 |

*Note: International locations in terms of market served represent the number of countries with recorded revenue from an export service provided for the fiscal year 2023-24, either by the Company, or by its subsidiaries.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Less than 1%

c. A brief on types of customers

The Company offers payments, marketing services and financial services to over 9.6 Crore transacting users (average of last three months ended March'2024) every month who benefit from our aforesaid diverse range of services. These services are available on a pan India basis to individuals spanning across various age groups. The offerings by the Company cater to a wide spectrum of customer requirements, facilitating seamless money transfers, merchant payments, bill payments, e-commerce transactions including on-line payments, and access to a variety of other financial services.

Our merchant network has grown significantly, reaching 4.06 Crore merchants (as of March 2024). Large and medium-sized merchants leverage features like payment gateway, POS machines and loyalty programs to enhance overall customer experience. Simultaneously, the Company actively empowers millions of small merchants by offering payment acceptance via products such as Paytm QR and Soundbox.

IV. Employees

20. Details as at the end of Financial Year 2023-24

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------|---------------------------|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D)* | 28,107 | 26,504 | 94.30 | 1,603 | 5.70 |
| 2. | Other than Permanent (E)^ | NIL | NIL | NIL | NIL | NIL |
| 3. | Total employees (D + E) | 28,107 | 26,504 | 94.30 | 1,603 | 5.70 |
| WORKERS | | | | | | |
| 4. | Permanent (F) | NIL | NIL | NIL | NIL | NIL |
| 5. | Other than Permanent (G) | NIL | NIL | NIL | NIL | NIL |
| 6. | Total workers (F + G) | NIL | NIL | NIL | NIL | NIL |

*Permanent Employees include Full Time Managerial Grade (MG) and Sales Grade (SG) employees

^As our Paytm Services Agent Consultants (CG) are not on Company payrolls and paid out as Business Consulting payout. Hence, they have not been included.

Note: Higher ratio of male employees is reflective of majority of employees being in field sales which has a higher ratio of male employees.

Paytm has also focused on diversity hiring at Senior Leadership level (VP & above) and has increased the female count by 78% in FY24 from FY23. As compared to FY23, the total headcount has increased by 8.3% in FY24.

Definition according to SEBI Guideline on BRSR Page 3: (https://www.sebi.gov.in/sebi_data/commondocs/may-2021/Business%20responsibility%20and%20sustainability%20reporting%20by%20listed%20entitiesAnnexure2_p.PDF)

b. Differently abled Employees and Workers:

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) [#] | 9 | 9 | 100 | NIL | NIL |
| 2. | Other than Permanent (E) | NIL | NIL | NIL | NIL | NIL |
| 3. | Total differently abled employees (D + E) [#] | 9 | 9 | 100 | NIL | NIL |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | NIL | NIL | NIL | NIL | NIL |
| 5. | Other than permanent (G) | NIL | NIL | NIL | NIL | NIL |
| 6. | Total differently abled workers (F + G) | NIL | NIL | NIL | NIL | NIL |

Note: The data presented above includes the individuals who have self-identified as disabled and have provided their disability certificates as verification.

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and Percentage of females | |
|----------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors * | 7 | 1 | 14.29 |
| Key Management Personnel ^ | 3 | 0 | 0 |

* Board of Directors - Mr. Vijay Shekhar Sharma, Mr. Ravi Chandra Adusumalli, "Mr. Neeraj Arora, Mr. Madhur Deora, Mr. Ashit Ranjit Lilani, Mrs. Pallavi Shardul Shroff and Mr. Gopalasamudram Srinivasaraghavan Sundararajan.

^Key Management Personnel - Mr. Vijay Shekhar Sharma, Mr. Madhur Deora and Mr. Sunil Kumar Bansal.

#Mr. Neeraj Arora, Non-Executive Independent Director of the Company tendered his resignation w.e.f. June 17, 2024 on account of pre-occupation and other personal commitments. Mr. Rajeev Krishnamuralil Agarwal has been appointed as a Non-Executive Independent Director of the Company w.e.f. June 17, 2024 for a term of five (5) consecutive years, subject to the approval of the Members of the Company.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | | FY 2021-22 Prior Financial Year | | |
|---------------------|--------------------------------------|--------|--------|---------------------------------------|--------|--------|------------------------------------|--------|--------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 86.30% | 37.93% | 82.58% | 67.70% | 35.34% | 64.59% | 35.84% | 46.55% | 37.46% |
| Permanent Workers | | | | | NIL | | | | |

Note: Turnover rate for Permanent Employees includes all confirmed employees including field sales team on our rolls. Entity transfers from the Company to other group entities are not included in attrition. Employees on probation are not included.

Field sales teams that comprise majority of our confirmed employee base generally has a higher turnover ratio. The overall increase in turnover ratio is primarily on account of increase in contribution of field sales team to the overall confirmed man power in FY 23-24 along with a slight increase in turnover rate of the field sales team. Turnover rate of non-field sales teams is at 33.90% (compared to 32.26% in FY 22-23).

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by the Company | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company? (Yes/No) |
|--------|---|---|------------------------------------|--|
| 1 | One 97 Communications India Limited | Subsidiary | 100.00 | No |
| 2 | Wasteland Entertainment Private Limited | Subsidiary | 100.00 | No |
| 3 | Mobiquest Mobile Technologies Private Limited ('MQ') (refer note (i) and (v) below) | Subsidiary | 82.49 | No |
| 4 | Urja Money Private Limited ('Urja') (refer note (iv) below) | Subsidiary | 83.34 | No |
| 5 | Little Internet Private Limited ('Little') | Subsidiary | 62.53 | No |
| 6 | Paytm Entertainment Limited | Subsidiary | 100.00 | No |
| 7 | Paytm Money Limited | Subsidiary | 100.00 | No |

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by the Company | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company? (Yes/No) |
|--------|---|--|---------------------------------|--|
| 8 | Orbgen Technologies Private Limited | Subsidiary | 100.00 | No |
| 9 | Paytm Services Private Limited | Subsidiary | 100.00 | No |
| 10 | Paytm Payments Services Limited | Subsidiary | 100.00 | No |
| 11 | Paytm Insurance Broking Private Limited | Subsidiary | 100.00 | No |
| 12 | One 97 Communications Nigeria Limited | Subsidiary | 100.00 | No |
| 13 | One 97 Communications FZ-LLC | Subsidiary | 100.00 | No |
| 14 | One 97 Communications Singapore Private Limited ('OCSPL') (refer note (vi) below) | Subsidiary | 100.00 | No |
| 15 | One 97 USA Inc. | Subsidiary | 100.00 | No |
| 16 | One 97 Communications Rwanda Private Limited (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 17 | One 97 Communications Tanzania Private Limited (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 18 | One 97 Communications Bangladesh Private Limited (subsidiary of OCSPL) | Subsidiary | 70.00 | No |
| 19 | One 97 Uganda Limited (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 20 | One 97 Ivory Coast SA (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 21 | One 97 Benin SA (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 22 | Paytm Labs Inc. (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 23 | One97 Communications Malaysia Sdn. Bhd. (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 24 | One Nine Seven Communication Nepal Private Limited (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 25 | One Nine Seven Digital Solutions Limited (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 26 | One Nine Seven Communications Saudi Arabia For Communication and Information Technology (subsidiary of OCSPL) | Subsidiary | 100.00 | No |
| 27 | Xceed IT Solutions Private Limited (subsidiary of MQ) | Subsidiary | 82.49 | No |
| 28 | Fincollect Services Private Limited (subsidiary of Urja) | Subsidiary | 83.34 | No |
| 29 | Nearbuy India Private Limited (subsidiary of Little) | Subsidiary | 62.53 | No |
| 30 | Paytm Payments Bank Limited (refer note (ii) below) | Associates | 49.00 | No |
| 31 | Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) | Associates | 32.45 | No |
| 32 | Paytm General Insurance Limited | Associates | 49.00 | No |
| 33 | Paytm Life Insurance Limited | Associates | 49.00 | No |
| 34 | Paytm Financial Services Limited ('PFSL') | Associates | 48.78 | No |

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/Subsidiary/Associate/ Joint Venture | % of shares held by the Company | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company? (Yes/No) |
|--------|--|--|---------------------------------|--|
| 35 | Foster Payment Networks Private Limited (subsidiary of PSL) (refer note (vii) below) | Associates | 48.80 | No |
| 36 | Admirable Software Limited (subsidiary of PSL) | Associates | 48.78 | No |
| 37 | Infinity Transoft Solution Private Limited (refer note (i) below) | Associates | 26.19 | No |
| 38 | Eatgood Technologies Private Limited (refer note (i) below) | Associates | 23.24 | No |
| 39 | Socomo Technologies Private Limited (refer note (i) below) | Associates | 12.70 | No |
| 40 | First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) ('FG') (refer note (iii) below) | Joint Venture | 55.00 | No |
| 41 | First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.) (wholly owned subsidiary of FG) | Joint Venture | 55.00 | No |
| 42 | Bluefield Technology Beijing Co. Ltd. (formerly known as Paytm Technology Beijing Co. Ltd.) (wholly owned subsidiary of FG) | Joint Venture | 55.00 | No |

Notes:

- (i) The entities have issued preference shares as well to the Holding Company.
- (ii) Including 10% (March 31, 2023: 10%) held through One 97 Communications India Limited. As per Banking Regulation Act, 1949, voting rights in a banking Company are capped at 26% in case the investor holds more than 26% in the bank.
- (iii) The entity is into the business of online gaming. It is a strategic investment which utilises the group's knowledge and expertise in online space.
- (iv) Including 15.87% (March 31, 2023: 15.87%) held through Admirable Software Limited.
- (v) Including 16.78% (March 31, 2023: 0.63%) held through Admirable Software Limited.
- (vi) Including 43.75% (March 31, 2023: 43.75%) held through One 97 Communications India Limited.
- (vii) Including 4.90% (March 31, 2023: 4.90%) held through Paytm Payments Bank Limited.

VI. CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes*

ii. Turnover (in ₹): ₹ 76,608 millions

iii. Net worth (in ₹): ₹ 1,23,390 millions

*However, the average net profit of the Company made during three (3) immediately preceding financial years is negative and hence, the Company is not statutorily required to spend any amount on CSR activities for the financial year 2023-24.

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|--|--|--|---|--|--|-----------------------------------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | NA* | NA | NA | NA | NA | NA | NA |
| Investors (other than shareholders) | NA | NA | NA | NA | NA | NA | NA |
| Shareholders | https://paytm.com/document/ir/policies-and-guidelines/Investor_Grievance_Redressal_Policy_v2.pdf | 5 | 0 | NA | 17 | 0 | NA |
| Employees and workers | https://paytm.com/document/ir/policies-and-guidelines/Anti_Bribery_Anti_Corruption_Policy.pdf https://paytm.com/document/ir/policies-and-guidelines/Whistle_Blower_Vigil_mechanism_policy.pdf | 1,032 | 49 | All 49 complaints have now been resolved as on date of the report. | 27 | 5 | All complaints have been resolved |
| Customers | https://paytm.com/company/terms-and-conditions?company=one97&tab=grievance | 13,852 | 53 | 50 out of 53 complaints were resolved on the date of this report, and 3 are in the process of closure | 9,847 | 0 | All complaints have been resolved |
| Value Chain Partners | Yes, currently we have a help desk team to assist with vendor for the payment related queries, as mentioned in the purchase order. Company is establishing tracking mechanism for the grievances raised by value chain partners. | NA | NA | NA | NA | NA | NA |

*NA Stands for 'Not Applicable'

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material Issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|-------------------------------------|--|---|--|--|
| 1 | Ethical Business Practices | Opportunity | Ethical business practices are crucial for maintaining regulatory compliance, fostering corporate social responsibility, ensuring ethical sourcing of materials, and enhancing transparency in business operations, thereby safeguarding reputation and trust among stakeholders. | NA | Positive |
| 2 | Supply Chain Management | Risk | Effective supply chain management involves identifying risks such as vendor instability and geopolitical factors that could disrupt operations. Implementing measures like supply chain diversification and digital tracking systems enhances resilience and minimizes the impact of potential disruptions. | To adapt supply chain management to potential risks, we shall implement diversification strategies, digital tracking systems, and proactive contingency planning to enhance resilience and minimize disruptions. | Negative |
| 3 | Workforce Wellbeing and Development | Opportunity | Ensuring a safe, healthy, and supportive work environment is vital for fostering employee well-being, promoting human rights, and facilitating effective recruitment and development practices. By prioritizing health, safety, and wellness initiatives, as well as upholding human rights principles, organizations can enhance employee satisfaction, productivity, and retention. Additionally, investing in employee recruitment and development programs strengthens organizational capabilities, fosters talent retention, and ensures a skilled and motivated workforce for sustainable growth. | NA | Positive |
| 4 | Product Quality and Innovation | Opportunity | Product quality and innovation are essential for maintaining customer satisfaction, staying competitive in the market, and driving continuous improvement. Investing in research and development initiatives allows organizations to anticipate and meet evolving customer needs, leading to sustained business growth and market success. | NA | Positive |

| S. No. | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|-------------------------------------|--|---|---|--|
| 5 | Corporate Governance and Compliance | Risk | Corporate governance and compliance are fundamental for ensuring legal and regulatory adherence, maintaining transparency in business operations, and upholding accountability to stakeholders. By promoting ethical conduct and robust governance frameworks, organizations mitigate legal risks, enhance trust among stakeholders, and safeguard their reputation in the marketplace. | Fostering a culture of ethical conduct, conducting regular compliance audits, and establishing clear reporting channels for swift action on violations will ensure robust corporate governance and compliance standards for us and avoid fines, settlements and sanctions on account of any misconduct/malpractice. | Positive |
| 6 | Financial Management and Inclusion | Opportunity | Effective financial management and inclusion initiatives are critical for promoting economic empowerment, expanding market access, and fostering financial stability. By implementing strategies to enhance financial inclusion, organizations can address the needs of underserved communities, mitigate financial risks, and contribute to sustainable economic development. Moreover, sound financial management practices ensure the efficient allocation of resources and strengthen resilience against market fluctuations. | NA | Positive |
| 7 | Risk Management | Risk | Risk management is essential for identifying potential threats to organizational objectives, assessing their potential impact, and implementing proactive measures to mitigate or manage them effectively. This includes risks related to product innovation and quality service, financial inclusion initiatives, and tax implications. By systematically addressing risks across various business areas, organizations can enhance decision-making, protect assets, and improve overall resilience in the face of uncertainty. | To adapt and mitigate risks effectively, we shall implement a systematic risk management framework tailored to address threats across all business areas, fostering a culture of awareness and accountability among employees. Effective risk management ensures resilience and business continuity in the face of uncertainty. | Positive |
| 8 | Community Development | Opportunity | We encompass various initiatives aimed at positively impacting society. By engaging in community activities, and supporting philanthropic endeavors, organization build trust with stakeholders, and contribute to long-term societal well-being. | NA | Positive |

| S. No. | Material Issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|--|--|--|
| 9 | Waste and Water management | Opportunity | By implemented waste collection plans aligned with the Central Pollution Control Board's (CPCB) Extended Producer Responsibility for Electronic waste, Plastic waste and additionally, the Company has significantly curbed paper usage across its operations, contributing to our eco conscious approach. For water management initiatives, we have STP at our corporate office in Noida for sewage water treatment and reuse for cooling tower, gardening purposes and safe disposal. | NA | Positive |
| 10 | Environment Sensitivity/ Sustainable Awareness | Opportunity | Our office building Skymark one at Noida is an Indian Green Building Council Platinum-certified building and is primarily focused on developing sustainable sites, increasing water and energy efficiency, reducing waste and emissions, use of eco-friendly building materials, and improving indoor environmental quality more efficiently than conventional designs like energy-efficient windows, LED lighting, energy-efficient appliances, geothermal heat pumps, energy-efficient insulation etc. Adopted the use of sensor-based water faucets and sensor-based lighting systems in toilets. | NA | Positive |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | https://ir.paytm.com/policies-and-guidelines * | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | No | Yes | No | No | No | Yes |
| 4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Truste) adopted by your entity | All policies have been crafted with thorough consideration of industry best practices, regulatory mandates, and extensive consultation with pertinent stakeholders. Additionally, Paytm (e.g. SA 8000, OHSAS, ISO, BIS) adheres to the ISO 27001:2013 standards, ensuring compliance with information security protocols. | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | Annual refresher training at 100% on compliance, providing improved learning and training experiences year on year to different employee groups based on requirements and reporting via annual training dashboard. | | | | | | | | |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|----|----|----|----|----|----|----|----|---|
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | | | | | | | | | 100% completion of mandatory compliance trainings. |
| Governance, leadership and oversight | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (The Company has flexibility regarding the placement of this disclosure). | | | | | | | | | <p>Paytm, as India's leading financial technology company, recognizes the critical importance of sustainability and is committed to integrating it into all aspects of our operations. We are dedicated to working towards sustainability as a core value, and have taken concrete steps to strategize our Environmental, Social, and Governance operations. Our vision is to embed sustainability into the heart of our business, ensuring its long-term success and positive impact. As we move forward, our focus remains on fostering sustainable practices that drive innovation and growth.</p> <p>For the current financial year, Paytm has collaborated with an external agency to revise our materiality, with the aim of ensuring a comprehensive understanding of our impact and priorities. This process will guide the development of our ESG strategy for the upcoming year, utilizing material indicators to align our efforts across departments and streamline our internal operations. With this approach, we aim to enhance transparency and accountability in our sustainability initiatives, driving positive outcomes for both our business and stakeholders.</p> <p>From a social perspective, we are committed to giving back to society through voluntary CSR initiatives, particularly focusing on education and financial inclusion and digital literacy. Internally, we are in the process of developing and implementing policies that will embed ESG principles into our core business practices and improve our governance. We aim to create lasting value for our employees, customers, and the communities we serve.</p> <p>At Paytm, sustainability is a goal and a fundamental part of our identity. We understand that our success is intrinsically linked to the well-being of our planet and communities. Through our ongoing efforts, we strive to create positive change and lead by example in the pursuit of a more sustainable future for all. With a commitment to continuous improvement, we will remain proactive in addressing sustainability challenges and driving positive impact across our ecosystem.</p> |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | | | | | | | | | Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | | | | | | | | | Yes, the CSR committee is responsible for making decisions on sustainability-related issues. |

*Note: Relevant Policies are hosted on our website. However, policies relevant to Principle 2 and Principle 6 are not available in public domain but as a responsible company Paytm encourages its employees to follow sustainable practices.

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee | | | | | | | | | Frequency: Annually (A)/ Half yearly (H)/ Quarterly (Q) / Any other – please specify | | | | | | | | | |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | |
| Performance against above policies and follow up action. | | | | | | | | | | Committee of the Board | Q | A | Q | Q | Q | A | Q | A | Q |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances. | | | | | | | | | | Committee of the Board | Q | A | Q | Q | Q | A | Q | A | Q |

| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency. | | | | | | | | | |

Yes, we have undertaken a limited assurance on the BRSR with TUV India Private Limited (TUVI). However, it is limited assurance and hence does not include policies.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | NA since answer to question (1) above is Yes | | | | | | | | |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by awareness programmes* |
|-----------------------------------|--|--|---|
| Board of Directors | 1 | Code of Conduct (COC) policy applicable to the Directors & an overview of Conflict of Interest, Confidentiality, Anti Bribery and Anti Corruption (ABAC), Insider Trading | 100% |
| Key Managerial Personnel | 6 | COC Policy, ABAC, Data Privacy, Prevention of Sexual Harassment (POSH), Cybersecurity & Acceptable Device Usage | 100% |
| Employees other than BoD and KMPs | 7 | Organization Mitigates it's risks by creating awareness on topics like Company Code of Conduct, ABAC, Acceptable Device Usage, Data Privacy, Cybersecurity, POSH and road safety training for Field Sales Executives | 100% |
| Workers | | Not Applicable | |

*Note: The 100% completion status is based on employee records as of February 29th, 2024. It is assumed that this completion rate will remain consistent for March joiners, considering they have an additional 30 to 60 days to complete their training in accordance with the Standard Operating Procedure (SOP).

- 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Particulars | NGRBC Principle | Monetary | | | Has an appeal been preferred? (Yes/No) |
|-----------------|-----------------|---|-----------------|-------------------|--|
| | | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | |
| Penalty/ Fine | P1-P9 | NIL | NIL | NIL | NIL |
| Settlement | P1-P9 | NIL | NIL | NIL | NIL |
| Compounding fee | P1-P9 | NIL | NIL | NIL | NIL |

| Non-Monetary | | | | |
|--------------|-----------------|---|-------------------|--|
| Particulars | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | P1-P9 | NIL | No Case | NIL |
| Punishment | P1-P9 | NIL | No Case | NIL |

- 3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| NIL | NA |

- 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has an Anti-Bribery and Anti-Corruption Policy. The Company is committed to maintaining the highest level of professional and ethical standards in the conduct of its business. The Company has a zero tolerance towards bribery and corruption in any form, whether directly or indirectly through a third party. Further, the Company is committed to upholding all such laws and regulations, as may be applicable, in every jurisdiction where it has its operations.

Web Link - <https://paytm.com/company/terms-and-conditions?company=one97&tab=anti-bribery-anti-corruption>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| Particulars | FY 2023-24 | FY 2022-23 |
|-------------|------------|------------|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | NIL | NIL |
| Workers | NA | NA |

6. Details of complaints with regard to conflict of interest:

| Particulars | FY 2023-24 | | FY 2022-23 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | | | NIL | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | NIL | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

8. Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:

| Particulars | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 46.29 | 65.53 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties in the following format:

| Parameter | Metrics | FY 2023-24 | FY 2022-23 |
|----------------------------|---|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | NA | NA |
| | b. Number of trading houses where purchases are made from | NA | NA |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | NA | NA |

| Parameter | Metrics | FY 2023-24 | FY 2022-23 |
|------------------------|---|-------------------------------------|-------------------------------------|
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales b. Number of dealers / distributors to whom sales are made c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors * | 0.01% 386 15.69% | 0.01% 340 22.71% |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) b. Sales (Sales to related parties / Total Sales) c. Loans & advances (Loans & advances given to related parties / Total loans & advances) ** d. Investments (Investments in related parties / Total Investments made) | 0.18% 19.44% 79.02% 29.43% | 0.30% 20.08% 80.50% 53.69% |

*Total of top 10 number of dealers tag issuance cost / total dealers sales of tag issuance cost

**Loans and advances are shown on a gross basis

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held* | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|--|--|--|
| 100 | Principle 3 (Health and Safety, Data Security, others) | 50-55% |

***Note:** We conduct training and awareness sessions for our value chain partners throughout the year, covering various critical aspects including healthcare, fire and safety, data privacy, and more.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, Paytm has established a Code of Conduct for its Board of Directors and Senior Management Team. This code mandates that all Directors act in the Company's best interests and ensure that any personal or business associations do not create conflicts of interest with the Company's operations. If conflicts arise, Directors are required to promptly report them and seek necessary approvals as per legal requirements and company policies.

Code of Conduct for Directors and Senior Management is available on Company's website at:
https://paytm.com/document/ir/policies-and-guidelines/Code_of_Conduct_for_Board_and_Senior_Management_Version_4.0

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| Particulars | FY 2023-24 | FY 2022-23 | Details of improvements in environmental social impacts |
|-------------|------------|------------|--|
| R&D | 0.19% | 4% | Promoting sustainable growth of digital payments and enabling affordable access to financial services through additions to Project infinity – PG system developed inhouse. |
| Capex | 69.91% | 90% | Reduced paper usage, transitioning to software solutions and enhancing data management through adoption of Electronic Data Capture (EDC) devices, soundbox etc. |

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, we have established a comprehensive sustainable sourcing policy that is currently being implemented across business. This policy encompasses various Environmental, Social, and Governance aspects, including: waste, emissions, labor and human rights, diversity and inclusion, data privacy.

- If yes, what percentage of inputs were sourced sustainably?

As we are in the process of implementing our sustainable sourcing policy, we haven't commenced tracking the inputs as of yet. In future, we endeavor to diligently track our sourcing practices to ensure greater traceability across our value chain.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

- (a) Plastics (including packaging)
- (b) E-waste
- (c) Hazardous waste and
- (d) other waste

Given the nature of its business, the Company has limited scope to use recycled material as processed inputs. All waste that is generated on our premises is disposed-off to Government authorized agencies who have sorting/processing units of their own.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR for E-waste, Plastic Waste and Battery Waste Management Rules are applicable to the Company, and the waste collection plan is in line with the EPR plan submitted to CPCB.

Leadership Indicators

- 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product/Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|----------|-------------------------|---------------------------------|--|---|--|
| | | | NIL | | |

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| | NIL | |

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate input material | Recycled or reused input material to total material | |
|-------------------------|---|------------------------|
| | FY 2023-24 | FY 2022-23 |
| Not applicable | Not applicable | Not reported last year |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------|-----------------|-----------|-----------------|------------|----------|------------------------|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | NA | NA | NA | | | |
| E-waste | 1,177.64 MT* | 227.35 MT | NA | | | Not Reported Last Year |
| Hazardous waste | NA | NA | NA | | | |
| Other waste | NA | NA | NA | | | |

*To calculate the amount of reused Soundboxes and EDC's we used the total number of soundboxes (36,77,114) and EDC's (1,80,419) and multiplied the respective average weights of the different variations of Soundboxes (306.83 grams) and EDCs (273.75 grams), added the totals and converted the number to metric tonnes.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
| Not Applicable | |

Note: We are into technology enabled financial services business in which we lease sound boxes and other devices like EDCs to our merchants. If the devices are not working or the merchant is terminated, then the devices are returned back to the warehouse. In both cases, we check all returned devices and refurbish for further usage.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---------------------------------------|--------------|---------------------------|----------|--------------------|----------|--------------------|-----------|--------------------|-----------|----------------------|-----------|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities* | |
| | | Number (B) | % (B /A) | Number (C) | % (C /A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent employees | | | | | | | | | | | |
| Male | 26,504 | 26,504 | 100% | 26,504 | 100% | NA | NA | 26,504 | 100% | NA | NA |
| Female | 1,603 | 1,603 | 100% | 1,603 | 100% | 1,603 | 100% | NA | NA | 1,603 | 100% |
| Total | 28,107 | 28,107 | 100% | 28,107 | 100% | 1,603 | 5.70% | 26,504 | 94.30% | 1,603 | 5.70% |
| Other than Permanent employees | | | | | | | | | | | |
| Male | | | | | | | | | | | |
| Female | | | | | | | | NIL | | | |
| Total | | | | | | | | | | | |

***Note:** The Child day-care facility extends an enhanced employee benefit to support our colleagues with small children so that each of us can work towards our career aspirations without compromising

on childcare. Further, enhanced childcare benefit policy reflects our commitment towards enabling workforce diversity and hybrid work model.

The Day care facility is applicable for mothers. This is in compliance with the Maternity Benefit Act, 1961 as well as the relevant guidelines laid out by the Government.

For Single parents of either gender, either parent for same gender couples, parents of either gender with a child clinically diagnosed with special needs (Physical or Mental disability), these are special cases and require approval of the Head of the Department. However, no such claim has been availed yet.

The children clinically diagnosed with special needs (Physical or Mental disability) are entitled to be admitted into a day-care centre that provides care for children with special needs.

The Company doesn't have a Day-care facility on the premises. Due to a large workforce working from home mode, we have tie-ups with nationally renowned third-party day-care facility centres in various cities which has been communicated to employees and full payment is provided directly to the day-care center.

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|-------------------------------------|-------------------------|------------------|-------------|-----------------------|----------|-----------------------|-----------|-----------------------|--------------|------------------------|--------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B /A) | Number (C) | % (C /A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent workers | | | | | | | | | | | |
| Male | | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |
| Other than Permanent workers | | | | | | | | | | | |
| Male | | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.

| Particulars | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Cost incurred on wellbeing measures as a % of total revenue of the company | 0.22% | 0.17% |

Note: Paytm also invests in multiple employee engagement activities under the well-being initiatives such as Team and Business outings to focus on team engagements, Rewards & Recognition programs and celebration activities having a cumulative cost of INR 38.6 Crore in FY24 which is over and above the percentages reported above.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|-------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 99.92% [#] | NIL | Yes | 99.89%* | NIL | Yes |
| Gratuity | 100% | NIL | NA | 100% | NIL | Na |
| ESI | 49.73% ^{##} | NIL | Yes | 48.02%** | NIL | Yes |
| Others – please specify | NIL | NIL | NIL | NIL | NIL | NIL |

For FY'24:

#22 out of 28,107 Employees have not opted for PF

##13,977 employees are covered in ESIC (29 MG & 13,948 SG)

For FY'23:

* 28 out of 25,959 Employees have not opted for PF

** 12,466 employees are covered in ESIC (32 MG & 12,434 SG)

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, we have wheelchairs and signages for inclusive restrooms in our major office, which are accessible to persons with physical disabilities. We also have ramps for easy access to the Company's premises.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the company has implemented an Equal Employment Opportunity Policy for Persons with Disabilities in adherence to the Rights of Persons with Disabilities Act, 2016 and the Right of Persons with Disabilities Rules, 2017 ("Act"). This policy is aimed at empowering, safeguarding, and advancing the interests of individuals with disabilities who are employed within the company. It delineates our commitment to fostering an inclusive workplace and culture where disabled employees are treated with dignity and respect.

The policy ensures equal opportunities across all aspects of employment for persons with disabilities, fostering a non-discriminatory and inclusive work environment conducive to

their career growth, including those who acquire disabilities during their employment tenure. Additionally, the policy encompasses provisions for the provision of adequate facilities, amenities, and infrastructure, both physical and digital, to accommodate the needs of individuals with disabilities, facilitating their effective performance within the company.

Link: Equal Employment Opportunity Policy for Persons with Disabilities: <https://paytm.com/document/ir/policies-and-guidelines/Equal-opportunities-for-Employees.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 73.60% | | |
| Female | 100% | 64.81% | | NA |
| Total | 100% | 72.27% | | |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

| Particulars | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent Workers | NA |
| Other than Permanent Workers | NA |
| Permanent Employees | Yes |
| Other than Permanent Employees | NA |

Note: The Company operates a robust employee grievance redressal mechanism managed through the Consequence Management Policy, ensuring a readily accessible platform for prompt grievance resolution. Any grievances raised are addressed promptly without tolerance for any form of retaliation against employees. Reporting channels are clearly defined, allowing employees to voice concerns regarding work, culture, or team-related issues to their reporting manager, skip manager, HR Business Partner, HOD, or CHRO, following defined stages outlined in the policy. Furthermore, specific helpdesk IDs are provided for queries related to PF, payroll, etc.

Our Anti-Bribery and Whistle-Blower mechanism offers a formal platform to report grievances on various matters. The Compliance Officer ensures annual mandatory training for internal stakeholders to enhance policy compliance. Employees are briefed on the grievance mechanism through a dedicated module, enabling them to report concerns related to bribery or corruption using our vigil mechanism, facilitated by Navex Global to ensure confidentiality of complainants' identities.

We maintain a POSH Policy and an Internal Complaints Committee (ICC) in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. Our policy is available on the Company's website, and the ICC, predominantly comprised of women

members, is responsible for investigating complaints. Regular sensitization sessions on preventing sexual harassment are conducted through workshops, group meetings, online modules, and awareness programs.

Link: https://paytm.com/document/ir/policies-and-guidelines/POSH_Policy.pdf

Link: https://paytm.com/document/ir/policies-and-guidelines/Whistle_Blower_Vigilmechanism_policy.pdf

7. Membership of employees and worker in association(s) or Unions recognized by the Company:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------------------|--|--|-----------|--|--|-----------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| Total Permanent Employees | | | | | | |
| - Male | 26,504 | NIL | NIL | 24,310 | NIL | NIL |
| - Female | 1,603 | NIL | NIL | 1,649 | NIL | NIL |
| Total Permanent Workers | | | | | | |
| - Male | | | NIL | | | |
| - Female | | | | | | |

8. Details of training given to employees and workers:

| Category | FY 2023-24 | | | | FY 2022-23 | | | | | |
|------------------|------------|-------------------------------|-----------|----------------------|------------|-----------|-------------------------------|-----------|----------------------|-----------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No.(B) | % (B / A) | No.(C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 26,504 | 906 | 3.42% | 10,271 | 38.75% | 24,310 | 804 | 3.31% | 11,754 | 48.40% |
| Female | 1,603 | 297 | 18.53% | 972 | 60.64% | 1,649 | 296 | 17.95% | 968 | 58.70% |
| Total | 28,107 | 1,203 | 4.28% | 11,243 | 40.00% | 25,959 | 1,100 | 4.24% | 12,722 | 49.01% |
| Workers | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |
| Total | | | | | | | | | | |

Note: The headcount (HC) data pertains to all individuals (active & In-active) who were covered/ upskilled throughout the year i.e. until 31st March 2024.

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|------------|---------|-----------|------------|--------|-----------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No.(D) | % (D / C) |
| Employees | | | | | | |
| - Male | 26,504 | 26,504 | 100% | 24,310 | 22,308 | 91.76% |
| - Female | 1,603 | 1,603 | 100% | 1,649 | 1,316 | 79.81% |
| Total | 28,107 | 28,107 | 100% | 25,959 | 23,624 | 91.01% |
| Workers | | | | | | |
| - Male | | | | | | |
| - Female | | | | NIL | | |
| Total | | | | | | |

Note: Every employee in the Company who was active as on 31st March 2024 had undergone performance feedback review with the line managers where the KRAs and goals were reviewed for career development. Frontline sales staff undergo real-time performance reviews on a monthly basis as part of their career progression plan. This approach allows for continuous feedback and advancement opportunities throughout the year.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, there are minimal occupational health and safety risks associated with our business operations. The Company is actively developing an exclusive Occupational Health and Safety (OHS) Policy and framework, emphasizing the ongoing priority of employee well-being and safety. The following Health and Safety management systems have been implemented:

- a) Comprehensive physical and electronic security measures are in place, including manned security, access control systems, CCTV monitoring, and fire-fighting systems across all offices.
- b) The administrative team conducts regular emergency/disaster management drills, including fire-fighting exercises in alignment with the National Building Code.
- c) Offices are designed with ergonomic modular furniture to enhance employee comfort.
- d) Central heating, ventilation, and cooling systems equipped with air filters and air purifiers ensure clean indoor air, supported by air-purifying plants in all offices.
- e) A centralized helpline is available for employees to report work-related hazards.
- f) The Company has established partnerships with nearby hospitals to provide emergency medical support.
- g) Safe drinking water, clean and hygienic office environments, and food safety standards are maintained across all locations.

- h) The administrative team conducts regular checks, maintenance, and certification of all electromechanical equipment including lifts, HVAC systems, fire safety systems, DG sets, and UPS.
 - i) CPR training is provided to the security personnel stationed in various offices. The Company has dedicated ERT members to act in emergency situations.
- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The entity employs numerous processes to identify and assess work-related hazards both on a routine and non-routine basis. These measures aim to mitigate risks effectively. Here are the key actions taken:

- Comprehensive security checks are conducted, encompassing physical security measures like manned guarding, access control systems, CCTV monitoring, and maintenance of fire fighting systems.
- A well-defined Disaster Management Plan is in place, the Company conducts emergency mock drill on annual basis, moving forward we will be conducting emergency mock drills on a half yearly basis.
- Regular water testing is carried out to monitor Total Dissolved Solids (TDS) levels.
- Heating, Ventilation, and Air Conditioning (HVAC) systems undergo periodic checks to ensure optimal performance.
- Building safety is maintained through periodic maintenance of electromechanical devices such as lifts, UPS, and Diesel Generators.
- Office hygiene and cleanliness are prioritized, contributing to a safe working environment.
- A Hybrid Office System and Work from Home Policy have been introduced to adapt to changing work dynamics.
- Security guards stationed at all offices are trained on fire safety equipment operation.
- Regular safety advisories are issued, covering various aspects such as weather warnings, fire safety, and security measures.

These proactive measures collectively contribute to maintaining a safe and secure workplace environment.

- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N).**

Yes, we have robust processes in place for employees to report work-related hazards and to remove themselves from such risks. We provide a centralized Helpline number and email for all employees to report any risks they encounter. Additionally, Quick Response Teams are stationed at all major offices to provide immediate support when needed. Our HR and Admin

teams regularly conduct health and safety awareness sessions facilitated by experts in various subjects. We also ensure continuous communication through mailers addressing health and safety concerns. To address mental health wellness, we organize sessions in collaboration with doctors from prominent hospitals. Furthermore, we have partnerships with several hospitals to offer employee discounts on medical tests and treatment.

Additionally, mental health wellness sessions in collaboration with healthcare professionals were organized, with a focus on topics like breast cancer awareness and headache management. Overall, our comprehensive approach prioritizes the safety and health of our workforce.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

We provide health insurance coverage for our employees, ensuring they have access to medical services covered under the policy. Additionally, we organize health check-up camps periodically at our offices across India. Furthermore, we host monthly webinars featuring doctors from renowned hospitals to enhance health awareness among our employees.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category* | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| Total recordable work-related injuries | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| No. of fatalities | Employees | NIL | 11 |
| | Workers | NIL | NIL |
| #High consequence work-related injury or ill-health (excluding fatalities) | Employees | NIL | NIL |
| | Workers | NIL | NIL |

*Including in the contract workforce

#Being a financial service providing company, our employees are not exposed to any high consequence work related injuries or ill health.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company has implemented a range of measures to ensure a safe and healthy workplace environment:

- Robust physical and electronic security measures are in place, including manned guarding, access control systems, CCTV monitoring, and Fire-fighting systems.
- Early fire detection is facilitated through the installation of fire and burglar alarms with fire and smoke sensors.
- Fire extinguishers are placed across all offices as per NBC norms, with regular maintenance to ensure functionality.

- Comprehensive training and awareness programs on firefighting best practices are conducted for both guards and employees. Regular mock drills and physical verification of fire safety equipment are also part of the protocol.
- Auto fire suppressants are installed in data/server rooms at selected offices.
- Measures such as earthing pits and lightning conductors are implemented to safely discharge lightning strikes.
- Contact numbers for emergency services like the fire brigade, police station, and ambulance are prominently displayed.
- Public address systems are installed for effective communication during emergencies.
- Emergency evacuation plans, floor plans, and exit paths are clearly displayed on each floor.
- CCTV cameras are utilized for surveillance and recording, including activities like sabotage.
- First-Aid Boxes are stocked in all offices, with regular first-aid training provided to employees and security guards.
- Dependents of employees are enrolled under Mediclaim for medical coverage.
- Free shuttle services from the nearest metro station to the office are provided, enhancing convenience and reducing transportation risks.
- Emphasis is placed on maintaining cleanliness and hygiene in the dining area to uphold a healthy environment for all employees.

13. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|-----------------------|---------------------------------------|--|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | NIL | NIL | NIL | NIL | NIL | NIL |
| Health & Safety | 27 | 0 | These incidents include employees experiencing health issues during office hours, logistical complaints within the office premises and other such instances. | Not Tracked | Not Tracked | NIL |

14. Assessments for the year:

| Particulars | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | NIL |
| Working Conditions | NIL |

Note: The Company offers world-class workplaces for its employees. These workplaces have well appointed, safe and hygienic workspaces and ambient conditions. SkymarkOne Noida building (which is the Company's corporate office location) is an Indian Green Building Council Platinum certified building with indoor environmental quality more efficient than conventional designs like energy-efficient windows, LED lighting, energy-efficient appliances, geothermal heat pumps, energy-efficient insulation etc. Internal team assesses the health, safety, and environmental performance across applicable offices. Major offices are given training on fire safety and evacuation drills. Fire drills and audits are conducted in the office premises to ensure the maintenance of safety standards.

During the year, there were no accidents of any employee of the Company whilst on duty.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The company took various measures to ensure the safety of the employees at work. Internal team assesses the health, safety, and environmental performance across offices. In all our offices regular training is imparted to all guards (safety, security, evacuation and first aid) on fortnightly basis and annually on disaster management, fire safety and evacuation drills for both employees and guards. Fire drills and audits are conducted on the office premises.

The Company has an emergency response plan in place and the process covers all employees and third parties of Paytm / One97 India across all centers. The Company is committed to continuously improve the performance of our health & safety management system through targeted action plans. The ERP (emergency response plan) outlines the procedures to be followed in the event of natural or man-made emergencies or disasters, political turmoil or criminal action which affects business operations and develops into emergency events.

Leadership Indicators
1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, we have GTL (Group Term Life insurance coverage) for all the permanent employees and assistance for PF and Gratuity settlement is also extended to the family on the priority basis.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has adequate mechanisms to ensure that requisite statutory dues, as applicable to the transactions of the Company with its value chain partners, are deducted and deposited in accordance with the applicable regulations. The Company also collects necessary certificates and proofs from its contractors with respect to payment of statutory dues like PF, ESIC, etc. relating to contractual employees and workers.

The Company expects its value chain partners to behave ethically and with integrity in all its business transactions and uphold standards of fair business practices. We have covered these aspects in our agreement with value chain partners.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| Particulars | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-------------|--|------------|---|------------|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | 0 | 11 | NIL | NIL |
| Workers | NIL | NIL | NIL | NIL |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, While we don't offer standalone transition assistance programs, we recognize the wealth of experience retiring employees bring. We often enlist them as external consultants, leveraging their invaluable knowledge for specific projects as needed. Additionally, eligible employees receive gratuity upon retirement.

5. Details on assessment of value chain partners:

| Particulars | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | NIL |
| Working Conditions | NIL |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

OCL actively engages with different stakeholders to gain an understanding of their needs and expectations. We are currently in the process of implementing a comprehensive 'Stakeholder Engagement Policy' to enhance our stakeholder engagement and deepen trust. This policy outlines the purpose, scope, engagement plan, and communication details aimed at improving transparency and accountability. Our process for stakeholder identification, prioritization, and engagement aligns closely with our policy, ensuring consistency and effectiveness. The stakeholders have been identified based on:

- Those who are directly or indirectly related to our activities, products or services like employees or merchants.
- Those for whom the Company has legal, commercial, operational, or ethical/moral responsibilities like regulatory bodies; and
- Those who can influence or have impact on our decision-making like board/investors.

Furthermore, through our ESG efforts surrounding the process of capturing stakeholder voice related to material topic identification, we endeavor to continue engaging with our stakeholders in the future. This process serves to realign our actions with our overarching business and sustainability goals. By actively involving stakeholders, gathering their viewpoints, and developing our materiality matrix, we plan to continue developing business strategies, while keeping sustainability at the forefront of our decision-making processes.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|--|---|--|--|
| Employees | No | Learning Management System & Emails | Monthly | <ul style="list-style-type: none"> • Awareness on critical topics is conducted to mitigate Risk & build awareness |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--------------------------|---|--|---|---|
| | | | | |
| Customers | No | Emails | Monthly/As required | <ul style="list-style-type: none"> Support with avenues for self development at work to excel in their roles. Organizational updates |
| | | Newsletter | Monthly/ As required | <ul style="list-style-type: none"> Employee recognition and engagement activities. |
| | | Meeting with Line managers | Half yearly | <ul style="list-style-type: none"> Employee performance review and career development. |
| | | Video conferencing or Physical meeting | Quarterly/As required | <ul style="list-style-type: none"> Town Hall |
| | | Social Media & Customer Help-Desk | As Required | <ul style="list-style-type: none"> To stay in touch with the customer throughout and address any issues that the customer may have. |
| Merchants | No | Business App | As Required | <ul style="list-style-type: none"> Resolving queries |
| | | Merchant help desk | | <ul style="list-style-type: none"> Support on the Sound box |
| Vendors/ suppliers | No | Physical meeting | | <ul style="list-style-type: none"> Support on information related to business with Companies |
| | | Emails/ Calls/ Physical meetings | As Required | <ul style="list-style-type: none"> Obtaining quotation Contract negotiation and exploring new scope of work Signing and renewal of contracts, agreement, terms Resolving queries and assessing performance. |
| Partners | No | Emails | Fortnightly | <ul style="list-style-type: none"> Resolving queries and operational challenges. |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|------------------------|--|---|--|--|
| Shareholders/investors | No | Investor presentation, calls, emails and Press release. | Quarterly or as and when applicable, whichever is earlier | <ul style="list-style-type: none"> These are aimed at providing relevant information as well as understanding stakeholders' perspectives on Company's performance and strategy. To update them with the recent market development. |
| Government bodies | No | Face to face meeting Presentations | Weekly | <ul style="list-style-type: none"> Meetings and discussion with relevant Ministries, Departments, committees constituted by the Government on existing and proposed regulations / orders / directives and advisories undertaken on need basis. |
| Media | No | Emails | Monthly | <ul style="list-style-type: none"> Sustained brand narrative communication through press releases, social posts and SE filings. The announcements include partnerships, product launches, business updates and more. This also includes engaging with the media in industry stories, or resolving queries with spokesperson statements. |
| Board members | No | Board Meetings | Quarterly or as and when applicable, whichever is earlier | <ul style="list-style-type: none"> Company conducts a proactive and focused engagement which helps identify significant material issues for the Company, evaluate business strategy and operations, products, services and solutions, to minimize reputational risk, foster growth and positively influence our internal and external environment. |

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

We have implemented a strategic approach for stakeholder identification, prioritization, and engagement, synchronous with our ongoing efforts to implement our 'Stakeholder Engagement Policy.' This policy is meticulously designed to outline the purpose, scope, engagement plan, and communication details, all aimed at enhancing transparency and accountability. Throughout the year, our continuous engagement and regular interactions empower our teams to gather valuable feedback and information. This input is then shared with the senior management and reported to our ESG Committee for further review and action.

Our ESG Committee, operating under the guidance of the CSR Committee, plays a pivotal role in ensuring adherence to our ESG standards. This committee holds overall responsibility for effectively guiding, directing, and overseeing the Company's ESG-related progress. Periodically, the ESG Committee presents its findings to the CSR Committee, which in turn offers necessary recommendations to the Board and management on pertinent matters.

The responsibilities of the ESG Committee encompass a range of tasks, including approving, noting, and ratifying ESG goals, targets, and strategies. Additionally, they consult on ESG related stakeholder matters, monitor performance, oversee the execution of ESG initiatives, and ensure alignment with long-term ESG commitments and targets. Encompassing various ESG dimensions such as energy, water, waste, human rights, and supply chain, the ESG Committee also oversees material ESG risks and opportunities, actively seeking to mitigate risks while considering their financial implications.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, in the fiscal year 2023-24, guided by stakeholder consultations, we have begun implementing new policies developed in alignment with material topics and NGRBC principles. Furthermore, we have established an ESG committee and conducted financial inclusion sessions for women, along with a health and safety session for vendors.

We rely on internal stakeholder consultation for the identification and management of environmental and social topics. Additionally, to align our material topics with our business strategy and bring independence, we engaged an external consultant during the financial year, to gain comprehensive insights into emerging trends and best practices. In alignment with the sectoral guidance of leading ESG frameworks and indices, relevant material topics were identified and further refined.

The insights garnered from both internal consultations and external assessments have helped us craft our ESG strategy, in line with identified topics. New policies developed in alignment with the identified material topics and NGRBC principles are currently in the implementation phase. These identified topics shall serve as the foundation around which our strategy is built, and throughout the year, our ESG activities, targets and performance metrics across various departments will be developed accordingly.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

We recognize the importance of giving back to society, and our company actively engages on various aspects of social and community development across India, in collaboration with numerous nonprofits to address the concerns of vulnerable/marginalized stakeholder groups. Aligned with our 'CSR policy,' which outlines the process of execution, utilization, monitoring, among others, our company focuses on addressing the concerns of these stakeholder groups. We continuously identify opportunities to improve the lives of the disadvantaged, vulnerable, and marginalized stakeholders through our ongoing CSR engagements.

Through one of our flagship educational CSR initiatives, Shikshit Bharat, we aim to bridge the digital gap between rural and urban areas, leveraging the pivotal role of technology in fostering equitable development. Via this program, we have distributed 186 laptops and 33 desktops to schools, nonprofits, and government bodies, primarily targeting the women in rural areas, providing digital tools to overcome educational, employment, and economic barriers, empowering them towards independence. Also, in collaboration with the Scaler Foundation, Paytm extended a scholarship to 24 underprivileged engineering students in Bangalore, aiming to support their higher education.

We also conducted comprehensive financial literacy sessions as part of our volunteering activities. These sessions have reached over 1000 women representing diverse organizations, delving into fundamental principles of finance management. By equipping participants with essential knowledge and skills, we empower them to navigate the intricacies of finance with confidence. Moreover, our employee volunteering efforts encompass 179 volunteers dedicating their time, benefiting a total of 5001 individuals, and accumulating a remarkable total of 1342 volunteering hours.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------|------------|--|-----------|------------|--|-----------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (B) | % (D / C) |
| Employees | | | | | | |
| Permanent | 28,107 | 28,107 | 100% | 25,959 | 21,484 | 82.76% |
| NA | | | | | | |
| Other than permanent | | | | | | |
| Total Employees | 28,107 | 28,107 | 100% | 25,959 | 21,484 | 82.76% |
| Workers | | | | | | |
| Permanent | | | | | | |
| Other than permanent | | | | | NIL | |
| Total Workers | | | | | | |

Note: The 100% completion status is based on employee records as of 29th February 2024. It is assumed that this completion rate will remain consistent for March joiners, considering they have an additional 30 to 60 days to complete their mandatory human rights training within the stipulated timelines.

- Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2023-24 | | | | FY 2022-23 | | | | | |
|------------------|------------|-----------------------|-----------|------------------------|------------|-----------|-----------------------|-----------|------------------------|-----------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No.(B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 26,504 | NIL | NIL | 26,504 | 100% | 24,310 | NIL | NIL | 24,310 | 100% |
| Female | 1,603 | NIL | NIL | 1,603 | 100% | 1,649 | NIL | NIL | 1,649 | 100% |
| Other than | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |
| Other than | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | | | | | | | | | | |
| Female | | | | | | | | | | |

3. Details of remuneration/ salary/ wages

a. Median remuneration/ wages

| Gender | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 4 | 165.87 | 1 | 207.49 |
| Key Managerial Personnel | 3 | 400 | NIL | NIL |
| Employees other than BoD and KMP | 26,501 | 4.16 | 1,603 | 10.82 |
| Workers | | | NA | |

Note: 1 This is as per the CTC of employees who were active as on 31st March 2024.

2 Figures are in ₹ Lakhs

b. Gross wages paid to females as a % of total wages paid by the entity, in the following format:

| Particulars | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Gross wages paid to females as a % of total wages | 10.33% | 10.68% |

* The disclosure has been done on the basis of the salaries (CTC) paid to females. The Company has no workers and hence have no wages paid.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has various committees that oversee various issues related to human rights which fall under their purview.

The Company has established a HR Risk and Compliance team and a Disciplinary Committee team that looks at the escalations concerning human rights. The committee is responsible to conduct thorough investigations and prepare a detailed report as per the defined process. The processes are defined in the Consequence management policy hosted on the Company's Intranet- DeepPurple.

The internal team of the Company responsible for the implementation of the Anti- Bribery and Anti-Corruption (ABAC) Policy manage and oversee all the concerns/complaints raised via the whistle blower mechanism. The status of the said complaints is presented in the quarterly Audit Committee/Board meetings, in compliance with ABAC and Vigil Mechanism/Whistle Blower Mechanism Policy of the Company.

The Company has zero tolerance for sexual harassment at workplace and is compliant with provisions relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. We have an ICC responsible to investigate and provide redressal for any kind of sexual harassment. A helpline number and a designated email ID for ICC is shared to employees to raise complaints or get counseling.

The Company also promotes a non-discriminatory work environment and abides by the equal opportunity for all policy. It also has a Consequence Management Policy where any kind of reported or suspected misconduct is corrected or investigated upon by following a disciplinary procedure setup by the disciplinary action committee. The committee is responsible for maintaining the repository of the investigations as well.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The organization maintains a Consequence Management Policy to outline potential corrective actions for employee misconduct. This policy, accessible on the intranet platform Deep Purple, ensures transparency in disciplinary procedures. Our leadership emphasizes accessibility, allowing employees to directly raise grievances through the HRMS platform.

Aligned with the whistle-blower mechanism, stakeholders are expected to report concerns such as bribery, corruption suspicions, behavioral issues, or discrimination. Confidentiality of complainants is upheld, with reporting facilitated through the web portal "Navex Global." Detailed instructions for reporting are available on the intranet and in the ABAC Policy on the Company's website.

Each complaint submitted through the Navex portal receives a unique case number for tracking purposes. Timely investigations are conducted, ensuring regulatory compliance. Following investigation completion, a report with recommended actions is submitted to relevant stakeholders, including the Disciplinary Action Committee, guided by the Consequence Management Policy. This policy ensures protection against retaliation for complainants raising concerns in good faith, regardless of their ultimate substantiation.

6. Number of Complaints on the following made by employees and workers:

| Particulars | FY 2023-24 | | | FY 2022-23 | | |
|-----------------------------|------------------------------|--|--|------------------------------|--|--|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | 0 | 0 | NA | 5 | 1 | The pending case was closed during FY 2023-24. |
| Discrimination at workplace | 16 | 2 | All 2 complaints have been resolved as on the date of this report. | 14 | 1 | HR team was unable to investigate as the Complainant chose to remain anonymous and did not specify any names of the accused individual(s). |
| Child Labour | NIL | NIL | NIL | NIL | NIL | NIL |

| Particulars | FY 2023-24 | | | FY 2022-23 | | |
|---------------------------------------|-----------------------|---|--|-----------------------|---|--|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Forced labor/ Involuntary labor | NIL | NIL | NIL | NIL | NIL | NIL |
| Wages | 12 | 3 | All 3 complaints have been resolved as on date of the report. | 5 | 0 | |
| Other human rights related issues | 41 | 7 | As on date of this report, all the complaints have been resolved and 1 is in the process of closure. | 8 | 4 | Complaints could not be investigated due to incomplete details. Reminders were sent to the Complainants via Navex Tool to share their contact details as well as details relating to the accused so that the investigating team would be in a position to investigate the matters. No response has been received from the Complainant yet. |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| Particulars | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 5 |
| Complaints on POSH as a % of female employees / workers | 0% | 0.3% |
| Complaints on POSH upheld | 0 | 0 |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As mentioned in our Code of Conduct, the Company and all its affiliate Companies shall provide equal opportunities to all its employees/Personnel and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, work experience, gender, sexual orientation, age, nationality, ethnic origin or disability. We have adopted policies which reinforce to the stakeholders, who raise complaints on a concrete and reasonable belief about a violation, that they will not be subjected to any kind of retaliation such as discrimination, reprisal, harassment, victimization etc. irrespective of the concern being ultimately substantiated.

The Company has zero tolerance for any kind of harassment and discrimination. Our Human Resource policies and Code of Conduct promote diversity and equality in the workplace, as well as compliance with all local labour laws, while encouraging the adoption of international best practices.

Employee policies and practices are administered in a manner consistent with applicable laws and other provisions of the Code of Conduct, respect for the right to privacy and the right to be heard, and that in all matters equal opportunity is provided to those eligible and decisions are based on merit.

In addition, the POSH Policy has been formed under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prohibit, prevent or deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment. In case any allegations of sexual harassment are substantiated by the ICC, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

The Company also has a whistle blower mechanism that empowers its employees to raise the concerns, if any, for instances like bribery, suspicion of corruption, behavioral issues, discrimination etc. via this vigil mechanism. Complaints reported to any internal stakeholder (reporting manager/ HR team/ Compliance Officer) of any potential violation are channelized to the whistle blowing mechanism. The identity of the complainants is kept confidential during the investigation. The Company has enabled the web portal "Navex Global" to take anonymous complaints and facilitate reporting of the protected disclosures routed through the web links, toll-free number and application access mentioned in detail on the Intranet, Deep Purple. The Company investigates all the complaints reported under the whistle blowing mechanism after the due approval from a member of the Disciplinary Action Committee in a timely manner. The investigating team ensures compliance with all the regulatory requirements during the course of investigation. After the completion of the investigation, a report is submitted with recommended measures to the Disciplinary Action Committee. The Disciplinary Action Committee initiates

disciplinary actions as appropriate based on the findings and recommendations of such a report. The committee is guided by the existing Consequence management Policy. The details of the same and ABAC Policy are available on the Company's website.

The organization on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, our Code of Conduct is applicable to all our employees, employees of service providers or vendors, employees of business partners, consultants, retainers, trainees, or any individual engaged for providing services to the Company who have to comply with all applicable laws, including labour laws which forms a part of our vendor/service provider contracts and business requirements.

10. Assessments for the year:

| Particulars | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | NIL |
| Forced/involuntary labour | NIL |
| Sexual harassment | NIL |
| Discrimination at workplace | NIL |
| Wages | NIL |
| Others – please specify | NIL |

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable. Although, we internally make sure to amend and follow compliances from time to time.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not applicable

2. Details of the scope and coverage of any Human rights due-diligence conducted.

NIL

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

| Particulars | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|---|
| Sexual Harassment | NIL |
| Discrimination at workplace | NIL |
| Child Labour | NIL |
| Forced Labour/Involuntary Labour | NIL |
| Wages | NIL |
| Others | NIL |

Note: Terms and conditions incorporated in the Purchase order are already described and value chain partners are expected to follow terms and conditions.

Our Code of Conduct applies to all directors and employees of the Company, its subsidiaries and its affiliates, and employees of service providers or vendors, employees of business partners, consultants, retainers, trainees or any individual engaged providing services within the Company's premises.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment
Essential Indicators
1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------------------|------------------|
| | From renewable sources | |
| From renewable sources | | |
| Total electricity consumption (A) | NA | NA |
| Total fuel consumption (B) | NA | NA |
| Energy consumption through other sources (C) | NA | NA |
| Total energy consumed from renewable sources (A+B+C) | NA | NA |
| For non - renewable resources (in GJ) | | |
| Total electricity consumption (D) | 12,706.95 | 10,747.44 |
| Total fuel consumption (E) | 1,177.39 | 39,961.30 |
| Energy consumption through other sources (F) | NA | NA |
| Total energy consumed from nonrenewable sources (D+E+F) | 13,884.34 | 50,708.74 |
| Total energy consumed (A+B+C+D+E+F) | 13,884.34 | 50,708.74 |

| Parameter | FY 2023-24 | FY 2022-23 |
|---|----------------------------|-----------------------------|
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | 0.0000001812 GJ/₹ | 0.0000008413 GJ/ ₹ |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) | 0.00000008649 GJ/\$ PPP | 0.000000040158 GJ/\$ PPP |
| Energy intensity in terms of physical output | NA | NA |
| Energy intensity (optional) – the relevant metric may be selected by the entity | 0.4939 GJ/FTE | 1.953 GJ/FTE |

Note: The data for electricity consumption is for 70 offices and fuel consumption is for 7 DG sets and Vehicle fleets across our offices.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, we have undertaken a limited assurance on the BCSR with TUV India Private Limited (TUVI).

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

- 3. Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2023-24 | FY 2022-23 |
|--|--|-----------------------------|
| | Water withdrawal by source (in kilolitres) | |
| (i) Surface water | NA | NA |
| (ii) Groundwater | 32,780.30 | NA |
| (iii) Third party water | NA | NA |
| (iv) Seawater / desalinated water | NA | NA |
| (v) Others (packaged drinking water) | 2,075.64 | 515 |
| Total volume of water withdrawal (In kilolitres) (i + ii + iii + iv + v) | 32,780.30* | 0 |
| Total volume of water consumption (In kilolitres) | 34,855.94 | 515 |
| Water intensity per rupee of turnover (Total water consumption / Revenue from operations) | 0.000000455 KL/₹ | 0.0000000085 KL/₹ |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | 0.000000021718 KL/\$ PPP | 0.000000000406 KL/\$ PPP |
| Water intensity in terms of physical output | NA | NA |
| Water intensity (optional) – the relevant metric may be selected by the entity | 1.24012 KL/FTE | 0.01986 KL/FTE |

Note: Raw water data is available for three locations: Skymark Noida, SJR Bangalore, and Kolkata. For the remaining offices, water consumption is calculated by considering Paytm's occupancy within a specific office site multiplied with an assumption constant of 45 L/per person of water consumption as per CGWB.

Data on packaged drinking water is for 64 sites, while the remaining offices utilize direct RO systems.

*Packaged drinking water is directly procured from registered vendors in bottles, hence it is not considered in water withdrawal but considered in water consumption.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, we have undertaken a limited assurance on the BRSR with TUV India Private Limited (TUVI).

4. Provide the following details related to water discharged:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|-----------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | | |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (ii) To Groundwater | | |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment (I) | NA | NA |
| (iii) To Seawater | | |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (iv) Sent to third-parties | | |
| - No treatment | NA | NA |
| - With treatment – Membrane Bioreactor Treatment | 8,566* | NA |
| (v) Others | | |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| Total water discharged (in kilolitres) | 8,566 kL | NA |

*The water discharge value is derived from calculated assumptions, taking into account the total water discharge of the corporate tower's combined facility. This calculation considers Paytm's occupancy within a specific tower.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, we have undertaken a limited assurance on the BRSR with TUV India Private Limited (TUVI).

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|--|------|------------|------------|
| NOx | TPY | 1.178 | 35.75 |
| SOx | TPY | 0.178 | 0.50 |
| Particulate matter (PM) | TPY | 0.220 | 0.94 |
| Persistent organic pollutants (POP) | TPY | NIL | NIL |
| Volatile organic compounds (VOC) | TPY | NIL | 4.64 |
| Hazardous air pollutants (HAP) | TPY | NIL | 0.0372 |
| Others – please specify Carbon Monoxide (CO) | TPY | 0.465 | 23.03 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment/evaluation/assurance was carried out for this indicator by an external agency during the year.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---------------|---------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 536.49 | 4,150.42 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 2,527.27 | 2,125.01 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | MtCO ₂ e/₹ | 0.00000004 | 0.0000001041 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | MtCO ₂ e/\$ | 0.00000001909 | 0.00000004969 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | NA | NA | NA |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | MtCO ₂ e/FTE | 0.109 | 0.242 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, we have undertaken a limited assurance on the BRSR with TUV India Private Limited (TUVI).

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

We are proud to represent our nation on the global stage, actively advocating for sustainable practices. Since December 2017, our Founder & CEO, Vijay Shekhar Sharma, has been serving as the United Nations Environment Programme's (UNEP) advocate for Clean Air. He has been instrumental in driving environmental action and awareness, championing UNEP's global #BreatheLife campaign, which focuses on improving air quality and influencing policy and citizen action for a healthier future.

In collaboration with UNEP, our CSR arm, Paytm Foundation, launched the Air Quality Action Forum (AQAF) last financial year. This national-level forum brings together regulators, national and international philanthropic organisations, international development agencies, and the corporate sector. The goal is to identify needs, gaps, and solutions to India's air quality problems, ensuring structured project implementation with a yearly action plan. AQAF facilitates an inclusive approach to tackling air pollution through stakeholder engagement.

Vijay also serves on the Advisory Board of the Green Digital Finance Alliance. This Alliance explores the potential for digital finance and fintech innovations to reshape the financial system in alignment with sustainable development goals. Our initiatives, such as reducing paper usage by promoting digital transactions and e-receipts, reflect our commitment to conserving resources and reducing pollution.

Paytm's 'Box of Joy' initiative epitomises purposeful gifting with environmental consciousness and community engagement. Central to this initiative is the 'Vriksharopan' project, where Paytm pledges to plant two trees for each employee in the newly established Paytm Forest near the National Capital Region (NCR), in collaboration with the Sankalptaru Foundation. This afforestation effort addresses environmental concerns and contributes to socio-economic empowerment by providing livelihood opportunities to local communities responsible for nurturing these trees.

Each tree planted under the 'Box of Joy' initiative is geotagged, allowing employees to monitor their growth and visit the site. This deepens their connection with nature and reinforces Paytm's dedication to community welfare and environmental sustainability. This comprehensive approach exemplifies how Paytm seamlessly integrates joy, environmental stewardship, and social responsibility into its operational framework.

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------------|------------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | NA | NA |
| Flexible Plastic Waste | NA | 59 MT |
| E-waste (B) | 238.11 MT | 129.01 MT* |
| Bio-medical waste (C) | NA | NA |
| Construction and demolition waste (D) | 0.1 MT | NA |
| Battery waste (E) | 27.15 MT | 1.06 MT |
| Radioactive waste (F) | NA | NA |
| Other Hazardous waste. Please specify, if any. (G) | NA | NA |
| Other Non-hazardous waste generated (H). Please specify, if any. | | |
| (Break-up by composition i.e. by materials relevant to the sector)- | | |
| Dry waste or Wet waste (Food Waste, Tea Bags & Other Cafeteria Waste etc) | 45 MT | 13 MT |
| Total (A+B + C + D + E + F + G + H) | 310.36 MT | 202.07 MT |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | 0.0000000041 | 0.0000000034 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | 0.00000000196 | 0.000000000162 |
| Waste intensity in terms of physical output | NA | NA |
| Waste intensity (optional) – the relevant metric may be selected by the entity | 0.011042 MT/ FTE | 0.007784 MT/ FTE |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 265.25 MT | 202.07 MT |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| Total | 265.25 MT | 202.07 MT |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | NIL | NIL |
| (ii) Landfilling | 45.12 | NIL |
| (iii) Other disposal operations | NIL | NIL |
| Total | 45.12 | NIL |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, we have undertaken a limited assurance on the BCSR with TUV India Private Limited (TUVI).

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company's operations do not involve the use of hazardous or toxic chemicals. In managing electronic waste (e-waste) responsibly, the Company has implemented comprehensive systems across all its facilities in India. Our dedication to environmental stewardship extends to the handling of e-waste assets, which undergo a structured disposal process. We strictly adhere to our comprehensive E-Waste Policy, ensuring the proper management of e-waste resulting from our business operations. To uphold these standards, we collaborate with e-waste vendors approved by the Central Pollution Control Board (CPCB), guaranteeing responsible and compliant e-waste handling practices across our operations.

The Company has also devised a comprehensive waste collection strategy in accordance with the Extended Producer Responsibility (EPR) plan submitted to the CPCB. To efficiently manage other forms of waste, the Company segregates and stores generated waste into two distinct categories: dry waste and wet waste, utilizing appropriate bins for this purpose. All waste generated on our premises is managed through our partnerships with government-authorized agencies equipped with sorting and processing facilities.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--------|--------------------------------|--------------------|---|
| 1 | NIL | NIL | There are no offices and/or operating sites in or around ecologically sensitive areas where environmental approvals are required. |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

| Name and brief details of Project instead of locations of operations/offices | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|--|----------------------|------|---|--|-------------------|
| | | | NA | | |

- 13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the Company is in compliance with all applicable environmental laws.

| S. No | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|-------|---|---------------------------------------|---|---------------------------------|
| | | | NA | |

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable

| Parameter | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | NA | NA |
| (ii) Groundwater | NA | NA |
| (iii) Third party water | NA | NA |
| (iv) Seawater / desalinated water | NA | NA |
| (v) Others | NA | NA |
| Total volume of water withdrawal (in kilolitres) | NA | NA |
| Total volume of water consumption (in kilolitres) | NA | NA |
| Water intensity per rupee of turnover (Water consumed / turnover) | NA | NA |
| Water intensity (optional) – the relevant metric may be selected by the entity | NA | NA |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into Surface water | NA | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (ii) Into Groundwater | NA | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| (iii) Into Seawater | | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (iv) Sent to third-parties | | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| (v) Others | | NA |
| - No treatment | NA | NA |
| - With treatment – please specify level of treatment | NA | NA |
| Total water discharged (in kilolitres) | NA | NA |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, we have undertaken a limited assurance on the BRSR with TUV India Private Limited (TUVI).

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---------------------------------|----------------|-------------|
| Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)* | Metric tonnes of CO2 equivalent | 65,869.73 | Not Tracked |
| Total Scope 3 emissions per rupee of turnover | MtCO2e/₹ | 0.000000859828 | Not Tracked |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | MtCO2e/FTE | 2.34 | Not Tracked |

*Total Scope 3 emissions has been calculated by considering 5 major categories which are mentioned below:

Capital Goods, Fuel & Energy Activities, Waste Generated, Employee Commute and Business Travel.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment/evaluation/assurance carried out for this indicator by an external agency during the year.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

- 4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|-----------------------|--|---|
| 1 | Paytm Soundbox | Paytm Soundbox provides instant audio confirmation for the amount received. It also has our All-in-One QR Code, enabling merchants to accept payments from multiple instruments like Paytm Wallet, Debit & Credit Cards, Net Banking and Paytm UPI. The feature is available in 11 languages (English, Hindi, Kannada, Telugu, Tamil, Malayalam, Punjabi, Marathi, Gujarati, Bengali, Odia), which facilitated its usage across the country. | In the last FY, a total of 21,969 million Sound-box-based transactions have been completed through Paytm-enabled Sound boxes. This has enabled saving paper slips worth 19.3 million pounds in the last one year. (Considering each paper slip 5.7cm*10 cm, having 70 GSM paper). |

- 5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has formulated a comprehensive disaster management plan to delineate the protocols to be followed in the event of natural or man-made emergencies, political unrest, or criminal activities that could disrupt business operations and escalate into emergency situations. This plan outlines the specific procedures to be enacted during such occurrences.

The Emergency Response Plan (ERP) documentation encompasses the following key components:

- Establishment of an Emergency Response Team (ERT): Comprising individuals trained to prepare for and respond to emergency incidents, the ERT addresses a wide spectrum of potential crises, including natural disasters and industrial accidents. Through ongoing training and awareness-building exercises, the ERT enhances preparedness and response capabilities.
- Deployment of a Quick Response Team (QRT): Operating round-the-clock as the initial responders, the QRT comprises a designated driver and two Civil Defence Volunteers skilled in firefighting, search and rescue, and first aid. During emergencies such as fires, the Emergency Coordinator assumes primary responsibility for coordinating staff response efforts and liaising with external emergency services. Additionally, the Emergency Coordinator oversees the training and designation of QRT members in fire prevention techniques.

- Documentation of Incidents: Incident reports serve as comprehensive records detailing the circumstances and outcomes of emergency events. These reports are integral for post-incident analysis, enabling the organization to learn from past incidents, mitigate risks, and enhance preparedness for future emergencies.
- 6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**
- As of the current date, Paytm has not conducted an impact study for its supply chain focused on the environment. However, we are committed to making our supply chain sustainable. We are in the process of implementing a sustainable sourcing policy that will enable us to track and manage the environmental and social impacts across our value chain. Through this policy, we aim to foster transparency, accountability, and responsible practices throughout our operations.
- 7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated to Seven (7) trade and industry chamber/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

| S. No | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|-------|---|--|
| 1 | Internet & Mobile Association of India (IAMAI) | National |
| 2 | National Association of Software and Services Companies (NASSCOM) | National |
| 3 | Associated Chambers of Commerce and Industry of India (ASSOCHAM) | State & National |
| 4 | Federation of Indian Chambers of Commerce and Industry (FICCI) | State & National |
| 5 | Digital Lenders Association of India (DLAI) | National |
| 6 | Confederation of Indian Industry (CII) | State & National |
| 7 | Alliance of Digital India Foundation (ADIF) | National |

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|---|-------------------|-------------------------|
| There were no incidents of anti-competitive behavior involving the Company during the reporting period (2023-24). | | |

Leadership Indicators

1. Details of public policy positions advocated by the entity:

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|--------|--|--|--|---|---|
| 1 | Submitted inputs to Telecom Regulatory Authority of India to Telecom (TRAI) on "Digital Inclusion in the Regulatory Era of Emerging Technologies" | Submission Authority of India (TRAI) | No | NA | NA |
| 2 | MoU signed with MoMSME for enabling PM Vishvakarma artisans with digital payment acceptance devices | Meeting with MoMSME | No | NA | NA |
| 3 | Submitted inputs through meetings & presentations to the Ministry of Panchayati Raj regarding the payment digitization using UPI of all the panchayats raj institutions of India | Presentation to Ministry of Panchayati Raj | Yes | NA | https://cdnbbsr.s3waas.gov.in/s31602_6d60ff9b54410b3435b403afd226/uploads/2023/06/2023061969.pdf |

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| | | | NIL | | |

- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--------|--|-------|----------|---|--------------------------|---|
| | | | | NIL | | |

- 3. Describe the mechanisms to receive and redress grievances of the community.**

Given the nature of the business, this is not applicable to the Company.

- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Particulars | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Directly sourced from MSME/ small producers | 32% | 28% |
| Directly from within India | 67% | 72% |

- 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

| Location | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural | 0.00% | 0% |
| Semi-urban | 0.43% | 0.50% |
| Urban | 60.57% | 71.06% |
| Metropolitan | 39.00% | 28.44% |

Note: The percentages are calculated on the basis of CTC for the employees active as on 31st March '24 (for FY24) and 31st March '23 (for FY23).

RBI Classification on the website was done on the basis of District. Paytm has used office locations of the employees to map according to rural, urban, semi-urban and metropolitan.

Leadership Indicators

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| | Not Applicable |

- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No. | State | Aspirational District | Amount spent (In INR) |
|--------|---|-----------------------|-----------------------|
| 1 | Jammu & Kashmir, Delhi, Uttar Pradesh (Shikshit Bharat - An initiative by Paytm Foundation promoting education and digital literacy by donating laptops/ Desktops to underprivileged students) | No | 0.43 Millions* |
| 2 | Karnataka (Partnering with the Scaler Foundation, we provided a scholarship of INR 1 CR. for four years to 24 students) | No | 2.50 Millions |

* Depreciated Value of used laptops and desktops

Contribution to other projects other than CSR

| S. No. | State | Aspirational District | Amount spent (In INR) |
|--------|--|-----------------------|-----------------------|
| 1 | Orissa Donation to CMRF Orissa - Supported victims of the Balasore Train Accident through CMRF Orissa | No | 5.65 Millions |

- 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Yes. As per our sustainable sourcing policy, we have a component dedicated to fostering social inclusivity, that discusses preferential procurement. The policy entails encouraging diversity and inclusivity within our supply chain, thereby supporting businesses owned by women, minorities, and other underrepresented groups.

- (b) From which marginalized /vulnerable groups do you procure?**

We are in the process of implementing our sustainable sourcing policy, we haven't commenced tracking the parameters.

- (c) What percentage of total procurement (by value) does it constitute?**

We are in the process of implementing our sustainable sourcing policy, we haven't commenced tracking the parameters.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--------|--|--------------------------|---------------------------|------------------------------------|
| | | NA | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of the Authority | Brief of the case | Corrective action taken |
|-----------------------|-------------------|-------------------------|
| | NA | |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No of persons benefited from CSR projects | % beneficiaries from vulnerable and marginal groups |
|--------|-------------------|---|---|
| 1 | Shikshit Bharat | 7,721 | 36.19% |
| 2 | Scaler Foundation | 24 | 100% |

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

- 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Customer and merchant care

The Company recommends customers and merchants to carefully go through the help pages that provide self-help. For queries and concerns that are not addressed through the help pages, the customers and merchants can contact the care team through the Paytm App and Paytm for Business App.

Customer queries -

In-app support: <https://m.paytm.me/paytm-help> (Please use via Mobile)

Merchant queries -

In-app support: <https://b.paytm.me/help-support> (Please use via Mobile)

Contact: 0120-444 0440

Our in-app support channel is able to resolve a vast majority of customer complaints. In any uncommon scenario, where one wishes to escalate the concern to the next level, one needs to ensure that they have already exhausted the previous level(s) and their concern remains unresolved or not resolved to their satisfaction. This is not a channel but a reactive means to address those who raise concerns on social media.

Social Media - (only a reactive channel)

Twitter: [@Paytmcare](#)

Facebook: <https://www.facebook.com/Paytm>

LinkedIn: <https://www.linkedin.com/company/paytm/>

Grievance redressal - Loan Distribution

We have formulated an escalation matrix to ensure that concerns of the consumers are routed and addressed by the right team. The below escalation matrix is available for the consumers to read and understand in order to ensure a timely redressal of their concerns.

Service Levels**Service Levels for Loan Distribution Products****Level 1**

Complaints Registration:

- One can register complaints with our Customer Support by clicking on any of the above links.
- We offer customer support service 24 hours a day and 7 days a week.

Resolution of Complaints:

- We are committed to providing customers with our first response within 24 hours of receiving the complaint.
- Resolution of the complaint may get delayed due to operational or technical reasons. In such a scenario, concerned customers will be proactively informed of the timelines during which their complaint will be addressed.
- Complaints related to 'Suspected Fraud' often take longer to investigate due to the involvement of multiple agencies. The resolution time in such cases is dependent on the severity and complexity of the case. One shall be proactively informed of the timelines in such cases.

Level 2

1. Complaints Registration: Before reaching out to Level 2, we request the customers to contact Level 1 support channels mentioned above. If they have already reached out to Level 1 and have not received a satisfactory resolution, they can share the details of their complaint on the below e-mail ID.
 - One can register a complaint on grievance-redressal_loandistribution@paytm.com
2. Important Note – Complainant will need to mention the Level 1 Ticket # in the subject line of the e-mail. If complainant does not have a Level 1 ticket #, they can always raise a ticket using the links. Any complaint at Level 2 will not be entertained if the Level 1 ticket number is not mentioned.
 - One can register a complaint on grievance-redressal_loandistribution@paytm.com
3. Resolution of Complaints:
 - We are committed to providing a first response within 24 hours of receiving the complaint.
 - We aim to resolve all Level 2 complaints within 3 business days. Any delay in the resolution time shall be proactively communicated to the concerned customer.
 - Paytm (One97 Communications Limited) will coordinate with the respective lending partner to resolve complaints and communicate the lender's resolution to the customer.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| Particulars | As a percentage of total turnover |
|---|--|
| Environmental and social parameters relevant to the product | Soundbox: 10.93% |
| Safe and responsible usage | POS Machine: 2.84% Soundbox: 10.93% |
| Recycling and /or safe disposal | POS Machine: 2.84% Soundbox: 10.93% POS Machine: 2.84% |

3. Number of consumer complaints in respect of the following:

| | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|-----------------------------|-----------------------------------|---|---|------------------------------------|---|---|
| | Received during the year | Pending resolution at the end of the year | Remarks | Received during the year | Pending resolution at the end of the year | Remarks |
| Data privacy | 11 | 0 | NA | 6 | 2 | All pending complaints have been resolved |
| Advertising | 0 | 0 | NA | 5 | 0 | NA |
| Cyber Security | 0 | 0 | NA | 0 | 0 | NA |
| Restrictive Trade Practices | NA | NA | NA | NA | NA | NA |
| Unfair Trade Practices | NA | NA | NA | NA | NA | NA |
| Others | 13,841 | 53 | Source of complaints: RBI, BO, GRO, Nodal, Grievance emails Includes addition of new services like Pro Max program, Gold. 50 out of 53 complaints were resolved on the date of this report, and 3 are in the process of closure. | 9,900 | 52 | All pending complaints have been resolved |

4. Details of instances of product recalls on account of safety issues:

| Particulars | Number | Reason for recall |
|-------------------|--------|-------------------|
| Voluntary recalls | | |
| Forced recalls | NIL | |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, The Company is deeply committed to safeguarding sensitive information and maintaining the integrity of its operations, has meticulously crafted a comprehensive 'Information security policy' and 'Acceptable usage policy', which are currently in the process of being implemented. These policies serve as the foundation for our digital defense strategy, outlining stringent measures to thwart potential threats and uphold the trust of stakeholders. These meticulously delineates protocols for scope, data management, access control, confidentiality, incident response, and compliance with regulatory requirements, as per applicability.

Privacy Policy (paytm.com)

<https://paytm.com/company/terms-and-conditions?company=one97&tab=privacy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

During the financial year, no incidents has been reported, requiring corrective actions in advertising, delivery of essential services, cyber security, or product recalls occurred, nor were there penalties from regulatory authorities regarding product/service safety.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches

No cases of data breach were found.

- Percentage of data breaches involving personally identifiable information of customers

The Company did not witness any instances of data breaches during the year. The Company also has a cyber risk insurance policy.

- Impact, if any, of the data breaches - NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Paytm's extensive portfolio of products and services is tailored to cater to the unique requirements of both the Indian economy and the broader societal landscape, thereby ensuring alignment with their distinct needs. Details regarding the diverse range of offerings are readily accessible on the company's official website: <https://paytm.com/>.

Furthermore, Paytm actively disseminates information through its official blog and social media channels, including Facebook, Twitter, and Instagram. These platforms are consistently updated

with the latest insights, news, and updates about our offerings, ensuring that consumers remain well-informed and engaged with our evolving suite of products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We uphold continuous engagement with our customers across a wide range of communication channels such as press statements, blogs, social media campaigns, and our official website. This effort aims not only to impart knowledge and instill vigilance against cyber fraud but also to furnish them with up-to-date insights into the latest developments within the industry. By leveraging these platforms, we strengthen our commitment to ensuring the safety and awareness of our customers in an ever-evolving digital landscape.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We proactively alert users to any potential interruptions, ensuring they receive timely updates in a convenient manner. Customers receive immediate notifications directly through SMS on their mobile devices, providing real-time updates on service statuses. Additionally, through the Paytm app, we send out push notifications to give users instant news about service conditions. Moreover, Paytm's dedicated customer service teams, including our social media teams, are always on standby to address user queries and provide personalized assistance via phone, ensuring direct and personal communication whenever needed. Besides, during unplanned downtime, we categorize the issues based on severity and trigger notifications accordingly.

<https://business.paytm.com/docs/v1/downtime-notification/>

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

We acknowledge the significance of furnishing our customers with sufficient, clear and transparent information. The company follows local guidelines of BIS & Legal Metrology Norms on their Product MRP & Packaging. All our products provide customers with complete and pertinent information essential for making informed decisions.

We regularly solicit feedback from our customers on a quarterly basis, carefully reviewing any complaints or grievances to conduct root cause analyses. This process not only allows us to address issues promptly but also presents opportunities for service enhancements. Our research initiatives encompass a range of methodologies, including surveys, in-depth interviews with consumers, customers, and key ecosystem stakeholders, as well as consultations with industry experts. Complementing our primary research, we leverage quantitative market data sourced from reputed portals and industry publications. Furthermore, we conduct Annual Customer Surveys to identify key drivers influencing overall satisfaction, fostering teamwork to address any identified gaps and drive improvements.

Independent Assurance Statement on Business Responsibility & Sustainability Reporting

To

The Board of Directors,
 One 97 Communications Limited,
 One Skymark, Tower-D,
 Plot No. H-10B, Sector-98,
 Noida - 201304, India

One 97 Communications Limited (Paytm) (hereafter 'Paytm') engaged TUV India Private Limited (TUVI) to conduct independent external assurance of Business Responsibility and Sustainability Report (herein after abbreviated as "BRSR") following the National Guidelines on Responsible Business Conduct (NGRBC), SEBI circular: [SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122](#), dated 12/07/2024 for the reporting period April 01, 2023 to March 31, 2024. This assurance engagement was conducted in reference with BRSR and ISAE 3000 (Revised) requirements. This assurance statement is intended solely for the information and use of 'Paytm' and is not to be used by anyone other than 'Paytm'.

Management's Responsibility

Paytm developed the BRSR and is responsible for the collection, analysis, authenticity of data and disclosure of the information presented in the BRSR (web-based and print), including website maintenance, integrity, and for ensuring

its quality and accuracy with reference to the criteria stated in the BRSR, such that it's free of misstatements (intentional, unintentional, qualitative or quantitative, including omissions). 'Paytm' will be responsible for providing complete and true information and data. Further, 'Paytm' is responsible for archiving and reproducing the disclosed data to the stakeholders and regulators upon request.

Scope and Boundary

The scope of work includes the assurance of the following non-financial performance indicators/attributes. In particular, the assurance engagement included the following:

- i. Review of listed attributes following the Annexure I - Format of BRSR Core submitted by 'Paytm',
- ii. Review of the quality of information,
- iii. Review of evidence (on a random samples) for all 9 attributes and its KPI,

TUVI has verified the below disclosed attributes presented under the BRSR

| Attributes | KPI |
|---------------------------------|--|
| Green-house gas (GHG) footprint | Total Scope 1 emissions (with breakup by type) - GHG (CO2e) Emission in MT - Direct emissions from organization's owned- or controlled sources |
| | Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider |

| Attributes | KPI |
|---|--|
| Water footprint | GHG Emission Intensity (Scope 1+2), Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP GHG Emission Intensity (Scope 1+2), (Total Scope 1 and Scope 2 emissions (MT) / To be declared) Total water consumption (in kL) Water consumption intensity - kL / Total Revenue from Operations adjusted for PPP Water consumption intensity - kL /To be declared) Water Discharge by destination and levels of Treatment (kL) |
| Energy footprint | Total energy consumed in GJ % of energy consumed from renewable sources - In % terms Energy intensity -GJ/ Rupee adjusted for PPP Energy intensity -GJ/To be declared) |
| Embracing circularity - details related to waste management by the entity | Plastic waste (A) (MT) E-waste (B) (MT) Dry Waste (Tissue Paper, HRT/JRT/Toilet role/Face tissue/ Paper Cups, etc.) (C) (MT) Battery waste (D) (MT) Wet Waste (Food Waste, Tea Bags & Other Cafeteria Waste etc.) (E) Budling materials/ furniture scrap / carpets, broken cupboards, keyboard holder, project leftover like false ceiling, workstation fitouts, plywood, wood, glass mirror etc (F) (MT) Total waste generated (A + B + C + D + E + F) (MT) Waste intensity <ul style="list-style-type: none"> • MT / Rupee adjusted for PPP • MT /To be declared) Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity) ✓ kg of Waste Recycled Recovered /Total Waste generated For each category of waste generated, total waste disposed by nature of disposal method (MT) For each category of waste generated, total waste disposed by nature of disposal method (Intensity) <ul style="list-style-type: none"> ✓ kg of Waste Recycled Recovered /Total Waste generated |
| Enhancing Employee Wellbeing and Safety | Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the co - In % terms Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) <ol style="list-style-type: none"> 1) Number of Permanent Disabilities 2) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) 3) No. of fatalities |

| Attributes | KPI |
|---|---|
| Enabling Gender Diversity in Business | Gross wages paid to females as % of wages paid - In % terms Complaints on POSH 1) Total Complaints on Sexual Harassment (POSH) reported 2) Complaints on POSH as a % of female employees / workers 3) Complaints on POSH upheld |
| Enabling Inclusive Development | Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India - In % terms – As % of total purchases by value Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non- permanent /on contract) as % of total wage cost - In % terms – As % of total wage cost |
| Fairness in Engaging with Customers and Suppliers | Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms Number of days of accounts payable - (Accounts payable *365) / Cost of goods/ services procured |
| Open-ness of business | Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties 1) Purchases from trading houses as % of total purchases 2) Number of trading houses where purchases are made from 3) Purchases from top 10 trading houses as % of total purchases from trading houses 1) Sales to dealers / distributors as % of total sales 2) Number of dealers / distributors to whom sales are made 3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors Share of RPTs (as respective %age) in - <ul style="list-style-type: none">• Purchases• Sales• Loans & advances• Investments |

The reporting boundaries for the above attributes include 20 Regional offices and 50 Fleet hub offices spread across India. An on-site verification was conducted at Paytm Corporate Office, One Skymark, Tower-D, Plot No. H-10B, Sector-98, Noida - 201304, India for dates 22nd May 2024 to 25th May 2024.

Onsite Verification

- One 97 Communications Limited ("Paytm"), One Skymark, Tower-D, Plot No. H-10B, Sector-98, Noida - 201304, India for dates 22nd May 2024 to 25th May 2024.

The assurance activities were carried out together with a desk review as per reporting boundary.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI did not verify any ESG goals and claim through this assignment. TUVI disclaims any liability or co-responsibility 1) for any decision a person or an entity would make based on this assurance statement and 2) for any damages in case of erroneous data is reported. While, TUVI verified data with maximum sample desired for limited level of assurance; the responsibility for the authenticity of submitted data entirely lies with 'Paytm'. TUVI has taken reference of the financial figures from the audited financial statements. 'Paytm' will be responsible for the appropriate application of the financial data. The application of this assurance statement is limited w.r.t *SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated Jul 12, 2023*.

Water

- The raw water consumption at the 50 fleet offices is estimated based on the studies provided by the per day per employee water consumption as per CWGA studies.

Waste

- The waste data was not monitored for the 50 fleet offices; thus, the reported waste values are limited to the 20 regional offices.
- The generated non-hazardous waste in the 20 regional offices is handed over to the land lord. Thus, traceability to disposal method is missing. Thus, all generated non-hazardous waste is thus conservatively assumed to be landfilled.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a limited level of assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of Paytm's strategy, management of ESG-related issues or the sufficiency of the Report against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes assurance of non-financial quantitative and qualitative information ([09 attributes as per Annexure I - Format of BRSR Core](#)) disclosed by 'Paytm'. Reporting Organization is responsible for archiving the related data for a reasonable time period. TUVI is responsible for

- Planning to obtain the limited assurance for BRSR attributes so that it is free from material misstatement,
- Forming an independent opinion, based on the sampled evidence,
- Reporting the opinion to The Board of Directors of 'Paytm'.

This assurance statement is prepared by considering that the data and information presented by 'Paytm' are free from material misstatement.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- a) TUVI examined and reviewed the documents, data, and other information made available by Paytm for [09 attributes as per Annexure I - Format of BRSR Core](#) (non-financial disclosures) followed by taking reference of the financial figures from the audited financial statement,
- b) TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of 'Paytm',
- c) TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and quantitative),
- d) TUVI reviewed the adherence to reporting requirements of BRSR Core framework.

Opportunities for Improvement

The following are the opportunities for improvement reported to 'Paytm'. However, they are generally consistent with Paytm management's objectives and programs. Paytm already identified below topics and

Assurance team endorse the same to achieve the Sustainable Goals of organization:

- a) The Reporting organization can develop the SOP for reporting the 09 CORE attributes,
- b) The reporting organization can perform the internal audits of the sustainability data on periodic basis,
- c) The reporting organization can develop the traceable method for diversion of its non-Hazardous Waste from the landfill,
- d) The reporting organization can perform the water audits and evaluate the method to monitor the raw water consumption at the 50 fleet offices,
- e) The reporting organization can develop the method to capture the waste related data for the 50 fleet offices.

Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TUVI diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognize that failure to address conflict of interest adequately could undermine the

credibility of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR Core KPI described in the BRSR report along with the referenced information provides a fair representation of the 9 attributes, and meets the general content and quality requirements of the BRSR. TUVI confirms its competency to conduct the assurance engagement for the BRSR as per SEBI guidelines. Our team possesses expertise in ESG verification, assurance methodologies, and regulatory frameworks. We ensure independence, employ robust methodologies, and maintain continuous improvement to deliver reliable assessments.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the BRSR requirements. 'Paytm' refers to General Disclosure to report contextual information about Paytm, while the Management & Process disclose the management approach for each indicator [\(9 attributes as per Annexure I - Format of BRSR Core\)](#).

'Paytm' BRSR complies with the below requirements

1. Governance, leadership and oversight: The messages of top management, the business model to promote inclusive growth and equitable development, action and strategies, focus on services, risk management, protection and restoration of environment, and priorities are disclosed appropriately.

2. Connectivity of information: Paytm discloses [9 attributes as per Annexure I - Format of BRSR Core](#) and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.
3. Stakeholder responsiveness: The Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritize the short, medium and long-term strategies. The Report provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organization understands, takes into account and responds to the legitimate needs and interests of key stakeholders.
4. Materiality: The material issues within 9 attributes and corresponding KPI as per BRSR requirement are reported properly.
5. Conciseness: The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation is applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.
6. Reliability and completeness: Paytm has established internal data aggregation and evaluation systems to derive the performance. Paytm confirms that, all data provided to TUVI, has been passed through QA/QC function. The majority of the data and information was verified by TUVI's assurance team (on sample basis) during the BRSR verification and found to be fairly

accurate. All data, is reported transparently, in a neutral tone and without material error.

7. Consistency and comparability: The information presented in the BRSR is on yearly basis. and founds reliable and complete manner. Thus, the principle of consistency and comparability is established.

Independence and Code of Conduct: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#), TUVI confirms that there is no conflict of interest with Paytm. TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

Quality control: The assurance team complies with quality control standards, ensuring that the engagement partner possesses

requisite expertise and the assigned team collectively has the necessary competence to perform engagements in reference with standards and regulations. Assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing ESG Assurance services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with Paytm on any engagement that could compromise the independence or impartiality of our findings, conclusions, and observations. TUVI was not involved in the preparation of any content or data included in the BRSR, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

For and on behalf of TUV India Private Limited



Manojkumar Borekar
Product Head – Sustainability Assurance Service
TUV India Private Limited



Date: 12/06/2024
Place: Mumbai, India
Project Reference No: 8122651189

Financial Statements

Independent Auditor's Report

To the Members of **One 97 Communications Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of One 97 Communications Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, 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 notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued

by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Independent Auditor's Report

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| (a) Assessment of impairment in carrying value of investment in Paytm Payments Bank Limited (PPBL) (Refer accompanying notes 6 & 41 to the Standalone Financial Statements) | |
| The Company is a 39% shareholder in Paytm Payments Bank Limited ("PPBL"), which is treated as an associate entity of the Company. On January 31, 2024, the RBI issued a Press Release, imposing significant restrictions on the business operation of PPBL and permitted only withdrawal/ utilization of the available balances by customers from their accounts. Considering the uncertainties pertaining to the above RBI notice on the underlying recoverable value of its investments, the management performed an impairment assessment on the carrying value of investment in PPBL. Such assessment was primarily on the basis of qualitative factors in light of the RBI press release, such as, the scaled down business operations of PPBL and its business prospects including restrictions affecting normal operations of the primary products such as wallet, likelihood of any regulatory developments. Based on the foregoing, the Company recorded an impairment loss of Rs 2,096 Mn, representing the entire residual carrying amount of the Company's investment in PPBL. Considering the inherent complexities and significant judgements involved, the assessment of above impairment was considered as a key audit matter. | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We have read the Press Release and related FAQs issued by RBI in relation to imposition of significant restrictions on business operation of PPBL. • We discussed with the Company's management to obtain their understanding of the potential implication of the restrictions on the operation of PPBL, Tested the arithmetical accuracy of the equity accounting up to March 31, 2024 and impairment loss recognised by the Company in respect of PPBL. • We obtained and read management assessment pertaining to impairment of its investment in PPBL. • Tested the arithmetical accuracy of impairment loss. • We assessed adequacy of relevant disclosures as per applicable Ind AS. |
| Assessment of recoverable value of investment in subsidiaries and other associates (Refer accompanying notes 5 & 6 to the Standalone Financial Statements) | |
| The Company has investments in various subsidiaries and other associates. Where an indication of impairment exists, the carrying value of an investment is assessed for impairment as per Ind AS 36 and where applicable an impairment loss is recognized. | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the Company's assessment for identification of indicators of impairment. • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment including determination of recoverable value. |

Independent Auditor's Report

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| <p>The determination of recoverable value for impairment assessment involves significant management judgement/ estimates including the following key estimates:</p> <ul style="list-style-type: none"> i) Forecast of cash flows ii) Discount rates iii) Terminal growth rate iv) Revenue market multiple <p>Considering the inherent complexities and significant judgements involved, the assessment of above impairment was considered as a key audit matter.</p> | <ul style="list-style-type: none"> • We evaluated the Company's impairment model. This included assessing various assumptions used in the impairment model related to cash flows, discount rate, terminal value/ revenue market multiple, etc. used for material investments with assistance of valuation specialist wherever considered necessary. • We agreed relevant data with the latest budgets, actual past results and other supporting documents and checked the mathematical accuracy of the impairment model. • We assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in the carrying value. • We assessed adequacy of relevant disclosures as per applicable accounting standards. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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

Independent Auditor's Report

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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2023.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("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.
- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

Independent Auditor's Report

- (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, except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g);
- (c) The Balance Sheet, the 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 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 the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 (c) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Independent Auditor's Report

- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 40 (i) (a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 40 (i) (b) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made

Independent Auditor's Report

using privileged access rights as explained in note 43. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

Further, the feature of recording audit trail (edit log) facility was not enabled for certain sub-

systems operated by the Company and certain applications used for processing underlying transactions which are operated by third party software service provider. Consequently, we are unable to comment whether audit trail feature operated throughout the year for all relevant transactions recorded in the software or was tampered with.

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

per Yogender Seth
Partner

Membership Number: 094524
UDIN: 24094524BFOTI8030

Place: Gurugram
Date: May 22, 2024

Annexure 1 to the Independent Auditor's report

referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date.

**Re: One 97 Communications Limited
(the Company)**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically verified by the management in accordance with a planned program of verifying them once in 3 years which is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies have been noticed on such verification. According to the information and explanations given to us, the existence of Point of Sale (POS) machines and Sound Boxes lying with customers is considered on the basis of the 'active user status' of the customers which is tracked from the Company's IT systems.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

Annexure 1 to the Independent Auditor's report

- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies or firms as follows:

(Amount in Rs. Mn)

| Particulars | Loans | Optionally convertible debentures | Total |
|---|-------|-----------------------------------|-------|
| Aggregate amount granted/provided during the year | | | |
| - Subsidiaries | 200 | 20 | 220 |
| - Associates | - | 184 | 184 |
| - others | - | 40 | 40 |
| Balance outstanding as at balance sheet date in respect of above cases | | | |
| - Subsidiaries | - | -* | -* |
| - Associates | - | 484 | 484 |
| - others | - | 41 | 41 |

* Net of impairment charge created during the year of Rs 20 millions

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (c) In respect of loans or advance in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

| Name of the Entity | Amount (in mn) | Due date | Date of payment | Extent of delay | Remarks, if any |
|--|----------------|------------|-----------------|-----------------|-----------------|
| Arthimpact Finserve Private Limited | 234 | 31-12-2021 | - | 821 | Refer Note 1 |
| Robust Infocom Private Limited | 191 | 03-03-2022 | - | 759 | Refer Note 2 |
| Rooter Sports Technologies Private Limited | 51 | 28-12-2023 | - | 94 | Refer Note 3 |

Annexure 1 to the Independent Auditor's report

Note 1: The Company had given loan of INR 330 million on March 25, 2021 with repayment date on June 30, 2021. The Company entered into an addendum no. 1 dated August 11, 2021, w.e.f July 1, 2021 to extend outstanding loan of INR 260 million to September 30, 2021. The Company further entered into an addendum no. 2 dated December 1, 2021, w.e.f October 1, 2021 to extend outstanding loan of INR 234 million to December 31, 2021.

Note 2: The Company had given loan in financial year 2018-19 which was repayable on demand while the interest was payable on a quarterly basis. The Company raised demand of loan repayment on March 03, 2022.

Note 3: The Company had given loan of INR 40 million in FY 2021-22 for a period of 18 months, which later on was extended to December 28, 2023 vide addendum dated March 24, 2023.

- (d) The following amounts are overdue for more than ninety days from companies, firms, Limited Liability Partnerships or any other parties to whom loan has been granted during the year, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

| No. of Cases | Principal Amount Overdue | Interest Overdue | Total Overdue | Remarks |
|--------------|--------------------------|------------------|---------------|---------|
| 3 | 465 | 11 | 476 | - |

- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

Annexure 1 to the Independent Auditor's report

- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of provident fund. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the Statute | Nature of Dues | Yet to be paid (Rs. In Mn) | Paid (Rs. In Mn) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------------|---|----------------------------|------------------|---------------------------------------|--|
| Income Tax Act, 1961 | Non deduction of tax deducted at source | 509 | 499 | AY 2013-14-2017-18, 2019-20 & 2020-21 | Commissioner of Income-tax (Appeals) |
| Income Tax Act, 1961 | Non deduction of tax deducted at source | - | 223 | AY 2021-22 | Dispute Resolution Panel |
| Income Tax Act, 1961 | Re-assessment proceedings | 625 | - | AY 2013-14 to AY 2017-18 | Hon'ble Delhi High Court. |
| Income Tax Act, 1961 | Income tax | - | 136 | AY 2020-21 | Commissioner of Income-tax (Appeals) |
| Income Tax Act, 1961 | Income tax | 50 | 147 | AY 2021-22 | Dispute Resolution Panel |
| Goods and Service Tax Act | GST demand | 10,815 | - | April 2020 to September 2020 | Hon'ble High Court of Allahabad |
| Goods and Service Tax Act | Trans-1 transition | 726 | - | 2016-17 | The Joint Commissioner CGST, Commissionerate, Noida |
| The Customs Act, 1962 | Custom duty on Sound box | 33 | 2 | August 5, 2019 to July 6, 2021 | Hon'ble Customs, Excise and Service Tax Appellate Tribunal |

Annexure 1 to the Independent Auditor's report

| Name of the Statute | Nature of Dues | Yet to be paid (Rs. In Mn) | Paid (Rs. In Mn) | Period to which the amount relates | Forum where the dispute is pending |
|---|--------------------------------|----------------------------|------------------|------------------------------------|--|
| The Gujarat Tax on Entry of Specified Goods into Local Area Act, 2001 | Entry Tax | 17 | 1 | April 2016 to December 2016 | Hon'ble Gujarat Value Added Tax Tribunal, Ahmedabad |
| Goods and Service Tax Act | Wrong availment of ITC of IGST | 2 | - | August 2020 to September 2020 | The Joint Commissioner Corporate Circle |
| The Customs Act, 1962 | Custom duty on Sound box | 187 | - | 2022- 2023 | Hon'ble Customs, Excise and Service Tax Appellate Tribunal |

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of

Annexure 1 to the Independent Auditor's report

- securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
 - (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year except that during the current year, the management observed certain unauthorised / wrongful refunds or cancellations aggregating to INR 393 Mn. The management has recovered Rs. 92 Mn and is in the process of recovering the remaining amount from the identified parties or insurance companies.
 - (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
 - (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
 - (xiii) Transactions with the related parties are in compliance with sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
 - (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
 - (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company is not engaged in any Non-Banking Financial or Housing

Annexure 1 to the Independent Auditor's report

Finance activities. Accordingly, the requirement to report on clause (xvi) (b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 40(iv) to the financial statements, ageing and expected dates of

realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) & 3(xx)(b) of the Order 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: 094524
 UDIN: 24094524BFOTI8030

Place: Gurugram
 Date: May 22, 2024

Annexure 2 to the Independent Auditor's report

referred to in paragraph 2 (g) of "Report on Other Legal and Regulatory Requirements" of our report of even date.

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 with reference to standalone financial statements of One 97 Communications Limited ("the Company") as of March 31, 2024 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

Annexure 2 to the Independent Auditor's report

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

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

per Yogender Seth

Partner

Membership Number: 094524
 UDIN: 24094524BKFOTI8030

Place: Gurugram
 Date: May 22, 2024

Standalone Balance Sheet

(Amounts in INR Million, unless otherwise stated)

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current assets | | | |
| Property, plant and equipment | 3(a) | 9,190 | 8,138 |
| Right-of-use-assets | 3(b) | 2,336 | 2,795 |
| Capital work-in-progress | 3(c) | 97 | 71 |
| Intangible assets | 4 | 300 | 438 |
| Intangible assets under development | 3(d) | 10 | 4 |
| Investment in subsidiaries | 5 | 11,560 | 10,776 |
| Investment in associates | 6 | 408 | 2,081 |
| Financial assets | | | |
| Other investments | 7(b) | 9,121 | 1,582 |
| Loans | 7(c) | 1,712 | 1,536 |
| Other financial assets | 7(d) | 4,070 | 2,243 |
| Tax assets | | | |
| Other non-current assets | 9 | 2,603 | 3,198 |
| Total Non-Current Assets | | 47,643 | 38,187 |
| Current assets | | | |
| Financial assets | | | |
| Other investments | 7(a) | 22,277 | 10,495 |
| Trade receivables | 8 | 14,701 | 11,421 |
| Cash and cash equivalents | 10(a) | 38,431 | 30,029 |
| Bank balances other than cash and cash equivalents | 10(b) | 3,047 | 33,092 |
| Loans | 7(c) | 52 | 370 |
| Other financial assets | 7(d) | 16,470 | 22,522 |
| Other current assets | 9 | 7,267 | 10,248 |
| Total Current Assets | | 102,245 | 118,177 |
| TOTAL ASSETS | | 149,888 | 156,364 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 11(a) | 636 | 634 |
| Other equity | 11(b) | 122,754 | 122,233 |
| Total Equity | | 123,390 | 122,867 |
| LIABILITIES | | | |
| Non-Current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 3(b) | 1,441 | 1,799 |
| Contract liabilities | 14(b) | 518 | 2,367 |
| Other non-current liabilities | 14(a) | 206 | - |
| Provisions | 12 | 864 | 533 |
| Total Non-Current Liabilities | | 3,029 | 4,699 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 3(b) | 249 | 267 |
| Trade payables | | | |
| (a) Total Outstanding dues of micro and small enterprises | 13(a) | 190 | 397 |
| (b) Total Outstanding dues other than (a) above | 13(a) | 5,455 | 7,437 |
| Other financial liabilities | 13(b) | 10,124 | 13,525 |
| Contract liabilities | 14(b) | 2,515 | 2,353 |
| Other current liabilities | 14(a) | 2,647 | 3,426 |
| Provisions | 12 | 2,289 | 1,393 |
| Total Current Liabilities | | 23,469 | 28,798 |
| Total Liabilities | | 26,498 | 33,497 |
| TOTAL EQUITY AND LIABILITIES | | 149,888 | 156,364 |

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes.

This is the Standalone Balance Sheet referred to in our report of even date.

For S. R. Batliboi & Associates LLP
 Firm Registration No: 101049W/ E300004

Yogender Seth | Partner
 Membership No: 094524
 Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,
 Managing Director and CEO
 DIN No. 00466521
 Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,
 President & Group Chief Financial Officer
 DIN No. 07720350
 Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
 Place: Gurugram | Date: May 22, 2024

Standalone Statement of Profit and Loss

(Amounts in INR Million, unless otherwise stated)

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|-------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 15 | 76,608 | 60,277 |
| Other income | 16 | 5,244 | 3,994 |
| Total income | | 81,852 | 64,271 |
| Expenses | | | |
| Payment processing charges | | 18,801 | 17,140 |
| Marketing and promotional expenses | | 8,084 | 9,516 |
| Employee benefits expense | 17 | 40,301 | 32,584 |
| Software, cloud and data centre expenses | | 5,660 | 6,545 |
| Depreciation and amortization expense | 18 | 7,211 | 4,696 |
| Finance costs | 19 | 233 | 219 |
| Other expenses | 20 | 14,151 | 11,499 |
| Total expenses | | 94,441 | 82,199 |
| Loss before exceptional items and tax | | (12,589) | (17,928) |
| Loss on impairment of an associate | 41 | (2,096) | - |
| Exceptional items | 21 | (77) | (630) |
| Loss for the year | | (14,762) | (18,558) |
| Other comprehensive loss | | | |
| Items that will not be reclassified to profit or loss in subsequent years | | | |
| Re-measurement loss on defined benefit plans | 26 | (93) | (23) |
| Total Other Comprehensive loss for the year | | (93) | (23) |
| Total Comprehensive loss for the year | | (14,855) | (18,581) |
| Earnings per share (INR per share of INR 1 each) | | | |
| Basic | 22 | (23) | (29) |
| Diluted | 22 | (23) | (29) |

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For S. R. Batliboi & Associates LLP
 Firm Registration No.: 101049W/E300004
Yogender Seth | Partner
 Membership No: 094524
 Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,
 Managing Director and CEO
 DIN No. 00466521
 Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,
 President & Group Chief Financial Officer
 DIN No. 07720350
 Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
 Place: Gurugram | Date: May 22, 2024

Standalone Statement of Changes in Equity

(Amounts in INR Million, unless otherwise stated)

a) Equity Share Capital

| Equity shares - issued, subscribed and fully paid | No. of Shares | Amount |
|---|--------------------|------------|
| At April 1, 2022 | 648,561,414 | 649 |
| Shares issued during the year - ESOP | 793,549 | 1 |
| Shares buy-back (Refer note 39) | (15,566,746) | (16) |
| At April 1, 2023 | 633,788,217 | 634 |
| Shares issued during the year - ESOP | 1,625,556 | 2 |
| At March 31, 2024 | 635,413,773 | 636 |

b) Other Equity

| Particulars | Share application money pending allotment | Reserves and Surplus | | | | Other reserves | Total Other Equity |
|--|---|----------------------|-------------------|---------------|----------------------------|----------------|--------------------|
| | | Securities Premium | Retained earnings | ESOP Reserve | Capital Redemption Reserve | | |
| As at April 1, 2022 | * | 273,170 | (146,253) | 9,585 | - | (26) | 136,476 |
| Loss for the year | - | - | (18,558) | - | - | - | (18,558) |
| Other Comprehensive loss | - | - | (23) | - | - | - | (23) |
| Total comprehensive loss | - | - | (18,581) | - | - | - | (18,581) |
| Exercise of share options | * | * | - | - | - | - | - |
| Adjustment on forfeiture of ESOP | - | - | 3 | (3) | - | - | - |
| Adjustment on cancellation of ESOP | - | - | 12 | (12) | - | - | - |
| Amount transferred to security premium on exercise of ESOPs | - | 919 | - | (919) | - | - | - |
| Share based payment expenses (Refer note 24) | - | - | - | 13,799 | - | - | 13,799 |
| Share based payment for employees of subsidiaries and associates (Refer note 24) | - | - | - | 1,081 | - | - | 1,081 |
| Share application money received (pending allotment) | 1 | - | - | - | - | - | 1 |
| Amount received on issue of shares | - | 6 | - | - | - | - | 6 |
| Buy-back of equity shares (including transaction cost) (Refer note 39) | - | (8,568) | - | - | - | - | (8,568) |
| Transfer on account of buy-back of equity shares (Refer note 39) | - | (16) | - | - | 16 | - | - |
| Tax on buy-back of equity shares (Refer note 39) | - | (1,977) | - | - | - | - | (1,977) |
| Other adjustments (Refer note 11(b)) | - | - | (46) | - | - | 42 | (4) |
| As at March 31, 2023 | 1 | 263,534 | (164,865) | 23,531 | 16 | 16 | 122,233 |

Standalone Statement of Changes in Equity

(Amounts in INR Million, unless otherwise stated)

b) Other Equity (Contd..)

| Particulars | Share application money pending allotment | Reserves and Surplus | | | | Other reserves | Total Other Equity |
|--|---|----------------------|-------------------|------------------|----------------------------|----------------|--------------------|
| | | Securities Premium | Retained earnings | ESOP Reserve | Capital Redemption Reserve | | |
| As at April 1, 2023 | | 1 | 263,534 | (164,865) | 23,531 | 16 | 16 122,233 |
| Loss for the year | - | - | (14,762) | - | - | - | (14,762) |
| Other Comprehensive loss | - | - | (93) | - | - | - | (93) |
| Total comprehensive loss | - | - | (14,855) | - | - | - | (14,855) |
| Exercise of share options | (1) | 1 | - | - | - | - | - |
| Adjustment on forfeiture of ESOP | - | - | 120 | (120) | - | - | - |
| Adjustment on cancellation of ESOP | - | - | 466 | (466) | - | - | - |
| Amount transferred to securities premium on exercise of ESOPs | - | 1,857 | - | (1,857) | - | - | - |
| Share based payment expenses (Refer note 24) | - | - | - | 13,965 | - | - | 13,965 |
| Share based payment for employees of subsidiaries and associates (Refer note 24) | - | - | - | 1,377 | - | - | 1,377 |
| Share application money received (pending allotment) | 3 | - | - | - | - | - | 3 |
| Amount received on issue of shares | - | 12 | - | - | - | - | 12 |
| Amount reversed against share issue expenses | - | 21 | - | - | - | - | 21 |
| Other adjustments (Refer note 11(b)) | - | - | (2) | - | - | - | (2) |
| As at March 31, 2024 | | 3 | 265,425 | (179,136) | 36,430 | 16 | 16 122,754 |

* Amount below rounding off norms adopted by the Company

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For S. R. Batliboi & Associates LLP
 Firm Registration No.: 101049W/E300004

Yogender Seth | Partner
 Membership No: 094524
 Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,
 Managing Director and CEO
 DIN No. 00466521
 Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,
 President & Group Chief Financial Officer
 DIN No. 07720350
 Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
 Place: Gurugram | Date: May 22, 2024

Standalone Statement of Cash Flows

(Amounts in INR Million, unless otherwise stated)

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|-------|-----------------------------------|-----------------------------------|
| Cash flow from operating activities: | | | |
| Loss before tax | | (14,762) | (18,558) |
| Depreciation and amortization expense | 18 | 7,211 | 4,696 |
| Interest income | 16 | (2,169) | (2,582) |
| Interest Income on financial assets - measured at amortized cost | 16 | (2,053) | (582) |
| Interest and finance charges on lease liabilities | 19 | 172 | 185 |
| Gain on leases termination | | (19) | (1) |
| Trade receivables/ advance written off | 20 | 122 | 84 |
| Provision for advances# | | 828 | 125 |
| Loss allowance for financial assets | 20 | 1,217 | 795 |
| Provision for impairment of investments in associate | 21 | 20 | 630 |
| Loss on Impairment of an associate | 41 | 2,096 | - |
| Liabilities no longer required written back | 16 | (161) | (85) |
| Property, plant and equipment and intangible assets written off | 20 | 2 | 12 |
| Share based payment expenses | 17 | 13,965 | 13,799 |
| Provision for employee incentive | | (2) | (4) |
| Fair value gain on financial instruments measured at FVTPL (net) | 16 | (687) | (532) |
| Profit on sale of property, plant and equipment (net) | 16 | (31) | (130) |
| Operating profit/(loss) before working capital changes | | 5,749 | (2,148) |
| Working capital adjustments: | | | |
| Increase/(decrease) in trade payables | | (2,042) | 735 |
| Increase/(decrease) in provisions | | 1,133 | 950 |
| Increase /(decrease) in other current liabilities, other non-current liabilities and contract liabilities | | (2,260) | (885) |
| Increase/(decrease) in other financial liabilities | | (3,012) | 6,055 |
| (Increase)/decrease in trade receivables | | (4,268) | (4,772) |
| (Increase)/decrease in other financial assets | | 5,120 | (299) |
| (Increase)/decrease in other current and non-current assets | | 2,741 | 2,767 |
| Cash generated from operations | | 3,161 | 2,403 |
| Taxes paid, net of refunds | | (910) | (1,487) |
| Net cash inflow from operating activities (A) | | 2,251 | 916 |
| Cash flow from investing activities: | | | |
| Purchase of property, plant and equipment (including intangible assets, intangible assets under development, capital work-in-progress, capital advances and payable on purchase of fixed assets) | | (8,124) | (6,968) |
| Proceeds from sale of property, plant and equipment | | 95 | 189 |
| Proceeds from sale of online payment aggregator business | | 568 | 568 |
| Investment in fixed and other deposits with bank | | (30,257) | (54,056) |
| Proceeds from maturity of bank deposits | | 57,802 | 97,353 |
| Proceeds from repayment of inter corporate loans | | 484 | 483 |
| Inter corporate loans given | | (200) | - |

Standalone Statement of Cash Flows

(Amounts in INR Million, unless otherwise stated)

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|-------|-----------------------------------|-----------------------------------|
| Proceeds from sale of non-current investments | | 877 | - |
| Payment for purchase of non-current investments | | (8,362) | (1,226) |
| Proceeds from sale of current investments | | 191,155 | 332,377 |
| Payment for purchase of current investments | | (202,328) | (342,165) |
| Interest received | | 4,369 | 2,904 |
| Net cash inflow from investing activities (B) | | 6,079 | 29,459 |
| Cash flow from financing activities: | | | |
| Proceeds from issue of shares (including securities premium) | | 13 | 7 |
| Buy-back of equity shares (including transaction cost) | | - | (8,584) |
| Tax on buy-back of equity shares | | - | (1,977) |
| Share application money received during the year (pending allotment) | | 3 | 1 |
| Received on recharge of ESOP cost to subsidiaries and associates | | 496 | 97 |
| Interest paid | | (172) | (185) |
| Principal elements of lease payments | | (268) | (369) |
| Net cash inflow/ (outflow) from financing activities (C) | | 72 | (11,010) |
| Net increase in cash and cash equivalents (A+B+C) | | 8,402 | 19,365 |
| Cash and cash equivalents at the beginning of the year | | 30,029 | 10,664 |
| Cash and cash equivalents at the end of the year | | 38,431 | 30,029 |

| Cash and cash equivalents as per above comprises of following | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Cash on hand | * | * |
| Balance with banks | | |
| - On current accounts | 37,936 | 25,909 |
| - Deposits with original maturity of less than 3 months | 495 | 4,120 |
| Cash and cash equivalents for the purpose of statement 10(a) of cash flows | 38,431 | 30,029 |

* Amount below rounding off norms adopted by the Company

Includes INR 57 disclosed under exceptional item (Refer note 21)

For non-cash additions and deletions in Right-of-use-assets and financing activities, refer note 3(b).

The above Standalone Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Standalone Statement of Cash Flows referred to in our report of even date.

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004

Yogender Seth | Partner
Membership No: 094524
Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,
Managing Director and CEO
DIN No. 00466521
Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN No. 07720350
Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
Place: Gurugram | Date: May 22, 2024

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

1. Corporate information

One 97 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 equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

The Company is in the business of providing a) payment and financial services which primarily includes payment facilitator services, facilitation of consumer and merchant loan distribution to consumers and merchants, wealth management etc. b) marketing services which primarily consists of aggregator for digital products, ticketing business, providing voice and messaging platforms to the telecom operators and enterprise customers and other businesses, etc.

These Standalone Financial Statements ("Financial Statements") were authorised for issue in accordance with a resolution of the Board of Directors on May 22, 2024.

2. Material accounting policies

2.1 Basis of preparation

These Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and

other relevant provisions of the Act as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value and amortised cost (refer accounting policies on financial instruments and Share-based payments).

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 millions, except per share data and unless stated otherwise.

New and amended standards adopted by the Company

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. There was no impact of the change on the financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101,

Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

2.2 Summary of material 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 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.

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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. 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.

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.

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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.

c. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer (transaction price) net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Company provides incentives to its users in various forms including cashbacks. Incentives which are consideration payable to the customer that are not in exchange for a distinct good or service are generally recognized as a reduction of revenue.

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. Typically, the Company has a right to payment before or at

the point that services are delivered. Cash received before the services are delivered is recognised as a contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

Sale of services

Revenue from services is recognized when the control in services is transferred as per the terms of the agreement with customer i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services. In terms of the contract, excess of revenue over the billed at the year-end is carried in the balance sheet as trade receivables where the amount is recoverable from the customer without any future performance obligation and the Company has unconditional right over such consideration (i.e. if only the passage of time is required before payment of such consideration is due). Cash received before the services are delivered is recognised as a contract liability.

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 control in services is transferred to the customer when the services have been provided by the Company.

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Service fees from merchants

The Company earns service fee from merchants and recognizes such revenue when the control in services have been transferred by the Company i.e. as and when 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 other financial liabilities.

Government Grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to revenue are recognized on a systematic basis in the Standalone Statement of Profit and Loss as other operating revenue over the periods necessary to match them with the related costs, if any, which they are intended to compensate.

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 other income in the statement of profit and loss.

d. Trade receivable

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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.

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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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

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

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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.

Taxes paid on acquisition of assets or on incurring expenses

Assets are recognised net of the amount of GST paid, except when the tax incurred on a purchase of assets 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.

Expenses are recognised net of the amount of GST paid, except when the tax incurred on a purchase of services is not recoverable from the taxation authority, in which case, the tax paid is expensed off in statement of profit and loss.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current/ non-current assets or other current liabilities in the balance sheet.

f. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment, if any. Property, plant and equipment is depreciated on a written down value basis to its residual value over its estimated useful life.

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 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 Company and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. 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 ready 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, except for plant and

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machinery on which straight line method is used, based on technical evaluation done by the management and charged to statement of profit and loss, unless such expenditure forms part of carrying value of another asset, as per the useful life prescribed under schedule II of the Companies Act, 2013, given below:

| Assets | Useful life (in years) |
|--|---------------------------|
| Servers and networking equipment (Computers) | 6 |
| Laptops and desktops (Computers) | 3 |
| Office equipment | 5 |
| Furniture and fittings | 10 |
| Vehicles | 8 |
| Plant & Machinery | |
| - EDC/POS machines | 3 |
| - Soundbox | 2 |

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

During the previous year, the Company had changed the method of depreciation for Plant & Machinery from written down value method to straight line method along with change in life to 3 years and 2 years for EDC/POS machines and Sound box, respectively and the impact on account of such change in estimate was assessed to be immaterial for the current and future periods.

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.

g. 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. Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use or sale
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

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Directly attributable costs that are capitalised as part of the software include employee costs.

Research and development costs

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortization methods and periods

Amortization of intangible assets begins when development is complete and the asset is available for use. Software, licenses acquired and internally generated software are amortized at the rate of 40% per annum on written down value method. During the period of development, the asset is tested for impairment annually. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized 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.

h. 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 or CGU 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.

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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.

i. 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.

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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.

j. Retirement and other employee benefits

For defined benefit plans (gratuity), the liability or asset recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the

net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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 period end on account of un-availed earned leave and Long Term Incentive Plan ('LTIP') as per actuarial valuation using projected unit credit method.

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render

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the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit payable under other financial liabilities in the balance sheet.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the code came into effect on May 3, 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

k. Share-based payments

Equity-settled transactions

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.

Performance conditions which are market conditions are taken into account when determining the grant date fair value of the awards. 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 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

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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.

I. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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- 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 and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. 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.

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.

The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considered this to be more relevant.

Equity investments in subsidiaries, associates and joint ventures are measured at cost. The investments are reviewed at each reporting date

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to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

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 Company's 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

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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 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 borrowings, lease liabilities, trade and other payables.

Subsequent measurement

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

Loans and borrowings

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

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(Amounts in INR Million, unless otherwise stated)

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.

Offsetting of financial instruments

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

m. Cash and cash equivalents

Cash and cash equivalent in the standalone 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 standalone 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.

n. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable,

using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the standalone balance sheet and lease payments have been classified as financing cash flows.

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

Basic EPS amounts are calculated by dividing the profit/ (loss) 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/ (loss) 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.

p. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

q. Use of estimates

The Company is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgements about carrying values of assets and liabilities.

r. Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the financial statements. Significant impact on the financial statements arising from impairment and non-recurring events are considered and reported as exceptional items.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3(a). Property, plant and equipment

| Particulars | Computers | Furniture and Fittings | Leasehold Improvements | Vehicles | Office Equipments | Plant & Machinery^ | Total |
|---------------------------------|--------------|------------------------|------------------------|-----------|-------------------|--------------------|---------------|
| Gross carrying amount | | | | | | | |
| As at April 1, 2022 | 3,997 | 25 | 81 | 12 | 270 | 6,669 | 11,054 |
| Additions | 253 | 2 | - | - | 19 | 6,738 | 7,012 |
| Disposals | 499 | 6 | - | 1 | 17 | 289 | 812 |
| As at March 31, 2023 | 3,751 | 21 | 81 | 11 | 272 | 13,118 | 17,254 |
| As at April 1, 2023 | 3,751 | 21 | 81 | 11 | 272 | 13,118 | 17,254 |
| Additions | 354 | 4 | 9 | - | 23 | 7,370 | 7,760 |
| Disposals | 1,380 | 2 | - | - | 4 | 152 | 1,538 |
| As at March 31, 2024 | 2,725 | 23 | 90 | 11 | 291 | 20,336 | 23,476 |
| Accumulated depreciation | | | | | | | |
| As at April 1, 2022 | 2,925 | 13 | 55 | 5 | 137 | 2,488 | 5,623 |
| For the year | 630 | 3 | 9 | 2 | 24 | 3,569 | 4,237 |
| Disposals | 452 | 5 | - | 1 | 15 | 271 | 744 |
| As at March 31, 2023 | 3,103 | 11 | 64 | 6 | 146 | 5,786 | 9,116 |
| As at April 1, 2023 | 3,103 | 11 | 64 | 6 | 146 | 5,786 | 9,116 |
| For the year | 432 | 3 | 12 | 1 | 22 | 6,170 | 6,640 |
| Disposals | 1,342 | 1 | - | - | 4 | 123 | 1,470 |
| As at March 31, 2024 | 2,193 | 13 | 76 | 7 | 164 | 11,833 | 14,286 |
| Net carrying amount | | | | | | | |
| As at March 31, 2024 | 532 | 10 | 14 | 4 | 127 | 8,503 | 9,190 |
| As at March 31, 2023 | 648 | 10 | 17 | 5 | 126 | 7,332 | 8,138 |

Notes:

- (i) Capital work in progress (Refer note 3(c))

Capital work in progress mainly comprises of servers and electrical devices. Further, Capital work-in-progress includes expenditure of INR 43 (March 31, 2023: INR 40) relating to expenses incurred on construction of office premises.

- (ii) Refer to note 28 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

[^] Plant and machinery includes Gross carrying amount INR 15,906 (March 31, 2023: INR 10,460), Accumulated depreciation INR 9,201 (March 31, 2023: INR 4,553), Net carrying amount INR 6,705 (March 31, 2023: INR 5,907) of point-of-sale machines and sound boxes installed at customer's premise.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases

A. Right-of-use assets

| Particulars | Right-of-use Leasehold Land | Right-of-use Office Premises | Total |
|---------------------------------|--------------------------------|---------------------------------|--------------|
| Gross Carrying Amount | | | |
| As at April 1, 2022 | 844 | 2,641 | 3,485 |
| Additions | - | 405 | 405 |
| Disposals (refer note below) | - | 33 | 33 |
| As at March 31, 2023 | 844 | 3,013 | 3,857 |
| As at April 1, 2023 | 844 | 3,013 | 3,857 |
| Additions | - | 102 | 102 |
| Disposals (refer note below) | - | 361 | 361 |
| As at March 31, 2024 | 844 | 2,754 | 3,598 |
| Accumulated Depreciation | | | |
| As at April 1, 2022 | 30 | 669 | 699 |
| For the Year | 10 | 378 | 388 |
| Disposals | - | 25 | 25 |
| As at March 31, 2023 | 40 | 1,022 | 1,062 |
| As at April 1, 2023 | 40 | 1,022 | 1,062 |
| For the Year | 10 | 364 | 374 |
| Disposals | - | 174 | 174 |
| As at March 31, 2024 | 50 | 1,212 | 1,262 |
| Net Carrying Amount | | | |
| As at March 31, 2024 | 794 | 1,542 | 2,336 |
| As at March 31, 2023 | 804 | 1,991 | 2,795 |

B. Lease Liabilities

| | March 31, 2024 | March 31, 2023 |
|-------------------------------------|----------------|----------------|
| Lease Liability on Office Premises | 1,690 | 2,066 |
| Total | 1,690 | 2,066 |
| Total lease liability - Current | 249 | 267 |
| Total lease liability - Non-Current | 1,441 | 1,799 |

C. Amounts recognised in Statement of profit and loss

| Particulars | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|-----------|--------------------------------------|--------------------------------------|
| Depreciation charge of Right-of-use assets | | | |
| Land | | 10 | 10 |
| Office Premises | | 364 | 378 |
| Total | 18 | 374 | 388 |
| Interest expense (included in finance cost) | 19 | 172 | 185 |
| Expense relating to short-term lease (included in other expenses) | 20 | 8 | 5 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. The Company has given notice to vacate certain office premises. This has been accounted as lease termination. Hence, in accordance with Ind AS 116, Lease Liability has been re-measured by INR 204 (March 31, 2023: 9) with corresponding adjustment to Right of Use assets amounting to INR 185 (March 31, 2023: 8) and the remaining balance has been included in Miscellaneous Income disclosed under Other Income in the Statement of Profit and Loss.

The total cash outflow for leases for the year ended is INR 440 (March 31, 2023: 554)

Extension and termination options:

Extension and termination options are included in certain leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. In certain cases, the extension and termination options held are exercisable only by the Company and not by the respective lessor.

Changes in liabilities arising from financing activities

| Particulars | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Opening debt | 2,066 | 2,042 |
| Non cash adjustments (Includes termination of leases) | (108) | 393 |
| Cash flows/ assets acquired | (268) | (369) |
| Interest expense | 172 | 185 |
| Interest paid | (172) | (185) |
| Total | 1,690 | 2,066 |

3 (c) Capital-work-in progress

Capital-work-in progress (CWIP) ageing schedule for the year ended March 31, 2024

| CWIP | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 56 | * | * | 40 | 97 |

Capital-work-in progress (CWIP) ageing schedule for the year ended March 31, 2023

| CWIP | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 23 | 8 | 1 | 39 | 71 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (d) Intangible assets under development

Intangible assets under development (IAUD) ageing schedule for the year ended March 31, 2024

| Intangible assets under development | Amount in IAUD for a period of | | | | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 6 | 4 | * | - | 10 |

Intangible assets under development (IAUD) ageing schedule for the year ended March 31, 2023

| Intangible assets under development | Amount in IAUD for a period of | | | | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 4 | * | - | - | 4 |

*Amount below rounding off norms adopted by the Company

4. Intangible assets

| Particulars | Software | Internally Generated Software | Total |
|---------------------------------|------------|-------------------------------|------------|
| Gross carrying amount | | | |
| As at April 1, 2022 | 279 | 1 | 280 |
| Additions | 114 | 315 | 429 |
| Disposals | 3 | - | 3 |
| As at March 31, 2023 | 390 | 316 | 706 |
| As at April 1, 2023 | 390 | 316 | 706 |
| Additions | 42 | 17 | 59 |
| Disposals | 6 | - | 6 |
| As at March 31, 2024 | 426 | 333 | 759 |
| Accumulated amortisation | | | |
| As at April 1, 2022 | 196 | 1 | 197 |
| For the year | 60 | 11 | 71 |
| Disposals | - | - | - |
| As at March 31, 2023 | 256 | 12 | 268 |
| As at April 1, 2023 | 256 | 12 | 268 |
| For the year | 75 | 122 | 197 |
| Disposals | 6 | - | 6 |
| As at March 31, 2024 | 325 | 134 | 459 |
| Net carrying amount | | | |
| As at March 31, 2024 | 101 | 199 | 300 |
| As at March 31, 2023 | 134 | 304 | 438 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

5. Investment in subsidiaries - Non Current

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Investment in equity instruments | | |
| Unquoted equity shares (Fully paid up) | | |
| One97 Communications Nigeria Limited | 3 | 3 |
| 10,000,000 (March 31, 2023 : 10,000,000) equity shares of NGN 1 each | | |
| One97 Communications FZ LLC | 44 | 21 |
| 1,500 (March 31, 2023 : 1,500) equity shares of AED 1,000 each | | |
| One 97 Communications India Limited | 834 | 832 |
| 83,150,000 (March 31, 2023 : 83,150,000) equity shares of INR10 each | | |
| One97 Communications Singapore Private Limited | 1,673 | 1,113 |
| 3,408,136 (March 31, 2023 : 3,356,100) equity shares of SGD 1 each | | |
| One97 USA Inc | 33 | 33 |
| 532,000 (March 31, 2023 : 532,000) equity shares of USD 1 each | | |
| Paytm Entertainment Limited | 2,886 | 2,824 |
| 78,873,755 (March 31, 2023 : 78,873,755) equity shares of face value of INR 10 each | | |
| Paytm Money Limited | 2,765 | 2,779 |
| 258,870,000 (March 31, 2023 : 258,870,000) equity shares of face value of INR 10 each | | |
| Wasteland Entertainment Private Limited (Refer note (iii) below) | 991 | 884 |
| 51,673 (March 31, 2023 : 51,673) equity shares of INR 10 each | | |
| Orbgen Technologies Private Limited (Refer note (ii) below) | 311 | 259 |
| 974,880 (March 31, 2023 : 974,880) equity shares of INR 10 each | | |
| Urja Money Private Limited | 228 | 225 |
| 2,102,245 (March 31, 2023 : 2,102,245) equity shares of INR 10 each | | |
| Mobiquest Mobile Technologies Private Limited | 197 | 192 |
| 201,634 (March 31, 2023 : 201,634) equity shares of INR 10 each | | |
| Little Internet Private Limited (Refer note (i) below) | - | - |
| 13,997,263 (March 31, 2023 : 13,997,263) equity shares of face value of INR 10 each | | |
| Paytm Services Private Limited | 50 | 49 |
| 3,000,000 (March 31, 2023 : 3,000,000) equity shares of face value of INR 10 each | | |
| Paytm Insurance Broking Private Limited (Refer note (iv) below) | 301 | 274 |
| 75,000,000 (March 31, 2023 : 75,000,000) equity shares of face value of INR 10 each | | |
| Paytm Payments Services Limited | 1,222 | 1,266 |
| 50,000,000 (March 31, 2023 : 50,000,000) equity shares of face value of INR 10 each | | |
| Total (A) | 11,538 | 10,754 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

5. Investment in subsidiaries - Non Current (Contd..)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Unquoted compulsorily convertible preference shares (Fully paid up) | | |
| Mobiquest Mobile Technologies Private Limited | 22 | 22 |
| 35,710 (March 31, 2023 : 35,710) compulsory convertible preference shares of INR 10 each | | |
| Total (B) | 22 | 22 |
| Grand Total [A+B] | 11,560 | 10,776 |
| Aggregate amount of unquoted investments | 11,560 | 10,776 |
| Aggregate amount of impairment in the value of investment | 5,510 | 5,510 |

- (i) Net of provision for impairment amounting to INR 2,714 (March 31, 2023: 2,714). Also Refer note 21.
- (ii) Net of provision for impairment amounting to INR 1,421 (March 31, 2023: 1,421). Also Refer note 21.
- (iii) Net of provision for impairment amounting to INR 850 (March 31, 2023: 850).
- (iv) Net of provision for impairment amounting to INR 525 (March 31, 2023: 525). Also Refer note 21.
- (v) For impairment details, refer note 23.

6. Investment in associates - Non Current

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Unquoted equity shares (Fully paid up) | | |
| Paytm Payments Bank Limited (Refer note (i) below) (Refer note 41) | - | 1,653 |
| 156,003,900 (March 31, 2023 : 156,003,900) equity shares of INR 10 each | | |
| Paytm General Insurance Limited | 10 | 10 |
| 980,000 (March 31, 2023 : 980,000) equity shares of INR 10 each | | |
| Paytm Life Insurance Limited | * | * |
| 49,000 (March 31, 2023 : 49,000) equity shares of INR 10 each | | |
| Paytm Financial Services Limited | 76 | 76 |
| 2,000,000 (March 31, 2023 : 2,000,000) equity shares of INR 10 each | | |
| Paytm Insuretech Private Limited (Formerly known as QorQI Private Limited) (refer note (i) below) | - | - |
| 2,560,938 (March 31, 2023 : 2,560,938) equity shares of INR 10 each | | |
| Eatgood Technologies Private Limited (Refer note (i) below) | - | - |
| 2,879 (March 31, 2023 : 2,879) equity shares of INR 10 each | | |
| Total (A) | 86 | 1,739 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

6. Investment in associates - Non Current (Contd..)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Unquoted compulsorily convertible preference shares (Fully paid up) | | |
| Socomo Technologies Private Limited (refer note (i) below) 28,800 (March 31, 2023 : 28,800) Compulsorily Convertible Preference share of face value of INR 1 each | - | - |
| Infinity Transoft Solutions Private Limited (refer note (i) below) 3,618 (March 31, 2023 : 3,618) Compulsorily Convertible Preference share of face value of INR 10 each | 80 | 100 |
| Eatgood Technologies Private Limited (refer note (i) below) 72,373 (March 31, 2023 : 72,373) Compulsorily Convertible Preference share of face value of INR 100 each | 242 | 242 |
| Total (B) | 322 | 342 |
| Grand Total [A+B] | 408 | 2,081 |
| Aggregate amount of unquoted investments | 408 | 2,081 |
| Aggregate amount of impairment in the value of investment | 2,900 | 784 |

- (i) Net of provision for impairment amounting to INR 20 (March 31, 2023: Nil), INR 26 (March 31, 2023: 26), INR 428 (March 31, 2023 : 428), INR 330 (March 31, 2023 : 330) and INR 2,096 (March 31, 2023: Nil) for Infinity Transoft Solutions Private Limited, Paytm Insuretech Private Limited, Socomo Technologies Private Limited, Eatgood Technologies Private Limited and Paytm Payments Bank Limited, respectively.

* Amount below rounding off norms adopted by the Company

7(a) Other investments - Current

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Investments at amortised cost | | |
| Investments in Debt instruments | | |
| Commercial papers (quoted) | 5,760 | 7,694 |
| Treasury bills (quoted) | - | 2,801 |
| Certificate of deposits (quoted) (Refer footnote (e) to note 10(a)) | 11,070 | - |
| Non-convertible debentures (quoted) | 5,447 | - |
| Total Current investments | 22,277 | 10,495 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(b) Other investments - Non-Current

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Investments at fair value through OCI (refer note (ii) below) | | |
| Unquoted equity shares (Fully paid up) | | |
| ZEPO Technologies Private Limited | 23 | 23 |
| 3,458 (March 31, 2023 : 3,458) Equity shares of face value INR 10 each | | |
| Total (A) | 23 | 23 |
| Investments at fair value through Profit and loss | | |
| Unquoted Compulsorily Convertible Preference shares (Fully paid up) | | |
| Fable Fintech Private Limited (formerly known as Avenues Payments India Private Limited (Refer note (i) below) | - | - |
| 11,379 (March 31, 2023 : 11,379) Compulsorily Convertible Preference share of face value of INR 100 each | | |
| Rooter Sports Technologies Private Limited | 40 | 40 |
| 1,160 (March 31, 2023 : 1,160) Compulsorily Convertible Preference share of face value INR 10 each | | |
| Total (B) | 40 | 40 |
| Unquoted optionally convertible debentures (Fully paid up) | | |
| Eatgood Technologies Private Limited | 73 | 67 |
| 5,999,731 (March 31, 2023 : 5,999,731) 10% Debentures of face value INR 10 each | | |
| Admirable Software Limited | 484 | 263 |
| 41,459,232 (March 31, 2023 : 23,109,232) 10% Debentures of face value INR 10 each | | |
| Nearbuy India Private Limited (Refer note (i) below) | - | - |
| 13,000,000 (March 31, 2023 : 13,000,000) 10% Debentures of face value INR 10 each | | |
| Urja Money Private Limited | 38 | 34 |
| 3,000,000 (March 31, 2023 : 3,000,000) 10% Debentures of face value INR 10 each | | |
| Paytm Financial Services Limited | 198 | 165 |
| 21,951,000 (March 31, 2023 : 21,951,000) 10% Debentures of face value INR 10 each | | |
| Massive Mobility Private Limited | 44 | 106 |
| 10,000,000 (March 31, 2023 : 10,000,000) 10% Debentures of face value INR 10 each | | |
| Fabapps Lab Private Limited | 41 | - |
| 40,000 (March 31, 2023 : Nil) 12% Debentures of face value INR 1,000 each | | |
| Little Internet Private Limited (Refer note (i) below) | - | - |
| 2,000,000 (March 31, 2023 : Nil) 10% Debentures of face value INR 10 each | | |
| Total (B) | 878 | 635 |
| | 918 | 675 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(b) Other investments - Non-Current (Contd..)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Investments at amortised cost | | |
| Investments in Debt instruments | | |
| Government securities (quoted) | - | 884 |
| Non-convertible debentures (quoted) | 5,077 | - |
| Certificate of deposits (quoted) | 3,103 | - |
| Total (C) | 8,180 | 884 |
| Total Non-Current investments [A+B+C] | 9,121 | 1,582 |
| Total Current Investments | 22,277 | 10,495 |
| Total Non-Current Investments | 9,121 | 1,582 |
| | 31,398 | 12,077 |
| Aggregate book value of unquoted investments | 941 | 698 |
| Aggregate book value of quoted investments | 30,457 | 11,379 |
| Aggregate market value of quoted investments | 30,457 | 11,379 |

Notes to 7(b)

- (i) The Company holds these investments, however the fair value is Nil.
- (ii) Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities. Refer note 30 for determination of their fair values.

7(c) Loans

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Inter Corporate Loans# | | | | |
| with related parties (Refer note 25) ## | 1,712 | 1,536 | 80 | 404 |
| Others | - | - | 476 | 470 |
| Less: Loss allowance for inter corporate loans | - | - | (504) | (504) |
| | 1,712 | 1,536 | 52 | 370 |

Break-up of security details

| | As at | | As at | |
|--|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Secured, considered good | - | - | - | - |
| Unsecured, considered good | 1,712 | 1,536 | 52 | 370 |
| Loans which have significant increase in credit risk | - | - | 504 | 504 |
| Loans Credit Impaired | - | - | - | - |
| | 1,712 | 1,536 | 556 | 874 |
| Less: Loss allowance for inter corporate loans | - | - | (504) | (504) |
| Total Loans | 1,712 | 1,536 | 52 | 370 |

#Inter corporate loans are given after complying with the provisions of section 186 of the Companies Act, 2013. The loans have been given in accordance with terms and conditions of the underlying agreements. Outstanding loans carry interest rate in the range of 8% to 12% (March 31, 2023: 8% to 12%).

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(c) Loans (Contd..)

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

Loan of INR 803, INR 402 and INR 408 has been given to First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) on June 7, 2021, September 30, 2021 and January 27, 2022 respectively. The Company has the rights of conversion into a variable number of shares in First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) (Joint venture of Paytm Entertainment Limited, wholly owned subsidiary) at fair market value and with mutual consent, during the tenure of loan. The interest is payable at the end of the repayment period. The loan has been fair valued through profit and loss (FVTPL) since it does not meet the SPPI test.

The Company has not granted loans to its directors and KMPs and the related parties (as defined under Companies Act, 2013) without specifying any terms or period of repayment. In certain cases, the Company has the right to demand for payment before specified period.

The details of such loans given to related parties are as follows:

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Amount of loan or advance in the nature of loan outstanding as specified above | 112 | 433 |
| Total amount of loan or advance in the nature of loan outstanding | 2,268 | 2,410 |
| Percentage to the total Loans and Advances in the nature of loans | 5% | 18% |

Details of loans (gross) as per Section 186 (4) of Companies Act, 2013 and Disclosure as per Regulation 34 (3) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans/ advances/ investments outstanding as at year end

| Particulars | Interest Rates | Gross inter corporate loans outstanding as at | | Maximum amount of inter corporate loans outstanding during the year | |
|---|----------------|---|----------------|---|----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) [#] | 8.00% | 1,923 | 1,796 | 1,923 | 1,796 |
| Paytm Financial Services Limited | 5.10% | - | - | - | 471 |
| Wasteland Entertainment Private Limited | 12.00% | - | 324 | 336 | 324 |
| Little Internet Private Limited | 12.00% | 80 | 80 | 80 | 80 |
| Urja Money Private Limited | 12.00% | 32 | 29 | 32 | 29 |
| Paytm Money Limited | 12.00% | - | - | 201 | - |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(c) Loans (Contd..)

| Particulars | Interest Rates | Gross inter corporate loans outstanding as at | | Maximum amount of inter corporate loans outstanding during the year | |
|--|----------------|---|----------------|---|----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Robust Infocom Private Limited | 9.85% | 191 | 191 | 191 | 191 |
| Rooter Sports Technology Private Limited | 10.00% | 51 | 45 | 51 | 45 |
| Arthimpact Finserve Private Limited | 13.50% | 234 | 234 | 234 | 234 |

Note:

- (i) The above loans have been provided for general corporate purposes.

Excluding fair valuation impact amounting to INR 243 (March 31, 2023: INR 289)

7(d) Other financial assets

| | Non-Current | | Current | |
|--|----------------|----------------|----------------|----------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Security deposits | 921 | 877 | 1,216 | 1,250 |
| Less: Loss allowance for security deposits | (357) | (18) | (366) | (213) |
| A | 564 | 859 | 850 | 1,037 |
| Bank balances | | | | |
| Deposits with original maturity for more than 12 months (Refer footnote (d) to note 10(a)) | 2,500 | - | - | - |
| Others | | | | |
| Advances recoverable in cash | - | - | 2,028 | 356 |
| Less: Loss allowance | - | - | (14) | (8) |
| Interest accrued but not due on fixed deposits | 1 | - | 139 | 804 |
| Interest accrued on security deposit | - | - | 138 | 140 |
| Less: Loss allowance | - | - | (132) | (138) |
| B | 2,501 | - | 2,159 | 1,154 |
| Amount recoverable from Payment Gateway banks* | | | | |
| Unsecured, considered good | | | | |
| Amount recoverable from other parties | - | - | 9,420 | 2,087 |
| Amount recoverable from related parties (Refer note 25) | - | - | 2,093 | 16,561 |
| Unsecured, considered doubtful | | | | |
| Amount recoverable from other parties | - | - | 145 | 287 |
| Less : Loss allowance | - | - | 11,658 | 18,936 |
| C | - | - | 11,513 | 18,648 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(d) Other financial assets (Contd..)

| | Non-Current | | Current | |
|---|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Unsecured, considered good | | | | |
| Amount recoverable from related parties (Refer note 25) | 1,005 | 1,384 | 1,829 | 1,500 |
| Amount recoverable from other parties (Refer note 34) | - | - | 17 | 8 |
| Amount recoverable from other parties | - | - | 102 | 175 |
| Unsecured, considered doubtful | | | | |
| Amount recoverable from related parties (Refer note 25) | - | - | 45 | 44 |
| | 1,005 | 1,384 | 1,993 | 1,728 |
| Less: Loss allowance for recoverable from related parties | - | - | (45) | (44) |
| D | 1,005 | 1,384 | 1,948 | 1,683 |
| Total [A+B+C+D] | 4,070 | 2,243 | 16,470 | 22,522 |

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

Note: No other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any 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 in note 34.

Break up of financial assets

| | Non-Current | | Current | |
|---|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| At cost | | | | |
| Investment in subsidiaries (Refer note 5) | 11,560 | 10,776 | - | - |
| Investment in associates (Refer note 6) | 408 | 2,081 | - | - |
| | 11,968 | 12,857 | - | - |
| At amortised cost | | | | |
| Trade receivables (Refer note 8) | - | - | 14,701 | 11,421 |
| Cash and cash equivalents (Refer note 10(a)) | - | - | 38,431 | 30,029 |
| Bank balances other than cash and cash equivalents (Refer note 10(b)) | - | - | 3,047 | 33,092 |
| Inter corporate loans (Refer note 7(c)) | 32 | 29 | 52 | 370 |
| Other investments (Refer note 7(a)) | - | - | 22,277 | 10,495 |
| Other investments (Refer note 7(b)) | 8,180 | 884 | - | - |
| Others (Refer note 7(d)) | 4,070 | 2,243 | 16,470 | 22,522 |
| | 12,282 | 3,156 | 94,978 | 107,929 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(d) Other financial assets (Contd..)

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| At fair value | | | | |
| Other investments at fair value through OCI (Refer note 7(b)) | 23 | 23 | - | - |
| Inter corporate loans at fair value through Profit and Loss (Refer note 7(c)) | 1,680 | 1,507 | - | - |
| Investments at fair value through Profit and Loss (Refer note 7(b)) | 918 | 675 | - | - |
| | 2,621 | 2,205 | - | - |

8. Trade receivables

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade Receivables | 13,476 | 11,799 |
| Receivables from related parties (Refer Notes (i) & (ii) below) | 3,986 | 1,640 |
| Receivables from other parties (Refer note 34) | 25 | 16 |
| Less: Loss allowance [Refer note 31(b)(i)] | (2,786) | (2,034) |
| | 14,701 | 11,421 |
| Current | 14,701 | 11,421 |
| Non-current | - | - |

Break-up of security details

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade receivables | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 15,217 | 12,301 |
| Trade receivable which have significant increase in credit risk | - | - |
| Trade receivable Credit Impaired | 2,270 | 1,154 |
| Total | 17,487 | 13,455 |
| Less: Loss allowance | (2,786) | (2,034) |
| Total Trade receivables | 14,701 | 11,421 |

- (i) No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 34.
- (ii) For related party receivables and related loss allowance, Refer note 25.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

8. Trade receivables (Contd..)

(iii) Trade receivables are non-interest bearing and generally carry a credit period of 30 days.

Trade Receivables ageing schedule for year ended March 31, 2024

| Particulars | Unbilled Dues# | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|----------------|--------------|--|------------------|------------|------------|-------------------|---------------|
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 6,680 | 4,188 | 3,399 | 805 | 23 | 83 | 39 | 15,217 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | 161 | * | 18 | 99 | 692 | 274 | 1,026 | 2,270 |
| Total | 6,841 | 4,188 | 3,417 | 904 | 715 | 357 | 1,065 | 17,487 |

Trade Receivables ageing schedule for year ended March 31, 2023

| Particulars | Unbilled Dues# | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|----------------|--------------|--|------------------|------------|------------|-------------------|---------------|
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 5,632 | 3,975 | 1,689 | 310 | 412 | 160 | 123 | 12,301 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | 26 | 5 | 111 | 88 | 79 | 60 | 785 | 1,154 |
| Total | 5,658 | 3,980 | 1,800 | 398 | 491 | 220 | 908 | 13,455 |

* Amount below rounding off norms adopted by the Company

#The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because the Company has an unconditional right to consideration.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

9. Other assets

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Capital advances | | | | |
| Unsecured, considered good | 562 | 565 | - | - |
| Doubtful | 1 | 1 | - | - |
| | 563 | 566 | - | - |
| Less: Provision for doubtful advances | (1) | (1) | - | - |
| A | 562 | 565 | - | - |
| Advances other than capital advances | | | | |
| Advances to vendors | | | | |
| Unsecured, considered good | 1,780 | 2,042 | 4,635 | 3,553 |
| Doubtful | 629 | - | 416 | 217 |
| | 2,409 | 2,042 | 5,051 | 3,770 |
| Less: Provision for doubtful advances | (629) | - | (416) | (217) |
| B | 1,780 | 2,042 | 4,635 | 3,553 |
| Others | | | | |
| Balances with government authorities : | | | | |
| Goods and services tax input credit | 82 | 328 | 1,228 | 5,466 |
| Prepayments | 179 | 263 | 418 | 511 |
| Advances to related parties* (Refer note 25) | - | - | 986 | 718 |
| C | 261 | 591 | 2,632 | 6,695 |
| Total (A+B+C) | 2,603 | 3,198 | 7,267 | 10,248 |

*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.

10(a). Cash and cash equivalents

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Cash on hand | * | * |
| Balance with banks | | |
| - On current accounts | 37,936 | 25,909 |
| - Deposits with original maturity for less than 3 months | 495 | 4,120 |
| | 38,431 | 30,029 |

* Amount below rounding off norms adopted by the Company

Notes :

- (a) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.
- (b) Fixed deposits amounting to INR 1,221 (March 31, 2023: INR 2,081) included in note 10(b) are marked under lien by banks for providing bank overdraft, working capital demand loan and issuing bank guarantees under various contracts.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

10(a). Cash and cash equivalents (Contd..)

- (c) Balance with banks on current accounts includes balance of Initial Public Offer (IPO) proceeds of INR 10,000 (March 31, 2023: INR 10,007) which will be utilised as stated in the prospectus for IPO.
- (d) Fixed deposits amounting to INR 2,500 and INR 518 (March 31, 2023: INR Nil and INR 31,000) included in note 7(d) and 10(b), respectively, will be utilised as stated in the prospectus for IPO.
- (e) Certificate of deposits amounting to INR 6,982 (March 31, 2023: INR Nil) included in note 7(a) will be utilised as stated in the prospectus for IPO.

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

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Deposits with original maturity of more than 3 months but less than 12 months (Refer footnote (b) and (d) to note 10(a)) | 1,270 | 15,700 |
| Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 10(a)) | 1,777 | 17,392 |
| | 3,047 | 33,092 |

11 (a). Equity share capital

| | No. of Shares | Amount |
|--|--------------------|--------------|
| Authorised equity share capital | | |
| As at April 1, 2022 | 104,106,600 | 1,041 |
| Increase/ (decrease) during the year | - | - |
| As at March 31, 2023 | 104,106,600 | 1,041 |
| Increase/ (decrease) during the year | - | - |
| As at March 31, 2024 | 104,106,600 | 1,041 |

Terms/ rights attached to equity shares

All the equity shares issued shall rank pari passu and have a par value of INR 1 per share. Each shareholder is eligible for one vote per share held only.

Issued, subscribed and fully paid up shares

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 635,413,773 equity shares of INR 1 each fully paid up (March 31, 2023 : 633,788,217 equity shares of INR 1 each fully paid up) | 636 | 634 |
| Total issued, subscribed and fully paid-up share capital | 636 | 634 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (a). Equity share capital (Contd..)

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

| Equity shares | March 31, 2024 | | March 31, 2023 | |
|--|--------------------|------------|--------------------|------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 633,788,217 | 634 | 648,561,414 | 649 |
| Shares issued during the year - ESOP | 1,625,556 | 2 | 793,549 | 1 |
| Shares buy-back (Refer note 39) | - | - | (15,566,746) | (16) |
| Shares outstanding at the end of the year | 635,413,773 | 636 | 633,788,217 | 634 |

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

| Name of shareholder | March 31, 2024 | | March 31, 2023 | |
|---|-----------------------|-----------|-----------------------|-----------|
| | Number of Shares held | % holding | Number of Shares held | % holding |
| Antfin (Netherlands) Holding B.V. | 62,797,816 | 9.88% | 158,080,740 | 24.94% |
| SVF India Holding (Cayman) Limited | - | - | 81,610,229 | 12.88% |
| Mr.Vijay Shekhar Sharma | 57,845,053 | 9.10% | 57,845,053 | 9.13% |
| SAIF III Mauritius Company Limited | 68,735,489 | 10.82% | 68,735,489 | 10.85% |
| Resilient Asset Management B V (Indirectly owned by Vijay Shekhar Sharma) | 65,335,101 | 10.28% | - | - |

c. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock options plan (ESOP) of the Company (Refer note 24).

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

The Company has not issued any share for consideration other than cash during the period of five years immediately preceding the reporting date. The Company has not issued bonus shares during the period of five years immediately preceding the reporting date. The Company has bought back 15,566,746 shares during the period of five years immediately preceding the reporting date. (Refer note 39)

e. Shareholding of Promoters

| Promoter Name | Shares held by Promoters at the end of the year | | % Change during the year |
|---------------|---|-------------------|--------------------------|
| | No. of Shares | % of total shares | |
| Nil | | | Not Applicable |

As of March 31, 2024 and March 31, 2023, the Company is a professionally managed company and does not have an identifiable promoter in terms of the Companies Act, 2013. Accordingly, disclosures related to promoter shareholding is not applicable.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (b). Other equity

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| 1. Reserves and Surplus | | |
| Securities premium | 265,425 | 263,534 |
| Employee stock options outstanding account (ESOP Reserve) | 36,430 | 23,531 |
| Retained earnings | (179,136) | (164,865) |
| Capital Redemption Reserve | 16 | 16 |
| Total reserve and surplus (A) | 122,735 | 122,216 |
| (i) Securities premium | | |
| Opening balance | 263,534 | 273,170 |
| Add: amount transferred from ESOP reserve on exercise of ESOPs | 1,857 | 919 |
| Add: amount received on issue of shares | 12 | 6 |
| Add: exercise of share options | 1 | * |
| Less: amount reversed against share issue expenses | 21 | - |
| Less: buy-back of equity shares (including transaction cost) (Refer note 39) | - | (8,568) |
| Less: transfer on account of buy-back of equity shares (Refer note 39) | - | (16) |
| Less: tax on buy-back of equity shares (Refer note 39) | - | (1,977) |
| Balance at the end of the year | 265,425 | 263,534 |
| (ii) Employee stock options outstanding account (ESOP Reserve) | | |
| Opening balance | 23,531 | 9,585 |
| Add: share based payment expenses (Refer note 24) | 13,965 | 13,799 |
| Add: share based payment for employees of subsidiaries and associates (Refer note 24) | 1,377 | 1,081 |
| Less: amount transferred to securities premium on exercise of ESOPs | (1,857) | (919) |
| Less: adjustment on forfeiture of ESOP | (120) | (3) |
| Less: adjustment on cancellation of ESOP | (466) | (12) |
| Balance at the end of the year | 36,430 | 23,531 |
| (iii) Retained earnings | | |
| Opening balance | (164,865) | (146,253) |
| Loss for the year | (14,762) | (18,558) |
| Less: remeasurement loss on defined benefit plans | (93) | (23) |
| Add: adjustment on forfeiture of ESOP | 120 | 3 |
| Add: adjustment on cancellation of ESOP | 466 | 12 |
| Add: other adjustments# | (2) | (46) |
| Balance at the end of the year | (179,136) | (164,865) |
| (iv) Capital Redemption Reserve | | |
| Opening balance | 16 | - |
| Add: transfer on account of buy-back of equity shares (Refer note 39) | - | 16 |
| Balance at the end of the year | 16 | 16 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (b). Other equity (Contd..)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| 2. Share application money pending allotment | | |
| Opening balance | 1 | * |
| Less: exercise of share options | (1) | * |
| Add: share application money received (pending allotment) | 3 | 1 |
| Balance at the end of the year (B) | 3 | 1 |
| 3. Other reserves- FVTOCI | | |
| Opening balance | 16 | (26) |
| Transfer from FVTOCI to retained earning# | - | 42 |
| Balance at the end of the year (C) | 16 | 16 |
| Total other equity (A+B+C) | 122,754 | 122,233 |

* Amount below rounding off norms adopted by the Company

Includes an amount of INR Nil (March 31, 2023: INR 42) on account of disposal of investment and INR 2 (March 31, 2023: INR 4) on settlement of incentive liability through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Nature and purpose of reserves

(i) Securities premium

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

(ii) Employee stock options outstanding account (ESOP Reserve)

Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees under the One 97 Employee Stock Option Plan.

(iii) FVTOCI Reserve

The Company has elected to recognise changes in the fair values of the certain investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity. The Company transfers amounts from this reserve to retained earning when relevant equity securities are derecognised.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

12. Provisions

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Provision for employee benefits | | | | |
| Provision for gratuity (Refer note 26) | 718 | 450 | - | - |
| Provision for leave benefits* | - | - | 1,460 | 1,096 |
| Provision for LTIP | 146 | 83 | 829 | 297 |
| | 864 | 533 | 2,289 | 1,393 |

*The entire amount of the provision of INR 1,460 (March 31, 2023 : INR 1,096) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The amount not expected to be settled within next twelve months is INR 997 (March 31, 2023 : INR 830).

13(a) Trade payables

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-------------------------|-------------|-------------------------|--------------|
| | Current | Non-Current | Current | Non-Current |
| Current | | | | |
| Trade payables# | | | 4,955 | 7,004 |
| Trade payables to related parties (Refer note 25) | | | 645 | 747 |
| Trade payables to other parties (Refer note 34) | | | 45 | 83 |
| | | | 5,645 | 7,834 |
| # Refer note 29 for MSMED disclosure. | | | | |
| (i) Total Outstanding dues of micro and small enterprises | | | 190 | 397 |
| (ii) Total Outstanding dues other than (i) above | | | 5,455 | 7,437 |
| | | | 5,645 | 7,834 |

Trade Payables ageing schedule for the year ended March 31, 2024

| Particulars | Unbilled Dues# | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|-------------------|------------|---|-----------|--------------|-------------------------|--------------|-------|
| | | | less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| (i) Undisputed - MSME | 60 | 65 | 28 | 3 | 1 | * | 157 | |
| (ii) Undisputed - Others | 4,047 | 641 | 458 | 8 | 5 | 148 | 5,307 | |
| (iii) Disputed dues - MSME | - | - | 19 | 1 | * | 13 | 33 | |
| (iv) Disputed dues - Others | - | * | 63 | 36 | 7 | 42 | 148 | |
| Total | 4,107 | 706 | 568 | 48 | 13 | 203 | 5,645 | |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

13(a) Trade payables (Contd..)

Trade Payables ageing schedule for the year ended March 31, 2023

| Particulars | Unbilled Dues [#] | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|----------------------------|--------------|--|-----------|-----------|-------------------|--------------|-------|
| | | | less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) Undisputed - MSME | 40 | 260 | 78 | 1 | * | | 1 | 380 |
| (ii) Undisputed - Others | 5,270 | 875 | 847 | 36 | 63 | 172 | 7,263 | |
| (iii) Disputed dues - MSME | - | * | 3 | * | 1 | 13 | 17 | |
| (iv) Disputed dues - Others | - | 4 | 66 | 11 | 16 | 77 | 174 | |
| Total | 5,310 | 1,139 | 994 | 48 | 80 | 263 | 7,834 | |

* Amount below rounding off norms adopted by the company

13(b) Other financial liabilities

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Current | | |
| Payable to merchants* | 7,782 | 9,851 |
| Payable on purchase of fixed assets | 372 | 651 |
| Payable on purchase of fixed assets- related parties (Refer note 25) | 12 | 12 |
| Employee benefits payable | 719 | 1,243 |
| Other amount received from customers | 668 | 1,336 |
| Others | 387 | 347 |
| Others- related parties (Refer note 25) | 166 | 60 |
| Other parties (Refer note 34) | 18 | 25 |
| | 10,124 | 13,525 |

*The Company uses a Nodal Account to receive money through debit/credit card and net banking transactions towards all transactions occurring on its portal, as well as to settle the respective merchants. The amounts collected but yet to be transferred to merchants are netted off with nodal account having balance of INR 15,537 (March 31, 2023 : INR 8,533). Gross payable to merchant includes payable to related parties (refer note 25) INR 428 (March 31, 2023 : INR 2,681).

Terms and conditions of the above financial liabilities:

- (i) Trade and other payables are non-interest bearing and generally carry credit period of 30-45 days.

Note: All financial liabilities are carried at amortized cost

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

14 (a) Other liabilities

| | Non-Current | | Current | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Statutory dues payable: | | | | |
| Tax deducted at source payable | - | - | 737 | 864 |
| GST payable | - | - | 1,270 | 2,395 |
| Tax collected at source payable | - | - | 23 | 22 |
| Provident fund payable | - | - | 86 | 85 |
| Other statutory dues | - | - | 63 | 60 |
| Others | 206 | - | 468 | - |
| | 206 | - | 2,647 | 3,426 |

14 (b) Contract liabilities

| | Non-Current | | Current | |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Contract liabilities | 518 | 2,367 | 2,515 | 2,353 |
| | 518 | 2,367 | 2,515 | 2,353 |

Revenue recognized in relation to carried forward contract liabilities

- (i) For Related Party refer Note 25
- (ii) For other party refer Note 34

| | Year ended | |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Contract liabilities recognized as revenue during the year | 1,673 | 936 |
| | 1,673 | 936 |

15. Revenue from operations

| | For the year ended | For the year ended |
|---------------------------------------|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Revenue from contracts with customers | | |
| Sale of services | 75,529 | 59,418 |
| Other operating revenue | | |
| Incentive income [#] | 1,079 | 859 |
| | 76,608 | 60,277 |

[#]There are no unfulfilled conditions or other contingencies attached to these grants.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

15. Revenue from operations (Contd..)

Disaggregated details of revenue:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| (i) Nature of services | | |
| Payment and financial services | 61,550 | 47,611 |
| Payments services to Consumers | 15,567 | 14,376 |
| Payments services to Merchants | 27,115 | 18,372 |
| Others (including Financial Services) | 18,868 | 14,863 |
| Marketing services | 13,979 | 11,807 |
| | 75,529 | 59,418 |
| (ii) Timing of revenue recognition | | |
| Services provided at a point in time | 65,978 | 53,739 |
| Services provided over a period of time | 9,551 | 5,679 |
| | 75,529 | 59,418 |

16. Other income

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Interest income | | |
| - on bank deposits | 2,134 | 2,509 |
| - on Income tax refund | 32 | - |
| - on Inter corporate loans - measured at amortized cost | 34 | 43 |
| - on financial assets - measured at amortized cost | 1,611 | 582 |
| - on debentures - measured at amortized cost | 442 | - |
| - on security deposit | 1 | 30 |
| Other income | | |
| Fair value gain on financial instruments measured at FVTPL (net) | 687 | 532 |
| Profit on sale of property, plant and equipment (net) | 31 | 130 |
| Liabilities no longer required written back | 161 | 85 |
| Exchange differences (net) | (19) | 41 |
| Miscellaneous income | 130 | 42 |
| | 5,244 | 3,994 |

17. Employee benefits expense

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Salaries, bonus and incentives | 24,267 | 17,256 |
| Contribution to provident and other funds | 775 | 507 |
| Share based payment expenses (Refer note 24) | 13,965 | 13,799 |
| Leave encashment expense | 770 | 581 |
| Gratuity expenses (Refer note 26) | 251 | 185 |
| Staff welfare expenses | 273 | 256 |
| | 40,301 | 32,584 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

18. Depreciation and amortization expense

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer note 3(a)) | 6,640 | 4,237 |
| Depreciation on right-of-use-assets (Refer note 3(b)) | 374 | 388 |
| Amortization of intangible assets (Refer note 4) | 197 | 71 |
| | 7,211 | 4,696 |

19. Finance costs

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Interest | | |
| - Interest and finance charges on lease liabilities (Refer note 3(b)) | 172 | 185 |
| - on late deposit of statutory dues | 17 | 3 |
| - on others | 44 | 31 |
| | 233 | 219 |

20. Other expenses

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Connectivity and content fees | 3,381 | 2,924 |
| Legal and professional fees (Refer note (ii) below) | 614 | 802 |
| Subcontract expenses | 2,449 | 3,046 |
| Contest, ticketing and FASTag expenses | 890 | 544 |
| Logistic, deployment & collection cost | 2,674 | 1,574 |
| Provision for advances | 771 | 125 |
| Loss allowance for financial assets | 1,217 | 795 |
| Trade receivables/ advance written off | 122 | 84 |
| Repair and maintenance | 926 | 759 |
| Insurance | 190 | 157 |
| Rates and taxes | 62 | 60 |
| Travelling and conveyance | 568 | 316 |
| Bank charges | 12 | (2) |
| Communication costs | 10 | 36 |
| Payment to auditors (Refer note (i) below) | 14 | 18 |
| Rent (Refer note 28) | 8 | 5 |
| Goods and services tax expense off | 68 | 50 |
| Property, plant and equipment and intangible assets written off | 2 | 12 |
| Corporate Social Responsibility (CSR) expenditure (Refer note 37) | 8 | 26 |
| Miscellaneous expenses | 165 | 168 |
| | 14,151 | 11,499 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

20. Other expenses (Contd..)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| (i) Payment to Auditors | | |
| As auditors | | |
| - Audit fee | 9 | 9 |
| - Tax audit fee | 1 | - |
| - Limited Review | 7 | 7 |
| In other capacity | | |
| - Reimbursement of expenses | 1 | 1 |
| - Other Services (Certification fees) | * | 2 |
| - Other adjustments** | (4) | (1) |
| | 14 | 18 |

* Amount below rounding off norms adopted by the Company

**For the year ended March 31, 2024, other adjustments relate to actualisation impact of audit fee provision pertaining to earlier years. For the previous year ended March 31, 2023, it relates to the audit fee paid on buyback certification, which has been adjusted from securities premium.

(ii) Legal and professional fees includes

- an amount of INR 75 (March 31, 2023 : INR 74) as remuneration to non-executive and independent directors.
- an amount of INR Nil (March 31, 2023 : INR 21) as payment to a Law firm in which one of the non-executive and independent director is interested. Further, payment of INR Nil (March 31, 2023: INR 4) to the said firm which is in the nature of share issue expenses/ share buy-back expenses (transaction cost) has been adjusted with securities premium account.

21. Exceptional items

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Provision for advances to suppliers (Refer note (a)) | (57) | - |
| Provision for impairment of investments in associates and subsidiaries (Refer note (b)) | (20) | (630) |
| | (77) | (630) |

- As at March 31, 2024, the Company had balances recoverable of INR 139 from Go Airlines (India) Limited ("Go Air") towards business related advances given and other dues. After considering recoveries and adjustments in the normal course of business during the year, the recoverable balance stands at INR 57 as on date. On May 10, 2023, the National Company Law Tribunal, Delhi Bench ('NCLT') admitted Go Air's application for voluntary insolvency proceedings under the Insolvency and Bankruptcy Code 2016, and NCLT has also appointed an Insolvency Resolution Professional (IRP) to revive the airline and manage its operations. As at date, the sale of tickets has been suspended and flights are yet to resume for Go Air. As part of the claims process,

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

21. Exceptional items (Contd..)

on May 24, 2023, the Company has filed a claim with the IRP for recovery of outstanding balances. Pending outcome of the insolvency proceedings, the management has provided for the balance INR 57 as exceptional item in the Standalone Statement of Profit and Loss.

- b) During the Current year ended March 31, 2024, the Company has recognized provision for impairment in the carrying value of its investment in its associate, Infinity Transoft Solutions Private Limited of INR 20 and during the previous year March 31, 2023, in carrying value of its investments in its subsidiaries, Orbgen Technologies Private Limited, Paytm Insurance Broking Private Limited and Little Internet Private Limited of INR 104, INR 525 and INR 1 respectively. The provision for impairment has been shown as an exceptional item in the Standalone Statement of Profit and Loss. During the current and previous years, the impairment losses for these investments was based on the equity value calculated based on cash flow projections with the business plan used for impairment testing using discounted cash flow method. The management has computed equity value based on discount rate of 20.8% (March 31, 2023: 22.5%) and terminal growth rate used in extrapolating cash flows beyond the planning period of 2.45 (March 31, 2023: 2.45) times of revenue of the terminal year.

22. Earnings per shares (EPS)

Basic EPS amounts are calculated by dividing the profit/ (loss) 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/ (loss) for the year 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 the basic and diluted EPS computations:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Loss attributable to equity holders for basic and diluted earnings | (14,762) | (18,558) |
| Weighted average number of equity shares for basic and diluted EPS | 634,531,390 | 645,793,553 |
| Earnings per share (INR per share of INR 1 each) | | |
| Basic | (23) | (29) |
| Diluted* | (23) | (29) |

* In view of losses during the current year and previous year, 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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Standalone 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.

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 12 months, 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. As the Company is yet to generate operating profits, Management has assessed that as at March 31, 2024 it is not probable that such deferred tax assets can be realised in excess of available taxable temporary differences. Management reassesses 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, refer note 27.

During FY 2019-20 (AY 2020-21) a shareholder of the Company holding 30.33% of shares of the Company had transferred its shareholding to its group company (both entities being 100% subsidiaries of the same ultimate parent entity). Based on advice from the Company's tax experts, Management has assessed that a mere change in shareholding within the same group will not be an affirmative position to say that the shareholding has been changed. Further, since the shares of the Company carrying not less than fifty-one percent of the voting power were beneficially held by persons, i.e. ultimate holding company of the aforesaid entities, who beneficially held shares of the company carrying not less than fifty-one percent of the voting power on the last day of the year or years in which the loss was incurred, the Company shall be entitled to carry forward and set off these losses against the taxable income of future years in accordance with the provisions of Section 79 of the Income Tax Act, 1961. (Refer note 27)

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan 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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Significant accounting judgements, estimates and assumptions (Contd..)

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India. The mortality rate is based on publicly available mortality tables for India. The 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 further details about gratuity obligations, refer note 26.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the standalone 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. For further details about Fair value measurement, refer note 30.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit risk associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Company determines whether there has been a significant increase in credit risk.

Impairment reviews

Investments in subsidiaries and associates are tested for impairment at-least on an annual basis or when events that occur / changes in circumstances indicate that the recoverable amount is less than its carrying value. In calculating the value in use, the Company is required to make judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates; discount rates to reflect the risks involved. The carrying value is less than the net worth of certain subsidiaries. The Company basis the underlying business and future business projections, does not consider there to be any diminution in the value of such investments. For details about impairment reviews, refer note 21.

The Company has investment in PPBL, an associate. During the year, given certain developments, the Company has recorded impairment of 100% carrying value. A qualitative assessment requires significant judgement (refer note 41)

Incentives

The Company provides incentives to users in various forms including cash backs to promote our platform. Incentives to users to whom the Company has a performance obligation is recorded as a reduction of revenue to the extent of the revenue earned. For the incentives to other transacting

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Significant accounting judgements, estimates and assumptions (Contd..)

users to whom the Company has no performance obligation, management is required to determine whether the incentives are in substance a payment on behalf of the merchants and should therefore be recorded as a reduction of revenue or as marketing and promotional expenses. Some of the factors considered in management's evaluation of such incentives being payments on behalf of merchants include whether the incentives are given at the Company's discretion, contractual agreements with the merchants, business strategy and objectives and design of the incentive program(s), etc.

Share-based payments

Employees of the Company receive remuneration in the form of share based payment instruments, whereby employees render services to group and receive equity instrument of Holding Company as consideration (equity-settled transactions). In accordance with the Ind AS 102 Share Based Payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognized 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.

24. Employee Stock Option Schemes (ESOP)

(A) One 97 Employees Stock Option Scheme 2019 (ESOP 2019 Scheme)

The Company introduced One97 Employee Stock Option Scheme 2019 for the benefit of employees as approved by the Board of Directors in the meeting held on September 4, 2019 and by shareholders in the Annual General Meeting held on September 30, 2019 wherein the Nomination and Remuneration Committee has been authorized to grant share-based stock options to eligible employees of the Company, its subsidiaries and associates under the ESOP 2019 Scheme. The maximum number of Employee Stock Options under ESOP 2019 Scheme shall not exceed 46,455,832 equity shares. ESOPs are generally granted to high performing employees. These Stock Options will generally vest between a minimum of one to a maximum of five years from the grant date subject to achievement of certain performance criteria e.g. impact made on overall business, track record of displaying Paytm values, etc.

(B) One 97 Employees Stock Option Scheme 2008 (ESOP 2008 Scheme)

The Company introduced One 97 Employee Stock Option 2008 Scheme for the benefit of employees as approved by the Board of Directors in the meeting held on September 8, 2008 and by the members in the Extra Ordinary General Meeting held on October 22, 2008 wherein Nomination and Remuneration Committee has authorized to grant share-based stock options to eligible employees of the Company and its subsidiaries under the ESOP 2008 Scheme. The maximum number of Employee Stock Options under ESOP 2008 Scheme shall not exceed

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

14,638,448 equity shares. These instruments will generally vest between a minimum of one to a maximum of four years from the grant date. The Company doesn't intent to make any grant under this scheme post Initial Public offering.

(C) Details about employee stock options granted, outstanding and other information:

- (1) During the year ended March 31, 2024, the Company has granted 7,407,606 (March 31, 2023- 12,385,196) Employee Stock Options under ESOP 2019 Scheme to Eligible Employees.
- (2) The total options outstanding as at March 31, 2024 under ESOP 2008 Scheme are 68,717 and ESOP 2019 Scheme are 38,115,349 (March 31, 2023 under ESOP 2008 Scheme – 250,797 and ESOP 2019 Scheme – 37,457,727). Scheme-wise options outstanding are as under:

ESOP 2008 Scheme

| Grant Date | Number of Options outstanding | Number of Options outstanding | Exercise Price |
|-------------------|-------------------------------|-------------------------------|----------------|
| | March 31, 2024 | March 31, 2023 | |
| December 31, 2008 | - | 6,405 | 5 |
| April 1, 2016 | 2,971 | 11,907 | 9 |
| October 1, 2016 | - | 834 | 9 |
| April 1, 2017 | - | - | 9 |
| October 1, 2017 | - | 19,000 | 9 |
| April 1, 2018 | 65,746 | 121,420 | 9 |
| July 1, 2018 | - | 83,433 | 9 |
| October 1, 2018 | - | 6,408 | 9 |
| April 1, 2019 | - | 1,390 | 9 |
| Total | 68,717 | 250,797 | |

ESOP 2019 Scheme

| Grant Date | Number of Options outstanding | Number of Options outstanding | Exercise Price |
|-----------------|-------------------------------|-------------------------------|----------------|
| | March 31, 2024 | March 31, 2023 | |
| April 1, 2019 | 112,358 | 172,991 | 9 |
| October 1, 2019 | 21,541 | 121,533 | 9 |
| April 1, 2020 | 75,740 | 135,343 | 9 |
| July 1, 2020 | 59,411 | 100,094 | 9 |
| October 1, 2020 | 1,141,223 | 1,585,497 | 9 |
| April 1, 2021 | 263,466 | 391,588 | 9 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

| Grant Date | Number of Options outstanding | Number of Options outstanding | Exercise Price |
|------------------|-------------------------------|-------------------------------|----------------|
| | March 31, 2024 | March 31, 2023 | |
| October 1, 2021 | 2,330,082 | 3,189,033 | 9 |
| October 1, 2021 | 21,000,000 | 21,000,000 | 9 |
| October 8, 2021 | 101,108 | 150,000 | 9 |
| April 1, 2022 | 1,421,926 | 2,309,166 | 9 |
| May 1, 2022 | 2,606,543 | 3,298,184 | 9 |
| August 1, 2022 | 624,989 | 1,057,294 | 9 |
| November 1, 2022 | 2,576,054 | 3,226,112 | 9 |
| January 31, 2023 | 374,739 | 720,892 | 9 |
| April 28, 2023 | 3,141,122 | - | 9 |
| July 20, 2023 | 1,297,270 | - | 9 |
| October 10, 2023 | 711,546 | - | 9 |
| January 9, 2024 | 256,231 | - | 9 |
| Total | 38,115,349 | 37,457,727 | |

(3) Movement during the year ended March 31, 2024 and March 31, 2023:

The following table provides details about the number and weighted average exercise prices (WAEP) of, and movements in, employee stock options during the year:

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---------------------------|---------------------------------|---------------------------|---------------------------------|
| | No of Options | Weighted Average exercise price | No of Options | Weighted Average exercise price |
| ESOP 2008 Scheme | | | | |
| Outstanding at the beginning | 250,797 | 8.90 | 585,450 | 8.96 |
| Granted during the year | - | - | - | - |
| Exercised during the year | 156,151 | 9.00 | 301,386 | 9.00 |
| Forfeited during the year | 6,929 | 5.27 | 33,267 | 9.00 |
| Cancelled during the year | 19,000 | 9.00 | - | - |
| Outstanding at the end of the year | 68,717 | 9.00 | 250,797 | 8.90 |
| Vested options outstanding at the end of the year (exercisable) | 68,717 | 9.00 | 250,797 | 8.90 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|------------------------------|--|------------------------------|--|
| | No of Options | Weighted Average exercise price | No of Options | Weighted Average exercise price |
| ESOP 2019 Scheme | | | | |
| Outstanding at the beginning | 37,457,727 | 10.95 | 29,317,167 | 33.89 |
| Granted during the year | 7,407,606 | 9.00 | 12,385,196 | 9.00 |
| Exercised during the year | 1,674,112 | 9.00 | 572,965 | 9.00 |
| Forfeited during the year | 4,254,120 | 26.15 | 3,651,172 | 188.85 |
| Cancelled during the year | 821,752 | 9.00 | 20,499 | 9.00 |
| Outstanding at the end of the year | 38,115,349 | 9.00 | 37,457,727 | 10.95 |
| Vested options outstanding at the end of the year (exercisable) | 1,218,909 | 9.00 | 1,013,089 | 81.02 |

- (4) Details of Weighted average share price of options exercised on the date of exercise are as follows:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | ESOP 2019 Plan | ESOP 2008 Plan | ESOP 2019 Plan | ESOP 2008 Plan |
| Weighted Avg. share price of options exercised on the date of exercise (INR per share) | 734.19 | 689.88 | 586.54 | 602.94 |

- (5) Details of Weighted average remaining contractual life for the share options outstanding are as follows:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | ESOP 2019 Plan | ESOP 2008 Plan | ESOP 2019 Plan | ESOP 2008 Plan |
| Weighted Avg. remaining life for the options outstanding at the end of the year (in years) | 2.86 | -- | 2.37 | 0.08 |

*All options have been vested. As per the ESOP Scheme of the Company, Employee can exercise these options at anytime during the entire period of continuous active employment with the company or its Subsidiary/Associate.

- (6) Expense recognized for employee services received during the year are as below:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Expense arising from equity-settled share-based payment transactions (refer note 17) | 13,965 | 13,799 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

(7) Share based payment for employees of subsidiaries & associates during the year are as below:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Investment (ESOP issued to employees of subsidiaries & Associates) | 1,084 | 804 |
| Reimbursement of ESOP Cost (For ESOPs granted to employees of certain subsidiaries & associates) | 293 | 277 |

(8) Other Details

(a) During FY 2023-24, the Company has cancelled 760,538 outstanding unvested employee stock options and 80,214 vested options. The same has resulted into accelerated ESOP charge of INR 304 which has been recorded as investment in respective associate entity.

During FY 2022-23, the Company has cancelled 20,499 outstanding unvested employee stock options. This cancellation of unvested employee stock options resulted into an accelerated share based payment expense of INR 12 (included in above charge) in the Standalone Statement of Profit and Loss for the year ended March 31, 2023.

(b) During the current year, the Company has modified the terms of certain ESOPs by adding certain performance conditions and modifying other vesting conditions. Accordingly, the Company has computed the incremental fair value of options as the difference between the fair value of the modified ESOP and that of the original ESOP, using Monte Carlo Simulations method as at the date of the modification which has been amortised in the Statement of Profit and Loss over the revised vesting period and accordingly charge of INR 262 (out of the INR 1,378 incremental fair value) recorded during the year.

9) Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2024 are as under:

The Fair Value of the Stock options is measured using Black-Scholes/MCS valuation model.

| Particulars | Grant Date | | | |
|--|----------------|---------------|------------------|-----------------|
| | April 28, 2023 | July 20, 2023 | October 10, 2023 | January 9, 2024 |
| Share Price on Grant Date (INR per share) | 654 | 851 | 950 | 686 |
| Fair Value of Options Granted (INR per option) | 647 | 844 | 943 | 679 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

| Particulars | Grant Date | | | |
|--|------------------|------------------|------------------|------------------|
| | April 28, 2023 | July 20, 2023 | October 10, 2023 | January 9, 2024 |
| Weighted Avg. Exercise Price (INR per share) | 9 | 9 | 9 | 9 |
| Vesting Period (in years) | 5 | 5 | 5 | 5 |
| Dividend Yield (%) | - | - | - | - |
| Expected Life (in years) | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 |
| Risk free interest rate (%) | 7.00 - 7.10 | 7.00 - 7.20 | 7.20 - 7.60 | 7.14 - 7.25 |
| Annualized Volatility (%) | 44.90 - 52.30 | 30.40 - 33.80 | 29.60 - 34.00 | 34.84 - 51.96 |

Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2023 are as under:

The Fair Value of the Stock options is measured using Black-Scholes valuation model.

| Particulars | Grant Date | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | April 1, 2022 | May 1, 2022 | August 1, 2022 | November 1, 2022 | January 31, 2023 |
| Share Price (INR per share) | 571 | 582 | 744 | 643 | 531 |
| Fair Value of Options Granted (INR per option) | 564 | 574 | 737 | 636 | 524 |
| Weighted Avg. Exercise Price (INR per share) | 9 | 9 | 9 | 9 | 9 |
| Vesting Period (in years) | 5 | 5 | 5 | 5 | 5 |
| Dividend Yield (%) | - | - | - | - | - |
| Expected Life (in years) | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 |
| Risk free interest rate (%) | 4.60 - 6.40 | 4.90 - 6.90 | 6.30 - 7.10 | 7.00 - 7.50 | 7.05 - 7.37 |
| Annualized Volatility (%) | 46.80 - 56.00 | 47.40 - 56.20 | 48.40 - 54.10 | 48.80 - 56.80 | 48.70 - 54.90 |

Notes:

1. Dividend yield is considered zero, as no dividend payout is expected in the foreseeable future.
2. Risk free return is based on the yield to maturity of Indian treasury securities, with a maturity corresponding to the expected term of ESOP.
3. Annualized volatility is based on the median weekly volatility of selected comparable companies for a time period commensurate with the expected term.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions

A. Entities over which company exercise control

| Name | Country of incorporation | Ownership interest held | |
|---|--------------------------|-------------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 |
| Indian Subsidiaries | | | |
| One 97 Communications India Limited | India | 100.00% | 100.00% |
| Paytm Entertainment Limited | India | 100.00% | 100.00% |
| Paytm Money Limited | India | 100.00% | 100.00% |
| Wasteland Entertainment Private Limited | India | 100.00% | 100.00% |
| Mobiquest Mobile Technologies Private Limited ('MQ')# | India | 82.49% | 66.34% |
| Urja Money Private Limited ('Urja) ## | India | 83.34% | 83.34% |
| Little Internet Private Limited ('Little') | India | 62.53% | 62.53% |
| Orbgen Technologies Private Limited | India | 100.00% | 100.00% |
| Paytm Services Private Limited | India | 100.00% | 100.00% |
| Paytm Payments Services Limited | India | 100.00% | 100.00% |
| Paytm Insurance Broking Private Limited | India | 100.00% | 100.00% |
| Foreign Subsidiaries | | | |
| One97 Communications Nigeria Limited | Nigeria | 100.00% | 100.00% |
| One97 Communications FZ-LLC | Dubai | 100.00% | 100.00% |
| One97 Communications Singapore Private Limited ('OCSPL') ### | Singapore | 100.00% | 100.00% |
| One97 USA Inc. | USA | 100.00% | 100.00% |
| Subsidiaries of Subsidiaries | | | |
| One97 Communications Rwanda Private Limited (subsidiary of OCSPL) | Rwanda | 100.00% | 100.00% |
| One97 Communications Tanzania Private Limited (subsidiary of OCSPL) | Tanzania | 100.00% | 100.00% |
| One97 Communications Bangladesh Private Limited (subsidiary of OCSPL) | Bangladesh | 70.00% | 70.00% |
| One97 Uganda Limited (subsidiary of OCSPL) | Uganda | 100.00% | 100.00% |
| One97 Ivory Coast SA (subsidiary of OCSPL) | Ivory Coast | 100.00% | 100.00% |
| One97 Benin SA (subsidiary of OCSPL) | Benin | 100.00% | 100.00% |
| Paytm Labs Inc. (subsidiary of OCSPL) | Canada | 100.00% | 100.00% |
| One97 Communications Malaysia Sdn. Bhd. (subsidiary of OCSPL) | Malaysia | 100.00% | 100.00% |
| One Nine Seven Communication Nepal Private Limited (subsidiary of OCSPL) | Nepal | 100.00% | 100.00% |
| One Nine Seven Digital Solutions Limited (subsidiary of OCSPL) | Kenya | 100.00% | 100.00% |
| One Nine Seven Communications Saudi Arabia For Communication and Information Technology (subsidiary of OCSPL) | Saudi | 100.00% | 100.00% |
| Nearbuy India Private Limited (subsidiary of Little) | India | 62.53% | 62.53% |
| Xceed IT Solution Private Limited (subsidiary of MQ) | India | 66.34% | 66.34% |
| Fincollect Services Private Limited (subsidiary of Urja) | India | 83.34% | 83.34% |

including 16.78% (March 31, 2023: 0.63%) held through Admirable Software Limited

including 15.87% (March 31, 2023: 15.87%) held through Admirable Software Limited.

including 43.37% (March 31, 2023: 43.75%) held through One 97 Communications India Limited.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

B. Joint Venture of Paytm Entertainment Limited (Wholly owned Subsidiary of One 97 Communications Limited)

| Name | Country of incorporation | Ownership interest held | |
|---|--------------------------|-------------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) ('FG')* | India | 55.00% | 55.00% |
| First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.) (wholly owned subsidiary of FG) | Singapore | 55.00% | 55.00% |
| Bluefield Technology Beijing Co. Ltd. (formerly known as Paytm Technology Beijing Co. Ltd.) (wholly owned subsidiary of FG) | China | 55.00% | 55.00% |

* The entity is into business of online gaming. It is a strategic investment which utilises group's knowledge and expertise in online space.

C. Entities over which company exercise significant influence - Associates

| Name | Country of incorporation | Ownership interest held | |
|---|--------------------------|-------------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 |
| Paytm Payments Bank Limited# | India | 49.00% | 49.00% |
| Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) | India | 32.45% | 32.45% |
| Paytm General Insurance Limited | India | 49.00% | 49.00% |
| Paytm Life Insurance Limited | India | 49.00% | 49.00% |
| Paytm Financials Services Limited ('PFSL') | India | 48.78% | 48.78% |
| Admirable Software Limited (subsidiary of PFSL) | India | 48.78% | 48.78% |
| Foster Payment Networks Private Limited^ (subsidiary of PFSL) | India | 48.80% | 48.80% |
| Infinity Transoft Solution Private Limited | India | 26.19% | 26.57% |
| Eatgood Technologies Private Limited | India | 23.24% | 23.24% |
| Socomo Technologies Private Limited | India | 12.70% | 12.75% |

including 10% (March 31, 2023: 10%) held through One 97 Communications India Limited. As per Banking Regulation Act, 1949, voting rights in a banking Company are capped at 26% in case the investor holds more than 26% in the bank (refer note 41).

^ Including 4.90% (March 31, 2023: 4.90%) held through Paytm Payments Bank Limited.

D. Key Management Personnel

| | |
|----------------------------|---|
| Mr. Vijay Shekhar Sharma** | Chairman, Managing Director and CEO |
| Mr. Madhur Deora | Chief Financial Officer and Whole-time Director (Executive Director, President & Group Chief Financial Officer) (w.e.f. May 20, 2022) |
| Mr. Sunil Kumar Bansal | Company Secretary and Compliance Officer (w.e.f July 21, 2023) |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

E. Entities having significant influence over the Company**

SAIF III Mauritius Company Limited

Elevation Capital V Limited (Formerly known as SAIF Partners India V Limited)

SAIF Partners India IV Limited

Elevation Capital V FII Holdings Limited

ANTFIN(Netherlands)Holding B.V.(Till August 2023)

Alipay Labs (Singapore) Pte Ltd (Till August 2023)

SVF India Holdings (Cayman) Limited (Till June 2023)

**Also, a significant beneficial owner with 9.10% shareholding and indirect owner of Resilient Asset Management B.V. having 10.30% (since Aug 2023). Refer note 11(a).

F. Relative of Key Management Personnel

Mr. Ajay Shekhar Sharma

Brother of Mr. Vijay Shekhar Sharma

Details of transactions with related parties during the year ended March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Rendering of services to related parties | | |
| One97 Communications FZ-LLC | 130 | 9 |
| Mobiquest Mobile Technologies Private Limited | 58 | 2 |
| Paytm Payments Bank Limited | 7,400 | 7,089 |
| Paytm Payments Services Limited | 6,754 | 4,573 |
| Wasteland Entertainment Private Limited | 25 | 16 |
| Nearbuy India Private Limited | 30 | 29 |
| Urja Money Private Limited | 68 | 19 |
| Paytm Entertainment Limited | * | * |
| Orbgen Technologies Private Limited | 30 | 26 |
| Paytm Services Private Limited | 12 | 1 |
| Paytm Insurance Broking Private Limited | 4 | 2 |
| One97 Communications Tanzania Private Limited | 40 | 54 |
| Paytm Money Limited | 188 | 169 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 13 | 65 |
| Infinity Transoft Solution Private Limited | 11 | 5 |
| Eatgood Technologies Private Limited | * | - |
| Fincollect Services Private Limited | 1 | - |
| One97 Communications Malaysia Sdn. Bdn | 40 | 1 |
| One97 Communications Singapore Private Limited | 1 | 1 |
| Paytm Labs Inc. | 64 | 17 |
| One Nine Seven Digital Solutions Limited | 2 | 2 |
| One Nine Seven Communication Nepal Private Limited | 20 | 25 |
| | 14,889 | 12,105 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| <u>Reimbursement of expenses incurred on behalf of related parties</u> | | |
| Paytm Payments Bank Limited | (9) | 152 |
| Mobiquest Mobile Technologies Private Limited | 17 | 2 |
| Paytm Money Limited | 32 | 25 |
| Wasteland Entertainment Private Limited | 20 | 15 |
| Urja Money Private Limited | 51 | 23 |
| Nearbuy India Private Limited | 17 | 5 |
| Orbgen Technologies Private Limited | 5 | 7 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 100 | 138 |
| Paytm General Insurance Limited | * | * |
| Paytm Labs Inc. | 1 | 4 |
| Paytm Services Private Limited | 6 | 7 |
| Paytm Payments Services Limited | 723 | 968 |
| One97 Communications Singapore Private Limited | 7 | 3 |
| Paytm Insurance Broking Private Limited | 7 | 9 |
| Foster Payment Networks Private Limited | - | 1 |
| Paytm Life Insurance Limited | - | * |
| Paytm Insuretech Private Limited | - | * |
| Admirable Software Limited | * | * |
| Paytm Financial Services Limited | * | * |
| Little Internet Private Limited | - | * |
| Fincollect Services Private Limited | 1 | - |
| One 97 Communications India Limited | 1 | * |
| | 979 | 1,359 |
| <u>Expenses reimbursed to related party</u> | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 14 | - |
| Paytm Services Private Limited | - | * |
| Urja Money Private Limited | * | * |
| Fincollect Services Private Limited | * | * |
| | 14 | * |
| <u>Interest income earned from related parties</u> | | |
| Paytm Payments Bank Limited | - | - |
| Urja Money Private Limited | 3 | 3 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 129 | 129 |
| Wasteland Entertainment Private Limited | 25 | 34 |
| Paytm Money Limited | 1 | - |
| Little Internet Private Limited | * | 1 |
| | 158 | 167 |

* Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| <u>Interest income earned on Optionally Convertible Debentures ("OCD") from related parties</u> | | |
| Urja Money Private Limited | 3 | 3 |
| Admirable Software Limited | 38 | 24 |
| Nearbuy India Private Limited | * | 1 |
| Paytm Financial Services Limited | 24 | 20 |
| Little Internet Private Limited | * | - |
| Eatgood Technologies Private Limited | 7 | 6 |
| | 72 | 54 |
| <u>Purchase of property, plant & equipment from related party</u> | | |
| Paytm Money Limited | - | * |
| Paytm Insurance Broking Private Limited | * | 1 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | * | - |
| Wasteland Entertainment Private Limited | 2 | 4 |
| | 2 | 5 |
| <u>Sale of property, plant & equipment to related parties</u> | | |
| Paytm Money Limited | 7 | 2 |
| Paytm Insurance Broking Private Limited | 3 | * |
| Paytm Payments Services Limited | - | 9 |
| Fincollect Services Private Limited | * | - |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 2 | - |
| Paytm Payments Bank Limited | 8 | 13 |
| | 20 | 24 |
| <u>Proceeds from sale of payment aggregator business</u> | | |
| Paytm Payments Services Limited | 568 | 568 |
| | 568 | 568 |

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| <u>Services received from related parties</u> | | |
| - Payment processing charges | | |
| Paytm Payments Bank Limited | 7,432 | 7,828 |
| Paytm Payments Services Limited | 4,307 | 4,857 |
| | 11,739 | 12,685 |
| - Legal and professional fees | | |
| Paytm Labs Inc. | 2 | 314 |
| | 2 | 314 |
| - General expenses | | |
| Paytm Payments Bank Limited | 83 | 142 |
| Alipay Labs (Singapore) Pte Limited (Refer note (i) below) | 284 | 1,666 |
| Orbgen Technologies Private Limited | 32 | 43 |
| Wasteland Entertainment Private Limited (Refer note (iii) below) | 346 | 384 |
| Urja Money Private Limited | 20 | 10 |
| Paytm Entertainment Limited | 1 | 1 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | - | 4 |
| Paytm Money Limited | - | 4 |
| Fincollect Services Private Limited | 1907 | 776 |
| Paytm Services Private Limited | 1,555 | 2,004 |
| Little Internet Private Limited | * | * |
| Nearbuy India Private Limited | * | 1 |
| Mobiquest Mobile Technologies Private Limited (Refer note (ii) below) | 157 | 71 |
| Paytm Insuretech Private Limited | 2 | 3 |
| Paytm General Insurance Limited | - | 2 |
| One97 Communications FZ-LLC | 28 | - |
| One97 Communications Singapore Private Limited | 80 | - |
| Paytm Payments Services Limited | (2) | (4) |
| | 4,493 | 5,107 |

(i) INR 284 (March 31, 2023: INR 1,660) pertaining to Software, cloud and data centre expenses.

(ii) includes INR 113 (March 31, 2023: INR 42) pertaining to Software, cloud and data centre expenses.

(iii) includes INR 3 (March 31, 2023: INR Nil) pertaining to Software, cloud and data centre expenses.

Inter corporate loan given

| | | |
|---------------------|------------|----------|
| Paytm Money Limited | 200 | - |
| | 200 | - |

Repayment of Inter Corporate Loan

| | | |
|---|------------|------------|
| Paytm Financial Services Limited | - | 471 |
| Paytm Money Limited | 201 | - |
| Wasteland Entertainment Private Limited | 349 | - |
| | 550 | 471 |

Investment in Optionally Convertible Debentures

| | | |
|--------------------------------------|------------|------------|
| Eatgood Technologies Private Limited | - | 30 |
| Admirable Software Limited | 184 | - |
| Paytm Financial Services Limited | - | 220 |
| Little Internet Private Limited | 20 | - |
| | 204 | 250 |

* Amount below rounding off norms adopted by the Company

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Investment in subsidiaries | | |
| One 97 Communications Singapore Private Limited | 143 | - |
| | 143 | - |
| Stock Options granted to employees of subsidiaries and associates | | |
| Paytm Entertainment Limited | 62 | 133 |
| Paytm Payments Bank Limited | 443 | 188 |
| One97 Communications Singapore Private Limited | 418 | 319 |
| Paytm Money Limited | (14) | 78 |
| Mobiquest Mobile Technologies Private Limited | 5 | 12 |
| Urja Money Private Limited | 3 | (3) |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Paytm Payments Services Limited | (44) | 127 |
| Orbgen Technologies Private Limited | 52 | 54 |
| Paytm Insurance Broking Private Limited | 26 | 25 |
| Little Internet Private Limited | 1 | 1 |
| Paytm Services Private Limited | 1 | (3) |
| One 97 Communications India Limited | 3 | * |
| Paytm Financial Services Limited | * | * |
| Admirable Software Limited | * | - |
| Fincollect Services Private Limited | * | * |
| One97 Communications FZ-LLC | 24 | - |
| Wasteland Entertainment Private Limited | 106 | 149 |
| | 1,084 | 1,081 |
| Recharge of ESOP cost to subsidiaries and associates | | |
| Paytm Payments Bank Limited | 177 | 95 |
| One97 Communications Singapore Private Limited | (108) | 146 |
| Paytm Money Limited | 80 | - |
| Paytm Payments Services Limited | 144 | 36 |
| | 293 | 277 |

* Amount below rounding off norms adopted by the Company

Details of balances outstanding with related parties as at March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Other financial assets | | |
| (Other receivable for expenditure incurred) | | |
| One97 Benin SA | 6 | 5 |
| One97 Communications FZ-LLC | 116 | - |
| One97 Communications Nigeria Limited | 14 | 14 |
| One97 Communications Tanzania Private Limited | 51 | 44 |
| One97 Ivory Coast SA | - | 2 |
| One97 Communications Bangladesh Private Limited | 20 | 20 |
| Paytm Labs Inc. | 23 | 121 |
| Paytm Money Limited | 42 | 11 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 113 | 164 |
| Mobiquest Mobile Technologies Private Limited | 20 | * |
| Paytm Payments Bank Limited | 7 | 30 |
| Paytm Payments Services Limited | 111 | 168 |
| One 97 Communications India Limited | * | - |
| Paytm Insurance Broking Private Limited | 3 | 4 |
| One Nine Seven Communication Nepal Private Limited | 7 | 7 |
| One97 Communications Malaysia Sdn. Bdn | 14 | - |
| Orbgen Technologies Private Limited | 1 | 3 |
| Paytm Financial Services Limited | * | * |
| Admirable Software Limited | * | * |
| Urja Money Private Limited | 25 | 12 |
| Paytm General Insurance Limited | * | 45 |
| Nearbuy India Private Limited | 1 | * |
| Wasteland Entertainment Private Limited | 26 | 8 |
| Paytm Services Private Limited | 2 | 33 |
| Paytm Entertainment Limited | * | * |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Infinity Transoft Solution Private Limited | * | * |
| Little Internet Private Limited | * | * |
| Fincollect Services Private Limited | * | - |
| One Nine Seven Digital Solutions Limited | 1 | - |
| One97 Communications Singapore Private Limited | 23 | 25 |
| | 626 | 716 |
| Loss allowance for other receivable for expenditure incurred | | |
| One97 Communications Nigeria Limited | 14 | 13 |
| One97 Communications Bangladesh Private Limited | 20 | 20 |
| One97 Ivory Coast SA | - | 2 |
| One97 Benin SA | 6 | 5 |
| One Nine Seven Communication Nepal Private Limited | 5 | 4 |
| | 45 | 44 |
| Amount receivable for sale of business (Other financial assets) | | |
| Paytm Payments Services Limited (Including accrued interest. Refer Note 7(d)) | 1,521 | 1,951 |
| | 1,521 | 1,951 |
| Other current assets | | |
| Paytm Payments Bank Limited | 924 | 614 |
| Wasteland Entertainment Private Limited | 48 | 64 |
| Paytm Services Private Limited | 6 | 33 |
| Mobiquest Mobile Technologies Private Limited | 8 | 7 |
| One 97 Communications India Limited | - | * |
| | 986 | 718 |
| Inter corporate loan receivable (including accrued interest) | | |
| Little Internet Private Limited | 80 | 80 |
| Wasteland Entertainment Private Limited | - | 324 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)* | 1,923 | 1,796 |
| Urja Money Private Limited | 32 | 29 |
| | 2,035 | 2,229 |
| Allowance on Inter Corporate Loans | | |
| Little Internet Private Limited | 80 | 80 |
| Investments Optionally Convertible Debentures (including accrued interest) | | |
| Admirable Software Limited | 484 | 263 |
| Nearbuy India Private Limited** | 140 | 140 |
| Eatgood Technologies Private Limited | 73 | 67 |
| Paytm Financial Services Limited*** | 261 | 237 |
| Urja Money Private Limited | 38 | 34 |
| Little Internet Private Limited**** | 20 | - |
| | 1,016 | 741 |
| Amount receivable from payment gateway | | |
| Paytm Payments Bank Limited | 19 | 14,944 |
| Paytm Payments Services Limited | 2,074 | 1,617 |
| | 2,093 | 16,561 |

* Excluding Fair Value impact amounting to INR 243 (March 31, 2023: 289)

** Excluding Fair Value impact amounting to INR 140 (March 31, 2023: 140)

*** Excluding Fair Value impact amounting to INR 63 (March 31, 2023: 72)

**** Excluding Fair Value impact amounting to INR 20 (March 31, 2023: Nil)

* Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| <u>Trade receivables</u> | | |
| One97 Communications Nigeria Limited | 192 | 190 |
| One97 Benin SA | * | * |
| One97 Communications Bangladesh Private Limited | 1 | 1 |
| Mobiquest Mobile Technologies Private Limited | 74 | - |
| Paytm Money Limited | 13 | 18 |
| Paytm Payments Bank Limited | 3,008 | 625 |
| Paytm Payments Services Limited | 416 | 585 |
| Little Internet Private Limited | * | * |
| Urja Money Private Limited | 47 | 11 |
| Orbgen Technologies Private Limited | * | 3 |
| Nearbuy India Private Limited | 2 | 2 |
| Paytm Services Private Limited | * | 1 |
| Fincollect Services Private Limited | 1 | - |
| One Nine Seven Communication Nepal Private Limited | 125 | 105 |
| One97 Communications Malaysia Sdn. Bdn | 21 | 62 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 11 | 13 |
| Wasteland Entertainment Private Limited | 56 | 6 |
| Paytm Entertainment Limited | * | * |
| One 97 Communications India Limited | 3 | * |
| One97 Communications FZ-LLC | 8 | 9 |
| One97 Communications Tanzania Private Limited | 1 | 3 |
| One97 Communications Singapore Private Limited | * | 4 |
| Paytm Labs Inc. | 6 | - |
| One Nine Seven Digital Solutions Limited | 2 | 2 |
| | 3,986 | 1,640 |
| <u>Loss allowance for Trade receivables</u> | | |
| One97 Communications Bangladesh Private Limited | 1 | 1 |
| One97 Benin SA | * | * |
| One97 Communications Nigeria Limited | 192 | 190 |
| One Nine Seven Communication Nepal Private Limited | 33 | 29 |
| | 227 | 220 |
| <u>Other financial assets</u> | | |
| Paytm Payments Bank Limited | 35 | 26 |
| Orbgen Technologies Private Limited | 11 | - |
| Wasteland Entertainment Private Limited | 686 | 235 |
| Little Internet Private Limited | * | * |
| | 732 | 261 |
| <u>Trade payables (including accrued expenses)</u> | | |
| Alipay Labs (Singapore) Pte Limited | - | 150 |
| One 97 Communications India Limited | (1) | * |
| Paytm Payments Bank Limited | 5 | 20 |
| Orbgen Technologies Private Limited | 2 | 2 |
| Wasteland Entertainment Private Limited | 122 | 111 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 14 | * |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Paytm Services Private Limited | 1 | 56 |
| Urja Money Private Limited | 2 | 3 |
| Paytm Payments Services Limited | 113 | 64 |
| Fincollect Services Private Limited | 277 | 284 |
| Paytm Insuretech Private Limited | * | * |
| Mobiquest Mobile Technologies Private Limited | 23 | 25 |
| Paytm General Insurance Limited | * | 24 |
| Paytm Entertainment Limited | 1 | * |
| Nearbuy India Private Limited | * | 1 |
| Little Internet Private Limited | * | * |
| Paytm Labs Inc. | - | 7 |
| One97 Communications FZ-LLC | 28 | - |
| One97 Communications Singapore Private Limited | 58 | - |
| Admirable Software Limited | * | * |
| Paytm Money Limited | * | * |
| | 645 | 747 |

* Amount below rounding off norms adopted by the Company

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Other financial liabilities | | |
| - Payable to merchants | | |
| Paytm Payments Bank Limited | 404 | 2,623 |
| Nearbuy India Private Limited | * | * |
| Orbgen Technologies Private Limited | 24 | - |
| Wasteland Entertainment Private Limited | * | 58 |
| Urja Money Private Limited | * | * |
| Mobiquest Mobile Technologies Private Limited | * | * |
| Eatgood Technologies Private Limited | * | * |
| Paytm Services Private Limited | * | - |
| Infinity Transoft Solution Private Limited | * | * |
| | 428 | 2,681 |
| - Payable on purchase of fixed assets | | |
| Orbgen Technologies Private Limited | 12 | 12 |
| | 12 | 12 |
| - Others | | |
| Little Internet Private Limited | * | * |
| Paytm Payments Bank Limited | - | - |
| Nearbuy India Private Limited | * | * |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 10 | 58 |
| Paytm Payments Services Limited | 51 | - |
| Orbgen Technologies Private Limited | * | * |
| Mobiquest Mobile Technologies Private Limited | - | 1 |
| Socomo Technologies Private Limited | * | * |
| Paytm Money Limited | 86 | 1 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| One 97 Communications India Limited | 12 | * |
| Paytm Insuretech Private Limited | * | - |
| Fincollect Services Private Limited | * | - |
| Paytm Services Private Limited | 2 | - |
| Paytm Insurance Broking Private Limited | 4 | - |
| Wasteland Entertainment Private Limited | * | * |
| | 166 | 60 |
| Contract Liabilities | | |
| Infinity Transoft Solution Private Limited | 1 | 1 |
| Little Internet Private Limited | * | - |
| Eatgood Technologies Private Limited | * | * |
| Nearbuy India Private Limited | * | - |
| Mobiquest Mobile Technologies Private Limited | * | 3 |
| Paytm Money Limited | * | * |
| Wasteland Entertainment Private Limited | 1 | - |
| | 2 | 4 |

* Amount below rounding off norms adopted by the Company

Remuneration to KMP & Relative of Key Management Personnel

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Short-term employee benefits (Salaries, bonus and incentives) | 109 | 102 |
| Post-employment benefits (Provident fund) | * | * |
| Employee share based payment | 11,383 | 11,240 |
| Total compensation | 11,492 | 11,342 |

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 (except for inter corporate loan receivable and optionally convertible debentures) and settlement generally 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 and long term incentive plan as they are determined on an actuarial basis for the Company as a whole.
- (iii) The Company has agreed to provide appropriate financial support only if and to the extent required by certain of its subsidiaries and joint venture.
- (iv) Refer note 20 for details of remuneration to non-executive and independent directors and payment to a law firm in which one of the non-executive and independent director is interested

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service upto a limit of INR 20 Lakhs. The gratuity plan is a funded plan and the Company makes contributions to recognised fund/insurer in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. Disclosures given below are as per actuarial valuation report of independent Actuary.

The following tables summarize the components of net benefit expenses recognized in the Standalone Statement of Profit and Loss and the funded status and amount recognized in the Standalone Balance Sheet.

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2024:

| | | Defined benefit obligation | Fair value of plan assets # | Defined benefit liability (Net) |
|---|--|----------------------------|-----------------------------|---------------------------------|
| Gratuity cost charged to Statement of Profit or Loss | As at April 1, 2023 | 628 | (178) | 450 |
| | Current Service cost | 218 | - | - |
| | Net interest expense/ (income) | 46 | - | - |
| | Return on plan assets (excluding amounts included in net interest expense) | - | (13) | - |
| | Sub-total included in Statement of Profit or Loss | 264 | (13) | 251 |
| Remeasurement (gains)/ losses in Other Comprehensive Income | Actuarial changes arising from changes in demographic assumptions | - | - | - |
| | Actuarial changes arising from changes in financial assumptions | 10 | - | - |
| | Experience adjustments | 82 | - | - |
| | Return on plan assets (excluding amounts included in net interest expense) | - | 1 | - |
| | Sub-total included in OCI | 92 | 1 | 93 |
| | Net liability acquired on transfer of employees | (10) | - | (10) |
| | Benefits paid | (82) | 16 | (66) |
| | Contributions by employer | - | - | - |
| | As at March 31, 2024 | 892 | (174) | 718 |
| | Current | | | - |
| | Non Current | | | 718 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2023:

| | | Defined benefit obligation | Fair value of plan assets # | Defined benefit liability (Net) |
|---|--|----------------------------|-----------------------------|---------------------------------|
| Gratuity cost charged to Statement of Profit or Loss | As at April 1, 2022 | 484 | (249) | 235 |
| | Current Service cost | 168 | - | - |
| | Net interest expense/ (income) | 35 | - | - |
| | Return on plan assets (excluding amounts included in net interest expense) | - | (18) | - |
| | Sub-total included in Statement of Profit or Loss | 203 | (18) | 185 |
| Remeasurement (gains)/ losses in Other Comprehensive Income | Actuarial changes arising from changes in demographic assumptions | - | - | - |
| | Actuarial changes arising from changes in financial assumptions | (3) | - | - |
| | Experience adjustments | 23 | - | - |
| | Return on plan assets (excluding amounts included in net interest expense) | - | 3 | - |
| | Sub-total included in OCI | 20 | 3 | 23 |
| | Net liability acquired on transfer of employees | 9 | - | 9 |
| | Benefits paid | (88) | 86 | (2) |
| | Contributions by employer | - | - | - |
| | As at March 31, 2023 | 628 | (178) | 450 |
| | Current | | | - |
| | Non Current | | | 450 |

Fair value of the total plan assets are 100% in funds managed by Insurer.

The net liability disclosed above relates to funded plans are as follows:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Present value of the obligations at end | 892 | 628 |
| Fair value of plan assets | (174) | (178) |
| Deficit of funded plan/gratuity plan | 718 | 450 |

The principal assumptions used in determining defined benefit obligations are shown below:

(i) Economic Assumptions

| Particulars | March 31, 2024 | March 31, 2023 |
|-------------------------|----------------|----------------|
| | % | % |
| Discount rate | 7.10 | 7.39 |
| Future salary increases | 10% | 10% |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

(ii) Demographic Assumptions

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Retirement Age (Years) | 60 | 60 |
| Mortality rates inclusive of provision for disability | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |
| 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 March 31, 2024 is as shown below:

| Assumptions | March 31, 2024 | | March 31, 2024 | |
|--------------------------------------|----------------|-------------------------|----------------|-------------------------|
| | Discount rate | Future salary increases | Discount rate | Future salary increases |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Impact on defined benefit obligation | (17) | 18 | 15 | (15) |

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

| Assumptions | March 31, 2023 | | March 31, 2023 | |
|--------------------------------------|----------------|-------------------------|----------------|-------------------------|
| | Discount rate | Future salary increases | Discount rate | Future salary increases |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Impact on defined benefit obligation | (11) | 11 | 10 | (10) |

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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

Expected contributions to post-employment benefit plans for the period ending March 31, 2025 are INR 1064 (March 31, 2024 - INR 254).

The weighted average duration of the defined benefit obligation is 4 years (March 31, 2023- 2.79 years).

The average remaining working life of members of the defined benefit obligation as at March 31, 2024 is 30.67 years (as at March 31, 2023- 30.87 years)

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

The expected maturity analysis of gratuity is as follows:

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Within the next 12 months (next annual reporting period) | 183 | 115 |
| Between 1-2 years | 135 | 112 |
| Between 2 and 5 years | 334 | 214 |
| Beyond 5 years | 240 | 187 |
| Total expected payments | 892 | 628 |

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan assets are calculated using a discount rate set with reference to bond yields. If plan assets underperform this yield, there will be a deficit of the plan asset investments in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to an acceptable level.

Changes in bond yields: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Inflation risks: The payments are not linked to inflation, so this is a less material risk.

Life expectancy: Obligations are to provide benefits for the life of the member, so increases in life expectancy and inflation will result in an increase in the plans' liabilities. This is particularly significant where inflationary conditions result in higher sensitivity to changes in life expectancy.

Major categories of plans assets are as follows:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|-----------------------------|----------------|---------------|----------------|---------------|
| | Amount | In % | Amount | In % |
| Government securities | 80 | 46.00 | 64 | 36.00 |
| Non convertible debentures/ | 77 | 44.00 | 98 | 55.00 |
| Corporate bonds | | | | |
| Others | 17 | 10.00 | 16 | 9.00 |
| Total | 174 | 100.00 | 178 | 100.00 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Income Tax

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

Standalone Statement of Profit and Loss:

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Current income tax: | | |
| Current income tax charge | - | - |
| Adjustments in respect of current income tax of previous year expense/(credit) | - | - |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | - | - |
| Income tax expense reported in the Standalone Statement of Profit and Loss | - | - |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

| | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Accounting profit before income tax | (14,762) | (18,558) |
| Tax at India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%) | (3,715) | (4,671) |
| Other non-deductible expenses | 103 | (27) |
| Losses on which deferred taxes not recognised* | 598 | 2,958 |
| Unabsorbed depreciation on which deferred taxes not recognised* | 769 | 519 |
| Other temporary differences on which deferred taxes not recognised* | 2,245 | 1,221 |
| Income tax expense reported in the statement of profit and loss | - | - |

* No Deferred tax asset has been 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, 2024 and March 31, 2023.

Deductible temporary differences for which no deferred tax asset is recognised in the Standalone Balance Sheet:

| Particulars | Expiry Date (Year ending March 31, 2024) | As of March 31, 2024 | As of March 31, 2024 Tax impact @ 25.17% | As of March 31, 2023 | As of March 31, 2023 Tax impact @ 25.17% |
|-------------|---|----------------------------|--|----------------------------|--|
| Tax Losses | 2024 | - | - | 14,943 | 3,761 |
| | 2025 | 7,175 | 1,806 | 7,175 | 1,806 |
| | 2026 | 13,410 | 3,375 | 13,410 | 3,375 |
| | 2027 | 37,638 | 9,473 | 37,638 | 9,473 |
| | 2028 | 21,373 | 5,379 | 21,373 | 5,379 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Income Tax (Contd..)

| Particulars | Expiry Date (Year ending March 31, 2024) | As of March 31, 2024 | As of March 31, 2024 Tax impact @ 25.17% | As of March 31, 2023 | As of March 31, 2023 Tax impact @ 25.17% |
|-----------------------------|--|----------------------------|--|----------------------------|--|
| | 2029 | 12,689 | 3,193 | 12,689 | 3,193 |
| | 2030 | 19,157 | 4,839 | 19,157 | 4,821 |
| | 2031 | 11,735 | 2,954 | 11,755 | 2,958 |
| | 2032 | 2,374 | 598 | - | - |
| Total tax losses | | 125,551 | 31,617 | 138,140 | 34,766 |
| Unabsorbed depreciation | No expiry period | 10,602 | 2,668 | 7,471 | 1,880 |
| Long Term Capital Loss | 2030 | 68 | 17 | 68 | 17 |
| Other temporary differences | | 25,679 | 6,463 | 16,757 | 4,217 |
| Total | | 161,898 | 40,765 | 162,436 | 40,880 |

28. Commitments and contingencies

a. Leases

Operating lease: Company as Lessee

The Company has taken certain office space on short term operating lease. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Rental expense towards leases charged to Standalone Statement of Profit and Loss for the year ended March 31, 2024 amount to INR 8 (March 31, 2023: INR 5).

b. Capital commitments

Estimated amount of contracts towards property, plant & equipment remaining to be executed on capital account and not provided for is INR 1,325 (Net of capital advances of INR 563) [March 31, 2023: INR 2,586 (Net of capital advances of INR 566)].

c. Contingent liabilities

| i) | | March 31, 2024 | March 31, 2023 |
|--------------|--|----------------|----------------|
| | Claims against the Company not acknowledged as debts | 122 | 476 |
| | Income tax related matters | 333 | 88 |
| | Custom duty related matter | - | 36 |
| Total | | 455 | 600 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

28. Commitments and contingencies (Contd..)

- ii) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952 and deal with it accordingly. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Standalone Financial Statements.

Notes:

- 1) It is not practicable for the Company to estimate the timing of cash outflows, if any.
- 2) The Company does not expect any reimbursements in respect of the above contingent liabilities.

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

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount due under MSMED Act | 129 | 349 |
| - Interest due on above | 5 | 2 |
| | 134 | 351 |
| 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 | - | - |
| Interest paid, other than under Section 16 of MSMED Act to suppliers registered under MSMED Act, 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. | 7 | 12 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year, for payment already made | 56 | 46 |
| The amount of further interest remaining due and payable even in the earlier 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 | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 409 | 602 |

Total Outstanding dues of micro and small enterprises is INR 190 (March 31, 2023: INR 397).

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

30. Fair value

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, 2024

| | As at March 31, 2024 | Fair value measurement at end of the reporting year using | | |
|--|-------------------------|--|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Investments at fair value through OCI | | | | |
| Investment in Equity shares | 23 | - | - | 23 |
| Investments at fair value through Profit and loss | | | | |
| Investment in Compulsorily Convertible Preference Shares | 40 | - | - | 40 |
| Investment in optionally convertible debentures | 878 | - | - | 878 |
| Inter corporate loans | 1,680 | - | - | 1,680 |

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023

| | As at March 31, 2023 | Fair value measurement at end of the reporting year using | | |
|--|-------------------------|--|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Investments at fair value through OCI | | | | |
| Investment in Equity shares | 23 | - | - | 23 |
| Investments at fair value through Profit and loss | | | | |
| Investment in Compulsorily Convertible Preference Shares | 40 | - | - | 40 |
| Investment in optionally convertible debentures | 635 | - | - | 635 |
| Inter corporate loans | 1,507 | - | - | 1,507 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

30. Fair value (Contd..)

The management has assessed that fair value of all other financial assets and liabilities including cash and cash equivalents, bank balances other than cash and cash equivalents, other investments, trade receivables, loans, other financial assets, trade payables, lease liabilities and other financial liabilities, approximate their carrying amounts.

Description of significant unobservable inputs to valuation of material investments:

The significant unobservable inputs used in the material fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2024 and 31 March 2023 are as below:

| | Valuation Technique | Significant unobservable inputs | Range | Sensitivity of the input to fair value |
|--|----------------------|---------------------------------|-----------------------|---|
| Investment in optionally convertible debentures [Rs 720 (March 31, 2023 : Rs 462)] | Discounted Cash Flow | WACC | 20.80% | Any significant change in the inputs to fair value does not result in any change in the fair value of the Optionally convertible debenture. |
| | | Terminal Growth Rate | 2.45 | Any significant change in the inputs to fair value does not result in any change in the fair value of the Optionally convertible debenture. |
| Inter corporate loans [Rs 1,680 (March 31, 2023 : Rs 1,507)] | Income Method | Yield rate | 12.98% - 13.04% | 10% decrease in the yield rate would result in increase in fair value by INR 48 (31 March 2023 : INR 59) 10% increase in the yield rate would result in decrease in fair value by INR 94 (31 March 2023 : INR 115) |

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 internal reviews/audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

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. There is no interest rate risk as the Company did not have borrowings at the end of the current and previous year.

(ii) Price risk

The Company invests its surplus funds in fixed deposits, Commercial papers, Treasury bills, Government Securities, Certificate of deposits and non-convertible debentures. There is no exposure of price risk on such instruments.

The Company is also exposed to equity/ preference shares price risk arising from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss (refer note 7(a) and 7(b)). To manage its price risk arising from investments in equity/ preference shares, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

(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 and investing activities (when revenue, expense and Property, Plant and Equipment is denominated in a foreign currency).

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

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

| | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| Amount in USD Millions | 7 | 1 | 6 | 1 |

The following tables demonstrate the sensitivity of profit or loss to a reasonably possible change in USD exchange rates, with all other variables held constant.

| | Change in USD rate | Effect on loss before tax |
|----------------|--------------------------------------|---------------------------|
| March 31, 2024 | 10% strengthening of USD against INR | (57) |
| | 10% weakening of USD against INR | 47 |
| March 31, 2023 | 10% strengthening of USD against INR | (43) |
| | 10% weakening of USD against INR | 35 |

The Company's exposure to foreign currency changes for all other currencies is not material. The above sensitivity analysis is based on a reasonably possible change in the underlying 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) including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company applies expected credit loss (ECL) model on financial assets measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance. Cash and cash equivalents are also subject to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

All of the entity's investments and loans at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

(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.

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2024

| Ageing in years | Unbilled Dues | Not due | 0-1 year | 1-2 year | 2-3 year | >3 year | Credit impaired | Total |
|---|---------------|---------|----------|----------|----------|---------|-----------------|--------|
| Gross carrying amount | 6,680 | 4,188 | 4,204 | 23 | 83 | 39 | 2,270 | 17,487 |
| Expected loss rate* | 2% | 2% - 6% | 2% - 6% | 59% | 93% | 94% | 100% | |
| Expected credit losses (Loss allowance provision) | 74 | 104 | 211 | 13 | 77 | 37 | 2,270 | 2,786 |
| Carrying amount (net of loss allowance) | 6,606 | 4,084 | 3,993 | 10 | 6 | 2 | - | 14,701 |

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2023

| Ageing in years | Unbilled Dues | Not due | 0-1 year | 1-2 year | 2-3 year | >3 year | Credit impaired | Total |
|---|---------------|---------|----------|----------|----------|---------|-----------------|--------|
| Gross carrying amount | 5,632 | 3,975 | 1,999 | 412 | 160 | 123 | 1,154 | 13,455 |
| Expected loss rate* | 2% | 2% - 6% | 2% - 6% | 66% | 94% | 94% | 100% | |
| Expected credit losses (Loss allowance provision) | 157 | 107 | 115 | 261 | 137 | 103 | 1,154 | 2,034 |
| Carrying amount (net of loss allowance) | 5,475 | 3,868 | 1,884 | 151 | 23 | 20 | - | 11,421 |

| Reconciliation of loss allowance | Loss allowance measured at simplified approach |
|--|--|
| Loss allowance as on April 1, 2022 | 1,708 |
| Creation during the year | 326 |
| Loss Allowance as on March 31, 2023 | 2,034 |
| Creation during the year | 752 |
| Loss Allowance as on March 31, 2024 | 2,786 |

*ECL is computed by applying allowance matrix to respective risk clusters.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. The Company does not hold collateral as security.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

(ii) Other investments (excluding loans to related parties)

All of the entity's other investments (preference shares, government securities, commercial papers, treasury bills and security deposits) at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed instruments to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(iii) Loan to related parties

The Company considers the probability of default upon initial recognition of loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

(iv) 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, 2024 and March 31, 2023 is the carrying amounts as disclosed in Note 7 (c) and 7 (d).

| Reconciliation of loss allowance | Loss allowance measured at 12 month expected loss |
|--|---|
| Loss allowance as on April 1, 2022 | 742 |
| Creation during the year | 469 |
| Loss allowance as on March 31, 2023 | 1,211 |
| Creation during the year | 352 |
| Loss Allowance as on March 31, 2024 | 1,563 |

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

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 | 0-180 days | 181-365 days | 1-2 Year | More than 2 year | Total |
|-----------------------------|---------------|--------------|------------|------------------|---------------|
| As at March 31, 2024 | | | | | |
| Lease liabilities | 176 | 193 | 360 | 1,656 | 2,385 |
| Trade payables | 5,645 | - | - | - | 5,645 |
| Other financial liabilities | 10,124 | - | - | - | 10,124 |
| Total | 15,945 | 193 | 360 | 1,656 | 18,154 |
| As at March 31, 2023 | | | | | |
| Lease liabilities | 219 | 228 | 417 | 2,068 | 2,932 |
| Trade payables | 7,834 | - | - | - | 7,834 |
| Other financial liabilities | 13,525 | - | - | - | 13,525 |
| Total | 21,578 | 228 | 417 | 2,068 | 24,291 |

32. Capital Management

The Company's objectives while managing capital is to safeguard its ability to continue as a going concern and to generate adequate returns for its shareholders and ensuring 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.

Company's capital management objective is to remain majorly 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 working capital facilities in the form of short term bank overdraft to meet anticipated interim working capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

33. Segment Reporting

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

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

Information about major customers

Revenue of INR 7,400 are derived from one customer (March 31, 2023: INR 7,089 from one customer).

34. Other related parties*

Detail of companies having common directors (as per Companies Act, 2013):

PAI Platforms Private Limited

(formerly known as Paytm E-Commerce Private Limited)

Paytm Wholesale Commerce Private Limited

Aye Finance Private Limited

Busybees Logistics Solutions Private Limited

Mountain Trail Foods Private Limited

Senco Gold Limited

Urbanclap Technologies India Private Limited

NetAmbit Valuefirst Services Private Limited

Rooter Sports Technologies Private Limited

Detail of companies and firms having members / partners (as per Companies Act, 2013):

Applied Life Private Limited

Nurturing Green Plantation Private Limited

PhasorZ Technologies Private Limited

Immaculatebites Private Limited

Yourstory Media Private Limited

Shardul Amarchand Mangaldas & Co.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

34. Other related parties* (Contd..)

Other parties

Remuneration to Independent Directors

Paytm Foundation

*Though not 'Related Party' as per the definition under Ind AS 24, 'Related party disclosures' have been included by way of a voluntary disclosure, following the best corporate governance.

Details of transactions with related parties during the year ended March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Services received from related parties | | |
| - General expenses | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 8 | 47 |
| Busybees Logistics Solutions Private Limited | 29 | 33 |
| Applied Life Private Limited | 7 | 7 |
| Immaculatebites Private Limited | 5 | 8 |
| NetAmbit Valuefirst Services Private Limited | 6 | - |
| Yourstory Media Private Limited | * | 6 |
| Paytm Foundation | 8 | 26 |
| - Legal and professional fees | | |
| Shardul Amarchand Mangaldas & Co. | 63 | 152 |
| Rendering of services to related parties | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 1,311 | 955 |
| Rooter Sports Technologies Private Limited | 49 | - |
| Aye Finance Private Limited | 1 | 2 |
| Mountain Trail Foods Private Limited | - | * |
| Nurturing Green Plantation Private Limited | 1 | - |
| Phasor Technologies Private Limited | - | 6 |
| Senco Gold Limited | 2 | - |
| Urbanclap Technologies India Private Limited | - | 9 |
| Yourstory Media Private Limited | - | * |
| | 1,364 | 972 |
| Reimbursement of expenses incurred on behalf of related parties | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 207 | 445 |
| Paytm Wholesale Commerce Private Limited | * | - |
| | 207 | 445 |
| Remuneration to Independent Directors | 75 | 74 |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

34. Other related parties* (Contd..)

Details of balances outstanding with related parties as at March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Other financial assets | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 14 | 5 |
| Paytm Wholesale Commerce Private Limited | * | - |
| Aye Finance Private Limited | - | * |
| Mountain Trail Foods Private Limited | * | * |
| Nurturing Green Plantation Private Limited | * | - |
| Phasor Technologies Private Limited | 2 | 2 |
| Urbancap Technologies India Private Limited | 1 | 1 |
| | 17 | 8 |
| Other financial liabilities | | |
| Applied Life Private Limited | 2 | 3 |
| Busybees Logistics Solutions Private Limited | 15 | 22 |
| Immaculatebites Private Limited | * | * |
| Yourstory Media Private Limited | 1 | * |
| | 18 | 25 |
| Trade Payables | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 3 | 45 |
| NetAmbit Valuefirst Services Private Limited | 10 | - |
| Shardul Amarchand Mangaldas & Co. | 14 | 19 |
| Remuneration to Independent Director | 18 | 19 |
| | 45 | 83 |
| Contract liabilities | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 2,297 | 3,384 |
| Trade Receivables | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 25 | 16 |

* Amount below rounding off norms adopted by the Company

35. Overdue outstanding foreign currency receivables

As of March 31, 2024, the Company has certain foreign currency receivable balances aggregating to INR 367 outstanding beyond the stipulated time period permitted under the RBI Master Direction on Export of Goods and Services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI). The Company has applied to the Authorised Dealer Bank seeking permission for extension of time for realisation of receivables amounting to INR 129 and write-off of receivables amounting to INR 238 and the approval is currently awaited.

The Company believes that there is no material financial impact of the above matters.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

36. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. For this purpose, the Company has appointed independent consultants for conducting Transfer Pricing Study. Management is of the opinion that its international transactions with associated enterprises have been undertaken at arms' length basis at duly negotiated prices on usual commercial terms. The transfer pricing study for the year ended March 31, 2023 has been completed which did not result in any material adjustment.

37. Corporate Social Responsibilities (CSR) expenditure

The Company has not earned net profit in three immediately preceding financial years, therefore, there was no amount as per section 135 of the Act which was required to be spent on CSR activities in the current financial year by the Company. However, the Company has spent an amount of INR 8 (March 31, 2023: INR 26) as CSR expenditure.

38. Utilisation of IPO proceeds

During the year ended March 31, 2022, the Company had completed its initial public offer (IPO) of 85,116,278 equity shares of face value of INR 1 each at an issue price of INR 2,150 per share, comprising fresh issue of 38,604,651 shares and offer for sale of 46,511,627 shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 18, 2021.

The Company had incurred INR 3,983 as IPO related expenses and allocated such expenses between the Company INR 1,806 and selling shareholders INR 2,177. Such amounts were allocated based on the agreement between the Company and selling shareholders and in proportion to the total proceeds of the IPO. Out of the Company's share of expenses of INR 1,806, INR 1,380 had been adjusted to securities premium.

Details of utilisation of net IPO Proceeds of INR 81,194, are as follows:

| S. No | Objects of the issue | Amount as proposed in Offer Document | Amount Utilised up to March 31, 2024 | Amount Un-utilised as on March 31, 2024 |
|----------|--|---|---|--|
| 1 | Growing and strengthening our Paytm ecosystem, including through acquisition and retention of consumers and merchants and providing them with greater access to technology and financial services i) Marketing and promotional expenses | 43,000 | 7,615 | - |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

38. Utilisation of IPO proceeds (Contd..)

| S. No | Objects of the issue | Amount as proposed in Offer Document | Amount Utilised up to March 31, 2024 | Amount Un-utilised as on March 31, 2024 |
|----------|--|---|---|--|
| | ii) Expanding our merchant base and deepening our partnership with our merchants | | 17,217 | |
| | iii) Strengthening and expanding our technology powered payments platform | | 18,168 | |
| | Total (A) | 43,000 | 43,000 | - |
| 2 | Investing in new business initiatives, acquisitions and strategic partnerships | | | |
| | i) Investments in new business initiatives | | | |
| | a) Payment Services | 20,000 | - | 20,000 |
| | b) Commerce and cloud services | | - | |
| | c) Financial Services | | - | |
| | ii) Investments in acquisitions and strategic partnerships | | - | |
| | Total (B) | 20,000 | - | 20,000 |
| 3 | General corporate purposes | 18,194 | 18,194 | - |
| | Total (C) | 18,194 | 18,194 | - |
| | Total (A+B+C) | 81,194* | 61,194 | 20,000 |

*During the quarter ended June 30, 2023, un-utilised IPO issue expenses of INR 60 has been transferred to net IPO proceeds, thereby increasing it from INR 81,134 to INR 81,194 and earmarked for general corporate purposes in accordance with the Objects of the Offer.

Net IPO proceeds which were un-utilised as at March 31, 2024 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.

39. Buyback of shares

During the year ended March 31, 2023, the Board of Directors at its meeting held on December 13, 2022 had approved buy-back of equity shares amounting to INR 8,500 (Maximum buy-back size, excluding transaction costs and tax on buy-back) at a price not exceeding INR 810 per equity share (Maximum buy-back price). The buy-back was offered to the equity shareholders of the Company under the open market route through the stock exchanges.

The buyback of equity shares commenced on December 21, 2022 and was completed on February 13, 2023. During this period, the Company had bought back 15,566,746 Equity Shares at an average price of INR 545.93 per Equity Share aggregating to INR 8,498 (99.98% of the Maximum Buyback Size) and subsequently these shares have been extinguished.

Consequent to the said buy-back, the equity share capital had been reduced by INR 16 and an equivalent amount had been transferred from securities premium account to capital redemption reserve. Further INR 10,545 has been debited to the securities premium account on account of premium on shares bought back, related transaction costs and related taxes.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Additional disclosures required by Schedule III

- (i) (a) The Company has granted loans and made investment in some of its subsidiary companies, associate companies, joint ventures and other parties. Loans has been given for general corporate purpose. In some of the cases, the subsidiaries, associates and joint ventures have utilised equity and borrowings for further investment as per their business requirement. Details of these Loans and investments for the year ended March 31, 2024 (March 31, 2023 : Nil) are as follows:

| Name of Intermediary | CIN | Relation with Company | Type | Date | Amount | Name of Ultimate beneficiary | Relation with Intermediary | Type | Date | Amount |
|----------------------------|------------------------|-----------------------|-----------------------------------|-----------------|--------|---|---|-------------------|-------------------|--------|
| Admirable Software Limited | U72900DL2021 PLC385287 | Associate Company | Optionally Convertible Debentures | August 21, 2023 | 175 | Mobiquest Mobile Technologies Private Limited | Ultimate beneficiary is the subsidiary of the company which has significant influence over the intermediary | Equity Investment | December 27, 2023 | 154 |

The above transactions are in compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

- (i) (b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (ii) The Company has not availed borrowings from banks and financial institutions during current year and previous year.
- (iii) The Company has balances with the below-mentioned companies identified as struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 as at March 31, 2024. During the previous year, the Company had written off and written back the balances with struck off companies amounting to * and 1 respectively.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Additional disclosures required by Schedule III (Contd..)

Details of transactions entered during the year ended March 31, 2024 by the Company are as follows:

| Name of the struck off company | Balance outstanding as at March 31, 2024 | Relationship with the struck off company |
|--|--|--|
| Viktoria Cineplex Private Limited | 5 | Customer |
| Getit Infoservices Private Limited | 1 | Customer |
| Topaco Tech Private Limited | 1 | Vendor |
| Gci Network Private Limited | 1 | Vendor |
| Riseup Technologies Private Limited, Travel Choice International Private, Veddissolars Private Limited, Crock X Tech Private Limited, Cls Software Private Limited, Acugro Private Limited, Rockers Softech Private Limited, Friz Advert Private Limited, Sopnop Technologies Private Limited, Chanson Hospitality Private Limited, Charisma Spa Private Limited, Fs Marcom Private Limited, II&T Consultancy Private Limited, Busykart Info Private Limited, Nexhop Services Private Limited, Arsh Buildwell Private Limited, Opulent Sojourn Private Limited, Klamod India Private Limited, Ibridge Ventures Private Limited, Coloring India Creative Arts Centre, Southern Memories Private Limited, Hawkdiaries Travels Private Limited, Modmox Solutions Private Limited, Valyoued Services Private Limited, Amufe Retail Private Limited, Pixel Care India Private Limited, Faroma Foodtech Private Limited, Alternate Etail Private Limited, Smart Choice Healthy Private. Limited., Deo Gam Hospitality Private Limited, Zoi Hospitality Private Limited, Arlee Enterprises Opc Private Limited, Alevy Foods Private Limited, R A Fitness Solutions Private Limited, Salvation Infotech Private Limited, Kloud Kuisine Opc Private Limited, Snackishq Foods Private Limited, White Pine Retail Private Limited, Inkpot Online Private Limited, Muddywoods Private Limited, Navodyami Services Private Limited, Priority Trends Private Limited, Ethnus Technologies Private Limited, Ideapot Business Consultancy, Micronmac Tech Private Limited, Levizi Technologies Private Limited, Plash Digital Media Private Limited, Kvk Agri Products Limited, Mishri Hospitality Private Limited, Minrav Restaurants Private Limited, Rvn Food Opc Private Limited, Dizovi Foods Private Limited, Corpindia Nga Technologies Private Limited, Teilen Infoservices Private Limited, Rootwork Systems Private Limited, Hifrex Technologies Private Limited, Sebax Resources Private Limited, Gyankosh Solutions Private Limited, Naxr Logistics Private Limited, Jeeone Promotion India Private Limited, Amrj Retail Private Limited, Ingredior Tech Private Limited, Briller Enterprises Private Limited, Boston Corporation Private Limited, Hashtag Foods Private Limited, Fantasy Tadka Private Limited, Shivashu Players Private Limited, R.J. Establishments Private Limited, Vans Hospitality Private Limited, Engieme Tech Private Limited, Aham KriyashtakiEduminds Private Limited, Hopngo Technologies Private Limited, Tnf Technologies Private Limited, Bsporty India Private Limited, Kroods Technologies Private Limited, Ingo Hospitality Private Limited, Frontenders | 1 | |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Additional disclosures required by Schedule III (Contd..)

| Name of the struck off company | Balance outstanding as at March 31, 2024 | Relationship with the struck off company |
|--|--|--|
| Senior Health Services, Obrien Goli Private Limited, Owl Tech Private Limited, Krisa Hospitality Private Limited, Food Tech Dabba Private Limited, M.I.P. Marketing Private Limited, Jitendra Hindustan Dhaba Private Limited, Batman Delivers Hospitality Private Limited, Sukriti Hospitality Private Limited, Panwaadi Private Limited, Game Of Shakes Private Limited, Scubert Retail Services Private Limited, Mywash Technologies Private Limited, Kitchen Diaries Private Limited, Telstro Tech Private Limited, Private Limited, Engrave Research Private Limited, Poolcircle Technologies Private Limited, Bww Edutech India Private Limited, Zinnia Hospitality Services Private, Home Decolam, Maillard Foods Private Limited, Conscious Creation Private Limited, Global Softnet Software Private Limited, Pizzaroma Food Private Limited, Ezyone Digital Systems Private Limited, Gigatable Technologies Private Limited, Preekva Shipping Services Private Limited, Wanz Services Private Limited, Staypure Private Limited, Akshayyam Hospitality Private Limited, Clickroo Retail Private Limited, Aperitive Foodbev Private Limited, Square Shope India Private Limited, Searchbox Ecommerce Private Limited, Cnb Pharmacare Private Limited, Skriyo India Private Limited, Smithfield Retail Private Limited, Dravya Technosys Private Limited, Dlb Infotech Private Limited, Chocu Technologies Private Limited, Raining Clouds Technologies Private Limited, Itcore Services Private Limited, Deep Enterprises Private Limited, Yellow Brick Road Digital Marketing, Stardew Technology Private Limited, Nsl Sports Ventures Private Limited, 7 Star Cafe Private Limited, Quick Drop Ecommerce Private Limited, Vektrix Consulting Private Limited, Kjtricks Technology Private Limited, Leaguesx Entertainment Private Limited, Zapcel Technologies Private Limited, One M Infomedia Private Limited. [#] | | |
| Alix Retail Private Limited, Wowrooms Trips Private Limited, Life Plus Living Private Limited, A P Motors Private Limited, Srs Entertainment Limited, Rufus Technology Private Limited, Uzhavan Foods Private Limited, Allespay Retail Private Limited, Inglorious Gluttony Private Limited, Elegant Retails Private Limited, Madras Ventures Private Limited, Roof King Solar Private Limited, Higuests India Private Limited, Nusa Foods Private Limited, White Feathers Hospitality Private Limited, Samrudhi Suites Private Limited, Bennett Coleman And Co Limited, Welkin Holidays Private Limited, Rupicon Business Solutions Private, Reesh Enterprises Private Limited, Glean Cuisine Private Limited, Sakha Global Private Limited, Sortmy Hotel Private Limited, Bittoo Tikki Wala Private Limited, Napson Hoteols Private Limited, Crazy Travelers Private Limited, J K Dynamic Private Limited, Jindal Tourism Private Limited, Henvy Marketing Private Limited, East West Ethnic Foods Private Limited, Nilay Surgical Private Limited, Sam Cuisines Private Limited, Sangram Hospitality Private Limited, Mds Foods Private Limited, Apg Retail Private Limited, Msr Technologies Private Limited, | Amount individually and as aggregate are below rounding off norms adopted by the Company | Customer |

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Additional disclosures required by Schedule III (Contd..)

| Name of the struck off company | Balance outstanding as at March 31, 2024 | Relationship with the struck off company |
|---|--|--|
| Primo Hospitality Private Limited, Apna Haat Retail Private Limited, Ensemble Furniture Limited, Hibiscus Wellness Private Limited, Montage Retail Private Limited, Stream Food Works Private Limited, Indpro Hospitalities Private Limited, Enfield Riders Private Limited, H And V Projects Private Limited, Fungs Kitchen Private Limited, Orvice Technologies Private Limited, F.E. Food Tech Private Limited, Dr Wheelz Auto Service Private Limited, Ayat Online Service Private Limited, Just Retail India Private Limited, Artika Foods Private Limited, Queer Zeit Foods Private Limited, Impresa Hospitality Management Private, Urban Epicuria Hospitality Services, Parish Enterprises Private Limited, Timeforpet Online Private Limited, Cartz India Private Limited, Chickmunks Private Limited, Integrity Altotrade Private Limited, Nandu Education Private Limited, Ziotiv Technologies Private Limited, Blue Hat Education Private Limited, Namma Adda Private Limited, D2H Retail Concepts Private Limited, Simply Exotic Foods Private Limited, Nirvanabox Techretail Private Limited, Weshope Private Limited, Techdig Fintech Private Limited, Bombradyre Tech Private Limited, Knewton Concepts Private Limited, Moorem Technologies Private Limited, 7Nodes Technology Solutions Private, Crest Lawns Private Limited, Iservc Solutions Private Limited, Racket Technologies Private Limited, Samvarga Digital Private Limited, Instatech Solutions Private Limited, Adroit Corporation Private Limited, Belgique Chocolates Private Limited, Questr Solutions Private Limited, Ambrosio Concepts Private Limited, Born Again Clinic Private Limited, Stpl Ict Consulting Private Limited, Bane Infotech Private Limited, Brijwasi Shine Chem Private Limited, Carzip Technologies Private Limited, Jocular Store Private Limited, Kanta Tours And Travels Private Limited, Quality Shop India Private Limited, Second Life Technologies India Private, Shopinway Ecommerce Private Limited, Slave Technologies Private Limited, Stackbytz Business Private Limited, Adas Technologies Private Limited, Amenity Infotech Private Limited, Azzra World Private Limited, Ccr Designer Closet Private Limited, D & T Retail Private Limited, Dealmonk E Services Private Limited, Edumate Services Private Limited, Glydel Tech Private Limited, Lahori Foods Private Limited, Letmedrive India Private Limited, Logicrats India Private Limited, Parim Infocomm Private Limited, Supr Techlabs Private Limited, Zichbuy Private Limited, Bodhojas Solutions Private Limited. | | |

Amount individually is below rounding off norms adopted by the Company but as aggregate is INR 1.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Additional disclosures required by Schedule III (Contd..)

(iv) Analytical Ratios

The following reflects the ratios and data used in the computation:

| Ratio | Numerator | | Denominator | | Ratio | | % Variance | Reason for variance |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------|--|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | | |
| (a) Current Ratio = Current Assets / Current Liabilities | 102,245 | 118,177 | 23,469 | 28,798 | 4.36 | 4.10 | 6.16% | N/A |
| (b) Debt-Equity Ratio = Total Debt / Shareholder's Equity | 1,690 | 2,066 | 123,390 | 122,867 | 0.01 | 0.02 | (18.55%) | N/A |
| (c) Debt Service Coverage Ratio = Earnings available for debt service / Debt Service | (7,347) | (13,761) | 440 | 554 | N/A | N/A | N/A | N/A, refer note (i) |
| (d) Return on Equity Ratio = Net Profit / Average Shareholder's Equity | (14,762) | (18,558) | 123,129 | 129,996 | (11.99%) | (14.28%) | 16.02% | N/A |
| (e) Trade Receivables turnover ratio = Total Sales / Average Accounts Receivable | 76,608 | 60,277 | 13,061 | 9,240 | 5.87 | 6.52 | (10.09%) | N/A |
| (f) Trade payables turnover ratio = Total Purchase / Average Accounts Payable | 44,535 | 43,593 | 6,740 | 7,471 | 6.61 | 5.84 | 13.24% | N/A |
| (g) Net capital turnover ratio = Total Sales / Working Capital | 76,608 | 60,277 | 78,776 | 89,379 | 0.97 | 0.67 | 44.20% | Increased on account of increase in total sales and decrease in working capital. |
| (h) Net profit ratio = Net profit / Total Sales | (14,762) | (18,558) | 76,608 | 60,277 | (19.27%) | (30.79%) | 37.41% | Increased on account of increase in total sales and decrease in net loss. |
| (i) Return on Capital employed = EBIT / Capital employed | (17,600) | (21,703) | 124,770 | 124,491 | (14.11%) | (17.43%) | (19.09%) | N/A |
| (j) Return on investment = Net Profit / Total Assets | (14,762) | (18,558) | 149,888 | 156,364 | (9.85%) | (11.87%) | (17.02%) | N/A |

Notes:

- (i) Debt Service Coverage Ratio has not been computed as Earnings available for debt service are negative for current year and previous year.

Total Debt = Borrowings + Lease liabilities

Shareholder's Equity = Total Equity

Earning available for Debt Service = Loss for the year + Depreciation and amortization expense + Finance costs + Property, plant and equipment and intangible assets written off + Loss/(profit) on sale of property, plant and equipment (net)

Debt Service = Interest paid + Repayment of term loan + Principal elements of lease payments

Total Sales = Revenue from operations

Total Purchase = Payment processing charges + Marketing and promotional expenses + Software, cloud and data centre expenses + (Other expenses - Provision for advances - Loss allowance for financial assets - Trade receivables / advance written off - Goods and services tax expense off - Property, plant and equipment and intangible assets written off - Exchange differences (net))

Net Profit = Loss for the year

Working Capital = Current Assets - Current Liabilities

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Additional disclosures required by Schedule III (Contd..)

EBIT = Loss before exceptional items and tax + Finance costs - Other income

Capital employed = Total Equity - Other intangible assets - Intangible assets under development + Borrowings + Lease liabilities

(v) Details of benami property held

The Company does not hold any benami property and no proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(vi) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(viii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

(ix) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(x) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of PP&E, intangible asset and investment property

The Company does not have any investment property during the current or previous year. The Company has chosen cost model for its Property, Plant and Equipment and intangible assets and hence no revaluation was carried out for these assets.

(xii) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties are held in the name of the Company during the current and previous year.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Additional disclosures required by Schedule III (Contd..)

(xiii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiv) Utilisation of borrowings availed from banks and financial institutions.

The Company has not availed any borrowings from banks and financial institutions during the current year and previous year.

41. On January 31, 2024, the RBI issued a Press Release for action against Paytm Payments Bank Ltd (PPBL), a 39% associate of the Company, under Section 35A of the Banking Regulation Act, 1949, effectively restricting PPBL's normal business, permitting only withdrawal of the existing customer balances.

Pursuant to the RBI's actions as stated above, the Company has terminated its Nodal Accounts being maintained with PPBL. Subsequently, the Company has discontinued all major business activities it had with PPBL. Further, the Company has also made amendment to the shareholders agreement with PPBL by simplifying the terms therein and has also withdrawn its nominee director from the board of PPBL.

The business of PPBL has been significantly impacted by the RBI action as described above. As at March 31, 2024, the Company has investments in PPBL amounting to INR 2,096 million.

The Company understand that there are certain factors affecting ongoing operations of PPBL, including restrictions which affect normal operations of the primary products such as wallet and banking services etc. as per regulatory action on Jan 31, 2024, as well as ongoing uncertainty on the timing and nature of restoration of any of the impacted services.

Considering the future uncertainties associated on the business operations of PPBL as mentioned above, including the uncertainty of any other regulatory development, the scaled down business operations of PPBL, restrictions affecting normal operations of the primary products such as saving accounts, current accounts, wallet, the management, on a prudent basis, has determined that the value of the Company's investment in PPBL is impaired and, accordingly, has recorded an impairment provision of INR 2,096 million, representing the carrying value of its investment in PPBL and disclosed the same as impairment of investment in associate.

42. The Company during the year ended March 31, 2022 granted 21,000,000 Employee Stock Options to Managing Director and CEO of the Company which is subject to achievement of specified milestones. During the current year, the Company has received a Show Cause Notice ("SCN") from SEBI related to the above options regarding compliance with SEBI SBEB Regulations. The Company has submitted its preliminary response and is in the process of seeking further information from SEBI in this regard. Based on an independent legal opinion obtained by the management, it believes that the Company is compliant with the relevant regulations. Accordingly, there is no impact on the financial statements for the year ended March 31, 2024.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

43. The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled and thus not operated for certain changes made using privileged access rights. The audit trail feature has not been tampered with in respect of such accounting software.

The feature of recording audit trail (edit log) facility was not enabled for certain subs-systems and certain applications, operated by third party software service provider, used for processing underlying transactions. Due to the same, management is unable to verify if there have been any instances of the audit trail feature being tampered with.

The management is in process of evaluating appropriate measures to enable audit trail in these systems.

44. During the previous year ended March 31, 2022, the Company had transferred online Payment Aggregator business to Paytm Payments Services Limited, a wholly owned subsidiary of the Company for a consideration of INR 2,838 for transfer of business based on the carrying value of the net assets of the business as on September 1, 2021 to be settled in five equal annual installments payable at the end of each year without any interest. The difference between present value of consideration and net assets amounting to INR 601 has been accounted as 'Deemed Investment'. As at year end the balance amounts to INR 1,521 (INR 516 being current and INR 1,005 classified as non-current).

45. For impairment testing, the management has treated investment in PPBL as a separate CGU and there is no change in the composition of this CGU since previous estimate of its recoverable amount. The impairment loss pertains to single segment as identified in note 33.

Considering the factors stated in note 41, the Company has determined, on a prudent basis, that both the value-in-use and fair value less cost of disposal of the Company's investment in PPBL are nil at the reporting date. Since the management has used qualitative factors to determine value-in-use as well as fair value less cost of disposal of the Company's investment in PPBL, separate disclosures such as fair value hierarchy, valuation technique and assumptions used including discount rate are not separately given.

46. Previous year figures have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

For S. R. Batliboi & Associates LLP
 Firm Registration No.: 101049W/E300004

Yogender Seth | Partner
 Membership No: 094524
 Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,
 Managing Director and CEO
 DIN: 00466521
 Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,
 President & Group Chief Financial Officer
 DIN: 07720350
 Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
 Place: Gurugram | Date: May 22, 2024

Independent Auditor's Report

To the Members of **One 97 Communications Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of One 97 Communications Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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, its associates and joint ventures as at March 31, 2024, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the

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

Emphasis of Matter

We draw attention to Note 42 to the Financial Statements which describes that the subsidiary company's application for authorization to set up Payment System, to the Department of Payment and Settlement Systems, Reserve Bank of India ("RBI"), is in process due to the reasons stated in the said note. Accordingly, no adjustment has been made by the management in these Financial Statements. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a

Independent Auditor's Report

separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included

the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters

Assessment of carrying value of investment in Paytm Payments Bank Limited ("PPBL") (Refer accompanying notes 5 (b) and 45 to the Consolidated Financial Statements)

The Company is a 49% shareholder in Paytm Payments Bank Limited ("PPBL"), which is treated as an associate entity of the Company.

The Group's investments in its associate are accounted for using the equity method as required under the Ind AS 28. 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.

On January 31, 2024, the RBI issued a Press Release, imposing significant restrictions on the business operation of PPBL and permitted only withdrawal/utilisation of the available balances by customers from their accounts.

Considering the uncertainties pertaining to the above RBI notice on the underlying recoverable value of its investments, the management performed an impairment assessment on the carrying value of investment in PPBL. Such assessment was primarily on the basis of qualitative factors in light of the RBI press release, such as, the scaled down business operations of PPBL and its business prospects including restrictions affecting normal operations of the primary products such as wallet, likelihood of any regulatory developments, as well as non-availability of audited financial information from PPBL.

How our audit addressed the key audit matter

Paytm Payments Bank Limited ("PPBL") (Refer accompanying notes 5 (b) and 45 to the Consolidated Financial Statements)

Our procedures included the following:

- We have read the Press Release and related FAQs issued by RBI in relation to imposition of significant restrictions on business operation of PPBL.
- We discussed with the Company's management to obtain their understanding of the potential implication of the restrictions on the operation of PPBL, tested the arithmetical accuracy of the equity accounting up to March 31, 2024 and impairment loss recognized by the Company in respect of PPBL.
- We obtained and read the management assessment pertaining to impairment of its investment in PPBL.
- We assessed adequacy of relevant disclosures in the Consolidated Financial Statements on the basis of unaudited financial information of PPBL.

Independent Auditor's Report

| Key audit matters | How our audit addressed the key audit matter |
|---|--|
| <p>Based on the foregoing, the Group recorded an impairment loss of Rs 2,271 million, representing the entire residual carrying amount of the Company's investment in PPBL.</p> | |
| <p>Considering the inherent complexities and significant judgements involved, the assessment of above impairment was considered as a key audit matter.</p> | |
| <p>Assessment of impairment of goodwill relating to acquisition of subsidiaries and assessment of appropriateness of the carrying value of investments in other associates (Refer accompanying notes 4 & 5 (b) to the Consolidated Financial Statements)</p> | |
| <p>The Group performed an impairment assessment over the goodwill balance by calculating the recoverable value of the cash generating unit (CGU) to which the Goodwill belongs using a discounted cash flow model and comparing the same with the carrying value of goodwill as per Ind AS 36. For the purpose of impairment assessment, each subsidiary is considered as separate CGU.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the Company's assessment for identification of indicators of impairment. |
| <p>Further, there are certain investments in associates which are carried at cost (subject to impairment assessment).</p> | <ul style="list-style-type: none"> • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment including determination of recoverable value . |
| <p>The determination of recoverable value for impairment assessment involves significant management judgement/ estimates including the following key estimates:</p> | <ul style="list-style-type: none"> • We evaluated the Company's impairment model. This included assessing various assumptions used in the impairment model related to cash flows, discount rate, terminal value/ revenue market multiple, etc. used for material investments with assistance of valuation specialist wherever considered necessary. |
| <ul style="list-style-type: none"> i) Forecast of cash flows ii) Discount rates iii) Terminal growth rate iv) Revenue market multiple | <ul style="list-style-type: none"> • We agreed relevant data with the latest budgets, actual past results and other supporting documents and checked the mathematical accuracy of the impairment model. |
| <p>Considering the inherent complexities and significant judgements involved, the assessment of above (including investments in associates) impairment was considered as a key audit matter.</p> | <ul style="list-style-type: none"> • We assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in the carrying value. |
| | <ul style="list-style-type: none"> • We assessed adequacy of relevant disclosures as per applicable accounting standards |

Independent Auditor's Report

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of 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 and joint ventures in accordance with the 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. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of their respective companies.

Independent Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)
- (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the

Independent Auditor's Report

entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and

are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, whose financial statements include total assets of Rs 19,014 million as at March 31, 2024, and total revenues of Rs 4,147 million and net cash inflows of Rs 78 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 12 million for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of four associates and one joint ventures, 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 these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates,

Independent Auditor's Report

is based solely on the report(s) of such other auditors.

- b) The consolidated financial statements of the Company for the year ended March 31, 2023, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2023.
- c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of ten subsidiaries, whose financial statements and other financial information reflect total assets of Rs 599 million as at March 31, 2024, and total revenues of Rs 433 million and net cash inflows of Rs 134 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 303 million for the year ended March 31, 2024, [including Rs 276 million in respect of PPBL – refer note 24] as considered in the consolidated financial statements, in respect of six associates and one joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management . Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the

Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other

Independent Auditor's Report

matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g);
- (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 Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph 2 (i)(vi) below on reporting under Rule 11(g) .
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India

Independent Auditor's Report

to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer Note 29 (c) to the consolidated financial statements;
- ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in the note 44 (i) (a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Independent Auditor's Report

- b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in the note 44 (i) (b) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, associate and joint ventures from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries, associate and joint venture companies, incorporated in India.
- vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, subsidiaries, associates and joint ventures have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except for the instances discussed in note 47 to the financial statements:
- a. Audit trail feature is not enabled and operated throughout the year for all relevant transactions recorded in the software for

Independent Auditor's Report

certain changes made using privileged access rights. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures did not come across any instance of audit trail feature being tampered in respect of accounting software.

- b. Audit trail feature is not enabled for legacy accounting software in respect of one of the subsidiary, Consequently, the respective auditor of the subsidiary is unable to comment whether the audit trail feature has operated throughout the year for all relevant transactions

recorded in the software or it has been tampered with. Further, as explained in note 47, the feature of recording of audit trail (edit log) facility was not enabled by the Holding Company, subsidiaries, associates and joint venture for certain subsystems operated by them and certain applications used for processing underlying transactions which are operated by third party software service provider. Consequently, we are unable to comment whether audit trail feature operated throughout the year for all relevant transactions recorded in the software or was tampered with.

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

per Yogender Seth

Partner

Membership Number: 094524
UDIN: 24094524BKFOTJ7801

Place of Signature: Gurugram
Date: May 22, 2024

Annexure 1 to the Independent Auditor's report

referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of One 97 Communications Limited as at and for the year ended March 31, 2024

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

| S. No | Name | CIN | Holding company/ subsidiary/ associate/ joint venture | Clause number of the CARO report which is qualified or is adverse |
|----------|---|-----------------------|---|---|
| 1 | Mobiquest Mobile Technologies Private Limited | U22130DL2007PTC158782 | Subsidiary | (iii) (b) & (iii) (c) |
| 2 | One 97 Communications Limited | L72200DL2000PLC108985 | Holding Company | (vii) (a) & (xi) (a) |
| 3 | Paytm Services Private Limited | U74110KA2016PTC094535 | Subsidiary | (vii) (a) |

The report of the following components included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report:

| S. No | Name | CIN | Subsidiary/ associate/ joint venture |
|----------|---|-----------------------|---|
| 1 | Xceed IT Solution Private Limited | U72200DL2005PTC139611 | Subsidiary |
| 2 | Eatgood Technologies Private Limited | U74900KA2015PTC080961 | Associate |
| 3 | Infinity Transoft Solutions Private Limited | U72200GJ2014PTC079893 | Associate |
| 4 | Paytm General Insurance Limited | U67200DL2018PLC329710 | Associate |
| 5 | Paytm Life Insurance Limited | U67200DL2018PLC329711 | Associate |
| 6 | Paytm Payments Bank Limited | U65999DL2016PLC304713 | Associate |
| 7 | Socomo Technologies Private Limited | U72900CH2012PTC034269 | Associate |

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

per Yogender Seth
 Partner

Place of Signature: Gurugram
 Date: May 22, 2024

Membership Number: 094524
 UDIN: 24094524BKFOTJ7801

Annexure 2 to the Independent Auditor's report

referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of One 97 Communications Limited as at and for the year ended March 31, 2024

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 One 97 Communications Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associates and joint ventures, 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 (ICAI). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

Annexure 2 to the Independent Auditor's report

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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Annexure 2 to the Independent Auditor's report

Opinion

In our opinion, the Group , its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these four subsidiaries and four associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

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

per Yogender Seth

Partner
Membership Number: 094524
UDIN: 24094524BKFOTJ7801

Place of Signature: Gurugram
Date: May 22, 2024

Consolidated Balance Sheet

(Amounts in INR Million, unless otherwise stated)

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current assets | | | |
| Property, plant and equipment | 3(a) | 9,309 | 8,293 |
| Right-of-use-assets | 3(b) | 2,361 | 2,883 |
| Capital work-in-progress | 3(c) | 100 | 72 |
| Goodwill | 4 | 443 | 443 |
| Other intangible assets | 4 | 360 | 469 |
| Intangible assets under development | 3(d) | 36 | 42 |
| Investment in joint ventures | 5(a) | - | - |
| Investment in associates | 5(b) | 338 | 2,518 |
| Financial assets | | | |
| Other investments | 6(b) | 22,605 | 13,247 |
| Loans | 6(c) | 1,680 | 1,507 |
| Other financial assets | 6(d) | 3,173 | 1,237 |
| Tax assets | | | |
| Deferred tax assets | 28 | 119 | 85 |
| Other non-current assets | 8 | 2,645 | 3,202 |
| Total Non-Current Assets | | 49,754 | 39,795 |
| Current assets | | | |
| Financial assets | | | |
| Other investments | 6(a) | 23,340 | 11,206 |
| Trade receivables | 7 | 16,507 | 12,378 |
| Cash and cash equivalents | 9(a) | 42,772 | 33,120 |
| Bank balances other than cash and cash equivalents | 9(b) | 9,690 | 37,275 |
| Loans | 6(c) | 51 | 57 |
| Other financial assets | 6(d) | 20,564 | 33,577 |
| Other current assets | 8 | 8,713 | 12,250 |
| Total Current Assets | | 121,637 | 139,863 |
| TOTAL ASSETS | | 171,391 | 179,658 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 10(a) | 636 | 634 |
| Other equity | 10(b) | 132,630 | 129,522 |
| Equity attributable to owners of the parent | | 133,266 | 130,156 |
| Non-controlling interests | | (282) | (227) |
| Total Equity | | 132,984 | 129,929 |
| LIABILITIES | | | |
| Non-Current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 3(b) | 1,449 | 1,876 |
| Contract liabilities | 13(b) | 518 | 2,367 |
| Other non-current liabilities | 13(a) | 206 | - |
| Provisions | 11 | 1,081 | 617 |
| Total Non-Current Liabilities | | 3,254 | 4,860 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 12(a) | - | 20 |
| Lease liabilities | 3(b) | 317 | 337 |
| Trade payables | | | |
| (a) Total Outstanding dues of micro and small enterprises | 12(b) | 313 | 417 |
| (b) Total Outstanding dues other than (a) above | 12(b) | 6,529 | 8,172 |
| Other financial liabilities | 12(c) | 19,351 | 27,631 |
| Contract liabilities | 13(b) | 2,624 | 2,528 |
| Current tax liabilities | | | |
| Other current liabilities | 13(a) | 99 | 46 |
| Provisions | 11 | 3,207 | 4,189 |
| Total Current Liabilities | | 35,153 | 44,869 |
| Total Liabilities | | 38,407 | 49,729 |
| TOTAL EQUITY AND LIABILITIES | | 171,391 | 179,658 |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

This is the Consolidated Balance Sheet referred to in our report of even date.

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004

Yogender Seth | Partner
Membership No: 094524
Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,
Managing Director and CEO
DIN: 00466521
Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN: 0772350
Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
Place: Gurugram | Date: May 22, 2024

Consolidated Statement of Profit and Loss

(Amounts in INR Million, unless otherwise stated)

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|-------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 14 | 99,778 | 79,903 |
| Other income | 15 | 5,469 | 4,097 |
| Total income | | 105,247 | 84,000 |
| Expenses | | | |
| Payment processing charges | | 32,804 | 29,577 |
| Marketing and promotional expenses | | 9,220 | 10,764 |
| Employee benefits expense | 16 | 45,892 | 37,783 |
| Software, cloud and data centre expenses | | 6,430 | 6,939 |
| Depreciation and amortization expense | 17 | 7,357 | 4,853 |
| Finance costs | 18 | 243 | 233 |
| Other expenses | 19 | 14,500 | 11,155 |
| Total expenses | | 116,446 | 101,304 |
| Loss before share of loss of associates / joint ventures and tax | | (11,199) | (17,304) |
| Share of loss of associates / joint ventures | 24 | (377) | (125) |
| Loss on impairment of an associate | 45 | (2,271) | - |
| Loss before exceptional items and tax | | (13,847) | (17,429) |
| Exceptional items | 20 | (57) | - |
| Loss before tax | | (13,904) | (17,429) |
| Income Tax expense | | | |
| Current tax | 28 | 358 | 351 |
| Adjustment of tax relating to earlier years | | (8) | - |
| Deferred tax credit | 28 | (30) | (15) |
| Total Tax expense | | 320 | 336 |
| Loss for the year | | (14,224) | (17,765) |
| Other comprehensive income/(loss) | | | |
| Items that will not be reclassified to profit or loss in subsequent years | | | |
| Re-measurement loss on defined benefit plans | 27 | (100) | (41) |
| Income tax relating to re-measurement losses on defined benefit plans | | 3 | - |
| Changes in fair value of equity instruments at FVTOCI | | 1,849 | 902 |
| Share of other comprehensive income of associates / joint ventures | 24 | (35) | 128 |
| Items that may be reclassified to profit or loss in subsequent years | | | |
| Exchange differences on translation of foreign operations | | 179 | 1,093 |
| Total Other Comprehensive income for the year | | 1,896 | 2,082 |
| Total Comprehensive loss for the year | | (12,328) | (15,683) |
| Loss for the year | | | |
| Attributable to: | | | |
| Owners of the parent | | (14,170) | (17,759) |
| Non-controlling interests | | (54) | (6) |
| | | (14,224) | (17,765) |
| Other comprehensive income / (loss) for the year | | | |
| Attributable to: | | | |
| Owners of the parent | | 1,897 | 2,082 |
| Non-controlling interests | | (1) | * |
| | | 1,896 | 2,082 |
| Total comprehensive loss for the year | | | |
| Attributable to: | | | |
| Owners of the parent | | (12,274) | (15,677) |
| Non-controlling interests | | (54) | (6) |
| | | (12,328) | (15,683) |
| Earnings per share (INR per share of INR 1 each) | | | |
| Basic | 21 | (22) | (27) |
| Diluted | 21 | (22) | (27) |

*Amount below rounding off norms adopted by the Group

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For S. R. Batliboi & Associates LLP

Firm Registration No.: 101049W/E300004

Yogender Seth | Partner

Membership No: 094524

Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited**Vijay Shekhar Sharma** | Chairman,

Managing Director and CEO

DIN: 00466521

Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,

President & Group Chief Financial Officer

DIN: 07720350

Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary

Place: Gurugram | Date: May 22, 2024

Consolidated Statement of Changes in Equity

(Amounts in INR Million, unless otherwise stated)

a) Equity Share Capital

| Equity shares - issued, subscribed and fully paid | No. of Shares | Amount |
|--|----------------------|---------------|
| At April 1, 2022 | 648,561,414 | 649 |
| Shares issued during the year - ESOP | 793,549 | 1 |
| Shares buy-back (Refer note 30) | (15,566,746) | (16) |
| At March 31, 2023 | 633,788,217 | 634 |
| Shares issued during the year - ESOP | 1,625,556 | 2 |
| At March 31, 2024 | 635,413,773 | 636 |

Consolidated Statement of Changes in Equity

(Amounts in INR Million, unless otherwise stated)

b) Other Equity

| Particulars | Attributable to owners of the parent | | | | | | Total Non- controlling interests | Total Other Equity | | |
|---|---|-----------------------|----------------------|-----------------|----------------------------------|--------------|---|--------------------------|----------------|-----------------|
| | Share application money pending allotment | Securities Premium | Retained earnings | ESOP Reserve | Capital Redemption Reserve | FVTOCI | FCTR# | | | |
| As at April 1, 2022 | * 273,166 | (151,833) | 10,022 | | | 9,343 | 169 | 140,867 | (221) | 140,646 |
| Loss for the year | - | - | (17,759) | - | - | - | - | (17,759) | (6) | (17,765) |
| Other comprehensive income | - | - | (41) | - | - | 1,030 | 1,093 | 2,082 | * | 2,082 |
| Total comprehensive income/(loss) | - | - | (17,800) | - | - | 1,030 | 1,093 | (15,677) | (6) | (15,683) |
| Exercise of share options | * | * | - | - | - | - | - | - | - | - |
| Adjustment on forfeiture of ESOP | - | - | 3 | (3) | - | - | - | - | - | - |
| Adjustment on cancellation of ESOP | - | - | 12 | (12) | - | - | - | - | - | - |
| Amount transferred to securities premium on exercise of ESOPs | - | 919 | - | (919) | - | - | - | - | - | - |
| Share based payment expenses (Refer note 25) | - | - | 14,553 | - | - | - | 14,553 | - | 14,553 | - |
| Share based payment reserve on account of associates and joint ventures (Refer note 25) | - | - | 321 | - | - | - | 321 | - | 321 | - |
| Share application money received (pending allotment) | 1 | - | - | - | - | - | 1 | - | 1 | - |
| Amount received on issue of shares | - | 6 | - | - | - | - | 6 | - | 6 | - |
| Buy-back of equity shares (including transaction cost) (Refer note 30) | - | (8,568) | - | - | - | - | (8,568) | - | (8,568) | - |
| Transfer on account of buy-back of equity shares (Refer note 30) | - | (16) | - | - | 16 | - | - | - | - | - |
| Tax on buy-back of equity shares (Refer note 30) | - | (1,977) | - | - | - | - | (1,977) | - | (1,977) | - |
| Other adjustments (Refer note 10(b)) | - | (46) | - | - | 42 | - | (4) | - | (4) | - |
| As at March 31, 2023 | 1 263,530 | (169,664) | 23,962 | 16 | 10,415 | 1,262 | 129,522 | (227) | 129,295 | |

Consolidated Statement of Changes in Equity (Contd..)

(Amounts in INR Million, unless otherwise stated)

b) Other Equity (Contd..)

| Particulars | Attributable to owners of the parent | | | | | | Total Non- controlling interests | Total Other Equity |
|---|---|-----------------------|----------------------|-----------------|----------------------------------|---------------|---|-------------------------------|
| | Share application money pending allotment | Securities Premium | Retained earnings | ESOP Reserve | Capital Redemption Reserve | FVTOCI | FCTR [#] | |
| As at April 1, 2023 | 1 | 263,530 | (169,664) | 23,962 | 16 | 10,415 | 1,262 | 129,522 |
| Loss for the year | - | - | (14,170) | - | - | - | (14,170) | (54) (14,224) |
| Other comprehensive income | - | - | (97) | - | - | 1,814 | 179 | 1,897 (1) 1,896 |
| Total comprehensive income/(loss) | (1) | - | (14,267) | - | - | 1,814 | 179 | (12,274) (54) (12,328) |
| Exercise of share options | - | 1 | - | - | - | - | - | - |
| Adjustment on forfeiture of ESOP | - | - | 120 | (120) | - | - | - | - |
| Adjustment on cancellation of ESOP | - | - | 466 | (466) | - | - | - | - |
| Amount transferred to securities premium on exercise of ESOPs | - | 1,857 | - | (1,857) | - | - | - | - |
| Share based payment expenses (Refer note 25) | - | - | 14,666 | - | - | 14,666 | - | 14,666 |
| Share based payment reserve on account of associates and joint ventures (Refer note 25) | - | - | 682 | - | - | 682 | - | 682 |
| Share application money received (pending allotment) | 3 | - | - | - | - | - | 3 | 3 |
| Amount received on issue of shares | - | 12 | - | - | - | - | 12 | 12 |
| Amount reversed against share issue expenses | - | 21 | - | - | - | - | 21 | 21 |
| Other adjustments (Refer note 10(b)) | - | - | (2) | - | - | (2) | - | (2) |
| As at March 31, 2024 | 3 | 265,421 | (183,347) | 36,867 | 16 | 12,229 | 1,441 | 132,630 |
| | | | | | | | (282) | 132,349 |

*Amount below rounding off norms adopted by the Group

#Foreign currency translation reserve

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For S.R. Bathiboi & Associates LLP

Firm Registration No.: 101049W/E300004

Yogender Seth | Partner
Membership No: 094524
Place: Gurugram | Date: May 22, 2024

Vijay Shekhar Sharma | Chairman,
Managing Director and CEO
DIN: 00466521
Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN: 07720350
Place: New Delhi | Date: May 22, 2024

Consolidated Statement of Cash Flows

(Amounts in INR Million, unless otherwise stated)

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|-------|--------------------------------------|--------------------------------------|
| Cash flow from operating activities: | | | |
| Loss before tax | | (13,904) | (17,429) |
| Depreciation and amortization expense | 17 | 7,357 | 4,853 |
| Interest income | 15 | (2,637) | (2,778) |
| Interest Income on financial assets - measured at amortized cost | 15 | (1,916) | (411) |
| Interest on borrowing at amortized cost | 18 | * | 1 |
| Interest and finance charges on lease liabilities | 18 | 178 | 198 |
| (Gain)/ loss on lease termination/ modification (net) | | (19) | 15 |
| Exchange differences (net) | | 237 | - |
| Trade receivables/ advances written off | 19 | 122 | 143 |
| Provision for advances## | | 828 | 73 |
| Loss on Impairment of an associate | 45 | 2,271 | - |
| Loss allowance for financial assets | 19 | 1,160 | 794 |
| Liabilities no longer required written back | 15 | (161) | (92) |
| Property, plant and equipment and intangible assets written off | 19 | 4 | 17 |
| Share based payment expenses | 16 | 14,658 | 14,558 |
| Provision for employee incentive | | (2) | (4) |
| Share of profit/ (loss) of associates/ joint ventures | 24 | 377 | 125 |
| Fair value gain on financial instruments measured at FVTPL (net) | 15 | (781) | (609) |
| Profit on sale of property, plant and equipment (net) | 15 | (30) | (25) |
| Operating profit/(loss) before working capital changes | | 7,742 | (571) |
| Working capital adjustments: | | | |
| Increase/(decrease) in trade payables | | (1,837) | 1,090 |
| Increase/(decrease) in provisions | | 1,547 | 981 |
| Increase /(decrease) in other current liabilities, other non-current liabilities and contract liabilities | | (2,529) | (626) |
| Increase/(decrease) in other financial liabilities | | (7,888) | 9,415 |
| (Increase)/decrease in trade receivables | | (5,058) | (5,539) |
| (Increase)/decrease in other financial assets | | 12,355 | (1,267) |
| (Increase)/decrease in other current and non-current assets | | 3,261 | 2,435 |
| Cash generated from/ (used in) operations | | 7,593 | 5,918 |
| Taxes paid, net of refunds | | (1,085) | (1,762) |
| Net cash inflow from operating activities (A) | | 6,508 | 4,156 |
| Cash flow from/ (used in) investing activities | | | |
| Purchase of property, plant and equipment (including intangible assets, intangible assets under development, capital work-in-progress, capital advances and payable on purchase of fixed assets) | | (8,217) | (7,052) |
| Proceeds from sale of property, plant and equipment | | 96 | 85 |
| Investment in fixed and other deposits with bank | | (35,101) | (57,876) |
| Proceeds from maturity of bank deposits | | 60,435 | 99,248 |
| Proceeds from repayment of inter corporate loans | | 10 | 483 |
| Inter corporate loans given | | - | (10) |
| Proceeds from sale of non-current investments | | 877 | - |
| Payment for purchase of non-current investments | | (8,199) | (1,226) |
| Proceeds from sale of current investments | | 233,544 | 351,192 |
| Payment for purchase of current investments | | (244,992) | (361,669) |
| Interest received | | 4,727 | 3,080 |
| Net cash inflow/ (outflow) from investing activities (B) | | 3,180 | 26,255 |
| Cash flow from/ (used in) financing activities | | | |
| Proceeds from issue of shares (including securities premium) | | 13 | 7 |
| Buy-back of equity shares (including transaction cost) | | - | (8,584) |
| Tax on buy-back of equity shares | | - | (1,977) |
| Share application money received during the year (pending allotment) | | 3 | 1 |

Consolidated Statement of Cash Flows

(Amounts in INR Million, unless otherwise stated)

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-------|--------------------------------------|--------------------------------------|
| Received on recharge of ESOP cost to associates | | 283 | 69 |
| Interest paid | | (179) | (199) |
| Principal elements of lease payments | | (341) | (440) |
| Net cash inflow/ (outflow) from financing activities (C) | | (221) | (11,123) |
| Net increase/ (decrease) in cash and cash equivalents | | 9,467 | 19,288 |
| (A+B+C) | | | |
| Cash and cash equivalents at the beginning of the year | | 33,100 | 13,789 |
| Effect of exchange differences on restatement of foreign currency cash and cash equivalents | | 205 | 23 |
| Cash and cash equivalents at the end of the year | | 42,772 | 33,100 |

| Cash and cash equivalents as per above comprises of following | March 31, 2024 | March 31, 2023 |
|---|--------------------|----------------|
| Cash on hand | * | * |
| Balance with banks | | |
| - On current accounts | 39,764 | 27,390 |
| - Deposits with original maturity of less than 3 months | 3,008 | 5,730 |
| Cash and cash equivalents | 9(a) 42,772 | 33,120 |
| Bank overdraft# | 12(a) - | (20) |
| Cash and cash equivalents for the purpose of statement of cash flows | 42,772 | 33,100 |

*Amount below rounding off norms adopted by the Group

For non-cash additions and deletions in Right-of-use-assets and financing activities, refer note 3(b) and 12(a).

#Bank borrowings are generally considered to be financing activities. However, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management are included as a component of cash and cash equivalents.

Includes INR 57 disclosed under exceptional item (Refer note 20)

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004

Yogender Seth | Partner
Membership No: 094524
Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,
Managing Director and CEO
DIN: 00466521
Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN: 07720350
Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary
Place: Gurugram | Date: May 22, 2024

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

1. Corporate information

These Consolidated Financial Statements ("Consolidated Financial Statements") comprise the financial statements of One 97 Communications Limited ("hereinafter referred to as the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and associate companies for the year ended March 31, 2024.

One 97 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 Holding 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 equity shares of the Holding Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

The Group is in the business of providing a) payment and financial services which primarily includes payment facilitator services, facilitation of consumer and merchant loan distribution to consumers and merchants, wealth management etc. b) marketing services which primarily consists of aggregator for digital products, ticketing business, providing voice and messaging platforms to the telecom operators and enterprise customers and other businesses, etc.

These Consolidated Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on May 22, 2024.

2. Material accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as amended from time to time.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value and amortised cost (refer accounting policies on financial instruments and Share-based payments).

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 Consolidated Financial Statements are presented in Indian Rupees ('Rupees' or 'Rs.' or 'INR') and are rounded to the nearest millions, except per share data and unless stated otherwise.

New and amended standards adopted by the Group

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group applied for the first-time these amendments.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies

to transactions that give rise to equal taxable and deductible temporary differences such as leases. There was no impact of the change on the financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

2.2 Business Combination and Goodwill

Business combinations (other than those under common control) are accounted for using the acquisition method under Ind AS 103. 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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 or more frequently if events or changes in circumstances indicate that they might be impaired.

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

Subsidiaries are all entities (including structured entities) over which the Group has Control. The determination of control for the purpose of consolidation is done as per Ind AS 110. 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:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- 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:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

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- 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 Group. 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 consolidated 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

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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. The Group measures non-controlling interests at their proportion of the fair value of the identifiable net assets.

2.4 Investment in associates and joint ventures

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 or joint control.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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 and joint venture are accounted for using

the equity method. Under the equity method, the investment in an associate or a joint venture 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 or joint venture since the acquisition date. Goodwill relating to the associate or joint venture 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 or joint venture. Any change in OCI of the associate or joint venture 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 or joint venture equals or exceeds its interest in the associate or joint venture (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

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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 and joint venture is shown on the face of the consolidated statement of profit and loss. The financial statements of the associate and joint venture 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 or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'exceptional items' 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 the consolidated statement of profit or loss.

2.5 Summary of material 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 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.

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b. Foreign currencies

Functional and presentation currency

Items included in the Consolidated 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 consolidated financial statements are presented in INR, which is also the Holding Company's functional currency.

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 consolidation 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.

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

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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 consolidated 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 consolidated 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 measured based on the consideration specified in a contract with a customer (transaction price) net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or

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service to a customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group provides incentives to its users in various forms including cashbacks. Incentives which are consideration payable to the customer that are not in exchange for a distinct good or service are generally recognized as a reduction of revenue.

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. Typically, the Group has a right to payment before or at the point that services are delivered. Cash received before the services are delivered is recognised as a contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

Sale of services

Revenue from services is recognized when the control in services is transferred as per the terms of the agreement with customer i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services. In terms of the contract, excess of revenue over the billed at the year-end is carried in the balance sheet as trade receivables where the amount is

recoverable from the customer without any future performance obligation and the Group has unconditional right over such consideration (i.e. if only the passage of time is required before payment of such consideration is due). Cash received before the services are delivered is recognised as a contract liability.

Commission

The Group facilitates recharge of talk time, bill payments, availability of bus tickets and sale of deal coupons and earns commission for the respective services. Commission income is recognized when the control in services is transferred to the customer when the services have been provided by the Group.

Service fees from merchants

The Group earns service fee from merchants and recognizes such revenue when the control in services have been transferred by the Group i.e. as and when services have been provided by the Group. 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 other financial liabilities.

Revenue from broking activities

Revenue from broking activities, fees and delayed payment charges is recognized on the trade date of transaction (net of Goods & service

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tax (GST), securities transaction tax, stamp duties and other levies by SEBI and stock exchanges). Revenue from platform fees are received periodically but are recognized as earned on pro-rata basis over the term of the contract i.e. one year.

Government Grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to revenue are recognized on a systematic basis in the Consolidated Statement of Profit and Loss as other operating revenue over the periods necessary to match them with the related costs, if any, which they are intended to compensate.

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 other income in the consolidated statement of profit and loss.

e. **Trade receivable**

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

f. **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

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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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

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 are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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,

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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.

Taxes paid on acquisition of assets or on incurring expenses

Assets are recognised net of the amount of GST paid, except when the tax incurred on a purchase of assets 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.

Expenses are recognised net of the amount of GST paid, except when the tax incurred on a purchase of services is not recoverable from the taxation authority, in which case, the tax paid is expensed off in statement of profit and loss.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current/ non-current assets or other current liabilities in the consolidated balance sheet.

g. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment, if any. Property, plant and equipment is depreciated on a written down value basis to its residual value over its estimated useful life.

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. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repair and maintenance are charged to consolidated 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 ready to use before such date are disclosed under 'Capital work in progress'.

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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 except for plant and machinery on which straight line method is used, based on technical evaluation done by the management and charged to consolidated statement of profit and loss as per the useful life prescribed under schedule II of the Companies Act, 2013, given below:

| Assets | Useful life (in years) |
|--|---------------------------|
| Servers and networking equipment (Computers) | 6 |
| Laptops and desktops (Computers) | 3 |
| Office equipment | 5 |
| Furniture and fittings | 10 |
| Vehicles | 8 |
| Plant & Machinery | |
| - EDC/POS machines | 3 |
| - Soundbox | 2 |

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

During the previous year, the Holding Company had changed the method of depreciation for Plant & Machinery from written down value method to straight

line method along with change in life to 3 years and 2 years for EDC/POS machines and Soundbox, respectively and the impact on account of such change in estimate was assessed to be immaterial for the current and future periods.

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. Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use or sale
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits

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- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs.

Research and development costs

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortization methods and periods

Amortization of intangible assets begins when development is complete and the asset is available for use. Software, licenses acquired and internally generated software are amortized at the rate of 40% per annum on written down value method. During the period of development, the asset is tested for impairment annually. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization

expense on intangible assets is recognized 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.

i. 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 or CGU 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

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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 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.

j. 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,

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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 consolidated financial statements.

k. Retirement and other employee benefits

For defined benefit plans (gratuity), the liability or asset recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government

bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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 Group provides for liability at year end on account of un-availed earned leave and Long Term Incentive Plan ('LTIP') as per actuarial valuation using projected unit credit method.

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Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit payable under other financial liabilities in the consolidated balance sheet.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on May 03, 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

I. Share-based payments

Equity-settled transactions

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.

Performance conditions which are market conditions are taken into account when determining the grant date fair value of the awards. 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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

m. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 and reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. 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 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant.

Equity investments in associates and joint ventures are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

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.

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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

The Group's financial liabilities include borrowings, lease liabilities, trade and other payables.

Subsequent measurement

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

Loans and borrowings

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.

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.

n. 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.

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.

o. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and office premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset,

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of

the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the consolidated balance sheet and lease payments have been classified as financing cash flows.

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

Basic EPS amounts are calculated by dividing the profit/ (loss) for the year

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

attributable to equity holders of Holding Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of Holding 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.

q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

r. Use of estimates

The Group is required to make estimates and assumptions that affect the reported amounts of assets, liabilities,

disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Group bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgements about carrying values of assets and liabilities.

s. Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly disclosed in the consolidated financial statements. Significant impact on the consolidated financial statements arising from impairment and non-recurring events are considered and reported as exceptional items.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

3(a). Property, plant and equipment

| Particulars | Computers | Furniture and Fittings | Leasehold Improvements | Vehicles | Office Equipments | Plant & Machinery^ | Total |
|--------------------------------------|--------------|------------------------|------------------------|-----------|-------------------|--------------------|---------------|
| Gross carrying amount | | | | | | | |
| As at April 1, 2022 | 4,231 | 52 | 265 | 11 | 307 | 6,679 | 11,545 |
| Additions | 300 | 2 | - | - | 22 | 6,738 | 7,062 |
| Foreign Currency Translation Reserve | 6 | * | 1 | - | * | - | 7 |
| Disposals | 523 | 6 | - | 1 | 18 | 291 | 839 |
| As at March 31, 2023 | 4,014 | 48 | 266 | 10 | 311 | 13,126 | 17,775 |
| As at April 1, 2023 | 4,014 | 48 | 266 | 10 | 311 | 13,126 | 17,775 |
| Additions | 390 | 4 | 9 | - | 26 | 7,372 | 7,801 |
| Foreign Currency Translation Reserve | 5 | * | (2) | - | * | - | 3 |
| Disposals | 1,387 | 6 | 1 | - | 5 | 153 | 1,552 |
| As at March 31, 2024 | 3,022 | 46 | 272 | 10 | 332 | 20,345 | 24,027 |
| Accumulated depreciation | | | | | | | |
| As at April 1, 2022 | 3,122 | 30 | 124 | 5 | 147 | 2,501 | 5,929 |
| For the year | 661 | 6 | 43 | 2 | 26 | 3,573 | 4,311 |
| Foreign Currency Translation Reserve | 6 | * | 1 | - | * | - | 7 |
| Disposals | 471 | 5 | - | 1 | 17 | 271 | 765 |
| As at March 31, 2023 | 3,318 | 31 | 168 | 6 | 156 | 5,803 | 9,482 |
| As at April 1, 2023 | 3,318 | 31 | 168 | 6 | 156 | 5,803 | 9,482 |
| For the year | 464 | 5 | 44 | 1 | 25 | 6,173 | 6,712 |
| Foreign Currency Translation Reserve | 9 | * | (2) | - | * | - | 7 |
| Disposals | 1,349 | 5 | * | - | 5 | 124 | 1,483 |
| As at March 31, 2024 | 2,442 | 31 | 210 | 7 | 176 | 11,852 | 14,718 |
| Net carrying amount | | | | | | | |
| As at March 31, 2024 | 580 | 15 | 62 | 3 | 156 | 8,493 | 9,309 |
| As at March 31, 2023 | 696 | 17 | 98 | 4 | 155 | 7,323 | 8,293 |

Notes:

- (i) Capital work-in-progress (Refer note 3(c))

Capital work in progress mainly comprises of servers and electrical devices. Further, Capital work-in-progress includes expenditure of INR 43 (March 31, 2023: INR 40) relating to expenses incurred on construction of office premises.

- (ii) Refer to note 29 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

[^] Plant and machinery includes gross carrying amount INR 15,906 (March 31, 2023: INR 10,460), Accumulated depreciation INR 9,201 (March 31, 2023: INR 4,553), Net carrying amount INR 6,705 (March 31, 2023: INR 5,907) of point-of-sale machines and sound boxes installed at customers premise.

*Amount below rounding off norms adopted by the group.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases

A. Right -of-use assets

| Particulars | Right-of-use Leasehold Land | Right-of-use Office Premises | Total |
|---------------------------------|--------------------------------|---------------------------------|--------------|
| Gross Carrying Amount | | | |
| As at April 1, 2022 | 844 | 2,982 | 3,826 |
| Additions | - | 451 | 451 |
| Disposals | - | 158 | 158 |
| As at March 31, 2023 | 844 | 3,275 | 4,119 |
| As at April 1, 2023 | 844 | 3,275 | 4,119 |
| Additions | - | 65 | 65 |
| Disposals | - | 437 | 437 |
| As at March 31, 2024 | 844 | 2,903 | 3,747 |
| Accumulated Depreciation | | | |
| As at April 1, 2022 | 30 | 851 | 881 |
| For the Year | 10 | 434 | 444 |
| Disposals | - | 89 | 89 |
| As at March 31, 2023 | 40 | 1,196 | 1,236 |
| As at April 1, 2023 | 40 | 1,196 | 1,236 |
| For the Year | 10 | 407 | 417 |
| Disposals | - | 267 | 267 |
| As at March 31, 2024 | 50 | 1,336 | 1,386 |
| Net Carrying Amount | | | |
| As at March 31, 2024 | 794 | 1,567 | 2,361 |
| As at March 31, 2023 | 804 | 2,079 | 2,883 |

B. Lease Liabilities

| | March 31, 2024 | March 31, 2023 |
|-------------------------------------|----------------|----------------|
| Lease Liability on Office Premises | 1,766 | 2,213 |
| Total | 1,766 | 2,213 |
| Total lease liability - Current | 317 | 337 |
| Total lease liability - Non-Current | 1,449 | 1,876 |

C. Amounts recognised in Statement of Profit and Loss

| Particulars | Notes | For the year ended | For the year ended |
|--|-------|-----------------------|-----------------------|
| | | March 31, 2024 | March 31, 2023 |
| Depreciation charge of Right-of-use-assets | | | |
| Land | | 10 | 10 |
| Office Premises | | 407 | 434 |
| Total | 17 | 417 | 444 |
| Interest expense (included in finance cost) | 18 | 178 | 198 |
| Expense relating to short-term lease (included in other expenses) | 19 | 59 | 67 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. The Group has given notice to vacate certain office premises. This has been accounted as lease termination. Hence, in accordance with Ind AS 116, Lease Liability has been re-measured by INR 204 (March 31, 2023: 9) with corresponding adjustment to Right of use assets amounting to INR 185 (March 31, 2023: 24) and the remaining balance has been included in Miscellaneous Income disclosed under Other Income in the Statement of Profit and Loss.

The total cash outflow for leases for the year is INR 519 (March 31, 2023: 638)

Extension and termination options:

Extension and termination options are included in certain leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In certain cases, the extension and termination options held are exercisable only by the Group and not by the respective lessor.

3 (c) Capital work-in-progress

Capital work-in-progress (CWIP) ageing schedule for the year ended March 31, 2024

| CWIP | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 58 | 1 | 1 | 40 | 100 |

Capital work-in-progress (CWIP) ageing schedule for the year ended March 31, 2023

| CWIP | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 23 | 9 | 1 | 39 | 72 |

3 (d) Intangible assets under development

Intangible assets under development (IAUD) ageing schedule for the year ended March 31, 2024

| Intangible assets under development | Amount in IAUD for a period of | | | | Total |
|--|--------------------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 30 | 6 | * | - | 36 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (d) Intangible assets under development (Contd..)

Intangible assets under development (IAUD) ageing schedule for the year ended March 31, 2023

| Intangible assets under development | Amount in IAUD for a period of | | | | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Projects in progress | 41 | * | * | 1 | 42 |

4. Other intangible assets

| Particulars | Customer Relationship | Brand | Non-Compete | Software | Internally Generated Software | Total | Goodwill |
|----------------------------------|-----------------------|------------|-------------|------------|-------------------------------|--------------|--------------|
| Gross carrying amount | | | | | | | |
| As at April 1, 2022 | 251 | 448 | 39 | 450 | 104 | 1,292 | 4,129 |
| Additions | - | - | - | 121 | 314 | 435 | - |
| Foreign Currency | - | - | - | - | 2 | 2 | - |
| Translation Reserve | | | | | | | |
| Disposals | - | - | - | 3 | - | 3 | - |
| As at March 31, 2023 | 251 | 448 | 39 | 568 | 420 | 1,726 | 4,129 |
| As at April 1, 2023 | 251 | 448 | 39 | 568 | 420 | 1,726 | 4,129 |
| Additions | - | - | - | 103 | 16 | 119 | - |
| Foreign Currency | - | - | - | - | * | - | - |
| Translation Reserve | | | | | | | |
| Disposals | - | - | - | 6 | - | 6 | - |
| As at March 31, 2024 | 251 | 448 | 39 | 665 | 436 | 1,839 | 4,129 |
| Accumulated Amortization/ | | | | | | | |
| Impairment | | | | | | | |
| As at April 1, 2022 | 247 | 446 | 39 | 323 | 102 | 1,157 | 3,686 |
| For the year | 4 | 2 | * | 82 | 10 | 98 | - |
| Foreign Currency | - | - | - | - | 2 | 2 | - |
| Translation Reserve | | | | | | | |
| Disposals | - | - | - | * | - | * | - |
| As at March 31, 2023 | 251 | 448 | 39 | 405 | 114 | 1,257 | 3,686 |
| As at April 1, 2023 | 251 | 448 | 39 | 405 | 114 | 1,257 | 3,686 |
| For the year | - | - | - | 106 | 122 | 228 | - |
| Foreign Currency | - | - | - | - | * | - | - |
| Translation Reserve | | | | | | | |
| Disposals | - | - | - | 6 | - | 6 | - |
| As at March 31, 2024 | 251 | 448 | 39 | 505 | 236 | 1,479 | 3,686 |
| Net carrying amount | | | | | | | |
| As at March 31, 2024 | - | - | - | 160 | 200 | 360 | 443 |
| As at March 31, 2023 | - | - | - | 163 | 306 | 469 | 443 |

*Amount below rounding off norms adopted by the group.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

5 (a) Investment in joint ventures - Non Current

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Unquoted equity shares (Fully paid up) | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) (Refer note 24) | - | - |
| 68,233,850 (March 31, 2023 : 68,233,850) equity shares of INR 10 each | - | - |

5 (b) Investment in associates - Non Current

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Unquoted equity shares (Fully paid up) | | |
| Paytm Payments Bank Limited (Refer note (i) below) (Refer note 45) | - | 2,073 |
| 195,904,900 (March 31, 2023 : 195,904,900) equity shares of INR 10 each | - | - |
| Paytm General Insurance Limited | - | - |
| 980,000 (March 31, 2023 : 980,000) equity shares of INR 10 each | - | - |
| Paytm Life Insurance Limited | * | * |
| 49,000 (March 31, 2023 : 49,000) equity shares of INR 10 each | - | - |
| Paytm Financial Services Limited | 98 | 177 |
| 2,000,000 (March 31, 2023 : 2,000,000) equity shares of INR 10 each | - | - |
| Paytm Insuretech Private Limited (Formerly known as QorQI Private Limited) (refer note (i) below) | - | - |
| 2,560,938 (March 31, 2023 : 2,560,938) equity shares of INR 10 each | - | - |
| Eatgood Technologies Private Limited (Refer note (i) below) | - | - |
| 2,879 (March 31, 2023 : 2,879) equity shares of INR 10 each | - | - |
| Total (A) | 98 | 2,251 |
| Unquoted compulsorily convertible preference shares (Fully paid up) | | |
| Socomo Technologies Private Limited (refer note (i) below) | - | - |
| 28,800 (March 31, 2023 : 28,800) Compulsorily Convertible Preference share of face value of INR 1 each | - | - |
| Infinity Transoft Solutions Private Limited | 79 | 79 |
| 3,618 (March 31, 2023 : 3,618) Compulsorily Convertible Preference share of face value of INR 10 each | - | - |
| Eatgood Technologies Private Limited (refer note (i) below) | 161 | 188 |
| 72,373 (March 31, 2023 : 72,373) Compulsorily Convertible Preference share of face value of INR 100 each | - | - |
| Total (B) | 240 | 267 |
| Grand Total [A+B] | 338 | 2,518 |
| Aggregate amount of unquoted investments | 338 | 2,518 |
| Aggregate amount of impairment in the value of investment | 3,025 | 754 |

*Amount below rounding off norms adopted by the Group

- (i) Net of provision for impairment amounting to INR 26 (March 31, 2023: 26), INR 428 (March 31, 2023: 428), INR 300 (March 31, 2023: 300) and INR 2,271 (March 31, 2023: Nil) for Paytm Insuretech Private Limited, Socomo Technologies Private Limited, Eatgood Technologies Private Limited and Paytm Payments Bank Limited respectively.
- (ii) Refer note 24 for more details.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (a). Other Investments - Current

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Investments at fair value through profit and loss | | |
| Mutual Funds (Quoted) | | |
| Axis Overnight Fund - Direct Growth | 862 | 451 |
| 680,428 units (March 31, 2023: 380,372 units) | | |
| Axis Liquid Fund - Direct Growth | 157 | 179 |
| 58,591 units (March 31, 2023: 71,602 units) | | |
| UTI Liquid Fund - Direct Plan | | |
| 9,206 units (March 31, 2023 : Nil units) | 36 | - |
| Axis Money Market & Overnight Fund - Direct Growth | | |
| 5,767 units (March 31, 2023 : 68,727 units) | 8 | 81 |
| Total (A) | 1,063 | 711 |
| Investments at amortised cost | | |
| Investments in Debt instruments | | |
| Commercial papers (quoted) | 5,760 | 7,694 |
| Treasury bills (quoted) | - | 2,801 |
| Certificates of deposit (quoted) (Refer footnote (e) to note 9(a)) | 11,070 | - |
| Non-convertible debentures (quoted) | 5,447 | - |
| Total (B) | 22,277 | 10,495 |
| Total Current investments [A+B] | 23,340 | 11,206 |

6 (b). Other Investments - Non-Current

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Investments at fair value through OCI (refer note (ii) below) | | |
| Unquoted equity shares (Fully paid up) | | |
| ZEPO Technologies Private Limited | 23 | 23 |
| 3,458 (March 31, 2023 : 3,458) Equity shares of face value INR | | |
| 10 each | | |
| Plivo Inc. (Refer note (i) below) | - | - |
| 793,696 (March 31, 2023 : 793,696) common stock of USD | | |
| 0.00001 each | | |
| Software Is Correct INC (Refer note (i) below) | - | - |
| 34,333 (March 31, 2023 : 34,333) common stock of USD 1 each | | |
| Stock acquisition rights (PayPay Corporation) (Refer note (iii) below) | 13,522 | 11,699 |
| Total (A) | 13,545 | 11,722 |
| Investments at fair value through Profit and loss | | |
| Unquoted Compulsorily Convertible Preference shares (Fully paid up) | | |
| Fable Fintech Private Limited (formerly known as Avenues | - | - |
| Payments India Private Limited (Refer note (i) below) | | |
| 11,379 (March 31, 2023 : 11,379) Compulsorily Convertible | | |
| Preference share of face value of INR 100 each | | |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (b). Other Investments - Non-Current (Contd..)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Rooter Sports Technologies Private Limited | 40 | 40 |
| 1,160 (March 31, 2023 : 1,160) Compulsorily Convertible Preference share of face value INR 10 each | 40 | 40 |
| Unquoted optionally convertible debentures (Fully paid up) | | |
| Eatgood Technologies Private Limited | 73 | 67 |
| 5,999,731 (March 31, 2023 : 5,999,731) 10% Debentures of face value INR 10 each | 484 | 263 |
| Admirable Software Limited | 198 | 165 |
| 41,459,232 (March 31, 2023 : 23,109,232) 10% Debentures of face value INR 10 each | 44 | 106 |
| Paytm Financial Services Limited | 41 | - |
| 21,951,000 (March 31, 2023 : 21,951,000) 10% Debentures of face value INR 10 each | 840 | 601 |
| Massive Mobility Private Limited | - | - |
| 10,000,000 (March 31, 2023 : 10,000,000) 10% Debentures of face value INR 10 each | 880 | 641 |
| Fabapps Lab Private Limited | - | - |
| 40,000 (March 31, 2023 : Nil) 12% Debentures of face value INR 1,000 each | 22,605 | 13,247 |
| Total (B) | | |
| Investments at amortised cost | | |
| Investments in Debt instruments | | |
| Government securities (quoted) | - | 884 |
| Non-convertible debentures (quoted) | 5,077 | - |
| Certificates of deposit (quoted) | 3,103 | - |
| Total (C) | 8,180 | 884 |
| Total Non-Current investments [A+B+C] | 45,945 | 24,453 |
| Total Current Investments | 23,340 | 11,206 |
| Total Non-Current Investments | 22,605 | 13,247 |
| Aggregate book value of unquoted investments | 14,425 | 12,363 |
| Aggregate book value of quoted investments | 31,520 | 12,090 |
| Aggregate market value of quoted investments | 31,520 | 12,090 |

Notes to 6 (b)

- (i) The Group holds these investments, however the fair value is Nil.
- (ii) Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities. Refer note 31 for determination of their fair values.
- (iii) Changes in fair value of equity instruments at FVTOCI represents the fair value gain and related foreign exchange component.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (c). Loans

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Inter Corporate Loans# | | | | |
| with related parties (Refer note 26)## | 1,680 | 1,507 | - | 11 |
| Others | - | - | 476 | 471 |
| Less: Loss allowance for inter corporate loans | - | - | (425) | (425) |
| | 1,680 | 1,507 | 51 | 57 |

Break-up of security details

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Secured, considered good | - | - | - | - |
| Unsecured, considered good | 1,680 | 1,507 | 51 | 57 |
| Loans which have significant increase in credit risk | - | - | 425 | 425 |
| Loans Credit Impaired | - | - | - | - |
| | 1,680 | 1,507 | 476 | 482 |
| Less: Loss allowance for inter corporate loans | - | - | (425) | (425) |
| Total Loans | 1,680 | 1,507 | 51 | 57 |

#Inter corporate loans are given after complying with the provisions of section 186 of the Companies Act, 2013. The loans have been given in accordance with terms and conditions of the underlying agreements. Outstanding loans carry interest rate in the range of 8% to 12% (March 31, 2023: 8% to 24%).

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

##Loan of INR 803, INR 402 and INR 408 has been given to First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) on June 7, 2021, September 30, 2021 and January 27, 2022 respectively. The Holding Company has the rights of conversion into a variable number of shares in First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) (Joint venture of Paytm Entertainment Limited, wholly owned subsidiary) at fair market value and with mutual consent, during the tenure of loan. The interest is payable at the end of the repayment period. The loan has been fair valued through profit and loss (FVTPL) since it does not meet the SPPI test.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (c). Loans (Contd..)

Details of loans (gross) as per Section 186 (4) of Companies Act, 2013 and Disclosure as per Regulation 34 (3) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans/ advances/ investments outstanding as at year end

| Particulars | Interest Rates | Gross inter corporate loans outstanding as at | | Maximum amount of inter corporate loans outstanding during the year | |
|---|----------------|---|----------------|---|----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) [#] | 8.00% | 1,923 | 1,796 | 1,923 | 1,796 |
| Paytm Financial Services Limited | 5.10% | - | - | - | 471 |
| Eatgood Technologies Private Limited | 24.00% | - | 11 | 12 | 11 |
| Robust Infocom Private Limited | 9.85% | 191 | 191 | 191 | 191 |
| Rooter Sports Technology Private Limited | 10.00% | 51 | 45 | 51 | 45 |
| Arthimpact Finserve Private Limited | 13.50% | 234 | 234 | 234 | 234 |

Note:

- (i) The above loans have been provided for general corporate purposes.

[#] Excluding fair valuation impact amounting to INR 243 (March 31, 2023: INR 289)

6 (d). Other financial assets

| | Non-Current | | Current | |
|---|----------------|----------------|----------------|----------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Security deposits | 988 | 932 | 1,235 | 1,276 |
| Less: Loss allowance for security deposits | (357) | (18) | (368) | (215) |
| A | 631 | 914 | 867 | 1,061 |
| Bank balances | | | | |
| Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 9(a)) | 2,521 | 271 | - | - |
| Others | | | | |
| Loan to employees | - | - | 3 | 2 |
| Advances recoverable in cash | - | - | 2,034 | 365 |
| Less: Loss allowance | - | - | (14) | (8) |
| Interest accrued but not due on fixed deposits | 7 | 20 | 353 | 928 |
| Interest accrued on security deposit | - | - | 138 | 140 |
| Less: Loss allowance | - | - | (134) | (138) |
| Lease receivable | 3 | 18 | 33 | 20 |
| B | 2,531 | 309 | 2,413 | 1,309 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (d). Other financial assets (Contd..)

| | Non-Current | | Current | |
|---|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Amount recoverable from Payment Gateway banks** | | | | |
| Unsecured, considered good | | | | |
| Amount recoverable from other parties | - | - | 16,679 | 9,359 |
| Amount recoverable from related parties (Refer note 26) | - | - | 54 | 21,144 |
| Unsecured, considered doubtful | | | | |
| Amount recoverable from other parties | - | - | 145 | 287 |
| | - | - | 16,878 | 30,790 |
| Less : Loss allowance | - | - | (145) | (287) |
| C | - | - | 16,733 | 30,503 |
| Unsecured, considered good | | | | |
| Amount recoverable from related parties (Refer note 26) | - | - | 207 | 271 |
| Amount recoverable from other parties (Refer note 38) | - | - | 18 | 8 |
| Amount recoverable from exchange for margin money | - | - | 37 | 60 |
| Amount recoverable from other parties | 11 | 14 | 289 | 365 |
| D | 11 | 14 | 551 | 704 |
| Total [A+B+C+D] | 3,173 | 1,237 | 20,564 | 33,577 |

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

Note: No other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any 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 in note 38.

Break up of financial assets

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| At equity method | | | | |
| Investment in joint ventures (Refer note 5(a)) | - | - | - | - |
| Investment in associates (Refer note 5(b)) | 338 | 2,518 | - | - |
| | 338 | 2,518 | - | - |
| At amortised cost | | | | |
| Trade receivables (Refer note 7) | - | - | 16,507 | 12,378 |
| Cash and cash equivalents (Refer note 9(a)) | - | - | 42,772 | 33,120 |
| Bank balances other than cash and cash | - | - | 9,690 | 37,275 |
| equivalents (Refer note 9(b)) | | | | |
| Inter corporate loans (Refer note 6(c)) | - | - | 51 | 57 |
| Other investments (Refer note 6(a), 6(b)) | 8,180 | 884 | 22,277 | 10,495 |
| Others (Refer note 6(d)) | 3,173 | 1,237 | 20,564 | 33,577 |
| | 11,353 | 2,121 | 111,861 | 126,902 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (d). Other financial assets (Contd..)

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| At fair value | | | | |
| Other investments at fair value through OCI (Refer note 6(b)) | 13,545 | 11,722 | - | - |
| Inter corporate loans at fair value through Profit and loss (Refer note 6(c)) | 1,680 | 1,507 | - | - |
| Investments at fair value through Profit and loss (Refer note 6(a), 6(b)) | 880 | 641 | 1,063 | 711 |
| | 16,105 | 13,870 | 1,063 | 711 |

7. Trade receivables

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade Receivables | 15,790 | 13,606 |
| Receivables from related parties (Refer notes (i) & (ii) below) | 3,311 | 702 |
| Receivables from other parties (Refer notes 38) | 25 | 16 |
| Less: Loss allowance [Refer note 32(b)(i)] | (2,619) | (1,946) |
| | 16,507 | 12,378 |
| Current | 16,507 | 12,378 |
| Non-current | - | - |

Break-up of security details

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade receivables | | |
| Secured, considered good | 18 | 16 |
| Unsecured, considered good | 16,967 | 13,226 |
| Trade receivable which have significant increase in credit risk | 10 | 14 |
| Trade receivable Credit Impaired | 2,131 | 1,068 |
| Total | 19,126 | 14,324 |
| Less: Loss allowance | (2,619) | (1,946) |
| Total Trade receivables | 16,507 | 12,378 |

- (i) No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 38.
- (ii) For related party receivables, Refer note 26
- (iii) Trade receivables are non-interest bearing and generally carry a credit period of 30 days.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

7. Trade receivables (Contd..)

Trade Receivables ageing schedule for year ended March 31, 2024

| Particulars | Unbilled Dues# | Not due | Outstanding for following periods from due date of payment | | | | | | Total |
|--|-------------------|--------------|--|---------------------|--------------|--------------|----------------------|---------------|-------|
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) Undisputed Trade receivables – considered good | 7,187 | 4,755 | 4,051 | 835 | 34 | 84 | 39 | 16,985 | |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | 1 | 1 | 4 | 4 | * | 10 | |
| (iii) Undisputed Trade Receivables – credit impaired | - | * | * | 8 | 17 | 9 | 9 | 43 | |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | 161 | * | 19 | 101 | 728 | 275 | 804 | 2,088 | |
| Total | 7,348 | 4,755 | 4,071 | 945 | 783 | 372 | 852 | 19,126 | |

Trade Receivables ageing schedule for year ended March 31, 2023

| Particulars | Unbilled Dues# | Not due | Outstanding for following periods from due date of payment | | | | | | Total |
|--|-------------------|--------------|--|---------------------|--------------|--------------|----------------------|---------------|-------|
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) Undisputed Trade receivables – considered good | 6,135 | 3,775 | 2,289 | 396 | 400 | 140 | 107 | 13,242 | |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | 3 | 2 | 7 | 1 | 1 | 14 | |
| (iii) Undisputed Trade Receivables – credit impaired | - | 1 | 1 | 4 | 18 | 4 | 15 | 43 | |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | 30 | 9 | 112 | 115 | 91 | 61 | 607 | 1,025 | |
| Total | 6,165 | 3,785 | 2,405 | 517 | 516 | 206 | 730 | 14,324 | |

*Amount below rounding off norms adopted by the Group

#The receivable is 'unbilled' because the group has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because the Group has an unconditional right to consideration.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

8. Other assets

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Capital advances | | | | |
| Unsecured, considered good | 562 | 565 | - | - |
| Doubtful | 1 | 1 | - | - |
| | 563 | 566 | - | - |
| Less: Provision for doubtful advances | (1) | (1) | - | - |
| A | 562 | 565 | - | - |
| Advances other than capital advances | | | | |
| Advances to vendors | | | | |
| Unsecured, considered good | 1,806 | 2,042 | 5,619 | 4,982 |
| Doubtful | 629 | - | 475 | 275 |
| | 2,435 | 2,042 | 6,094 | 5,257 |
| Less: Provision for doubtful advances | (629) | - | (475) | (275) |
| B | 1,806 | 2,042 | 5,619 | 4,982 |
| Others | | | | |
| Balances with government authorities | | | | |
| Goods and services tax input credit | 82 | 328 | 1,698 | 6,045 |
| Value Added Tax (VAT) credit receivable | - | - | 3 | 3 |
| Prepayments | 195 | 267 | 469 | 606 |
| Advances to related parties* (Refer note 26) | - | - | 924 | 614 |
| C | 277 | 595 | 3,094 | 7,268 |
| Total (A+B+C) | 2,645 | 3,202 | 8,713 | 12,250 |

*No advances are recoverable from directors or other officers of the Group 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.

9(a). Cash and cash equivalents

| | As at | |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Cash on hand | * | * |
| Balance with banks | | |
| - On current accounts | 39,764 | 27,390 |
| - Deposits with original maturity for less than 3 months | 3,008 | 5,730 |
| | 42,772 | 33,120 |

*Amount below rounding off norms adopted by the Group

Notes:

- (a) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.
- (b) Fixed deposits amounting to INR 4,104 and INR 9 (March 31, 2023: INR 247 and INR 3,460) included in note 6(d) and 9(b), respectively, are marked under lien by banks for providing bank overdraft, issuing bank guarantees under various contract, Indian Clearing Corporation Limited and exchanges.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

9(a). Cash and cash equivalents (Contd..)

- (c) Balance with banks on current accounts includes balance of Initial Public Offer (IPO) proceeds of INR 10,000 (March 31, 2023: INR 10,007) which will be utilised as stated in the prospectus for IPO.
- (d) Fixed deposits amounting to INR 2,500 and INR 518 (March 31, 2023: INR Nil and INR 31,000) included in note 6(d) and 9(b), respectively, will be utilised as stated in the prospectus for IPO.
- (e) Certificate of deposit amounting to INR 6,982 (March 31, 2023: INR Nil) included in note 6(a) will be utilised as stated in the prospectus for IPO.

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

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Deposits with original maturity of more than 3 months but less than 12 months (Refer footnote (b) and (d) to note 9(a)) | 7,494 | 19,533 |
| Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 9(a)) | 2,196 | 17,742 |
| | 9,690 | 37,275 |

10 (a). Equity share capital

| | No. of Shares | Amount |
|--|--------------------|--------------|
| Authorised equity share capital | | |
| As at April 1, 2022 | 104,106,600 | 1,041 |
| Increase/ (decrease) during the year | - | - |
| As at March 31, 2023 | 104,106,600 | 1,041 |
| Increase/ (decrease) during the year | - | - |
| As at March 31, 2024 | 104,106,600 | 1,041 |

Terms/ rights attached to equity shares

All the equity shares issued shall rank pari passu and have a par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held only.

Issued, subscribed and fully paid up shares

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 635,413,773 equity shares of INR 1 each fully paid up (March 31, 2023 : 633,788,217 equity shares of INR 1 each fully paid up) | 636 | 634 |
| Total issued, subscribed and fully paid-up share capital | 636 | 634 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10 (a). Equity share capital (Contd..)

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

| Equity shares | March 31, 2024 | | March 31, 2023 | |
|--|--------------------|------------|--------------------|------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 633,788,217 | 634 | 648,561,414 | 649 |
| Shares issued during the year - ESOP | 1,625,556 | 2 | 793,549 | 1 |
| Shares buy-back (Refer note 30) | - | - | (15,566,746) | (16) |
| Shares outstanding at the end of the year | 635,413,773 | 636 | 633,788,217 | 634 |

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

| Name of shareholder | March 31, 2024 | | March 31, 2023 | |
|---|-----------------------|-----------|-----------------------|-----------|
| | Number of Shares held | % holding | Number of Shares held | % holding |
| Antfin (Netherlands) Holding B.V. | 62,797,816 | 9.88% | 158,080,740 | 24.94% |
| SVF India Holding (Cayman) Limited | - | - | 81,610,229 | 12.88% |
| Mr.Vijay Shekhar Sharma | 57,845,053 | 9.10% | 57,845,053 | 9.13% |
| SAIF III Mauritius Company Limited | 68,735,489 | 10.82% | 68,735,489 | 10.85% |
| Resilient Asset Management B V (Indirectly owned by Vijay Shekhar Sharma) | 65,335,101 | 10.28% | - | - |

c. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock options plan (ESOP) of the Group (Refer note 25).

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

The Holding Company has not issued issued bonus shares, shares for consideration other than cash during the period of five years immediately preceding the reporting date. The Holding Company has bought back 15,566,746 shares during the period of five years immediately preceding the reporting date. (Refer note 30)

e. Shareholding of Promoters

| Promoter Name | Shares held by Promoters at the end of the year | | % Change during the year |
|---------------|---|-------------------|--------------------------|
| | No. of Shares | % of total shares | |
| Nil | | | Not Applicable |

As of March 31, 2024 and March 31, 2023, the Holding Company does not have an identifiable promoter in terms of the Companies Act, 2013. The Holding Company is a professionally managed Company. Accordingly, disclosures related to promoter shareholding is not applicable.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10 (b). Other equity

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 1. Reserves and Surplus | | |
| Securities premium | 265,421 | 263,530 |
| Employee stock options outstanding account (ESOP Reserve) | 36,867 | 23,962 |
| Retained earnings | (183,347) | (169,664) |
| Capital Redemption Reserve | 16 | 16 |
| Total reserve and surplus (A) | 118,957 | 117,844 |
| 1. Reserve and Surplus | | |
| (i) Securities premium | | |
| Opening balance | 263,530 | 273,166 |
| Add: amount transferred from ESOP reserve on exercise of ESOPs | 1,857 | 919 |
| Add: amount received on issue of shares | 12 | 6 |
| Add: exercise of share options | 1 | * |
| Less: amount reversed against share issue expenses | 21 | - |
| Less: buy-back of equity shares (including transaction cost) | - | (8,568) |
| (Refer note 30) | | |
| Less: transfer on account of buy-back of equity shares | - | (16) |
| (Refer note 30) | | |
| Less: tax on buy-back of equity shares (Refer note 30) | - | (1,977) |
| Balance at the end of the year | 265,421 | 263,530 |
| (ii) Employee stock options outstanding account (ESOP Reserve) | | |
| Opening balance | 23,962 | 10,022 |
| Add: share based payment expenses (Refer note 25) | 14,666 | 14,553 |
| Add: share based payment reserve on account of joint ventures and associates (Refer note 25) | 682 | 321 |
| Less: amount transferred to securities premium on exercise of ESOPs | (1,857) | (919) |
| Less: adjustment on forfeiture of ESOP | (120) | (3) |
| Less: adjustment on cancellation of ESOP | (466) | (12) |
| Balance at the end of the year | 36,867 | 23,962 |
| (iii) Retained earnings | | |
| Opening balance | (169,664) | (151,833) |
| Loss for the year | (14,170) | (17,759) |
| Less: remeasurement loss on defined benefit plans | (97) | (41) |
| Add: adjustment on forfeiture of ESOP | 120 | 3 |
| Add: adjustment on cancellation of ESOP | 466 | 12 |
| Add: other adjustments* | (2) | (46) |
| Balance at the end of the year | (183,347) | (169,664) |
| (iv) Capital Redemption Reserve | | |
| Opening balance | 16 | - |
| Add: Transfer on account of buy-back of equity shares | - | 16 |
| (Refer note 30) | | |
| Balance at the end of the year | 16 | 16 |
| 2. Share application money pending allotment | | |
| Opening balance | 1 | * |
| Less: exercise of share options | (1) | * |
| Add: share application money received (pending allotment) | 3 | 1 |
| Balance at the end of the year (B) | 3 | 1 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10 (b). Other equity (Contd..)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 3. Other reserves- FVTOCI | | |
| Opening balance | 10,415 | 9,343 |
| Net change in fair value of equity instruments at FVTOCI | 1,814 | 1,030 |
| Transfer from FVTOCI to retained earning# | - | 42 |
| Balance at the end of the year (C) | 12,229 | 10,415 |
| 4. Other reserves- FCTR | | |
| Opening balance | 1,262 | 169 |
| Net change during the year | 179 | 1,093 |
| Balance at the end of the year (D) | 1,441 | 1,262 |
| Total other equity (A+B+C+D) | 132,630 | 129,522 |

*Amount below rounding off norms adopted by the Group

Includes an amount of INR Nil (March 31, 2023: INR 42) on account of disposal of investment and INR 2 (March 31, 2023: INR 4) on settlement of incentive liability through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Nature and purpose of reserves

(i) Securities premium

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

(ii) Employee stock options outstanding account (ESOP Reserve)

Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees under the One 97 Employee Stock Option Plan.

(iii) FVTOCI Reserve

The Holding Company has elected to recognise changes in the fair values of the certain investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity. The Holding Company transfers amounts from this reserve to retained earning when relevant equity securities are derecognised.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(v) FCTR Reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

11. Provisions

| | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Provision for employee benefits | | | | |
| Provision for gratuity (Refer note 27) | 886 | 527 | 43 | 17 |
| Provision for leave benefits* | - | - | 1,729 | 1,184 |
| Provision for LTIP | 195 | 90 | 941 | 325 |
| Other provisions | | | | |
| Other provisions | - | - | - | 2 |
| | 1,081 | 617 | 2,713 | 1,528 |

*The entire amount of the provision of INR 1,729 (March 31, 2023: INR 1,184) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The amount not expected to be settled within next twelve months is INR 1,182 (March 31, 2023: INR 898).

12 (a) Borrowings

| | As at | |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Current | | |
| Secured from banks | | |
| Loan repayable on demand- bank overdraft (refer note (i) below) | - | 20 |
| Total borrowings | - | 20 |

Note:

There are no borrowing outstanding as on March 31, 2024. The outstanding amount as on March 31, 2023 was in respect of one subsidiary, Bank Overdraft carry interest at 3 months MCLR + 1% per annum with monthly rest (8.30% - 9.85%). This was secured against current assets, 100% cash margin of fixed deposits held with bank and personal guarantee of two directors.

Changes in liabilities arising from financing activities

| | March 31, 2024 | | March 31, 2023 | |
|--|----------------------|------------|----------------------|------------|
| | Lease Liabilities | Borrowings | Lease Liabilities | Borrowings |
| Opening debt | 2,213 | 20 | 2,214 | 1 |
| Non cash adjustments (includes termination of leases) | (106) | - | 439 | - |
| Cash flows | (341) | (20) | (440) | 19 |
| Interest expense | 178 | * | 198 | 1 |
| Interest paid | (178) | * | (198) | (1) |
| Closing debt | 1,766 | - | 2,213 | 20 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

12 (b) Trade payables

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Current | | |
| Trade payables | 6,734 | 8,265 |
| Trade payables to related parties (Refer note 26) | 62 | 216 |
| Trade payables to other parties (Refer note 38) | 46 | 108 |
| | 6,842 | 8,589 |
| (i) Total Outstanding dues of micro and small enterprises | 313 | 417 |
| (ii) Total Outstanding dues other than (i) above | 6,529 | 8,172 |
| | 6,842 | 8,589 |

Trade Payables ageing schedule for the year ended March 31, 2024

| Particulars | Unbilled Dues [#] | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|-------------------------------|------------|---|-----------|--------------|----------------------|--------------|-------|
| | | | less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| (i) Undisputed - MSME | 63 | 74 | 139 | 4 | * | * | 280 | |
| (ii) Undisputed - Others | 4,841 | 723 | 661 | 12 | * | 150 | 6,387 | |
| (iii) Disputed dues - MSME | - | * | 19 | 1 | * | 13 | 33 | |
| (iv) Disputed dues - Others | - | * | 62 | 36 | 2 | 42 | 142 | |
| Total | 4,904 | 797 | 881 | 53 | 2 | 205 | 6,842 | |

Trade Payables ageing schedule for the year ended March 31, 2023

| Particulars | Unbilled Dues [#] | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|-------------------------------|--------------|---|-----------|--------------|----------------------|--------------|-------|
| | | | less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| (i) Undisputed - MSME | 52 | 255 | 90 | 1 | * | 1 | 399 | |
| (ii) Undisputed - Others | 5,730 | 1,038 | 971 | 7 | 85 | 168 | 7,999 | |
| (iii) Disputed dues - MSME | - | * | 4 | * | 1 | 13 | 18 | |
| (iv) Disputed dues - Others | - | 4 | 65 | 11 | 16 | 77 | 173 | |
| Total | 5,782 | 1,297 | 1,130 | 19 | 102 | 259 | 8,589 | |

*Amount below rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

12 (c) Other financial liabilities

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Current | | |
| Payable to merchants [#] | 13,373 | 21,617 |
| Payable on purchase of fixed assets | 387 | 670 |
| Employee benefits payable | 876 | 1,382 |
| Other amount received from customers | 842 | 1,401 |
| Clients and Exchanges payables | 3,249 | 2,045 |
| Others | 509 | 431 |
| Others- related parties (Refer note 26) | 12 | 59 |
| Others- Other parties (Refer note 38) | 103 | 26 |
| | 19,351 | 27,631 |

[#]The Group uses Nodal Accounts to receive money through debit/credit card and net banking transactions towards all transactions occurring on its portal, as well as to settle the respective merchants. The amounts collected but yet to be transferred to merchants are netted off with nodal account having balance of INR 24,833 (March 31, 2023: INR 9,965). Gross payable to merchant includes payable to related parties INR 426 (March 31, 2023: INR 5,350) (refer note 26).

Terms and conditions of the above financial liabilities:

- (i) Trade and other payables are non-interest bearing and generally carry credit period of 30-45 days.

Note: All financial liabilities are carried at amortized cost

13 (a). Other liabilities

| | Non-Current | | Current | |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Statutory dues payable: | | | | |
| Tax deducted at source payable | - | - | 899 | 1,013 |
| GST payable | - | - | 1,623 | 2,976 |
| Tax collected at source payable | - | - | 23 | 22 |
| Provident fund payable | - | - | 109 | 97 |
| Other statutory dues | - | - | 85 | 80 |
| Others | 206 | - | 468 | 1 |
| | 206 | - | 3,207 | 4,189 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

13(b). Contract liabilities

| | Non-Current | | Current | |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| | As at | | As at | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Contract liabilities | 518 | 2,367 | 2,624 | 2,528 |
| | 518 | 2,367 | 2,624 | 2,528 |

- (i) For related party balances, refer note 26.
- (ii) For other party balances, refer note 38.

Revenue recognized in relation to carried forward contract liabilities

| | Year ended | Year ended |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Contract liabilities recognized as revenue during the year | 1,683 | 991 |
| | 1,683 | 991 |

14. Revenue from operations

| | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Revenue from contracts with customers | | |
| Sale of services | 98,699 | 79,044 |
| Other operating revenue | | |
| Incentive income [#] | 1,079 | 859 |
| | 99,778 | 79,903 |

[#]There are no unfulfilled conditions or other contingencies attached to these grants.

Disaggregated details of revenue:

| | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| (i) Nature of services | | |
| Payment and financial services | 81,312 | 63,845 |
| Payments services to Consumers | 21,679 | 21,050 |
| Payments services to Merchants | 39,593 | 27,391 |
| Others (including Financial Services) | 20,040 | 15,404 |
| Marketing services | 17,387 | 15,199 |
| | 98,699 | 79,044 |
| (ii) Timing of revenue recognition | | |
| Services provided at a point in time | 89,149 | 73,215 |
| Services provided over a period of time | 9,550 | 5,829 |
| | 98,699 | 79,044 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

15. Other income

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Interest income | | |
| - on bank deposits | 2,629 | 2,739 |
| - on Income tax refund | 61 | 25 |
| - on Inter corporate loans - measured at amortized cost | 5 | 6 |
| - on financial assets - measured at amortized cost | 1,474 | 411 |
| - on debentures - measured at amortized cost | 442 | - |
| - on security deposit | 3 | 33 |
| Other income | | |
| Fair value gain on financial instruments measured at FVTPL (net) | 781 | 609 |
| Profit on sale of property, plant and equipment (net) | 30 | 25 |
| Liabilities no longer required written back | 161 | 92 |
| Exchange differences (net) | (262) | 8 |
| Miscellaneous income | 145 | 149 |
| | 5,469 | 4,097 |

16. Employee benefits expense

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Salaries, bonus and incentives | 28,781 | 21,332 |
| Contribution to provident and other funds | 1,006 | 731 |
| Share based payment expenses (Refer note 25) | 14,658 | 14,558 |
| Leave encashment expense | 851 | 657 |
| Gratuity expenses (Refer note 27) | 304 | 216 |
| Staff welfare expenses | 292 | 289 |
| | 45,892 | 37,783 |

17. Depreciation and amortization expense

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer note 3(a)) | 6,712 | 4,311 |
| Depreciation on right-of-use-assets (Refer note 3(b)) | 417 | 444 |
| Amortization of intangible assets (Refer note 4) | 228 | 98 |
| | 7,357 | 4,853 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

18. Finance costs

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Interest | | |
| - Interest and finance charges on lease liabilities (Refer note 3(b)) | 178 | 198 |
| - on borrowings at amortised cost | * | 1 |
| - on late deposit of statutory dues | 17 | 3 |
| - on others | 48 | 31 |
| | 243 | 233 |

*Amount below rounding off norms adopted by the Group

19. Other expenses

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Connectivity and content fees | 3,482 | 3,111 |
| Legal and professional fees (Refer note (i) below) | 936 | 804 |
| Subcontract expenses | 672 | 884 |
| Contest, ticketing and FASTag expenses | 2,454 | 1,653 |
| Logistic, deployment & collection cost | 2,567 | 1,550 |
| Provision for advances | 771 | 73 |
| Loss allowance for financial assets | 1,160 | 794 |
| Trade receivables/ advance written off | 122 | 143 |
| Repair and maintenance | 951 | 798 |
| Insurance | 273 | 265 |
| Rent (Refer note 29) | 59 | 67 |
| Communication costs | 31 | 63 |
| Rates and taxes | 83 | 97 |
| Travelling and conveyance | 636 | 483 |
| Bank Charges | 17 | 3 |
| Goods and services tax expense off | 68 | 51 |
| Corporate Social Responsibility (CSR) expenditure (Refer note 41) | 14 | 32 |
| Property, plant and equipment and intangible assets written off | 4 | 17 |
| Miscellaneous expenses | 200 | 267 |
| | 14,500 | 11,155 |

(i) Legal and professional fees includes

- a) an amount of INR 75 (March 31, 2023 : INR 74) as remuneration to non-executive and independent directors.
- b) an amount of INR Nil (March 31, 2023 : INR 21) as payment to a Law firm in which one of the non-executive and independent director is interested. Further, payment of INR Nil (March 31, 2023: INR 4) to the said firm which is in the nature of share issue expenses/ share buy-back expenses (transaction cost) has been adjusted with securities premium account.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

20. Exceptional items

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Provision for advances to suppliers | (57) | - |
| | (57) | - |

As at March 31, 2024, the Holding Company had balances recoverable of INR 139 from Go Airlines (India) Limited ("Go Air") towards business related advances given and other dues. After considering recoveries and adjustments in the normal course of business during the year, the recoverable balance stands at INR 57 as on date. On May 10, 2023, the National Company Law Tribunal, Delhi Bench ('NCLT') admitted Go Air's application for voluntary insolvency proceedings under the Insolvency and Bankruptcy Code 2016, and NCLT has also appointed an Insolvency Resolution Professional (IRP) to revive the airline and manage its operations. As at date, the sale of tickets has been suspended and flights are yet to resume for Go Air. As part of the claims process, on May 24, 2023, the Holding Company has filed a claim with the IRP for recovery of outstanding balances. Pending outcome of the insolvency proceedings, the management has provided for the balance INR 57 as exceptional item in the Consolidated Statement of Profit and Loss.

21. Earnings per shares (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Holding 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 the basic and diluted EPS computations:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Loss attributable to equity holders for basic and diluted earnings | (14,170) | (17,759) |
| Weighted average number of equity shares for basic and diluted EPS | 634,531,390 | 645,793,553 |
| Earnings per share (INR per share of INR 1 each) | | |
| Basic | (22) | (27) |
| Diluted* | (22) | (27) |

* In view of losses during the current year and previous year, 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

22. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated 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.

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 12 months, are described below.

Deferred taxes and Income 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 utilized. Most of the companies forming part of the Group are yet to generate operating profits, Management has assessed that as at March 31, 2024 it is not probable that such deferred tax assets can be realised in excess of available taxable temporary differences. Management re-assesses unrecognized deferred tax assets at each reporting date and recognizes 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, refer note 28.

During FY 2019-20 (AY 2020-21) a shareholder of the Holding Company holding 30.33% of shares of the Holding Company had transferred its shareholding to its group company (both entities being 100% subsidiaries of the same ultimate parent entity). Based on advice from the Holding Company's tax experts, Management has assessed that a mere change in shareholding within the same group will not be an affirmative position to say that the shareholding has been changed. Further, since the shares of the Holding Company carrying not less than fifty-one percent of the voting power were beneficially held by persons, i.e. ultimate holding company of the aforesaid entities, who beneficially held shares of the Holding Company carrying not less than fifty-one percent of the voting power on the last day of the year or years in which the loss was incurred, the Holding Company shall be entitled to carry forward and set off these losses against the taxable income of future years in accordance with the provisions of Section 79 of the Income Tax Act, 1961. (refer note 28)

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan 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, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. The 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 further details about gratuity obligations, refer note 27.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

22. Significant accounting judgements, estimates and assumptions (Contd..)

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. For further details about Fair value measurement, refer note 31.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit risks associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Group determines whether there has been a significant increase in credit risk.

Impairment reviews

Goodwill and investments in associates and joint venture are tested for impairment at-least on an annual basis or 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 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. For details about impairment reviews, refer note 36.

The Holding Company has investment in PPBL, an associate. During the year, given certain developments, the Company has recorded impairment of 100% carrying value. A qualitative assessment requires significant judgement (refer note 45)

Incentives

The Group provide incentives to users in various forms including cashbacks to promote its platform. Incentives to users to whom the Group has a performance obligation is recorded as a reduction of revenue to the extent of the revenue earned. For the incentives to other transacting users to whom the Group has no performance obligation, management is required to determine whether the incentives are in substance a payment on behalf of the merchants and should therefore be recorded as a reduction of revenue or as marketing and promotional expenses. Some of the factors considered in management's evaluation of such incentives being payments on behalf of merchants include whether the incentives are given at the Group's discretion, contractual agreements with the merchants, business strategy and objectives and design of the incentive program(s), etc.

Share-based payments

Employees of the Group receive remuneration in the form of share based payment instruments, whereby employees render services to group and receive equity instrument of Holding Company as consideration (equity-settled transactions). In accordance with the Ind AS 102 Share Based Payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognized 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Group information

A. Entities over which Group exercises control

The Group's subsidiaries as at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

| Name | Country of incorporation/ Place of business | Ownership interest held by the group | | Ownership interest held by non-controlling interest | |
|---|--|--------------------------------------|----------------------------|---|----------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Indian subsidiaries | | | | | |
| One 97 Communications India Limited | India | 100.00% | 100.00% | - | - |
| Wasteland Entertainment Private Limited | India | 100.00% | 100.00% | - | - |
| Mobiquest Mobile Technologies Private Limited ('MQ') (refer note (i) and (v) below) | India | 82.49% | 66.34% | 17.51% | 33.66% |
| Urja Money Private Limited ('Urja') (refer note (iv) below) | India | 83.34% | 83.34% | 16.66% | 16.66% |
| Little Internet Private Limited ('Little') | India | 62.53% | 62.53% | 37.47% | 37.47% |
| Paytm Entertainment Limited | India | 100.00% | 100.00% | - | - |
| Paytm Money Limited | India | 100.00% | 100.00% | - | - |
| Orbgen Technologies Private Limited | India | 100.00% | 100.00% | - | - |
| Paytm Services Private Limited | India | 100.00% | 100.00% | - | - |
| Paytm Payments Services Limited | India | 100.00% | 100.00% | - | - |
| Paytm Insurance Broking Private Limited | India | 100.00% | 100.00% | - | - |
| Foreign Subsidiaries | | | | | |
| One97 Communications Nigeria Limited | Nigeria | 100.00% | 100.00% | - | - |
| One97 Communications FZ-LLC | Dubai | 100.00% | 100.00% | - | - |
| One97 Communications Singapore Private Limited ('OCSPL') (refer note (vi) below) | Singapore | 100.00% | 100.00% | - | - |
| One97 USA Inc. | USA | 100.00% | 100.00% | - | - |
| Subsidiaries of Subsidiaries | | | | | |
| One97 Communications Rwanda Private Limited (subsidiary of OCSPL) | Rwanda | 100.00% | 100.00% | - | - |
| One97 Communications Tanzania Private Limited (subsidiary of OCSPL) | Tanzania | 100.00% | 100.00% | - | - |
| One97 Communications Bangladesh Private Limited (subsidiary of OCSPL) | Bangladesh | 70.00% | 70.00% | 30.00% | 30.00% |
| One97 Uganda Limited (subsidiary of OCSPL) | Uganda | 100.00% | 100.00% | - | - |
| One97 Ivory Coast SA (subsidiary of OCSPL) | Ivory Coast | 100.00% | 100.00% | - | - |
| One97 Benin SA (subsidiary of OCSPL) | Benin | 100.00% | 100.00% | - | - |
| Paytm Labs Inc. (subsidiary of OCSPL) | Canada | 100.00% | 100.00% | - | - |
| One97 Communications Malaysia Sdn. Bhd. (subsidiary of OCSPL) | Malaysia | 100.00% | 100.00% | - | - |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Group information (Contd..)

| Name | Country of incorporation/ Place of business | Ownership interest held by the group | | Ownership interest held by non-controlling interest | |
|---|--|--------------------------------------|----------------------------|---|----------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| | | | | | |
| One Nine Seven Communication Nepal Private Limited (subsidiary of OCSPL) | Nepal | 100.00% | 100.00% | - | - |
| One Nine Seven Digital Solutions Limited (subsidiary of OCSPL) | Kenya | 100.00% | 100.00% | - | - |
| One Nine Seven Communications Saudi Arabia For Communication and Information Technology (subsidiary of OCSPL) | Saudi Arabia | 100.00% | 100.00% | - | - |
| Xceed IT Solution Private Limited (subsidiary of MQ) | India | 82.49% | 66.34% | 17.51% | 33.66% |
| Fincollect Services Private Limited (subsidiary of Urja) | India | 83.34% | 83.34% | 16.66% | 16.66% |
| Nearbuy India Private Limited (subsidiary of Little) | India | 62.53% | 62.53% | 37.47% | 37.47% |

B. Entities over which the Group exercise significant influence - Associates

The Group's associates as at March 31, 2024 are set out below. Unless otherwise stated, the entities listed below have share capital consisting solely of equity shares which are held directly by the group. The proportion of ownership interest is the same as the proportion of voting rights held except otherwise stated.

| Name | Country of incorporation/ Place of business | % equity interest | | Accounting method |
|---|--|----------------------------|----------------------------|-------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | |
| Paytm Payments Bank Limited (refer note (ii) below) | India | 49.00% | 49.00% | Equity method |
| Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) | India | 32.45% | 32.45% | Equity method |
| Paytm General Insurance Limited | India | 49.00% | 49.00% | Equity method |
| Paytm Life Insurance Limited | India | 49.00% | 49.00% | Equity method |
| Paytm Financial Services Limited ('PFSL') | India | 48.78% | 48.78% | Equity method |
| Foster Payment Networks Private Limited (subsidiary of PFSL) (refer note (vii) below) | India | 48.80% | 48.80% | Equity method |
| Admirable Software Limited (subsidiary of PFSL) | India | 48.78% | 48.78% | Equity method |
| Infinity Transoft Solution Private Limited (refer note (i) below) | India | 26.19% | 26.57% | Equity method |
| Eatgood Technologies Private Limited (refer note (i) below) | India | 23.24% | 23.24% | Equity method |
| Socomo Technologies Private Limited (refer note (i) below) | India | 12.70% | 12.75% | Equity method |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Group information (Contd..)

C. Joint Venture of Paytm Entertainment Limited (Wholly owned Subsidiary of One 97 Communications Limited)

| Name | Country of incorporation/ Place of business | % equity interest | | Accounting method |
|--|--|----------------------------|----------------------------|-------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) ('FG') (refer note (iii) below) | India | 55.00% | 55.00% | Equity method |
| First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.) (wholly owned subsidiary of FG) | Singapore | 55.00% | 55.00% | Equity method |
| Bluefield Technology Beijing Co. Ltd. (formerly known as Paytm Technology Beijing Co. Ltd.) (wholly owned subsidiary of FG) | China | 55.00% | 55.00% | Equity method |

D. Entities having significant influence over the Group

SAIF III Mauritius Company Limited

Elevation Capital V Limited (Formerly known as SAIF Partners India V Limited)

SAIF Partners India IV Limited

Elevation Capital V FII Holdings Limited

ANTFIN(Netherlands)Holding B.V.(Till August 2023)

Alipay Labs (Singapore) Pte Ltd (Till August 2023)

SVF India Holdings (Cayman) Limited (Till June 2023)

Notes:

- (i) The entities have issued preference shares as well to the Holding Company.
- (ii) Including 10% (March 31, 2023: 10%) held through One 97 Communications India Limited. As per Banking Regulation Act, 1949, voting rights in a banking Company are capped at 26% in case the investor holds more than 26% in the bank (refer note 45).
- (iii) The entity is into business of online gaming. It is a strategic investment which utilises group's knowledge and expertise in online space.
- (iv) Including 15.87% (March 31, 2023: 15.87%) held through Admirable Software Limited.
- (v) Including 16.78% (March 31, 2023: 0.63%) held through Admirable Software Limited.
- (vi) Including 43.37% (March 31, 2023: 43.75%) held through One 97 Communications India Limited.
- (vii) Including 4.90% (March 31, 2023: 4.90%) held through Paytm Payments Bank Limited.
- (viii) For related party transactions, refer note 26.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Investment in Associates and Joint ventures

- A. The following table illustrates the summarised financial information of the Group's investment in Associates.

As at March 31, 2024

| Particulars | Paytm Payments Bank Limited*** # | Paytm General Insurance Limited** | Paytm Life Insurance Limited** | Infinity Transoft Solution Private Limited** | Eatgood Technologies Private Limited** | Paytm Financials Services Limited | Paytm Insuretech Private Limited** | Total |
|--|----------------------------------|-----------------------------------|--------------------------------|--|--|-----------------------------------|------------------------------------|--------------|
| Current assets | 30,119 | 2 | * | 37 | 436 | 605 | 48 | 31,247 |
| Non-current assets | 352 | - | - | 10 | 21 | 547 | * | 930 |
| Current liabilities | (25,748) | (1) | * | (40) | (407) | (7) | * | (26,204) |
| Non-current liabilities | - | (22) | - | (105) | (84) | (847) | * | (1,058) |
| Employee share based payment reserve | (1,189) | - | - | - | (123) | * | - | (1,312) |
| Non-controlling interest | - | - | - | - | * | (57) | - | (57) |
| Fair value impact on borrowings (net of deferred tax impact) | - | - | - | - | - | (156) | - | (156) |
| Equity | 3,534 | (21) | * | (97) | (158) | 85 | 48 | 3,389 |
| Proportion of the Group's ownership | 49.00% | 49.00% | 49.00% | 26.57% | 23.24% | 48.78% | 32.45% | |
| Group's share in equity | 1,735 | - | * | (27) | (26)## | 42 | 15 | 1,765 |
| Others | - | - | - | - | - | - | - | |
| Investment recognised for ESOP expenses | 536 | - | - | - | - | - | - | 536 |
| Deemed Investment | - | - | - | - | - | 56 | - | 56 |
| Goodwill/ (Capital Reserves) | - | - | - | 107 | 487 | - | (15) | 579 |
| Provision for impairment of investment | (2,271) | - | - | - | (300) | - | - | (2,571) |
| Total Carrying amount of the investment* | - | - | * | 80 | 161 | 98 | - | 338 |

** Based on unaudited financial statement

Refer note 45.

Difference pertains to previous years actualisation impact.

For the year ended March 31, 2024

| Particulars | Paytm Payments Bank Limited | Paytm General Insurance Limited | Paytm Life Insurance Limited | Infinity Transoft Solution Private Limited** | Eatgood Technologies Private Limited** | Paytm Financials Services Limited | Paytm Insuretech Private Limited | Total |
|--|-----------------------------|---------------------------------|------------------------------|--|--|-----------------------------------|----------------------------------|--------------|
| Revenue | 22,532 | - | - | 113 | 685 | 51 | 4 | 23,385 |
| Profit / (loss) for the year | (563) | (1) | * | * | (115) | (25) | 3 | (701) |
| Other comprehensive (loss) / income for the year | 64 | - | - | - | - | (137) | * | (73) |
| Total comprehensive income for the year | (499) | (1) | * | * | (115) | (162) | 3 | (774) |
| Group's share of profit / (loss) for the year | (276) | - | * | * | (27) | (13) | - | (316) |
| Recognition of PY loss due to reinstatement | - | - | - | - | - | - | - | - |
| Group's share in other comprehensive (loss) / income for the year | 31 | - | - | - | - | (67) | - | (35) |
| Unrecognised share of losses | - | * | - | - | - | - | * | - |
| Contingent Liabilities, commitments and guarantees | - | - | - | - | - | - | - | - |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Investment in Associates and Joint ventures (Contd..)

As at March 31, 2023

| Particulars | Paytm Payments Bank Limited | Paytm General Insurance Limited | Paytm Life Insurance Limited | Infinity Transoft Solution Private Limited | Eatgood Technologies Private Limited | Paytm Financials Services Limited | Paytm Insuretech Private Limited | Total |
|--|-----------------------------|---------------------------------|------------------------------|--|--------------------------------------|-----------------------------------|----------------------------------|--------------|
| Current assets | 78,319 | 24 | * | 42 | 451 | 881 | 46 | 79,763 |
| Non-current assets | 20,577 | - | - | 7 | 20 | 570 | * | 21,174 |
| Current liabilities | (32,853) | (48) | * | (42) | (401) | (337) | (1) | (33,682) |
| Non-current liabilities | (60,852) | - | - | (109) | (77) | (689) | - | (61,727) |
| Employee share based payment reserve | (1,157) | - | - | - | - | * | - | (1,157) |
| Non-controlling interest | - | - | - | - | * | (54) | - | (54) |
| Fair value impact on borrowings (net of deferred tax impact) | - | - | - | - | - | (123) | - | (123) |
| Equity | 4,034 | (24) | * | (102) | (7) | 248 | 45 | 4,194 |
| Proportion of the Group's ownership | 49.00% | 49.00% | 49.00% | 26.57% | 23.24% | 48.78% | 32.45% | |
| Group's share in equity | 1,980 | - | * | (28) | - | 121 | 15 | 2,089 |
| Investment recognised for ESOP expenses | 93 | - | - | - | - | - | - | 93 |
| Deemed Investment Goodwill/ (Capital Reserves) | - | - | - | - | - | 56 | - | 56 |
| Provision for impairment of investment | - | - | - | - | (300) | - | - | (300) |
| Total Carrying amount of the investment# | 2,073 | - | * | 79 | 188 | 177 | - | 2,518 |

For the year ended March 31, 2023

| Particulars | Paytm Payments Bank Limited | Paytm General Insurance Limited | Paytm Life Insurance Limited | Infinity Transoft Solution Private Limited | Eatgood Technologies Private Limited | Paytm Financials Services Limited | Paytm Insuretech Private Limited | Total |
|--|-----------------------------|---------------------------------|------------------------------|--|--------------------------------------|-----------------------------------|----------------------------------|------------|
| Revenue | 23,565 | - | - | 84 | 498 | 30 | 5 | 24,182 |
| Profit / (loss) for the year | 57 | (21) | * | * | (22) | (31) | * | (17) |
| Other comprehensive (loss) / income for the year | (8) | - | - | - | - | 271 | - | 263 |
| Total comprehensive income for the year | 49 | (21) | * | * | (22) | 240 | * | 246 |
| Group's share of profit / (loss) for the year | 28 | - | * | * | (5) | (15) | - | 8 |
| Group's share in other comprehensive (loss) / income for the year | (4) | - | - | - | - | 132 | - | 128 |
| Unrecognised share of losses | - | (11) | - | - | - | - | * | (11) |
| Contingent Liabilities, commitments and guarantees | - | - | - | - | - | - | - | - |

#The Group recognizes share of losses on associates to the extent of its interest, post which the Group discontinues recognizing its further losses.

*Amount below rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Investment in Associates and Joint ventures (Contd..)

- B. The following table illustrates the summarised financial information of the Group's investment in joint venture.

| Particulars | First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) (consolidated) | |
|--|---|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Current assets | | |
| - Cash and cash equivalents | 67 | 34 |
| - Other assets | 1,306 | 1,263 |
| Total current assets | 1,373 | 1,297 |
| Total non-current assets | 518 | 637 |
| Current liabilities | | |
| - Financial liabilities* | (71) | (77) |
| - Other liabilities* | (596) | (918) |
| Total current liabilities | (667) | (995) |
| Non-current liabilities | | |
| - Financial liabilities | (2,900) | (2,667) |
| - Other liabilities | (16) | (21) |
| Total non-current liabilities | (2,916) | (2,688) |
| Fair value impact on borrowings (net of deferred tax impact) | (452) | (452) |
| Employee share based payment reserve | (590) | (528) |
| Net assets | (2,734) | (2,729) |
| Proportion of the Group's ownership | 55.00% | 55.00% |
| Carrying amount of the investment | (1,504) | (1,501) |
| Investment recognised for ESOP expenses | 354 | 291 |
| Deemed investment ## | 296 | 296 |
| Total Carrying amount of the investment # | (854) | (914) |

* trade payables has been included in other liabilities

| Particulars | First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) (consolidated) | |
|-------------------------------|---|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Revenue | 2,135 | 4,874 |
| Interest Income | 107 | 84 |
| Depreciation and amortisation | 28 | 87 |
| Interest expense | 281 | 278 |
| Income tax expense | 9 | (6) |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Investment in Associates and Joint ventures (Contd..)

| Particulars | First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) (consolidated) | |
|--|---|--------------------|
| | For the year ended | For the year ended |
| | March 31, 2024 | March 31, 2023 |
| Loss for the year | (20) | (228) |
| Other comprehensive income | 14 | (12) |
| Total comprehensive income for the year | (5) | (240) |
| Group's share of loss for the year[#] | (3) | (132) |
| Unrecognised losses of previous period recognised during the year[#] | (59) | (1) |
| Unrecognised share of losses | - | - |
| Contingent Liabilities, commitments and guarantees | - | - |

The net worth of First Games Technology Private Limited (formerly known as Paytm First Games Private Limited), a joint venture of the Group, has been fully eroded with net current liabilities. The carrying value of the share of investment in the consolidated financial statements is reduced to 'Nil' as the group is not liable to contribute in excess of their contribution.

The management has concluded that the Group doesn't control First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) even if it holds more than half of the voting rights of the investee entity. As per management's judgement and evaluation, the Group doesn't have unilateral ability to direct the relevant activities. The Group and other investor has ability to jointly direct the relevant activities of the investee entity by virtue of shareholder's agreement and hence considered to be a joint venture.

The face value of loan given amounts to INR 1,613. Fair value of loan on inception amounted to INR 1,317 and balance of INR 296 was considered as deemed investment in First Games Technology Private Limited (formerly known as Paytm First Games Private Limited). There has been no movement in deemed investment since then. Subsequent fair value have been recorded in Statement of Profit and Loss. For the current year, fair value gain amounts to INR 46 (March 31, 2023: Loss of INR 289).

25. Employee Stock Option Schemes (ESOP)

(A) One97 Employees Stock Option Scheme 2019 (ESOP 2019 Scheme)

The Holding Company introduced One97 Employee Stock Option Scheme 2019 for the benefit of employees as approved by the Board of Directors in the meeting held on September 4, 2019 and by shareholders in the Annual General Meeting held on September 30, 2019 wherein the Nomination and Remuneration Committee has been authorized to grant share-based stock options to eligible employees of the Holding Company, its subsidiaries and associates under the ESOP 2019 Scheme. The maximum number of Employee Stock Options under ESOP 2019 Scheme shall not exceed 46,455,832 equity shares. ESOPs are generally granted to high performing employees. These Stock Options will generally vest between a minimum of one to a maximum of five years from the grant date subject to achievement of certain performance criteria e.g. impact made on overall business, track record of displaying Paytm values, etc.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

(B) One97 Employees Stock Option Scheme 2008 (ESOP 2008 Scheme)

The Holding Company introduced One 97 Employee Stock Option 2008 Scheme for the benefit of employees as approved by the Board of Directors in the meeting held on September 8, 2008 and by the members in the Extra Ordinary General Meeting held on October 22, 2008 wherein Nomination and Remuneration Committee has authorized to grant share-based stock options to eligible employees of the Holding Company and its subsidiaries under the ESOP 2008 Scheme. The maximum number of Employee Stock Options under ESOP 2008 Scheme shall not exceed 14,638,448 equity shares. These instruments will generally vest between a minimum of one to a maximum of four years from the grant date. The Company doesn't intent to make any grant under this scheme post Initial Public offering.

(C) Details about employee stock options granted, outstanding and other information:

- 1) During the year ended March 31, 2024, the Company has granted 7,407,606 (March 31, 2023- 12,385,196) Employee Stock Options under ESOP 2019 Scheme to Eligible Employees.
- 2) The total options outstanding as at March 31, 2024 under ESOP 2008 Scheme are 68,717 and ESOP 2019 Scheme are 38,115,349 (March 31, 2023 under ESOP 2008 Scheme – 250,797 and ESOP 2019 Scheme – 37,457,727). Scheme-wise options outstanding are as under:

ESOP 2008 Scheme

| Grant Date | Number of Options outstanding | Number of Options outstanding | Exercise Price |
|-------------------|-------------------------------------|-------------------------------------|-------------------|
| | March 31, 2024 | March 31, 2023 | |
| December 31, 2008 | - | 6,405 | 5 |
| April 1, 2016 | 2,971 | 11,907 | 9 |
| October 1, 2016 | - | 834 | 9 |
| April 1, 2017 | - | - | 9 |
| October 1, 2017 | - | 19,000 | 9 |
| April 1, 2018 | 65,746 | 121,420 | 9 |
| July 1, 2018 | - | 83,433 | 9 |
| October 1, 2018 | - | 6,408 | 9 |
| April 1, 2019 | - | 1,390 | 9 |
| Total | 68,717 | 250,797 | |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

ESOP 2019 Scheme

| Grant Date | Number of Options outstanding | Number of Options outstanding | Exercise Price |
|------------------|-------------------------------------|-------------------------------------|-------------------|
| | March 31, 2024 | March 31, 2023 | |
| April 1, 2019 | 112,358 | 172,991 | 9 |
| October 1, 2019 | 21,541 | 121,533 | 9 |
| April 1, 2020 | 75,740 | 135,343 | 9 |
| July 1, 2020 | 59,411 | 100,094 | 9 |
| October 1, 2020 | 1,141,223 | 1,585,497 | 9 |
| April 1, 2021 | 263,466 | 391,588 | 9 |
| October 1, 2021 | 2,330,082 | 3,189,033 | 9 |
| October 1, 2021 | 21,000,000 | 21,000,000 | 9 |
| October 8, 2021 | 101,108 | 150,000 | 9 |
| April 1, 2022 | 1,421,926 | 2,309,166 | 9 |
| May 1, 2022 | 2,606,543 | 3,298,184 | 9 |
| August 1, 2022 | 624,989 | 1,057,294 | 9 |
| November 1, 2022 | 2,576,054 | 3,226,112 | 9 |
| January 31, 2023 | 374,739 | 720,892 | 9 |
| April 28, 2023 | 3,141,122 | - | 9 |
| July 20, 2023 | 1,297,270 | - | 9 |
| October 10, 2023 | 711,546 | - | 9 |
| January 9, 2024 | 256,231 | - | 9 |
| Total | 38,115,349 | 37,457,727 | |

3) Movement during the year ended March 31, 2024 and March 31, 2023:

The following table provides details about the number and weighted average exercise prices (WAEP) of, and movements in, employee stock options during the year:

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---------------------------|---------------------------------------|---------------------------|---------------------------------------|
| | No of Options | Weighted Average exercise price | No of Options | Weighted Average exercise price |
| <u>ESOP 2008 Scheme</u> | | | | |
| Outstanding at the beginning | 250,797 | 8.90 | 585,450 | 8.96 |
| Granted during the year | - | - | - | - |
| Exercised during the year | 156,151 | 9.00 | 301,386 | 9.00 |
| Forfeited during the year | 6,929 | 5.27 | 33,267 | 9.00 |
| Cancelled during the year | 19,000 | 9.00 | - | - |
| Outstanding at the end of the year | 68,717 | 9.00 | 250,797 | 8.90 |
| Vested options outstanding at the end of the year (exercisable) | 68,717 | 9.00 | 250,797 | 8.90 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---------------------------|---------------------------------|---------------------------|---------------------------------|
| | No of Options | Weighted Average exercise price | No of Options | Weighted Average exercise price |
| ESOP 2019 Scheme | | | | |
| Outstanding at the beginning | 37,457,727 | 10.95 | 29,317,167 | 33.89 |
| Granted during the year | 7,407,606 | 9.00 | 12,385,196 | 9.00 |
| Exercised during the year | 1,674,112 | 9.00 | 572,965 | 9.00 |
| Forfeited during the year | 4,254,120 | 26.15 | 3,651,172 | 188.85 |
| Cancelled during the year | 821,752 | 9.00 | 20,499 | 9.00 |
| Outstanding at the end of the year | 38,115,349 | 9.00 | 37,457,727 | 10.95 |
| Vested options outstanding at the end of the year (exercisable) | 1,218,909 | 9.00 | 1,013,089 | 81.02 |

- 4) Details of Weighted average share price of options exercised on the date of exercise are as follows:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | ESOP 2019 Plan | ESOP 2008 Plan | ESOP 2019 Plan | ESOP 2008 Plan |
| Weighted Avg. share price of options exercised on the date of exercise (INR per share) | 734.19 | 689.88 | 586.54 | 602.94 |

- 5) Details of Weighted average remaining contractual life for the share options outstanding are as follows:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | ESOP 2019 Plan | ESOP 2008 Plan | ESOP 2019 Plan | ESOP 2008 Plan |
| Weighted Avg. remaining life for the options outstanding at the end of the year (in years) | 2.86 | -# | 2.37 | 0.08 |

#All options have been vested. As per the ESOP Scheme of the Company, Employee can exercise these options at anytime during the entire period of continuous active employment with the company or its Subsidiary/Associate.

6) Other Details

- (a) The Holding Company has granted ESOPs to the employees of joint ventures and associates. During FY 2023-24, the Holding Company has recognized an amount of INR 505 (March 31, 2023: INR 226), including accelerated charge of INR 304 (March 31, 2023 – Nil) on cancellation of employee stock options, as investment in respective joint ventures and associates.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

During FY 2022-23, the Holding Company has entered into recharge agreement with its associate entity effective December 1, 2022 for the share based payment arrangements. The amount recharged by the Holding Company during the financial year 2023-24 is INR 177 (March 31, 2023: INR 95).

During FY 2023-24, the Holding Company has cancelled 7,60,538 outstanding unvested employee stock options and 80,214 vested options. As mentioned in above paragraph, the same has resulted into accelerated share based payment expense of INR 304 which has been recorded as investment in respective associate entity.

During FY 2022-23, the Holding Company has cancelled 20,499 outstanding unvested employee stock options. This cancellation of unvested employee stock options resulted into an accelerated share based payment expense of INR 12 in the Consolidated Statement of Profit and Loss for the year ended March 31, 2023.

(b) During the current year, the Holding Company has modified the terms of certain ESOPs by adding certain performance conditions and modifying other vesting conditions. Accordingly, the Holding Company has computed the incremental fair value of options as the difference between the fair value of the modified ESOP and that of the original ESOP, using Monte Carlo Simulations method as at the date of the modification which has been amortised in the Statement of Profit and Loss over the revised vesting period and accordingly charge of INR 262 (out of the INR 1,378 incremental fair value) recorded during the year.

7) Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2024 are as under:

The Fair Value of the Stock options is measured using Black-Scholes valuation model.

| Particulars | Grant Date | | | |
|--|----------------|---------------|------------------|-----------------|
| | April 28, 2023 | July 20, 2023 | October 10, 2023 | January 9, 2024 |
| Share Price on Grant Date (INR per share) | 654 | 851 | 950 | 686 |
| Fair Value of Options Granted (INR per option) | 647 | 844 | 943 | 679 |
| Weighted Avg. Exercise Price (INR per share) | 9 | 9 | 9 | 9 |
| Vesting Period (in years) | 5 | 5 | 5 | 5 |
| Dividend Yield (%) | - | - | - | - |
| Expected Life (in years) | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 |
| Risk free interest rate (%) | 7.00 - 7.10 | 7.00 - 7.20 | 7.20 - 7.60 | 7.14 - 7.25 |
| Annualized Volatility (%) | 44.90 - | 30.40 - | 29.60 - | 34.84 - |
| | 52.30 | 33.80 | 34.00 | 51.96 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2023 are as under:

The Fair Value of the Stock options is measured using Black-Scholes valuation model.

| Particulars | Grant Date | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | April 1, 2022 | May 1, 2022 | August 1, 2022 | November 1, 2022 | January 31, 2023 |
| Share Price on Grant Date (INR per share) | 571 | 582 | 744 | 643 | 531 |
| Fair Value of Options Granted (INR per option) | 564 | 574 | 737 | 636 | 524 |
| Weighted Avg. Exercise Price (INR per share) | 9 | 9 | 9 | 9 | 9 |
| Vesting Period (in years) | 5 | 5 | 5 | 5 | 5 |
| Dividend Yield (%) | - | - | - | - | - |
| Expected Life (in years) | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 | 1.04 - 5.04 |
| Risk free interest rate (%) | 4.60 - 6.40 | 4.90 - 6.90 | 6.30 - 7.10 | 7.00 - 7.50 | 7.05 - 7.37 |
| Annualized Volatility (%) | 46.80 - 56.00 | 47.40 - 56.20 | 48.40 - 54.10 | 48.80 - 56.80 | 48.70 - 54.90 |

Notes:

1. Dividend yield is considered zero, as no dividend payout is expected in the foreseeable future.
2. Risk free return is based on the yield to maturity of Indian treasury securities, with a maturity corresponding to the expected term of ESOP.
3. Annualized volatility is based on the median weekly volatility of selected comparable companies for a time period commensurate with the expected term.

8) Expense recognised for employee services received during the year are as below:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Expense arising from equity-settled share-based payment transactions of Holding Company | 14,652 | 14,553 |
| Other Adjustments | 6 | 5 |
| (Impact on account of foreign currency translation) | | |
| Total expense arising from share-based payment transactions | 14,658 | 14,558 |

Notes –

1. The ESOP Plan of Little Internet Private Limited is not material to the group and hence no further information is disclosed.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions

A. Entities over which Group exercise significant influence - Associates

| Name | Country of incorporation |
|--|--------------------------|
| Paytm Payments Bank Limited | India |
| Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) | India |
| Foster Payment Networks Private Limited (subsidiary of PFSL) | India |
| Paytm General Insurance Limited | India |
| Paytm Life Insurance Limited | India |
| Paytm Financials Services Limited ('PFSL') | India |
| Admirable Software Limited (subsidiary of PFSL) | India |
| Infinity Transoft Solution Private Limited | India |
| Eatgood Technologies Private Limited | India |
| Socomo Technologies Private Limited | India |

B. Key Management Personnel

| | |
|--|---|
| Mr. Vijay Shekhar Sharma** Mr. Madhur Deora | Chairman, Managing Director and CEO Chief Financial Officer and Whole-time Director (Executive Director, President & Group Chief Financial Officer) (w.e.f. May 20, 2022) |
| Mr. Sunil Kumar Bansal | Company Secretary and Compliance Officer (w.e.f July 21, 2023) |

C. Joint Venture of Paytm Entertainment Limited (Wholly owned Subsidiary of One 97 Communications Limited)

| Name | Country of incorporation |
|---|--------------------------|
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) ('FG')* | India |
| First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.) (wholly owned subsidiary of FG) | Singapore |
| Bluefield Technology Beijing Co. Ltd. (formerly known as Paytm Technology Beijing Co. Ltd.) (wholly owned subsidiary of FG) | China |

* The entity is into business of online gaming. It is a strategic investment which utilises group's knowledge and expertise in online space.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

D. Entities having significant influence over the Group**

SAIF III Mauritius Company Limited

Elevation Capital V Limited (Formerly known as SAIF Partners India V Limited)

SAIF Partners India IV Limited

Elevation Capital V FII Holdings Limited

ANTFIN(Netherlands)Holding B.V.(Till August 2023)

Alipay Labs (Singapore) Pte Ltd (Till August 2023)

SVF India Holdings (Cayman) Limited (Till June 2023)

**Also, a significant beneficial owner with 9.10% shareholding and indirect owner of Resilient Asset Management B.V. having 10.30% (since August 2023). Refer note 10(a).

E. Relative of Key Management Personnel

Mr. Ajay Shekhar Sharma Brother of Mr. Vijay Shekhar Sharma

Details of transactions with related parties during the year ended March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Rendering of services to related parties | | |
| Paytm Payments Bank Limited | 8,264 | 8,590 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 47 | 128 |
| Infinity Transoft Solution Private Limited | 14 | 9 |
| Eatgood Technologies Private Limited | 8 | 4 |
| Paytm Financial Services Limited | 3 | - |
| Admirable Software Limited | 2 | - |
| Socomo Technologies Private Limited | * | * |
| | 8,338 | 8,731 |
| Reimbursement of expenses incurred on behalf of related parties | | |
| Paytm Payments Bank Limited | (9) | 152 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 100 | 138 |
| Paytm General Insurance Limited | * | * |
| Foster Payment Networks Private Limited | - | 1 |
| Paytm Life Insurance Limited | - | * |
| Paytm Insuretech Private Limited | - | * |
| Admirable Software Limited | * | * |
| Paytm Financial Services Limited | * | * |
| | 91 | 291 |
| Expenses reimbursed to related party | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 14 | - |
| | 14 | - |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Interest income earned from related parties | | |
| Eatgood Technologies Private Limited | * | 1 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 129 | 129 |
| | 129 | 130 |
| Interest income earned on Optionally Convertible Debentures ("OCD") from related parties | | |
| Admirable Software Limited | 38 | 24 |
| Paytm Financial Services Limited | 24 | 20 |
| Eatgood Technologies Private Limited | 7 | 6 |
| | 69 | 50 |
| Purchase of property, plant & equipment from related party | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | * | - |
| | * | - |
| Sale of property, plant & equipment to related parties | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 2 | - |
| Paytm Payments Bank Limited | 8 | 13 |
| | 10 | 13 |
| Services received from related parties | | |
| - Payment processing charges | | |
| Paytm Payments Bank Limited | 8,774 | 9,951 |
| | 8,774 | 9,951 |
| - General expenses** | | |
| Paytm Payments Bank Limited | 83 | 142 |
| Alipay Labs (Singapore) Pte Limited (Refer note (i) below) | 284 | 1,666 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | - | 4 |
| Paytm Insuretech Private Limited | 2 | 3 |
| Paytm General Insurance Limited | - | 2 |
| Paytm Financial Services Limited | - | 3 |
| Admirable Software Limited | - | 2 |
| | 369 | 1,822 |
| (i) includes INR 284 (March 31, 2023: INR 1,660) pertaining to Software, cloud and data centre expenses. | | |
| Inter corporate loan given | | |
| Eatgood Technologies Private Limited | - | 10 |
| | - | 10 |
| Repayment of Inter Corporate Loan | | |
| Paytm Financial Services Limited | - | 471 |
| Eatgood Technologies Private Limited | 12 | - |
| | 12 | 471 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Investment in Optionally Convertible Debentures | | |
| Eatgood Technologies Private Limited | - | 30 |
| Admirable Software Limited | 184 | - |
| Paytm Financial Services Limited | - | 220 |
| | 184 | 250 |
| Stock Options granted to employees of associates and joint venture | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 62 | 133 |
| Paytm Payments Bank Limited | 443 | 188 |
| Paytm Financial Services Limited | * | * |
| Admirable Software Limited | * | - |
| | 505 | 321 |
| Recharge of ESOP cost to associates | | |
| Paytm Payments Bank Limited | 177 | 95 |
| | 177 | 95 |

* Amount below rounding off norms adopted by the Group

** Includes other expenses and Software, cloud and data centre expenses

Details of balances outstanding with related parties as at March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Other financial assets | | |
| (Other receivable for expenditure incurred) | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 113 | 164 |
| Paytm Payments Bank Limited | 30 | 30 |
| Admirable Software Limited | - | * |
| Paytm General Insurance Limited | - | 45 |
| Infinity Transoft Solution Private Limited | * | * |
| | 144 | 239 |
| Other current assets | | |
| Paytm Payments Bank Limited | 924 | 614 |
| | 924 | 614 |
| Inter corporate loan receivable (including accrued interest) | | |
| Eatgood Technologies Private Limited | - | 11 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)## | 1,923 | 1,796 |
| | 1,923 | 1,807 |
| Investments Optionally Convertible Debentures | | |
| (including accrued interest) | | |
| Admirable Software Limited | 484 | 263 |
| Eatgood Technologies Private Limited | 73 | 67 |
| Paytm Financial Services Limited## | 261 | 237 |
| | 818 | 567 |
| Amount receivable from payment gateway | | |
| Paytm Payments Bank Limited | 54 | 21,144 |
| | 54 | 21,144 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Trade receivables | | |
| Paytm Payments Bank Limited | 3,300 | 688 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 11 | 14 |
| Eatgood Technologies Private Limited | * | * |
| Socomo Technologies Private Limited | * | - |
| | 3,311 | 702 |
| Other financial assets | | |
| Paytm Payments Bank Limited | 63 | 32 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | * | - |
| | 63 | 32 |
| Trade payables (including accrued expenses) | | |
| Alipay Labs (Singapore) Pte Limited | - | 150 |
| Paytm Payments Bank Limited | 47 | 42 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 14 | * |
| Paytm Financial Services Limited | 1 | * |
| Paytm Insuretech Private Limited | * | * |
| Paytm General Insurance Limited | * | 24 |
| Admirable Software Limited | * | * |
| | 62 | 216 |

Excluding Fair Value impact amounting to INR 243 (March 31, 2023: 289)

Excluding Fair Value impact amounting to INR 63 (March 31, 2023: 72)

* Amount below rounding off norms adopted by the Group

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Other financial liabilities | | |
| - Payable to merchants | | |
| Socomo Technologies Private Limited | * | * |
| Paytm Payments Bank Limited | 404 | 5,287 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 22 | 55 |
| Eatgood Technologies Private Limited | * | 8 |
| Infinity Transoft Solution Private Limited | * | * |
| | 426 | 5,350 |
| - Others | | |
| Paytm Payments Bank Limited | 2 | 1 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 10 | 58 |
| Socomo Technologies Private Limited | - | * |
| | 12 | 59 |
| Contract Liabilities | | |
| Infinity Transoft Solution Private Limited | 1 | 1 |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | - | 1 |
| Eatgood Technologies Private Limited | * | * |
| | 1 | 2 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

Remuneration to KMP & Relative of Key Management Personnel

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Short-term employee benefits (Salaries, bonus and incentives) | 109 | 102 |
| Post-employment benefits (Provident fund) | * | * |
| Employee share based payment | 11,383 | 11,240 |
| Total compensation | 11,492 | 11,342 |

* Amount below rounding off norms adopted by the Group

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 (except for inter corporate loan receivable and optionally convertible debentures) and settlement generally 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 and long term incentive plan as they are determined on an actuarial basis for the Group entities as a whole.
- (iii) The Group has agreed to provide appropriate financial support only if and to the extent required by certain of its subsidiaries and joint venture.
- (iv) Refer note 19 for details of remuneration to non-executive and independent directors and payment to a law firm in which one of the non-executive and independent director is interested

27. Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service upto a limit of INR 20 Lakhs. The gratuity plan of Holding Company is a funded plan and the Holding Company makes contributions to recognised fund/insurer in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. Disclosures given below are as per actuarial valuation report of independent actuary.

The following tables summarize the components of net benefit expenses recognized in the Consolidated Statement of Profit and Loss and the funded status and amount recognized in the Consolidated Balance Sheet.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2024:

| | | Defined benefit obligation | Fair value of plan assets # | Defined benefit liability (Net) |
|--|--|----------------------------------|-----------------------------------|---------------------------------------|
| | As at April 01, 2023 | 722 | (178) | 544 |
| Gratuity cost charged to Statement of Profit or Loss | Current Service cost | 263 | - | 263 |
| | Net interest expense/ (income) | 54 | - | 54 |
| | Return on plan assets (excluding amounts included in net interest expense) | - | (13) | (13) |
| | Sub-total included in Statement of Profit or loss | 317 | (13) | 304 |
| Remeasurement (gains)/losses in Other Comprehensive Income | Actuarial changes arising from changes in demographic assumptions | * | - | * |
| | Actuarial changes arising from changes in financial assumptions | 11 | - | 11 |
| | Experience adjustments | 88 | - | 88 |
| | Return on plan assets (excluding amounts included in net interest expense) | - | 1 | 1 |
| | Sub-total included in OCI | 99 | 1 | 100 |
| | Net liability acquired on transfer of employees | 65 | - | 65 |
| | Benefits paid | (100) | 16 | (83) |
| | As at March 31, 2024 | 1,103 | (174) | 929 |
| | Current | | | 43 |
| | Non Current | | | 886 |

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2023:

| | | Defined benefit obligation | Fair value of plan assets # | Defined benefit liability (Net) |
|--|--|----------------------------------|-----------------------------------|---------------------------------------|
| | As at April 01, 2022 | 542 | (249) | 293 |
| Gratuity cost charged to Statement of Profit or Loss | Current Service cost | 195 | - | 195 |
| | Net interest expense/ (income) | 39 | - | 39 |
| | Return on plan assets (excluding amounts included in net interest expense) | - | (18) | (18) |
| | Sub-total included in Statement of Profit or loss | 234 | (18) | 216 |
| Remeasurement (gains)/losses in Other Comprehensive Income | Actuarial changes arising from changes in demographic assumptions | * | - | * |
| | Actuarial changes arising from changes in financial assumptions | 2 | - | 2 |
| | Experience adjustments | 36 | - | 36 |
| | Return on plan assets (excluding amounts included in net interest expense) | - | 3 | 3 |
| | Sub-total included in OCI | 38 | 3 | 41 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

| | | Defined benefit obligation | Fair value of plan assets # | Defined benefit liability (Net) |
|---|--|----------------------------|-----------------------------|---------------------------------|
| Net liability acquired on transfer of employees | | 3 | - | 3 |
| Benefits paid | | (95) | - | (95) |
| Contributions by employer | | - | 86 | 86 |
| As at March 31, 2023 | | 722 | (178) | 544 |
| Current | | | | 17 |
| Non Current | | | | 527 |

Fair value of the total plan assets are 100% in funds managed by Insurer.

* Amount below rounding off norms adopted by the group.

The net liability disclosed above relates to funded plans are as follows:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Present value of the obligations at end | 1,103 | 722 |
| Fair value of plan assets | (174) | (178) |
| Deficit of funded plan/gratuity plan | 929 | 544 |

The principal assumptions used in determining defined benefit obligations are shown below:

(i) Economic Assumptions

| Particulars | March 31, 2024 | March 31, 2023 |
|-------------------------|----------------|----------------|
| | % | % |
| Discount rate | 7.10-7.25 | 7.39-7.40 |
| Future salary increases | 8 -15 | 8 -15 |

(ii) Demographic Assumptions

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Retirement Age (Years) | 60 | 60 |
| Mortality rates inclusive of provision for disability | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |
| 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 March 31, 2024 is as shown below:

| Assumptions | March 31, 2024 | March 31, 2024 |
|--------------------------------------|--------------------------------|--------------------------------|
| | Discount rate | Future salary increases |
| Sensitivity Level | 0.5% increase 0.5% decrease | 0.5% increase 0.5% decrease |
| Impact on defined benefit obligation | (21) 22 | 18 (18) |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

| Assumptions | March 31, 2023 | | March 31, 2023 | |
|--------------------------------------|----------------|-------------------------|----------------|---------------|
| | Discount rate | Future salary increases | | |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Impact on defined benefit obligation | (26) | 27 | 26 | (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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

Expected contributions to post-employment benefit plans for the period ending March 31, 2025 are INR 1064 (March 31, 2024 - INR 254).

The weighted average duration of the defined benefit obligation is 4 years (March 31, 2023- 2.79 years).

The average remaining working life of members of the defined benefit obligation as at March 31, 2024 is 30.67 years (as at March 31, 2023- 30.87 years)

The expected maturity analysis of gratuity is as follows:

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Within the next 12 months (next annual reporting period) | 224 | 132 |
| Between 1-2 years | 171 | 130 |
| Between 2 and 5 years | 411 | 245 |
| Beyond 5 years | 297 | 215 |
| Total expected payments | 1,103 | 722 |

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan assets are calculated using a discount rate set with reference to bond yields. If plan assets underperform this yield, there will be a deficit of the plan asset investments in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to an acceptable level.

Changes in bond yields: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Inflation risks: The payments are not linked to inflation, so this is a less material risk.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

Life expectancy: Obligations are to provide benefits for the life of the member, so increases in life expectancy and inflation will result in an increase in the plans' liabilities. This is particularly significant where inflationary conditions result in higher sensitivity to changes in life expectancy.

Major categories of plans assets are as follows:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|----------------------------|----------------|---------------|----------------|---------------|
| | Amount | In % | Amount | In % |
| Government securities | 80 | 46.00 | 64 | 36.00 |
| Non convertible debentures | 77 | 44.00 | 98 | 55.00 |
| Others | 17 | 10.00 | 16 | 9.00 |
| Total | 174 | 100.00 | 178 | 100.00 |

28. Income Tax

The major components of income tax expense for the Year ended March 31, 2024 and March 31, 2023 are:

Consolidated Statement of Profit and Loss:

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Current income tax: | | |
| Current income tax charge | 358 | 351 |
| Adjustments in respect of current income tax of previous year expense/(credit) | (8) | - |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (30) | (15) |
| Income tax expense reported in the Statement of Profit or Loss | 320 | 336 |

Consolidated Other Comprehensive Income / (loss):

| | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Deferred tax: | | |
| Income tax relating to re-measurement losses on defined benefit plans | (3) | - |
| Income tax expense reported in the Other Comprehensive Income / (loss) | (3) | - |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for Year ended March 31, 2024 and March 31, 2023:

| | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Accounting profit before income tax | (13,904) | (17,429) |
| At India's statutory income tax rate of 25.17% | (3,500) | (4,387) |
| (March 31, 2023: 25.17%) | | |
| Adjustments in respect of current income tax of previous years | (8) | - |
| Impact of tax on Share of results of associates | 93 | 31 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

28. Income Tax (Contd..)

| | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Effect of tax rates difference in foreign jurisdiction | (17) | 55 |
| Effect of tax free rates in foreign jurisdiction | (5) | (1) |
| Other non-deductible expenses | 310 | 151 |
| Losses on which deferred taxes not recognised* | 647 | 3,062 |
| Losses on Which deferred taxes utilised | (260) | (144) |
| Unabsorbed depreciation on which deferred taxes not recognised* | 777 | 521 |
| Other temporary differences on which deferred taxes not recognised* | 2,283 | 1,048 |
| | 320 | 336 |
| Income tax expense reported in the Statement of Profit and Loss | 320 | 336 |

Deferred tax relates to the following:

| Particulars | Consolidated Balance Sheet | | Recognised in/Reclassified from Consolidated Statement from Other Comprehensive Income | | Recognised in Consolidated Statement of Profit and Loss | |
|---|----------------------------|----------------|--|----------------|---|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Deferred tax liabilities | | | | | | |
| Accelerated depreciation for tax purposes | - | - | - | - | - | 2 |
| Deferred tax assets | | | | | | |
| Net deferred tax liabilities | - | - | - | - | - | - |
| Deferred tax assets | | | | | | |
| Accelerated depreciation for tax purposes | 1 | * | - | - | * | * |
| Loss allowance on financial assets | 10 | 5 | - | - | 5 | 5 |
| Losses available for offsetting against future taxable income | 35 | 35 | - | - | * | (4) |
| Employee Benefits | 63 | 35 | 3 | - | 25 | 1 |
| Preliminary Expense | 1 | 2 | - | - | (1) | 3 |
| Others | 8 | 8 | - | - | - | 8 |
| Deferred tax liabilities | | | | | | |
| Unrealised foreign exchange gain/(loss) | - | * | - | - | - | - |
| Net deferred tax assets | 119 | 85 | 3 | - | 30 | 15 |
| Deferred tax income | | | | | | |

Reconciliation of deferred tax Assets

| Particulars | Net deferred tax liabilities | | Net deferred tax assets | |
|---|------------------------------|----------------|-------------------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Opening balance as of 1 April | - | (2) | 85 | 70 |
| Tax income during the year recognised in profit or loss | - | 2 | 30 | 13 |
| OCI | | | 3 | |
| Impact of FCTR | - | - | 1 | 2 |
| Closing balance as at 31 March | - | - | 119 | 85 |

* As at the year ended on March 31, 2024 and March 31, 2023, the Group is having net deferred tax assets comprising of deductible temporary differences, brought forward losses and unabsorbed depreciation under tax laws. However in the absence of reasonable certainty as to its realization of Deferred Tax Assets (DTA), DTA has not been created.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

28. Income Tax (Contd..)

Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet:

| Particulars | Expiry Date (Year ended March 31, 2024) | As of March 31, 2024 | As of March 31, 2024 Tax impact @ 25.17% |
|-----------------------------|---|-------------------------|--|
| Tax Losses | | | |
| | 2025 | 7,176 | 1,806 |
| | 2026 | 13,916 | 3,502 |
| | 2027 | 38,537 | 9,699 |
| | 2028 | 22,470 | 5,655 |
| | 2029 | 13,830 | 3,481 |
| | 2030 | 19,756 | 4,972 |
| | 2031 | 12,047 | 3,032 |
| | 2032 | 2,514 | 633 |
| Total tax losses | | 130,246 | 32,780 |
| Unabsorbed depreciation | No expiry period | 11,188 | 2,816 |
| Long Term Capital Loss | 2030 | 68 | 17 |
| Other temporary differences | | 25,679 | 6,463 |
| Total | | 167,180 | 42,076 |

Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet:

| Particulars | Expiry Date (Year ended March 31, 2023) | As of March 31, 2023 | As of March 31, 2023 Tax impact @ 25.17% |
|-----------------------------|---|-------------------------|--|
| Tax Losses | | | |
| | 2024 | 14,943 | 3,761 |
| | 2025 | 7,545 | 1,899 |
| | 2026 | 14,098 | 3,548 |
| | 2027 | 38,927 | 9,797 |
| | 2028 | 22,792 | 5,736 |
| | 2029 | 14,174 | 3,567 |
| | 2030 | 19,884 | 5,004 |
| | 2031 | 12,119 | 3,050 |
| Total tax losses | | 144,482 | 36,362 |
| Unabsorbed depreciation | No expiry period | 8,025 | 2,020 |
| Long Term Capital Loss | 2030 | 68 | 17 |
| Other temporary differences | | 16,757 | 4,217 |
| Total | | 169,332 | 42,616 |

* Amount below rounding off norms adopted by the group.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

29. Commitments and contingencies

a. Leases

Operating lease: Group as Lessee

The Group has taken certain office space on short term operating lease. Rental expense towards leases for short term period charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2024 amounts to INR 59 (March 31, 2023: INR 67).

The Group leases various offices under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

b. Capital commitments

Estimated amount of contracts towards property, plant & equipment remaining to be executed on capital account and not provided for is INR 1,336 (Net of capital advance of INR 563) [March 31 2023: INR 2,590 (Net of capital advance of INR 566)].

c. Contingent liabilities

| i) Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Claims against the Group not acknowledged as debts | 122 | 476 |
| Income tax related matters | 426 | 127 |
| Custom duty related matter | 1 | 36 |
| Total | 549 | 639 |

- ii) The Group will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952 and deal with it accordingly. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Consolidated Financial Statements.

Notes:

- 1) It is not practicable for the Group to estimate the timing of cash outflows, if any.
- 2) The Group does not expect any reimbursements in respect of the above contingent liabilities.

30. Buyback of shares

During the year ended March 31, 2023, the Board of Directors of the Holding Company at its meeting held on December 13, 2022 had approved buy-back of equity shares amounting to INR 8,500 (Maximum buy-back size, excluding transaction costs and tax on buy-back) at a price not exceeding INR 810 per equity share (Maximum buy-back price). The buy-back was offered to the equity shareholders of the Company under the open market route through the stock exchanges.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

30. Buyback of shares (Contd..)

The buyback of equity shares commenced on December 21, 2022 and was completed on February 13, 2023. During this period, the Holding Company had bought back 15,566,746 Equity Shares at an average price of INR 545.93 per Equity Share aggregating to INR 8,498 (99.98% of the Maximum Buyback Size) and subsequently these shares have been extinguished.

Consequent to the said buy-back, the equity share capital has been reduced by INR 16 and an equivalent amount has been transferred from securities premium account to capital redemption reserve. Further INR 10,545 has been debited to the securities premium account on account of premium on shares bought back, related transaction costs and related taxes.

31. Fair value

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the group'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, 2024

| | As at March 31, 2024 | Fair value measurement at end of the reporting year using | | |
|--|-------------------------|--|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Investments at fair value through OCI | | | | |
| Investment in equity shares | 13,545 | - | - | 13,545 |
| Investments at fair value through Profit and loss | | | | |
| Investment in Compulsorily Convertible Preference Shares | 40 | - | - | 40 |
| Investment in optionally convertible debentures | 840 | - | - | 840 |
| Inter corporate loans | 1,680 | - | - | 1,680 |
| Investment in Mutual Funds | 1,063 | 1,063 | - | - |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Fair value (Contd..)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023

| | As of March 31, 2023 | Fair value measurement at end of the reporting year using | | |
|--|-------------------------|--|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| | | Assets | | |
| Investments at fair value through OCI | | | | |
| Investments in Equity Shares | 11,722 | - | - | 11,722 |
| Investments at fair value through Profit and loss | | | | |
| Investment in Compulsorily Convertible Preference Shares | 40 | - | - | 40 |
| Investment in optionally convertible debentures | 601 | - | - | 601 |
| Inter corporate loans | 1,507 | - | - | 1,507 |
| Investment in Mutual Funds | 711 | 711 | - | - |

The Group has assessed that fair value of all other financial assets and liabilities including cash and cash equivalents, bank balances other than cash and cash equivalents, other investments, trade receivables, loans, other financial assets, trade payables, lease liabilities, borrowings and other financial liabilities, approximate their carrying amounts.

Description of significant unobservable inputs to valuation of material investments:

The significant unobservable inputs used in the material fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2024 and 31 March 2023 are as below:

| | Valuation Technique | Significant unobservable inputs | Range | Sensitivity of the input to fair value |
|---|------------------------|---------------------------------------|-------|---|
| Investments in Equity Shares [Rs. 13,522 (March 31, 2023 : 11,699)] | Discounted Cash Flow | WACC | 11% | 10% decrease in the WACC would result in increase in fair value by INR 2,690 (31 March 2023 : INR 2,836) 10% increase in the WACC would result in decrease in fair value by INR 2,160 (31 March 2023 : INR 2,244) |
| | | Terminal Growth Rate | 1% | 20% decrease in the WACC would result in decrease in fair value by INR 373 (31 March 2023 : INR 367) 20% increase in the WACC would result in increase in fair value by INR 389 (31 March 2023 : INR 384) |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Fair value (Contd..)

| | Valuation Technique | Significant unobservable inputs | Range | Sensitivity of the input to fair value |
|--|----------------------------|--|-----------------|---|
| Investment in optionally convertible debentures [Rs 682 (March 31, 2023 : Rs 428)] | Discounted Cash Flow | WACC | 20.80% | Any significant change in the inputs to fair value does not result in any change in the fair value of the Optionally convertible debenture. |
| | | Terminal Growth Rate | 2.45 | Any significant change in the inputs to fair value does not result in any change in the fair value of the Optionally convertible debenture. |
| Inter corporate loans [Rs 1,680 (March 31, 2023 : Rs 1,507)] | Income Method | Yield rate | 12.98% - 13.04% | 10% decrease in the yield rate would result in increase in fair value by INR 48 (31 March 2023 : INR 59) 10% increase in the yield rate would result in decrease in fair value by INR 94 (31 March 2023 : INR 115) |

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 internal 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

There is no interest rate risk as the Group did not have borrowings at the end of the current financial year. The interest rate risk as at end of financial year is not material and thus not disclosed.

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.

(ii) Price risk

The Group invests its surplus funds in debt based mutual fund, fixed deposits, Commercial papers, Treasury bills, Government Securities, Certificate of deposits and non-convertible debentures. As on March 31, 2024, mutual fund investments were in debt based funds only.

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 and debt instruments on the Group's loss before tax:

| | Change in NAV | Effect on loss before tax |
|----------------|---------------|---------------------------|
| March 31, 2024 | 0.25% | (3) |
| | -0.25% | 3 |
| March 31, 2023 | 0.25% | (2) |
| | -0.25% | 2 |

The Group is also exposed to equity/ preference shares price risk arising from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss (refer note 6(a) and 6(b)). To manage its price risk arising from investments in equity/preference shares, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(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 and investing activities (when revenue, expense and Property, Plant and Equipment is denominated in a foreign currency).

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

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

| Particulars | March 31, 2024 | | March 31, 2023 | |
|------------------------|------------------|-----------------------|------------------|-----------------------|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| Amount in USD Millions | 1 | * | 1 | 1 |
| Total | 1 | * | 1 | 1 |

The following tables demonstrate the sensitivity of profit or loss to a reasonably possible change in USD 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, 2024 | 10% strengthening of USD against INR | (3) |
| | 10% weakening of USD against INR | 2 |
| March 31, 2023 | 10% strengthening of USD against INR | * |
| | 10% weakening of USD against INR | * |

The above sensitivity analysis is based on a reasonably possible change in the underlying 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.

*Amount below rounding off norms adopted by the Group

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 investing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group applies expected credit loss (ECL) model on financial assets measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance. Cash and cash equivalents are also subject to the impairment requirement of Ind AS 109, the identified impairment loss was immaterial.

All of the Group investments and loans at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

(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.

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2024

| Ageing in years | Unbilled Dues | Not due | 0-1 year | 1-2 year | 2-3 year | >3 year | Credit impaired | Total |
|---|---------------|---------|----------|----------|----------|---------|-----------------|--------|
| Gross carrying amount | 7,187 | 4,755 | 4,888 | 38 | 88 | 39 | 2,131 | 19,126 |
| Expected loss rate* | 2% | 2% - 6% | 2% - 6% | 59% | 93% | 94% | 100% | |
| Expected credit losses | 25 | 102 | 222 | 20 | 81 | 38 | 2,131 | 2,619 |
| (Loss allowance provision) | | | | | | | | |
| Carrying amount (net of loss allowance) | 7,162 | 4,653 | 4,666 | 18 | 7 | 1 | - | 16,507 |

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2023

| Ageing in years | Unbilled Dues | Not due | 0-1 year | 1-2 year | 2-3 year | >3 year | Credit impaired | Total |
|---|---------------|---------|----------|----------|----------|---------|-----------------|--------|
| Gross carrying amount | 6,141 | 3,770 | 2,689 | 407 | 141 | 108 | 1,068 | 14,324 |
| Expected loss rate* | 2% | 2% - 6% | 2% - 6% | 66% | 94% | 94% | 100% | |
| Expected credit losses | 155 | 110 | 130 | 258 | 129 | 96 | 1,068 | 1,946 |
| (Loss allowance provision) | | | | | | | | |
| Carrying amount (net of loss allowance) | 5,986 | 3,660 | 2,559 | 149 | 12 | 12 | - | 12,378 |

| Reconciliation of loss allowance | Loss allowance measured at simplified approach |
|--|--|
| Loss allowance as on April 1, 2022 | 1,616 |
| Creation during the year# | 330 |
| Loss Allowance as on March 31, 2023 | 1,946 |
| Creation during the year# | 673 |
| Loss Allowance as on March 31, 2024 | 2,619 |

*ECL is computed by applying allowance matrix to respective risk clusters.

#The above includes foreign currency adjustments as applicable for each year.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. The Group does not hold collateral as security.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

(ii) Other investments (excluding loans to related parties)

All of the Group's other investments (preference shares, government securities, commercial papers, treasury bills and security deposits) at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed instruments to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(iii) Loan to related parties

The group considers the probability of default upon initial recognition of loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

(iv) 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.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 and March 31, 2023 is the carrying amounts as illustrated in Note 6 (c) and 6 (d).

| Reconciliation of loss allowance | Loss allowance measured at 12 month expected loss |
|--|--|
| Loss allowance as on April 1, 2022 | 628 |
| Creation during the year# | 462 |
| Loss Allowance as on March 31, 2023 | 1,090 |
| Creation during the year# | 353 |
| Loss Allowance as on March 31, 2024 | 1,443 |

#The above total includes foreign currency adjustments as applicable for each year.

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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

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 | 0-180 days | 181-365 days | 1-2 Year | More than 2 year | Total |
|-----------------------------|---------------|--------------|------------|------------------|---------------|
| As at March 31, 2024 | | | | | |
| Lease liabilities | 213 | 230 | 366 | 1,656 | 2,465 |
| Trade payables | 6,842 | - | - | - | 6,842 |
| Other financial liabilities | 19,351 | - | - | - | 19,351 |
| Total | 26,406 | 230 | 366 | 1,656 | 28,658 |
| As at March 31, 2023 | | | | | |
| Borrowings | 20 | - | - | - | 20 |
| Lease liabilities | 260 | 266 | 491 | 2,074 | 3,091 |
| Trade payables | 8,589 | - | - | - | 8,589 |
| Other financial liabilities | 27,631 | - | - | - | 27,631 |
| Total | 36,500 | 266 | 491 | 2,074 | 39,331 |

33. Capital Management

The Group's objectives while managing capital is to safeguard its ability to continue as a going concern and to generate adequate returns for its shareholders and ensuring 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 majorly 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 working capital facilities in the form of short term bank overdraft to meet anticipated interim working capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

34. Segment Reporting

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

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

Information about major customers

Revenues of INR 8,264 are derived from one customer (March 31, 2023: INR 8,590 from one customer).

35. Additional information

For the year ended March 31, 2024

| Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or (loss) | | Share in Total Other Comprehensive Income/(Loss) for the year | | Share in Total Comprehensive Income/(Loss) for the year | |
|--|--|----------|-------------------------------------|----------|---|--------|---|----------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| One 97 Communications Limited | 92.79 % | 123,390 | 103.78 % | (14,762) | (4.91)% | (93) | 120.50 % | (14,855) |
| Adjustment due to consolidation | (10.52)% | (13,994) | (3.95)% | 562 | 9.55 % | 181 | (6.03)% | 743 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| One 97 Communications India Limited | 0.31 % | 410 | 3.59 % | -510 | (0.26)% | (5) | 4.17 % | (515) |
| Paytm Entertainment Limited | 1.76 % | 2,347 | (0.34)% | 49 | 0.00 % | * | (0.39)% | 49 |
| Paytm Money Limited | 1.24 % | 1,654 | (5.04)% | 716 | 0.26 % | 5 | (5.85)% | 721 |
| Wasteland Entertainment Private Limited | 0.06 % | 78 | 0.72 % | (102) | 0.11 % | 2 | 0.81 % | (100) |
| Urja Money Private Limited (Including step down subsidiary) | 0.03 % | 36 | (0.04)% | 6 | 0.00 % | * | (0.05)% | 6 |
| Mobiquest Mobile Technologies Private Limited (Including step down subsidiary) | (0.00)% | (6) | 0.44 % | (62) | (0.11)% | (2) | 0.52 % | (64) |
| Little Internet Private Limited (Including step down subsidiary) | 0.87 % | 1,157 | 0.10 % | (14) | 0.00 % | * | 0.11 % | (14) |
| Orbgen Technologies Private Limited | 0.10 % | 129 | 0.30 % | (42) | (0.05)% | (1) | 0.35 % | (43) |
| Paytm Payments Services Limited | 1.40 % | 1,861 | (4.38)% | 623 | (0.26)% | (5) | (5.02)% | 618 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

35. Additional information (Contd..)

| Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or (loss) | | Share in Total Other Comprehensive Income/(Loss) for the year | | Share in Total Comprehensive Income/(Loss) for the year | |
|--|--|--------|-------------------------------------|--------|---|--------|---|--------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| Paytm Insurance Broking private limited | 0.28 % | 375 | (0.59)% | 83 | 0.11 % | 2 | (0.69)% | 85 |
| Paytm Services Private Limited (Formerly known as Balance Technology Private Limited) | 0.05 % | 66 | (0.04)% | 6 | 0.00 % | * | (0.05)% | 6 |
| Foreign | | | | | | | | |
| One97 Communications Singapore Private Limited (Including step down subsidiary) | 11.59 % | 15,415 | 1.03 % | (147) | 97.52 % | 1,849 | (13.81)% | 1,702 |
| One97 Communications FZ-LLC | 0.11 % | 147 | (0.13)% | 18 | 0.00 % | - | (0.15)% | 18 |
| One97 Communications Nigeria Limited | (0.13)% | (176) | 1.57 % | (223) | 0.00 % | - | 1.81 % | (223) |
| One97 USA Inc. | 0.03 % | 39 | (0.05)% | 6 | 0.00 % | - | (0.05)% | 6 |
| Non controlling interests in subsidiaries | (0.21)% | (282) | 0.38 % | (54) | (0.05)% | (1) | 0.45 % | (55) |
| Interest in Associate (Investments as per equity method) | | | | | | | | |
| Indian | | | | | | | | |
| Paytm Payments Bank Limited | 0.00 % | - | 1.94 % | (276) | 1.64 % | 31 | 1.98 % | (245) |
| Paytm General Insurance Limited | 0.00 % | - | 0.00 % | - | 0.00 % | - | 0.00 % | - |
| Paytm Life Insurance Limited | 0.00 % | * | 0.00 % | * | 0.00 % | - | 0.00 % | - |
| Infinity Transoft Private Limited | 0.06 % | 79 | 0.00 % | * | 0.00 % | - | 0.00 % | * |
| Eatgood Technologies Private Limited | 0.12 % | 161 | 0.19 % | (26) | 0.00 % | - | 0.21 % | (26) |
| Paytm Financials Services Limited | 0.07 % | 98 | 0.09 % | (13) | (3.53)% | (67) | 0.65 % | (80) |
| Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) | 0.00 % | - | 0.00 % | - | 0.00 % | - | 0.00 % | - |
| Interest in Joint Venture (Investments as per equity method) | | | | | | | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 0.00 % | - | 0.44 % | (62) | 0.00 % | - | 0.50 % | (62) |
| 100.00% 132,984 100.00% (14,224) 100.00% 1,896 100.00% (12,328) | | | | | | | | |

* Amount below rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

35. Additional information (Contd..)

For the year ended March 31, 2023

| Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or (loss) | | Share in Total Other Comprehensive Income/(Loss) for the year | | Share in Total Comprehensive Income/(Loss) for the year | |
|---|--|----------|-------------------------------------|----------|---|--------|---|----------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| One 97 Communications Limited | 94.56 % | 122,867 | 104.46 % | (18,558) | (1.10)% | (23) | 118.47 % | (18,581) |
| Adjustment due to consolidation | (10.75)% | (13,968) | (4.10)% | 729 | 52.50 % | 1,093 | (11.60)% | 1,819 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| One 97 Communications India Limited | 0.71 % | 922 | (0.15)% | 27 | 0.00 % | * | (0.17)% | 27 |
| Paytm Entertainment Limited | 1.77 % | 2,298 | (0.17)% | 31 | 0.00 % | * | (0.20)% | 31 |
| Paytm Money Limited | 0.73 % | 947 | (2.41)% | 428 | (0.10)% | (2) | (2.72)% | 426 |
| Wasteland Entertainment Private Limited | 0.03 % | 42 | 1.08 % | (192) | (0.14)% | (3) | 1.24 % | (195) |
| Urja Money Private Limited (Including step down subsidiary) | (0.05)% | (60) | 0.04 % | (8) | 0.00 % | * | 0.05 % | (8) |
| Mobiquest Mobile Technologies Private Limited (Including step down subsidiary) | (0.01)% | (19) | 0.46 % | (81) | (0.10)% | (2) | 0.53 % | (83) |
| Little Internet Private Limited (Including step down subsidiary) | (0.21)% | (271) | (0.34)% | 61 | 0.00 % | * | (0.39)% | 61 |
| Orbgen Technologies Private Limited | 0.09 % | 121 | 0.26 % | (46) | (0.14)% | (3) | 0.31 % | (49) |
| Paytm Payments Services Limited | 0.99 % | 1,287 | (0.30)% | 54 | (0.05)% | (1) | (0.34)% | 53 |
| Paytm Insurance Broking private limited | 0.20 % | 264 | 0.53 % | (93) | 0.00 % | * | 0.59 % | (93) |
| Paytm Services Private Limited (Formerly known as Balance Technology Private Limited) | 0.05 % | 59 | 0.07 % | (13) | (0.24)% | (5) | 0.11 % | (18) |
| Foreign | | | | | | | | |
| One97 Communications Singapore Private Limited (Including step down subsidiary) | 10.14 % | 13,173 | (0.14)% | 25 | 43.32 % | 902 | (5.91)% | 927 |
| One97 Communications FZ-LLC | 0.08 % | 103 | (0.02)% | 4 | 0.00 % | - | (0.02)% | 4 |
| One97 Communications Nigeria Limited | (0.12)% | (157) | 0.10 % | (18) | 0.00 % | - | 0.11 % | (18) |
| One97 USA Inc. | 0.02 % | 32 | (0.10)% | 17 | 0.00 % | - | (0.11)% | 17 |
| Non controlling interests in subsidiaries | (0.17)% | (227) | 0.04 % | (6) | 0.00 % | * | 0.04 % | (6) |
| Interest in Associate (Investments as per equity method) | | | | | | | | |
| Indian | | | | | | | | |
| Paytm Payments Bank Limited | 1.60 % | 2,073 | (0.16)% | 28 | (0.19)% | (4) | (0.16)% | 24 |
| Paytm General Insurance Limited | 0.00 % | - | 0.00 % | - | 0.00 % | - | 0.00 % | - |
| Paytm Life Insurance Limited | 0.00 % | * | 0.00 % | * | 0.00 % | - | 0.00 % | * |
| Infinity Transoft Private Limited | 0.06 % | 79 | 0.00 % | * | 0.00 % | - | 0.00 % | * |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

35. Additional information (Contd..)

| Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or (loss) | | Share in Total Other Comprehensive Income/(Loss) for the year | | Share in Total Comprehensive Income/(Loss) for the year | |
|--|--|----------------|-------------------------------------|-----------------|---|--------------|---|-----------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| Eatgood Technologies Private Limited | 0.14 % | 188 | 0.03 % | (5) | 0.00 % | - | 0.03 % | (5) |
| Paytm Financials Services Limited | 0.14 % | 177 | 0.08 % | (15) | 6.24 % | 132 | (0.75)% | 117 |
| Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) | 0.00 % | - | 0.00 % | - | 0.00 % | - | 0.00 % | - |
| Interest in Joint Venture (Investments as per equity method) | | | | | | | | |
| First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) | 0.00 % | - | 0.75 % | (133) | 0.00 % | - | 0.85 % | (133) |
| | 100.00% | 129,929 | 100.00% | (17,765) | 100.00% | 2,082 | 100.00% | (15,683) |

* Amount below rounding off norms adopted by the Group

36. Impairment review

A. Goodwill arising on Consolidation

The Group monitors the business of the respective acquisitions independently and thus considers each acquisition as a separate Cash Generating Unit ('CGU').

Carrying amount of Goodwill (net of impairment):-

| Cash Generating Unit | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Orbgen Technologies Private Limited | 140 | 140 |
| Wasteland Entertainment Private Limited | 202 | 202 |
| Mobiquest Mobile Technologies Private Limited | 68 | 68 |
| Urja Money Private Limited | 33 | 33 |
| Total | 443 | 443 |

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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

36. Impairment review (Contd..)

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 Group; 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 18% to 21% (March 31, 2023: 20% to 25%) which in the opinion of management are consistent with companies in similar business.

Growth rates: The terminal growth rates used are in the opinion of management 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, range from 1.5 to 2.5 times (March 31, 2023: 1.5 to 2.5 times) of revenue for the terminal year.

Goodwill Impairment

As at March 31, 2024 and March 31, 2023, the estimated recoverable amount of CGU exceeded its carrying amount and accordingly, no impairment was recognised. An analysis of the sensitivity of the computation to change in key assumptions based on reasonable probability did not identify any possible scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

B. Investment in Associate

For impairment testing, the management has treated investment in PPBL as a separate CGU and there is no change in the composition of this CGU since previous estimate of its recoverable amount. The impairment loss pertains to single segment as identified in note 34.

Considering the factors stated in note 45, the Holding Company has determined, on a prudent basis, that both the value-in-use and fair value less cost of disposal of the Holding Company's investment in PPBL are nil at the reporting date. Since the management has used qualitative factors to determine value-in-use as well as fair value less cost of disposal of the Holding Company's investment in PPBL, separate disclosures such as fair value hierarchy, valuation technique and assumptions used including discount rate are not separately given.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

37. Transactions with Non-controlling Interests

During the current year and previous year, Company has no transactions with Non-controlling Interests.

Non Controlling Interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

| Summarised Balance Sheet | Little Internet Private Limited | | Nearbuy Internet Private Limited | | Mobiquest Mobile Technologies Private Limited | |
|-------------------------------|---------------------------------|----------------|----------------------------------|----------------|---|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Current assets | 5 | 2 | 54 | 61 | 161 | 124 |
| Current liabilities | 2 | 34 | 35 | 42 | 239 | 157 |
| Net current assets | 3 | (32) | 19 | 19 | (78) | (33) |
| Non-Current assets | 1 | * | 2 | 3 | 14 | 29 |
| Non-Current liabilities | 137 | 113 | 136 | 120 | 14 | 15 |
| Net non-current assets | (136) | (112) | (134) | (117) | * | 14 |
| Net assets | (133) | (144) | (115) | (98) | (78) | (19) |
| Accumulated NCI | (163) | (158) | # | # | (56) | (33) |

| Summarised statement of profit and loss | Little Internet Private Limited | | Nearbuy Internet Private Limited | | Mobiquest Mobile Technologies Private Limited | |
|---|---------------------------------|----------------|----------------------------------|----------------|---|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Revenue | - | - | 69 | 79 | 389 | 294 |
| Profit/(Loss) for the year | 4 | (2) | (18) | 63 | (62) | (81) |
| Other comprehensive income / (loss) | * | * | * | * | (2) | (2) |
| Total comprehensive income | 4 | (2) | (18) | 63 | (64) | (83) |
| Loss allocated to NCI# | (5) | 22 | # | # | (22) | (28) |

Accumulated NCI and Loss allocated to NCI of Little Internet Private Limited includes accumulated NCI and loss allocated for Nearbuy Internet Private Limited.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

37. Transactions with Non-controlling Interests (Contd..)

| Summarised cash flows | Little Internet Private Limited | | Nearbuy Internet Private Limited | | Mobiquest Mobile Technologies Private Limited | |
|--|---------------------------------|----------------|----------------------------------|----------------|---|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Net cash inflow/ (used) in operating activities | (20) | (1) | (4) | 2 | 21 | (21) |
| Net cash inflow/ (used) in investing activities | * | * | (19) | - | 33 | (8) |
| Net cash inflow/ (used) from financing activities | (20) | (1) | * | (1) | * | (1) |
| Net increase/ (decrease) in cash and cash equivalents | (40) | (2) | (23) | 1 | 53 | (30) |

* Amount below rounding off norms adopted by the Group.

38. Other related parties*

Detail of companies having common directors (as per Companies Act, 2013):

PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited)

Paytm Wholesale Commerce Private Limited

Aye Finance Private Limited

Busybees Logistics Solutions Private Limited

Capfloat Financial Services Private Limited

Mountain Trail Foods Private Limited

Senco Gold Limited

Urbanclap Technologies India Private Limited

NetAmbit Valuefirst Services Private Limited

Gang OH Innovations Private Limited

Rooter Sports Technologies Private Limited

VRB Consumer Products Private Limited

(formerly known as Veeba Food Services Private Limited)

Zaan WebVeda Private Limited

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

38. Other related parties* (Contd..)

Detail of companies and firms having members / partners (as per Companies Act, 2013):

Applied Life Private Limited
 Nurturing Green Plantation Private Limited
 Phasorz Technologies Private Limited
 Immaculatebites Private Limited
 Yourstory Media Private Limited
 Kenrise Media Private Limited
 Nobroker Technologies Solutions Private Limited
 Sourcecode Media Private Limited
 Tinysurprise Online Services Private Limited
 Shardul Amarchand Mangaldas & Co.
 Light Ray Advisors LLP

Other parties

Remuneration to KMPs of subsidiaries
 Remuneration to Independent Directors
 Paytm Foundation

*Though not 'Related Party' as per the definition under Ind AS 24, 'Related party disclosures' have been included by way of a voluntary disclosure, following the best corporate governance.

Details of transactions with related parties during the year ended March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Services received from related parties | | |
| - General expenses | | |
| Applied Life Private Limited | 8 | 7 |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 8 | 47 |
| Busybees Logistics Solutions Private Limited | 29 | 35 |
| Immaculatebites Private Limited | 5 | 8 |
| NetAmbit Valuefirst Services Private Limited | 8 | - |
| Yourstory Media Private Limited | * | 6 |
| Paytm Foundation | 8 | 26 |
| - Legal and professional fees | | |
| Shardul Amarchand Mangaldas & Co. | - | 27 |
| | 66 | 156 |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

38. Other related parties* (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Rendering of services to related parties | | |
| PAI Platforms Private Limited | 1,408 | 1,055 |
| (formerly known as Paytm E-Commerce Private Limited) | | |
| Aye Finance Private Limited | 1 | 2 |
| Busybees Logistics Solutions Private Limited | * | - |
| Capfloat Financial Services Private Limited | 3 | - |
| Gang OH Innovations Private Limited | 1 | - |
| Immaculatebites Private Limited | * | * |
| Kenrise Media Private Limited | * | - |
| Light Ray Advisors LLP | 4 | - |
| Mountain Trail Foods Private Limited | - | * |
| Nobroker Technologies Solutions Private Limited | * | - |
| Nurturing Green Plantation Private Limited | 1 | * |
| Phasorz Technologies Private Limited | * | 6 |
| Rooter Sports Technologies Private Limited | 49 | - |
| Senco Gold Limited | 6 | - |
| Sourcecode Media Private Limited | * | - |
| Tinysurprise Online Services Private Limited | - | * |
| Urbanclap Technologies India Private Limited | 37 | 9 |
| VRB Consumer Products Private Limited | * | - |
| (formerly known as Veeba Food Services Private Limited) | | |
| Yourstory Media Private Limited | - | * |
| Zaan WebVeda Private Limited | * | - |
| | 1,510 | 1,072 |
| Reimbursement of expenses incurred on behalf of related parties | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 207 | 455 |
| Paytm Wholesale Commerce Private Limited | * | - |
| | 207 | 455 |
| Remuneration to KMPs of subsidiaries | | |
| Short-term employee benefits (Salaries, bonus and incentives) | 150 | 128 |
| Employee share based payment | 207 | 229 |
| | 357 | 357 |
| Remuneration to Independent Directors | 75 | 74 |

Details of balances outstanding with related parties as at March 31, 2024 and March 31, 2023:-

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Other financial assets | | |
| PAI Platforms Private Limited | 14 | 5 |
| (formerly known as Paytm E-Commerce Private Limited) | | |
| Applied Life Private Limited | * | * |
| Paytm Wholesale Commerce Private Limited | * | - |
| Aye Finance Private Limited | - | * |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

38. Other related parties* (Contd..)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Busybees Logistics Solutions Private Limited | * | - |
| Capfloat Financial Services Private Limited | 1 | - |
| Mountain Trail Foods Private Limited | * | * |
| Nurturing Green Plantation Private Limited | * | - |
| Phasorz Technologies Private Limited | 2 | 2 |
| Senco Gold Limited | * | - |
| Urbanclap Technologies India Private Limited | 1 | 1 |
| | 18 | 8 |
| Other financial liabilities | | |
| Applied Life Private Limited | 2 | 3 |
| Busybees Logistics Solutions Private Limited | 15 | 23 |
| Immaculatebites Private Limited | * | * |
| Yourstory Media Private Limited | 1 | * |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 85 | - |
| | 103 | 26 |
| Trade Payables | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 3 | 70 |
| Shardul Amarchand Mangaldas & Co. | 14 | 19 |
| NetAmbit Valuefirst Services Private Limited | 11 | - |
| Remuneration to Independent Director | 18 | 19 |
| | 46 | 108 |
| Contract liabilities | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 2,297 | 3,384 |
| Trade Receivables | | |
| PAI Platforms Private Limited (formerly known as Paytm E-Commerce Private Limited) | 25 | 16 |

* Amount below rounding off norms adopted by the group.

39. Overdue outstanding foreign currency receivables

As of March 31, 2024, the Holding Company has certain foreign currency receivable balances aggregating to INR 367 outstanding beyond the stipulated time period permitted under the RBI Master Direction on Export of Goods and Services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI). The Holding Company has applied to the Authorised Dealer Bank seeking permission for extension of time for realisation of receivables amounting to 129 and write-off of receivables amounting to 238 and the approval is currently awaited.

Further, two subsidiaries namely Mobiquest Mobile Technologies Private Limited and Orbgen Technologies Private Limited, had applied to AD Bank/ RBI for extension and write-off of receivables

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

39. Overdue outstanding foreign currency receivables (Contd..)

aggregating to INR 7. Based on response from AD Bank/RBI, these companies have obtained the STPI registration and are in the process of filing their respective applications for condonation of delays in respect of reporting of export of software and submission of SOFTEX forms with the STPI authorities.

The Group believes that there is no material financial impact of the above matters.

40. Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961/ applicable regulations. For this purpose, the Group has appointed independent consultants for conducting Transfer Pricing Study. Management is of the opinion that its international transactions with associated enterprises have been undertaken at arms' length basis at duly negotiated prices on usual commercial terms. The transfer pricing study of the Holding Company for the year ended March 31, 2023 has been completed which did not result in any material adjustment.

41. Corporate Social Responsibilities (CSR) expenditure

The Holding Company has not earned net profit in three immediately preceding financial years, therefore, there was no amount as per section 135 of the Act which was required to be spent on CSR activities in the current financial period by the Holding Company. However, the Holding Company has spent an amount of INR 8 (March 31, 2023: INR 26) as CSR expenditure.

In respect of subsidiaries on which CSR is applicable, refer below for disclosures:

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Amount required to be spent during the year | 5 | 6 |
| Amount of expenditure incurred | 5 | 5 |
| Amount of shortfall for the year | - | 1 |
| Amount of cumulative shortfall at the end of the year | - | 1 |

The subsidiary has incurred INR 5 during the year towards donation to designated fund. During the previous year, the subsidiary has incurred INR 5 towards charity foundations for activities in relation to promoting education including special education and employment enhancing vocation skills, and digital literacy and cyber security/awareness.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

42. Notes given by the subsidiary in respective Financial Statements/Information:

Paytm Payments Services Limited:

The Company filed an application for authorization to set up Payment System ('PA application') under sub-section (1) of Section 5 of the Payment and Settlement Systems Act, 2007 with the Department of Payment and Settlement Systems, Reserve Bank of India ("RBI") on January 8, 2021, in response to which, the Company received a letter from the RBI on November 25, 2022. As per the letter, the Company was required to obtain necessary approval for past downward investment from its parent company, One 97 Communications Limited ("OCL"), in compliance with Foreign Direct Investment ("FDI") Guidelines and resubmit the PA application within 120 calendar days. Pursuant to the aforesaid, the Company had applied to the requisite government authorities seeking approval for the past downward investment made by OCL on December 14, 2022, which is still under process.

Further, the Company has received an extension of time from RBI, vide its letter dated March 23, 2023, for resubmission of the application. As per RBI's letter, the Company can continue with the online payment aggregation business, while it awaits approval from Government of India ('GoI') for past downward investment from OCL into the Company and needs to resubmit the PA application within 15 days of receipt of the approval from GoI and to inform RBI immediately, if any adverse decision is taken by the GoI.

Management has assessed that this does not have a material impact on the financial statements and the business and revenues since the communication from RBI is applicable only to onboarding of new merchants. Accordingly, no adjustment has been made in these financial statements.

43. Utilisation of IPO proceeds

During the year ended March 31, 2022, the Holding Company had completed its initial public offer (IPO) of 85,116,278 equity shares of face value of INR 1 each at an issue price of INR 2,150 per share, comprising fresh issue of 38,604,651 shares and offer for sale of 46,511,627 shares by selling shareholders. Pursuant to the IPO, the equity shares of the Holding Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 18, 2021.

The Holding Company has incurred INR 3,983 as IPO related expenses and allocated such expenses between the Company INR 1,806 and selling shareholders INR 2,177. Such amounts were allocated based on agreement between the Holding Company and selling shareholders and in proportion to the total proceeds of the IPO. Out of Holding Company's share of expenses of INR 1,806, INR 1,380 has been adjusted to securities premium.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

43. Utilisation of IPO proceeds (Contd..)

Details of utilisation of net IPO Proceeds of INR 81,194, are as follows:

| S. No | Objects of the issue | Amount as proposed in Offer Document | Amount Utilised up to March 31, 2024 | Amount Un- utilised as on March 31, 2024 |
|----------|---|--|--|--|
| 1 | Growing and strengthening our Paytm ecosystem, including through acquisition and retention of consumers and merchants and providing them with greater access to technology and financial services | | | |
| | i) Marketing and promotional expenses | 43,000 | 7,615 | - |
| | ii) Expanding our merchant base and deepening our partnership with our merchants | | 17,217 | |
| | iii) Strengthening and expanding our technology powered payments platform | | 18,168 | |
| | Total (A) | 43,000 | 43,000 | - |
| 2 | Investing in new business initiatives, acquisitions and strategic partnerships | | | |
| | i) Investments in new business initiatives | | | |
| | a) Payment Services | 20,000 | - | 20,000 |
| | b) Commerce and cloud services | | - | |
| | c) Financial Services | | - | |
| | ii) Investments in acquisitions and strategic partnerships | | - | |
| | Total (B) | 20,000 | - | 20,000 |
| 3 | General corporate purposes | 18,194 | 18,194 | - |
| | Total (C) | 18,194 | 18,194 | - |
| | Total (A+B+C) | 81,194* | 61,194 | 20,000 |

*During the quarter ended June 30, 2023, un-utilised IPO issue expenses of INR 60 has been transferred to net IPO proceeds, thereby increasing it from INR 81,134 to INR 81,194 and earmarked for general corporate purposes in accordance with the Objects of the Offer.

Net IPO proceeds which were un-utilised as at March 31, 2024 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III

- (i) (a)** The Group has granted loans and made investment in some of its subsidiary companies, associate companies and joint ventures. Loans have been given for general corporate purpose. In some of the cases, the subsidiaries, associate and joint ventures have utilised borrowings for further investment as per their business requirement. Details of the Loans and investments are as follows:

One 97 Communications Limited

For the year ended March 31, 2024 and March 31, 2023:

| Name of Intermediary | CIN | Relation with Company | Type | Date | Amount | Name of Ultimate beneficiary | Relation with Intermediary | Type | Date | Amount |
|----------------------------|------------------------|-----------------------|-----------------------------------|-----------------|--------|---|---|-------------------|-------------------|--------|
| Admirable Software Limited | U72900DL2021 PLC385287 | Associate Company | Optionally Convertible Debentures | August 21, 2023 | 175 | Mobiquest Mobile Technologies Private Limited | Ultimate beneficiary is the subsidiary of the company which has significant influence over the intermediary | Equity Investment | December 27, 2023 | 154 |

The above transactions are in compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

- (i) (b)** The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (ii)** There are no borrowings outstanding as on March 31, 2024. For the previous year, the Group has availed loan from the bank on the basis of security of current assets as disclosed under note 12(a) of the financial statements.

(iii) Disclosure of Struck off Companies

Details of transactions entered into by the Group with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(a) One 97 Communications Limited (Holding Company)

The Holding Company has balances with the below-mentioned companies identified as struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 as at March 31, 2023. During the previous year, the Holding Company had written off and written back the balances with struck off companies amounting to * and 1 respectively.

| Name of the struck off company | Balance outstanding as at March 31, 2024 | Relationship with the struck off company |
|---|--|--|
| Viktoria Cineplex Private Limited | 5 | Customer |
| Getit Infoservices Private Limited | 1 | Customer |
| Topaco Tech Private Limited | 1 | Vendor |
| Gci Network Private Limited | 1 | Vendor |
| Riseup Technologies Private Limited, Travel Choice International Private, Veddissolars Private Limited, Crock X Tech Private Limited, Cls Software Private Limited, Acugro Private Limited, Rockers Softech Private Limited, Friz Advert Private Limited, Sopnop Technologies Private Limited, Chanson Hospitality Private Limited, Charisma Spa Private Limited, Fs Marcom Private Limited, II&T Consultancy Private Limited, Busykart Info Private Limited, Nexhop Services Private Limited, Arsh Buildwell Private Limited, Opulent Sojourn Private Limited, Klamod India Private Limited, Ibridge Ventures Private Limited, Coloring India Creative Arts Centre, Southern Memories Private Limited, Hawkdiaries Travels Private Limited, Modmox Solutions Private Limited, Valyoued Services Private Limited, Amufe Retail Private Limited, Pixel Care India Private Limited, Faroma Foodtech Private Limited, Alternate Etail Private Limited, Smart Choice Healthy Private. Limited., Deo Gam Hospitality Private Limited, Zoi Hospitality Private Limited, Arlee Enterprises Opc Private Limited, Alevy Foods Private Limited, R A Fitness Solutions Private Limited, Salvation Infotech Private Limited, Kloud Kuisine Opc Private Limited, Snackishq Foods Private Limited, White Pine Retail Private Limited, Inkpot Online Private Limited, Muddywoods Private Limited, Navodyami Services Private Limited, Priority Trends Private Limited, Ethnus Technologies Private Limited, Ideapot Business Consultancy, Micromac Tech Private Limited, Levizi Technologies Private Limited, Plash Digital Media Private Limited, Kvk Agri Products Limited, Mishri Hospitality Private Limited, Minrav Restaurants Private Limited, Rvn Food Opc Private Limited, Dizovi Foods Private Limited, Corpindia Eduminds Private Limited, Hopngo Technologies Private Limited, Tnf Technologies Private Limited, Bsporty India Private Limited, Kroods Technologies Private Limited, | 1 | |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

| Name of the struck off company | Balance outstanding as at March 31, 2024 | Relationship with the struck off company |
|---|--|--|
| Ingo Hospitality Private Limited, Frontenders Senior Health Services, Obrien Goli Private Limited, Owl Tech Private Limited, Krisa Hospitality Private Limited, Food Tech Dabba Private Limited, M.I.P. Marketing Private Limited, Jitendra Hindustan Dhaba Private Limited, Batman Delivers Hospitality Private Limited, Sukriti Hospitality Private Limited, Panwaadi Private Limited, Game Of Shakes Private Limited, Scubert Retail Services Private Limited, Mywash Technologies Private Limited, Kitchen Diaries Private Limited, Telstro Tech Private Limited, Nga Technologies Private Limited, Teilen Infoservices Private Limited, Rootwork Systems Private Limited, Hifrex Technologies Private Limited, Sebax Resources Private Limited, Gyankosh Solutions Private Limited, Naxr Logistics Private Limited, Jeeone Promotion India Private Limited, Amrj Retail Private Limited, Ingredior Tech Private Limited, Briller Enterprises Private Limited, Boston Corporation Private Limited, Hashtag Foods Private Limited, Fantasy Tadka Private Limited, Shivashu Players Private Limited, R.J. Establishments Private Limited, Vans Hospitality Private Limited, Engieme Tech Private Limited, Aham Kriyashtaki Private Limited, Engrave Research Private Limited, Poolcircle Technologies Private Limited, Bww Edutech India Private Limited, Zinnia Hospitality Services Private, Home Decolam, Maillard Foods Private Limited, Conscious Creation Private Limited, Global Softnet Software Private Limited, Pizzaroma Food Private Limited, Ezyone Digital Systems Private Limited, Gigatable Technologies Private Limited, Preekva Shipping Services Private Limited, Wanz Services Private Limited, Staypure Private Limited, Akshayyam Hospitality Private Limited, Clickroo Retail Private Limited, Aperitive Foodbev Private Limited, Square Shope India Private Limited, Searchbox Ecommerce Private Limited, Cnb Pharmacare Private Limited, Skrilo India Private Limited, Smithfield Retail Private Limited, Dravya Technosys Private Limited, Dlb Infotech Private Limited, Chocu Technologies Private Limited, Raining Clouds Technologies Private Limited, Itcore Services Private Limited, Deep Enterprises Private Limited, Yellow Brick Road Digital Marketing, Stardew Technology Private Limited, Nsl Sports Ventures Private Limited, 7 Star Cafe Private Limited, Quick Drop Ecommerce Private Limited, Vektrix Consulting Private Limited, Kjtricks Technology Private Limited, Leaguesx Entertainment Private Limited, Zapcel Technologies Private Limited, One M Infomedia Private Limited.# | | |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

| Name of the struck off company | Balance outstanding as at March 31, 2024 | Relationship with the struck off company |
|--|--|--|
| Alix Retail Private Limited, Wowrooms Trips Private Limited, Life Plus Living Private Limited, A P Motors Private Limited, Srs Entertainment Limited, Rufus Technology Private Limited, Uzhavan Foods Private Limited, Allespay Retail Private Limited, Inglorious Gluttony Private Limited, Elegant Retails Private Limited, Madras Ventures Private Limited, Roof King Solar Private Limited, Higuests India Private Limited, Nusa Foods Private Limited, White Feathers Hospitality Private Limited, Samrudhi Suites Private Limited, Bennett Coleman And Co Limited, Welkin Holidays Private Limited, Rupicon Business Solutions Private, Reesh Enterprises Private Limited, Glean Cuisine Private Limited, Sakha Global Private Limited, Sortmy Hotel Private Limited, Bittoo Tikki Wala Private Limited, Napson Hoteols Private Limited, Crazy Travelers Private Limited, J K Dynamic Private Limited, Jindal Tourism Private Limited, Henvy Marketing Private Limited, East West Ethnic Foods Private Limited, Nilay Surgical Private Limited, Sam Cuisines Private Limited, Sangram Hospitality Private Limited, Mds Foods Private Limited, Apg Retail Private Limited, Msr Technologies Private Limited, Primo Hospitality Private Limited, Apna Haat Retail Private Limited, Ensemble Furniture Limited, Hibiscus Wellness Private Limited, Montage Retail Private Limited, Stream Food Works Private Limited, Indpro Hospitalities Private Limited, Enfield Riders Private Limited, H And V Projects Private Limited, Fungs Kitchen Private Limited, Orvice Technologies Private Limited, F.E. Food Tech Private Limited, Dr Wheelz Auto Service Private Limited, Ayat Online Service Private Limited, Just Retail India Private Limited, Artika Foods Private Limited, Queer Zeit Foods Private Limited, Impresa Hospitality Management Private, Urban Epicuria Hospitality Services, Parish Enterprises Private Limited, Timeforpet Online Private Limited, Cartz India Private Limited, Chickmunks Private Limited, Integrity Altotrade Private Limited, Nandu Education Private Limited, Ziotiv Technologies Private Limited, Blue Hat Education Private Limited, Namma Adda Private Limited, D2H Retail Concepts Private Limited, Simply Exotic Foods Private Limited, Nirvanabox Techretail Private Limited, Weshope Private Limited, Techdig Fintech Private Limited, Bombradyre Tech Private Limited, Knewton Concepts Private Limited, Moorem Technologies Private Limited, 7Nodes Technology Solutions Private, Crest Lawns Private Limited, Iservc Solutions Private Limited, Racket Technologies Private Limited, | Amount individually and as aggregate are below rounding off norms adopted by the Company | Customer |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

| Name of the struck off company | Balance outstanding as at March 31, 2024 | Relationship with the struck off company |
|--|--|--|
| Samvarga Digital Private Limited, Instatech Solutions Private Limited, Adroit Corporation Private Limited, Belgique Chocolates Private Limited, Questr Solutions Private Limited, Ambrosio Concepts Private Limited, Born Again Clinic Private Limited, Stpl Ict Consulting Private Limited, Bane Infotech Private Limited, Brijwasi Shine Chem Private Limited, Carzip Technologies Private Limited, Jocular Store Private Limited, Kanta Tours And Travels Private Limited, Quality Shop India Private Limited, Second Life Technologies India Private, Shopinway Ecommerce Private Limited, Slave Technologies Private Limited, Stackbytz Business Private Limited, Adas Technologies Private Limited, Amenity Infotech Private Limited, Azzra World Private Limited, Ccr Designer Closet Private Limited, D & T Retail Private Limited, Dealmonk E Services Private Limited, Edumate Services Private Limited, Glydel Tech Private Limited, Lahori Foods Private Limited, Letmedrive India Private Limited, Logicrats India Private Limited, Parim Infocomm Private Limited, Supr Techlabs Private Limited, Zichbuy Private Limited, Bodhojas Solutions Private Limited. | | |

*Amount individually is below rounding off norms adopted by the group but as aggregate is INR 1.

(b) Wasteland Entertainment Private Limited (Subsidiary)

| Name of struck off companies | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 | Relationship with the struck off company |
|---|--|--|--|
| S K Consultancy Services Private Limited, Genesis Foundation Pvt Ltd, Allstars United India Private Limited, Magnum Fashions Private Limited, Pb Entertainment Private Limited, Razzle Dazzle Entertainment Private Limited, Shivam Enterprises Pvt Ltd, M K Enterprises Private Limited, Prince Enterprises Pvt Ltd, Anu Travels Private Ltd, Travel Plus India Private Limited. | * | 1 | Customer |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

| Name of struck off companies | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 | Relationship with the struck off company |
|---|--|--|--|
| Matrix Technologies Private Limited, S.K. Travels Private Limited, Sun Enterprises Private Limited, Third Eye Security Systems Private Limited, Indecor Private Limited | * | 1 | Vendor |

* Amount below rounding off norms adopted by the Group.

(c) Nearbuy India Private Limited (Subsidiary)

| Name of struck off companies | Balance outstanding as at March 31, 2024 & March 31, 2023 | Relationship with the struck off company |
|--|--|--|
| Bhole Hr Solutions Private Limited, Blue Lagoon Unisex Saloon Private limited, East West Ethnic Foods Private Limited, Gmnow Hospitality Private Limited, Rosewood Cafe Private Limited, Sunshine Inn Private Limited, Venusstar Hospitality Private Limited, Infinity Hospitality Private Limited, Eminent Entertainment Private Limited, Om Sai Enterprises Private Limited, S P Enterprises Private Limited, G. K. Motel Private Limited, Compere Hotels Private Limited, Red Ninja Hospitality Private Limited, A K M Enterprises Private Limited, Navrang Pvt Ltd, Shivmitar Foodlinks Private Limited, Vishal Electronics Private Limited, Anu Foods Limited, Vroom Technologies Private Limited, Big Bang Hospitality Private Limited, T & D Ventures Private Limited, Club House Private Limited, Birla Ayurveda Private Limited, Westend Grills Foods Private Limited, Kavya Enterprises Private Limited, Royal Baker Private Ltd, Uzhavan Foods Private Limited, Piccadilly Holiday Resorts Ltd, Nayab Food Private Limited, Zam Zam Caterers Private Limited, Invictus Hospitality Private Limited, Madras Ventures Private Limited, Surya Communications Pvt Ltd, Shiva Foods Pvt Ltd, M. G. Hospitality Private Limited, Andivaa Entertainments Private Limited, Hard Rock Cafe Private Ltd, Aquarius Private Limited, Barcelos India Private Limited, Comrades Cafe Private Limited, Marvel Foods Pvt Ltd, S P Enterprises Private Limited, Solaris Corporate Services Private Limited, Sun Systems Pvt Ltd, Mahanirvana, Hospitality Private Limited. | Amount individually and as aggregate are below rounding off norms adopted by the Group | Merchant – receivables |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

| Name of struck off companies | Balance outstanding as at March 31, 2024 & March 31, 2023 | Relationship with the struck off company |
|--|--|--|
| Alive Day Spa Private Limited, Birla Ayurveda Private Limited, Bts Hospitality Private Limited, Delicitable Gnosh Private Limited, Elite Enterprises Pvt Ltd., G.R.International Private Limited, Greenpark hotels and resorts Limited, Headlines Makeover Studio Private Limited, International Recreation and amusement Limited, Jain Farms Pvt Ltd, Mag Leisures Private Limited, Mantra Solutions Private Limited, O2 Spa Private Limited, Radha Mohan Buildtech Private Limited, Rekha business solutions Private Limited, Rida enterprises Private Limited, Rocksalt Foods Private Limited, Royal Associates Private Limited, Sairam enterprises Private Limited, Sri Mookambigai Foods Pvt Ltd, Suruchi Foods Private Limited, Tease Salon Private Limited, Thai Orchid Hospitality Private Limited, Tif Digital Private Limited, V S Realestate Private Limited, Yo Yo Club Private Limited, Yuga Enterprises Private Limited, Trend Creators Private Limited, Rohan Enterprises Private Limited, Suruchi Foods Private Limited, Snr Enterprises Private Limited, A.R Associates, Lucky Enterprise, Paras Infotech Private Limited, Prakruthi Ayurveda And Wellness Private limited. | Amount individually and as aggregate are below rounding off norms adopted by the Group | Merchant – payables |
| Metamorphosis Private Limited, Prankstar Private Limited, J.D. Hotels Private Limited, Devour Skin Care Private Limited, Hard Rock Cafe Private Ltd. | Nil | Merchant |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(d) Paytm Payments Services Limited (Subsidiary)

| Name of struck off companies | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 | Relationship with the struck off company |
|--|--|--|--|
| Immune Mantra Private Limited | 5 | 5 | Merchant |
| Genblue Hitech Private Limited | 2 | 2 | Merchant |
| Light Catcher Information Technology Private Limited | 1 | 1 | Merchant |
| Bombardin Tech Private Limited | 1 | 1 | Merchant |
| Topaco Tech Private Limited | 1 | - | Merchant |
| Herboks Private Limited | 1 | - | Merchant |

| Name of struck off companies | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 | Relationship with the struck off company |
|---|--|--|--|
| AP Immigration Private Limited, Dailman Technology Private Limited, Siriyan Business Solutions Private Limited, Globalares Technologies Private Limited, Fruitful Harvest Private Limited, Lorene Solutions Private Limited, Sikpav Infotech Private Limited, Indrajit and Arijit Private Limited, Blustorm Hitech Private Limited, Svitt Hitech Private Limited, UCPAY India Private Limited, VRO Business Consultant Private Limited, Studio Kervin Private Limited, Loadingwala Smart Logistics Private Limited, Screeno Solutions Private Limited, Limu Agro Fresh Private Limited, DTS Enterprises Private Limited, Mars Buildhome Developers Limited, Skad Construction Private Limited, Saanchi Energy Private Limited, Flight Mantra Private Limited, Just Jobs Internet Services Private Limited, Mawale Infotech Private Limited, Marcom Marketing Services Private Limited, Bennett Coleman And Co Limited, Nedou Organics India, Gfp Solutions Private Limited, Amazing Careers Services India OPC. | 2 | 2 | Merchant |

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(iv) Details of benami property held

The Group does not hold any benami property and no proceedings have been initiated on or are pending against the Group under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(v) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PPE, intangible asset and investment property

The Group does not have any investment property during the current or previous year. The Group has chosen cost model for its Property, Plant and Equipment and intangible assets and hence no revaluation was carried out for these assets.

(xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties are held in the name of the Group during the current and previous year

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks and financial institutions.

The Group has utilised the borrowing for the purpose it was obtained.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

45. On January 31, 2024, the RBI issued a Press Release for action against Paytm Payments Bank Ltd ('PPBL'), a 49% associate of the Company, under Section 35A of the Banking Regulation Act, 1949, effectively restricting PPBL's normal business, permitting only withdrawal of the existing customer balances.

Pursuant to the RBI's actions as stated above, the Company has terminated its Nodal Accounts being maintained with PPBL. Subsequently, the Company has discontinued all major business activities it had with PPBL. Further, the Company has also made amendment to the shareholders agreement with PPBL by simplifying the terms therein and has also withdrawn its nominee director from the board of PPBL.

The business of PPBL has been significantly impacted by the RBI action described above. As of date, the audited financial statements of PPBL are not available and, accordingly, the Company has accounted for its share of losses and OCI of PPBL, based on unaudited financial information of PPBL as at and for the year ended March 31, 2024.

As at March 31, 2024, the Company has investments in PPBL amounting to INR 2,271 after considering its share of loss of INR 276 and share of other comprehensive gain of INR 31, for the year ended March 31, 2024, on the basis of unaudited financial information.

The Company understand that there are certain factors affecting ongoing operations of PPBL, including restrictions which affect normal operations of the primary products such as wallet and banking services etc as per regulatory action on Jan 31, 2024, as well as ongoing uncertainty on the timing and nature of restoration of any of the impacted services.

Considering the future uncertainties associated on the business operations of PPBL as mentioned above, including the uncertainty of any other regulatory developments, the scaled down business operations of PPBL, restrictions affecting normal operations of the primary products such as saving accounts, current accounts, wallet, as well as non-availability of audited financial information from PPBL, the management, on a prudent basis, has determined that the value of the Company's investment in PPBL is impaired and, accordingly, has recorded an impairment provision of INR 2,271, representing the carrying value of its investment in PPBL and disclosed the same as Impairment of investment in associate.

46. The Company during the year ended March 31, 2022 granted 21,000,000 Employee Stock Options to Managing Director and CEO of the Holding Company which is subject to achievement of specified milestones. During the current year, the Holding Company has received a Show Cause Notice ("SCN") from SEBI related to the above options regarding compliance with SEBI SBEB Regulations. The Holding Company has submitted its preliminary response and is in the process of seeking further information from SEBI in this regard. Based on an independent legal opinion obtained by the management, it believes that the Holding Company is compliant with the relevant regulations. Accordingly, there is no impact on the financial statements for the year ended March 31, 2024.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

47. The Holding Company, subsidiaries, associates and joint ventures which are companies incorporated in India and whose financial statements have been audited under the Act have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled and thus not operated for certain changes made using privileged access rights for 8 subsidiaries, and joint ventures. The audit trail feature in respect of accounting software, which have the feature of audit trail, has not been tampered with.

The feature of recording audit trail (edit log) facility was not enabled for certain sub-systems and certain applications, operated by third party software service provider, used for processing underlying transactions in respect of 4 subsidiaries and joint ventures and the same did not operate throughout the year for all relevant transactions recorded in the software. One insignificant subsidiary did not have a feature of recording audit trail (edit log) facility and thus not operated throughout the year. Due to the same, management is unable to verify if there have been any instances of the audit trail feature being tampered with.

The management is in process of evaluating appropriate measures to enable audit trail in these systems.

48. Previous year figures have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

For S. R. Batliboi & Associates LLP

Firm Registration No.: 101049W/E300004

Yogender Seth | Partner

Membership No: 094524

Place: Gurugram | Date: May 22, 2024

For and on behalf of Board of Directors of One 97 Communications Limited

Vijay Shekhar Sharma | Chairman,

Managing Director and CEO

DIN: 00466521

Place: New Delhi | Date: May 22, 2024

Madhur Deora | Executive Director,

President & Group Chief Financial Officer

DIN: 07720350

Place: New Delhi | Date: May 22, 2024

Sunil Kumar Bansal | Company Secretary

Place: Gurugram | Date: May 22, 2024

Notes

Notes



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One 97 Communications Limited

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