



August 21, 2023

BSE Limited

Department of Corporate Services,
Pheroze 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 23rd Annual General Meeting and Annual Report for the financial year 2022-23

Dear Sir / Ma'am,

This is in reference to our letter dated August 19, 2023 regarding the 23rd Annual General Meeting ("AGM") of the Company scheduled to be held on **Tuesday, September 12, 2023 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 23rd AGM
2. Annual Report for the financial year 2022-23.

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/ RTA/ 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., Tuesday, September 05, 2023**. The remote e-voting shall commence on **Friday, September 8, 2023 from 9:00 a.m. (IST) and conclude on Monday, September 11, 2023 at 5:00 p.m. (IST)**.

This disclosure will also be hosted on the Company's website viz. www.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 - 4770 770; **Fax:** +91 - 120 - 4770 771

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

Notice of the 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting ("AGM") of the Members of One 97 Communications Limited ("Company"), will be held on Tuesday, September 12, 2023 at 9:00 am (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, 2023, 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, 2023, 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, 2023, together with the report of the Auditors thereon, be and are hereby received, considered and adopted."

- To appoint a director in place of Mr. Madhur Deora (DIN: 07720350), who retires by rotation and 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. Madhur Deora (DIN: 07720350), 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."

- 3. To approve the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors 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 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, and such other rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company ("Board"), M/s. S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004) be and is hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, to hold the office from conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company, on such remuneration as may be decided by the Board on the recommendation of the Audit Committee.

RESOLVED FURTHER THAT the Board (which term shall include any Committee of the Board authorized in this regard) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

Special Business:

- 4. 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.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196(4), 197, 198, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) or any other applicable laws, rules, regulations etc. for the time being in force, in accordance with relevant provisions of Articles of Association of the Company, subject to such approval, permission, consent, sanction as may be required in this regard and pursuant to the recommendations of the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution and/or such other persons as may be authorized in this regard by the Board and/or Committee), approval of the Members of the Company, be and is hereby accorded, for payment of remuneration to Mr. Madhur Deora (DIN: 07720350), 'Executive Director, President and Group Chief Financial Officer' of the Company, for a

period of 3 (three) years effective from April 01, 2023 till March 31, 2026, as detailed in the explanatory statement attached hereto, as a minimum remuneration where the Company has no profits or the profits of the Company are inadequate, notwithstanding that the aforesaid remuneration may be in excess of the limits specified under Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary, alter and modify the terms and conditions of remuneration of Mr. Madhur Deora, within the overall limits approved herein, and further authorized to

do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary, expedient or desirable, with power on behalf of the Company to settle all such questions, difficulties or doubts whatsoever that may arise while giving effect to this resolution, without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in the foregoing resolution, be and are hereby approved, ratified and confirmed in all respects."

Registered Office:

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

CIN: L72200DL2000PLC108985

E-mail ID: compliance.officer@paytm.com

Date: August 16, 2023

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

Sunil Kumar Bansal
Company Secretary & Compliance Officer

Membership No.: F 4810

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

Notes:

1. In order to facilitate the maximum participation of the Members of the Company from different locations, the AGM 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. 10/2022 dated December 28, 2022, issued by the MCA ("MCA Circulars") and the various circulars including SEBI Circular No. SEBI/HO/CFD/ Pod-2/P/CIR/2023/4 dated January 5, 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 (the "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 is 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 for 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 23rd 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 No. 3 and 4 forms part of the Notice of 23rd AGM ("Notice"). Further, the relevant details with respect to Item No. 2 pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS-2, in respect of the Director seeking re-appointment at this AGM also forms part of the Notice.
6. A Member entitled to vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. 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 and attendance slip are not annexed to this Notice. The attachment of the route map for the AGM venue is also dispensed with.
7. **Electronic Dispatch of Notice and Annual Report**
In compliance with the Circulars, the Notice along with the Annual Report for FY 2022-23 ("Annual Report") is being sent only by

electronic mode to those 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, and the resolution(s) passed by the Members of the Company or any other documents referred to in the accompanying Notice and explanatory statement, shall be made available for inspection electronically by the Members, during business hours, in accordance with the applicable statutory requirements based on the requests received by the Company at compliance.officer@paytm.com.

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: Friday, September 08, 2023 at 9:00 a.m. (IST)
Conclusion of e-voting: Monday, September 11, 2023 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 Tuesday, September 05, 2023 ("Cut-off date").
- c) The Members of the Company, whose name appears 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.co.in.

However, if he/ she is already registered with NSDL for remote e-voting, then he/ she can use his/ her 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.
- f) 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.
- g) 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 Link Intime India Pvt. Ltd., by clicking the link: https://web.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 Members 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 and joining AGM for Individual Members holding securities in demat mode

In terms of 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 are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

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

Type of Member	Login Method
Individual Members holding securities 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 the 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 redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining AGM & voting during the meeting. 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 a 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 Member’s 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 the NSDL Depository site wherein you can see the e-voting page. Click on company name or e- Voting service provider name i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining AGM & voting during the meeting. 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>

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	<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.cdsindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi User ID and Password. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see the e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining AGM & voting during the meeting. Additionally, there are 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.cdsindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-voting pages by providing Demat Account Number and PAN No. from an e-voting link available on www.cdsindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail 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.
Individual Members (holding securities in demat mode) & login through their Depository Participants	<ul style="list-style-type: none"> 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 the 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 the e-voting website of NSDL for casting your vote during the remote e-voting period or joining AGM & voting during the meeting.

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 securities 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.co.in or call at 022 - 4886 7000 and 022 - 2499 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 and joining AGM for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.**

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

1. Visit the e-voting website of NSDL. Open a 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 ‘Members/ Shareholders’ section.

3. A new screen will open. You will have to enter your User ID, Password/OTP and a Verification Code as shown on the screen.

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

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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*****

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 use your existing password to login and cast your vote.
- b) If you are using the 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 e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail 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 e-mail ID is not registered, please follow steps mentioned below in the process for those Members whose e-mail 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.co.in 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 the "Login" button.
9. After you click on the "Login" button, home page of e-voting will open.

Step 2: Cast your vote electronically and join AGM on NSDL e-voting system.

How to cast your vote electronically and join AGM 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 and General Meeting is in active status.
2. Select "EVEN" of the Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
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.
8. The facility for joining the AGM through VC/ OAVM shall be opened for the Members 30 minutes before the scheduled time of the

commencement of the AGM and shall not be closed till expiry of 15 minutes after the scheduled time of AGM.

9. The facility of participation at the AGM through VC/ OAVM will be made available on first come first served basis. This will not apply to large Members (Members holding 2% or more shareholding) and Institutional Investors who are allowed to attend the AGM without any restriction on account of first come first served basis. Institutional Investors are encouraged to attend and vote at the AGM.

General Guidelines for Members

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 nitesh@indiacp.co.in with a copy marked to evoting@nsdl.co.in 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 "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 Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Pallavi Mhatre, Senior Manager) at evoting@nsdl.co.in.

Process for those Members whose e-mail 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 Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar 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), Aadhaar (self-attested scanned copy of Aadhaar Card) to (compliance.officer@paytm.com). If you are an Individual Member 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 and joining virtual meeting for Individual Members holding securities in demat mode.
3. Alternatively, Member may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-voting by providing above mentioned documents.

The instructions for Members for e-voting on the day of AGM are as under:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

Instructions for Members for attending the AGM through VC/OVAM 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 camera 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.

10. 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 07, 2023. Only those Members who are registered

as speaker 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 07, 2023.
- 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 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.

11. Scrutinizer for e-voting and Declaration of Results:

- a) Mr. Ankit Singhi (C.P No. 16274) and in his absence Mr. Nitesh Latwal (C.P. No. 16276), Partners of M/s. PI & Associates, practicing 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 after the conclusion of voting at the AGM, shall unblock the votes cast through e-voting (votes cast through remote e-voting and votes cast during the AGM) and shall, not later than 48 hours from conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person authorised 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. Tuesday, September 12, 2023 subject to receipt of the requisite number of votes in favour of the resolutions.
12. The recorded transcript of the AGM shall also be made available on the website of the Company at <https://ir.paytm.com/agm> as soon as possible after the conclusion of AGM.
13. 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 Company's RTA, at <https://web.linkintime.co.in/client-downloads.html>. It may be noted that any service request can be processed only after the folio is KYC Compliant as per SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. The KYC formats are available on the Company's website at <https://ir.paytm.com/faqs> and on the website of the Company's RTA at <https://web.linkintime.co.in/KYC-downloads.html>.
14. 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.

15. As per the provisions of Section 72 of the Act, the facility for making nomination 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 in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

16. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the DP's with whom they are maintaining their dematerialised accounts. Members holding securities in physical form are requested to submit their PAN, KYC and nomination details to the Company's RTA. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 in accordance with the SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer

such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

17. 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 dividend 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 2022-23 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 ("Act")

Item No. 3

The Company had appointed M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as the Statutory Auditors of the Company at the 18th Annual General Meeting ("AGM") held on September 28, 2018 for a period of 5 (five) consecutive years, to hold office from the conclusion of the 18th AGM till the conclusion of 23rd AGM of the Company.

M/s. Price Waterhouse Chartered Accountants LLP will complete their present term as Statutory Auditors of the Company on conclusion of the ensuing AGM. Further, pursuant to provisions of Section 139, 141, 142 and other applicable provisions of the Act read with the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors of the Company ("Board"), at its meeting held on March 31, 2023, on recommendation of Audit Committee had recommended the appointment of M/s. S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004) as the Statutory Auditors of the Company for a period of 5 (five) consecutive years, in place of retiring Statutory Auditors, M/s. Price Waterhouse Chartered Accountants LLP, to hold the office from the conclusion of 23rd AGM till the conclusion of the 28th AGM of the Company, to be held for FY 2027-28, at an annual remuneration of ₹ 14.20 million (consisting Statutory audit fee, limited review fee and other services fee), plus out of pocket expenses and applicable taxes for FY 2023-24. There is no material change in the fees for the statutory audit paid to M/s. Price

Waterhouse Chartered Accountants LLP for FY 2022-23, the retiring Statutory Auditors and the fees proposed to be paid to M/s. S.R. Batliboi & Associates LLP for FY 2023-24.

It is proposed to give authority to the Board, on the recommendation of the Audit Committee, to agree, revise, review and vary the terms & conditions of such appointment, remuneration etc. and to fix the remuneration to be paid for the subsequent years during their remaining tenure as the Statutory Auditors of the Company including out of pocket expenses and applicable taxes.

In addition to the statutory audit, the Company will also obtain certifications from M/s. S.R. Batliboi & Associates LLP under various statutory regulations and other permissible non-audit services as required from time to time, for which their remuneration shall be approved by the Audit Committee, in accordance with the provisions of Sections 142 and 144 of the Act.

While considering the appointment of M/s. S.R. Batliboi & Associates LLP as Statutory Auditors, the Audit Committee and the Board evaluated the firm on various parameters including but not limited to industry experience, competency of the audit team, efficiency in conduct of audit, independence, transition, overall audit approach, sector expertise and understanding of the Company & its business.

M/s. S.R. Batliboi & Associates LLP, is a limited liability partnership firm of Chartered Accountants, registered with the Institute of Chartered Accountants of India. Firm has a registered office at 22 Camac Street, 3rd Floor, Block B, Kolkata - 700016. M/s. S.R. Batliboi & Associates LLP has a valid peer review certificate

and is a part of S.R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

M/s. S.R. Batliboi & Associates LLP has given their consent to act as the Statutory Auditors of the Company and confirmed that the appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and KMPs of the Company or their relatives are, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

Item No. 4

The Members of the Company, at their 22nd AGM held on August 19, 2022, based on the recommendations of Nomination and Remuneration Committee and the Board, approved the appointment of Mr. Madhur Deora as Whole-time Director of the Company designated as "Executive Director, President and Group Chief Financial Officer", liable to retire by rotation, for a term of 5 (five) years with effect from May 20, 2022 up to May 19, 2027 and the terms of remuneration for a period from May 20, 2022 to March 31, 2023, as detailed in the explanatory statement attached to the Notice dated May 20, 2022.

Mr. Deora is liable to retire by rotation and being eligible offers himself for re-appointment at 23rd AGM.

Pursuant to the provisions of Section 196(4), 197, 198 and Schedule V of the Act relating to payment of managerial remuneration in case of absence of profits and/ or inadequacy of profits, the Company may pay remuneration

over and above the ceiling limit as specified therein, provided the Members' approval by way of a special resolution has been obtained for payment of minimum remuneration, subject to compliance with disclosure requirements and other conditions stated therein. In view of the foregoing factors, the approval of the Members of the Company is being sought for payment of remuneration to Mr. Madhur Deora, for the period commencing from April 01, 2023 to March 31, 2026, as may be permitted under applicable laws, in case of absence of profits and / or inadequacy of profits of the Company.

The details of proposed remuneration, as approved by the Board at its meeting held on May 05, 2023 based on the recommendation of Nomination and Remuneration Committee, to be paid to Mr. Madhur Deora as Whole-time Director designated as "Executive Director, President and Group Chief Financial Officer" of the Company are as under:

a) Remuneration (For the three financial years i.e. FY 2023-24 to FY 2025-26)

- o **Fixed pay:** ₹ 3,65,45,850 p.a. (with no further increment therein)
- o **Variable Remuneration (Long-Term Incentive Plan "LTIP")** upto ₹ 89,33,430 p.a (with no further increment therein) and will be paid out in 3 tranches. 50% of LTIP shall be paid out on completion of the 1st year end, 25% on completion of the 2nd year end and 25% on completion of the 3rd year end relating to the respective financial years. LTIP shall be payable based on performance, reviewed and approved by the Nomination and Remuneration Committee, and will be paid if the employee is on the rolls of the Company on the payment date.

o Stock Options :

- No Options are proposed to be granted under this resolution and any future ESOP grants will be subject to approval of Members, as may be required under applicable laws.

b) Perquisites: As per Company's policy and shall be within the remuneration as stated above in para (a).

c) Statutory Benefits and other Company benefits: As per the Company's policy, from time to time, including but not limited to contribution to provident fund, gratuity, leave encashment, medical insurance for self and family.

d) Reimbursements: Mr. Madhur Deora shall also be entitled to reimbursement of all legitimate expenses incurred by him in performance of his professional duties including but not limited to communication and travel expenses (including but not limited to reimbursements related to mobile bill, data card bills, internet bills, travel expenses, meal expenses etc. as per Company policy). Such reimbursement will not form part of his remuneration.

e) Minimum Remuneration: In the event of absence of profits and/ or inadequacy of profits in any financial year during the tenure of Mr. Madhur Deora as Whole-time Director designated as "Executive Director, President and Group Chief Financial Officer", the payment of above remuneration, perquisites, statutory benefits and other Company benefits, and stated reimbursements shall be made notwithstanding that such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Act or under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI

Listing Regulations") or under any other laws for the time being in force, if any.

Mr. Madhur Deora holds total 677,774 stock options, which were granted in previous financial years under One97 Employees Stock Option Scheme 2019 (referred to as "Scheme"), and were duly approved by the Nomination and Remuneration Committee/ Board/ Members of the Company, as applicable, from time to time as per terms of the Schemes / applicable laws.

While considering the proposal for payment of remuneration to Mr. Madhur Deora, the Board of Directors and Nomination Remuneration Committee of the Company noted that Mr. Madhur Deora plays a significant leadership role in the Company and has been instrumental in devising the financial and operational strategy critical for the Company, and is assisting with a commercial roadmap to realize the long term vision of the organization and driving overall governance.

Taking into consideration the size of the Company, his profile, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is at par with the industry standard and has been reviewed by the Nomination and Remuneration Committee.

Brief profile of Mr. Madhur Deora forms part of this Notice. The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of employment pursuant to Section 190 of the Act.

The information as required to be disclosed pursuant to Section II of Part II of Schedule V to the Act, Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI Listing Regulations, 2015 forms part of this Notice.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Save and except Mr. Madhur Deora 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. 4 of the Notice.

The Board recommends the Special Resolution set out at item no. 4 of the Notice for approval by the Members.

Additional information as required under Schedule V of the Act with respect to Item no. 4

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 ₹ Million)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Total income	84,000	52,643	64,271	41,754
Total expenses	101,304	76,011	82,199	64,561
Contribution Profit	39,003	14,981	34,016	12,691
Contribution Margin%	48.80	30.10	56.43	32.60
EBITDA (Before ESOP expense)	(1,756)	(15,177)	(3,208)	(15,344)
Margin%	(2.20)	(30.50)	(5.30)	(39.40)
Net Profit/(Loss)	(17,765)	(23,964)	(18,558)	(23,251)
Paid-up Capital	634	649	634	649
Reserves & Surplus	129,522	140,867	122,233	136,476

(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 FIIs and NRIs, are on account of issuances of securities and/or secondary market purchases, from time to time. As on March 31, 2023, the aggregate foreign shareholding in the Company was approx. 71.83%.

II. Information about the appointee:

a) Background details, job profile and suitability:

Mr. Madhur Deora holds a bachelor's degree of science in economics from the Wharton School of the University of Pennsylvania. He is a professional Director and in his present role with the Company, he is responsible for devising the financial and operational strategy, investor relations, assisting with a commercial roadmap to realize the long term vision of the organization and driving overall governance. He was previously associated with Citigroup Global Markets India Private Limited.

b) Past Remuneration: ₹ 38,841,000 p.a. as approved by the Members including LTIP amounting to ₹ 70,62,000.

c) Remuneration proposed: As mentioned in the explanatory statement above.

d) Recognition or awards: Nil

e) 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 origin):

Considering the size of the Company, the profile of Mr. Madhur Deora, his responsibilities and the industry benchmarks, the remuneration proposed is in line with remuneration drawn for similar positions in companies of similar scale and size.

We participated in an Aon Salary benchmarking survey and used the Mercer e-commerce forum to benchmark compensation. The recommended increases basis performance was presented to the Nomination and Remuneration Committee along with the survey data and basis this all compensation approvals including KMPs and Senior Management Personnel were obtained from the Nomination and Remuneration Committee.

f) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel or other Director, if any:
 Mr. Madhur Deora has no pecuniary relationship with the Company or its KMPs other than his remuneration in the capacity of "Executive Director, President

and Group Chief Financial Officer". As on date of this notice, he holds 6,88,394 (0.11%) equity shares of the Company in his personal capacity.

III. Other Information:

a) Reason of loss or inadequate profits:

The Company has invested in growing and strengthening the Paytm ecosystem, through acquisition and retention of consumers and merchants and providing them with greater access to technology and financial services. In the quarter ending March 2023, the average Monthly Transacting User ("MTU") base was 90 million, an increase of 27% y-o-y and the number of merchants paying subscription for payment devices was 6.8 million (as compared to 2.9 million as of March 2022). The Company makes substantial investments towards marketing and promotions, product and engineering talent to build technology solutions, expanding sales team, providing devices and services to merchants to

enable them to service and expand their consumer base and strengthening technology powered payments platform to provide consumers and merchants with a greater access to technology and financial services.

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. The Company has driven significant improvement in Payments contribution margins, growth of high margin Financial Services, and increased margin in Commerce & Cloud services. Paytm ended the fiscal year with strong growth across businesses and reductions in EBITDA before ESOP cost losses, and also achieved operating breakeven (EBITDA before ESOP cost) in the quarter ended December 2022, significantly ahead of the shared guidance timeline of September 2023.

Registered Office:

First Floor, Devika Tower,
Nehru Place, New Delhi - 110019, India
CIN: L72200DL2000PLC108985
E-mail ID: compliance.officer@paytm.com

Date: August 16, 2023

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

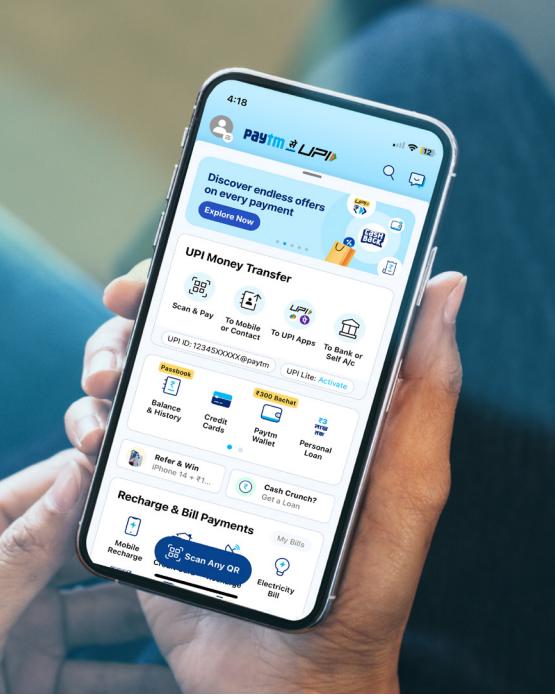
Sunil Kumar Bansal
Company Secretary & Compliance Officer
Membership No.: F 4810

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

Information of Director in accordance with provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard-2, as on the date of Notice

Name of the Director	Mr. Madhur Deora
Director Identification Number (DIN)	07720350
Date of birth (Age)	September 12, 1978 (44 years)
Original date of appointment	May 20, 2022
Qualifications	Bachelor's degree of science in economics from the Wharton School of the University of Pennsylvania
Experience and expertise in specific functional areas	Economics, Finance, Investor Relation and rich Managerial experience
Remuneration sought to be paid (₹)	4,54,79,280 p.a. including LTIP of up to 89,33,430
Remuneration Last Drawn (₹)	3,88,41,000 p.a. including LTIP 70,62,000
Number of Meetings of Board attended during the year	7 (seven)
Number of Committee meetings attended during the year	1 (one) (Member-Stakeholders Relationship Committee)
Shareholding (as on the date of this Notice) in One 97 Communications Limited, either directly or as beneficial holder	6,88,394 equity shares (0.11%)
Relationship with other Directors / KMPs	Not related to any Director or KMPs of the Company
Terms and conditions of re-appointment	Appointment and terms thereof were already approved by Members at the AGM held on August 19, 2022 and there is no change in same. His remuneration is being approved for FY 2023-24 to FY 2025-26 in this AGM
Listed Companies from which the person has resigned from the directorship in the past three years	NIL

Name of the Director	Mr. Madhur Deora
Directorships held in other companies in India	<ul style="list-style-type: none">• Paytm Payments Services Limited• Paytm Payments Bank Limited• Paytm Financial Services Limited• Paytm Money Limited• First Games Technology Private Limited• Mobiquest Mobile Technologies Private Limited• Orbgen Technologies Private Limited• Wasteland Entertainment Private Limited• Eatgood Technologies Private Limited
Membership/ Chairmanship of Committees' in companies in India	<ul style="list-style-type: none">I. Paytm Money Limited<ul style="list-style-type: none">• Audit Committee (Chairman)• Nomination and Remuneration Committee (Chairman)II. First Games Technology Private Limited<ul style="list-style-type: none">• Audit Committee (Member)• Nomination and Remuneration Committee (Member)III. Paytm Payments Services Limited<ul style="list-style-type: none">• Corporate Social Responsibility Committee (Member)



Paytm

Annual Report FY'23



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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. Neeraj Arora

Non-Executive Independent Director

Mr. Madhur Deora

Executive Director, President &
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

Mr. Sunil Kumar Bansal

Company Secretary &
Compliance officer

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Secretarial Auditor

PI & Associates Company Secretaries

Registrar and Share Transfer Agent

Link Intime India Private Limited

Registered Office

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

Corporate Office

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

Website

www.paytm.com

Board of Directors



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



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



Mr. Neeraj Arora
Non-Executive
Independent
Director



Mr. Madhur Deora
Executive Director,
President & 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 & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Chairman 	Chairman 	Chairperson 	Chairman 	Chairman 
Member 	Member 	Member 	Member 	Member 

Letter to Shareholders

Dear Shareholders,

India is at the cusp of the next stage of the smartphone-led revolution. Starting from internet connectivity led by smartphones, and that becoming the foundation of the digitally enabled life that is now reality.

Paytm pioneered mobile payments in India and led mass adoption with innovations like QR Codes and Soundbox.

In India, we can expect 500 million payment consumers and 100 million merchants not very far in future. This is made possible by Paytm leading from the front, our government's agenda to drive Digital India and the regulator's encouragement to build an open scalable payment system. We are not only beneficiaries but also the biggest champions of government and regulator driven Digital Public Infrastructure.

In my opinion, the success of current digital public infrastructure is giving way to new services clearly in financial services, and also in new areas like health and retail.

Paytm's philosophy is that payment is the truest acknowledgement of trust and transaction assurance between two parties. We have kept that as our core offering and built many technologies to enable confidence and trust, for e.g., for the small merchants to receive and make mobile payments.

We are expanding on our success with Paytm Soundbox and have invested heavily in IoT devices. We launched Pocket and Music Soundbox enabled by 4G technology. I am particularly proud that these are completely designed and made in India.

I believe India has an opportunity to become a net exporter of payment technology, software and hardware, and I expect Paytm to lead the way in this. Our R&D design and software capabilities are the best in the world, in which Paytm Labs is constantly building various AI and big data features that enhance payment trust, when consumers or merchants use Paytm.

The true dividend of the payment economy in India will be distribution of small credit at low cost leveraging payment relationships with customers. RBI's Digital Loan Service Provider system aptly captures it. Since June 2020, when RBI first came with digital loan disbursement guidelines, we have built our business on core principles guided in the circular and refined later on.

It is my belief that the true economic GDP growth benefit of reaching the last person in the financial system will be our success. We have set our mission to enable 500 million Indians to get benefits of mainstream economic growth. This begins by enabling them with mobile payments and helping extend various other financial services like loan, insurance etc. to them.

We have created a successful template in the last 2 years of distributing small digital loans using payment relationships with consumers and merchants. Our lending partners own the risk and leverage our ability to help them distribute and collect loans. In products where it is viable for them, they can of course collect the loans themselves.

By helping enable digital loan collection on app, we are now creating a small revolution for financial inclusion, where a loan of as small as a few hundred rupees can be disbursed and collected at very minuscule cost. In India's Digital revolution after mobile payments, Paytm's next contribution will be – small mobile credit with high credit quality and fully compliant with the regulators guidelines.

Expectedly this requires sophisticated capabilities in AI and other technologies. I am very proud of our Advanced AI capabilities in use and how we are expanding. We are building an India scale AI system which will help various financial institutes in capturing possible risks and frauds, while also protecting them from new kinds of risks due to advancement in AI.

Paytm is investing in AI with an eye on building Artificial General Intelligence software stack. We believe by building it in India we are not only making our country's tech capability, also creating something that could be leveraged outside India.

With a disciplined and result oriented approach in all our selected investment areas, we are sure we will be able to capitalize and build strong differentiators in the market and in turn a business that scales efficiently without linearly adding to costs.

Having PayPay Japan as a partner and customer adds to our advantage as the system costs are shared between two countries.

Beyond payment and credit disbursement business, I am very excited by possibilities of ONDC – Open Network of Digital Commerce, an initiative of Government India. We have seen very encouraging early results of the same.

In my opinion, in the next 3 years you will see some worthy numbers and results of hard work put in by the team. Your company's team remains committed to serve India and build a long term profitable business.

Best,

Vijay Shekhar Sharma

Founder and CEO

Management Discussion & Analysis

Management Discussion & Analysis

Macroeconomic overview

Mobile payments in India have grown tremendously in the past few years. We believe that there is ample scope to further deepen penetration as customers and businesses are adopting affordable and easy-to-use technology.

We believe these consumers and businesses can be served through world-class, technology-led, mobile payment and financial services.

India continues to be one of the fastest growing economies globally, and is expected to grow at a CAGR of 7-9% over next five years, according to RedSeer and broker estimates. Key drivers of economic growth will be (i) rising consumption, (ii) favourable demographics with a large working population, and (iii) growing urbanisation.

Industry overview and Outlook

Multiple developments over the past few years have helped build India's payments landscape, be it innovations in mobile payments 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 smartphones, mobile payments continue to scale rapidly. This is further boosted by the growth of mobile commerce and services. As a result, unique online transacting users, transacting for services such as online banking, mobile top-ups, in-store payments etc. are expected to grow from 250-300 million in FY 2021 to 700-750 million by FY 2026⁽¹⁾.

Paytm remains central to the growth of payments across the country. We offer a suite of payment solutions to both consumers and merchants. Consumers have a wide variety of use cases on the Paytm app, such as bill payments, recharge, adding funds to wallet, money transfers, etc. Paytm enables both consumers and merchants to use a variety of payment instruments to make and accept payments. This enables merchants to use Paytm app traffic and expand their businesses, making for attractive cross-sell opportunities especially in our loan distribution business.

Non-cash payment methods remain under-penetrated in India, when compared to other countries. The value of card transactions (credit card + debit card) remains at c.7% of GDP in FY 2023, lower than developed countries which have higher penetration at 30%+ of GDP. Including mobile payments such as UPI (P2M only), this ratio is c.18%. As per estimates from brokers, most of Paytm's TAMs are expected to grow at 20%+ CAGR over the next five years. Broker research estimates the digital payments TAM in India to be USD 650bn in FY 23 (merchant payments only; cards + UPI), having grown at 41% CAGR since FY 17. They forecast India's payments TAM to grow at a 23% FY 22-30E CAGR to reach USD 2.3tn by FY30E.

⁽¹⁾(Source: The Digital Transformation of Payments and Financial Services in India dated October 23, 2021, prepared by RedSeer).

By FY 2026, retail lending is expected to be a US\$1 tn market, and MSME lending is expected to be a US\$600 bn market (Source: RedSeer). Across such traditional financial services products, India has growth opportunities aided by technology and rising digitization to increase access and reach. Industry research estimates that the total BNPL market in India stood at US\$3 bn in FY 2021, of which US\$2 bn was through online channels, while remaining US\$1 bn was through offline channels. They forecast the BNPL industry to grow at 65% FY 21-26E CAGR to reach US\$35 bn (c.14% of credit spends) by FY 2026E. Of the US\$35bn, they estimate online channels to constitute US\$24 bn and the remainder US\$11 bn from offline medium.

Our Business Model

We offer a comprehensive suite of payments services to consumers and merchants and leverage our ecosystem to cross-sell high-margin financial services as well as commerce and cloud services.

Our payments business is an important customer and merchant acquisition tool, and in turn, an attractive funnel for other businesses such as credit distribution and enabling commerce businesses.

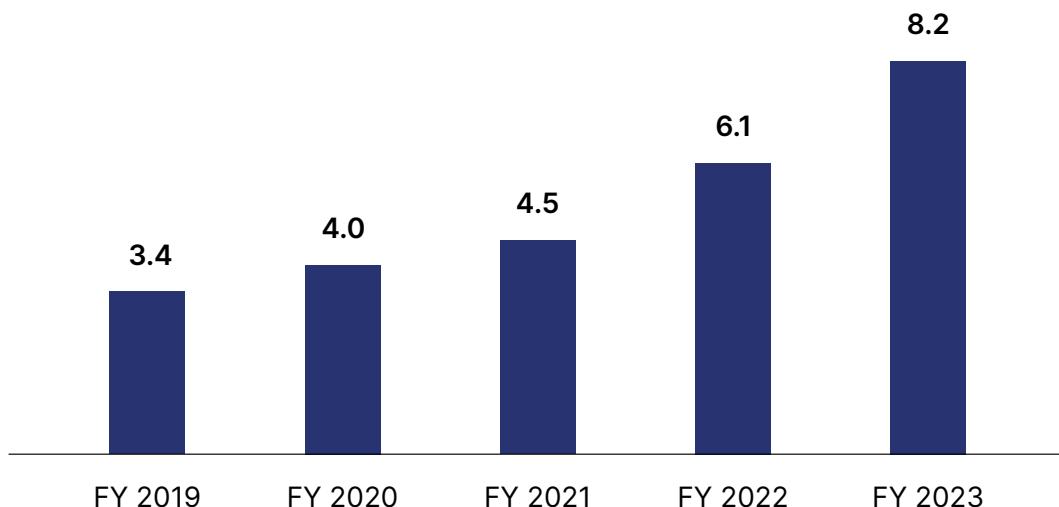
The large size of our distribution network coupled with data insights from payment and commerce businesses, allows us to distribute high-margin financial services such as small ticket credit to our consumers and merchants. For consumers and merchants, we offer various lending products, with our financial institution partners, such as Paytm Postpaid (BNPL), Personal Loans and Merchant Loans.

Payment Services

On our app, consumers can use a wide selection of instruments, such as Paytm Payment Instruments like Wallet, Paytm Postpaid (BNPL) as well as third party instruments like cards, net banking to make online payments for a variety of use cases. Consumers can also make online payments on third party apps and in-store payments through QR codes and devices.

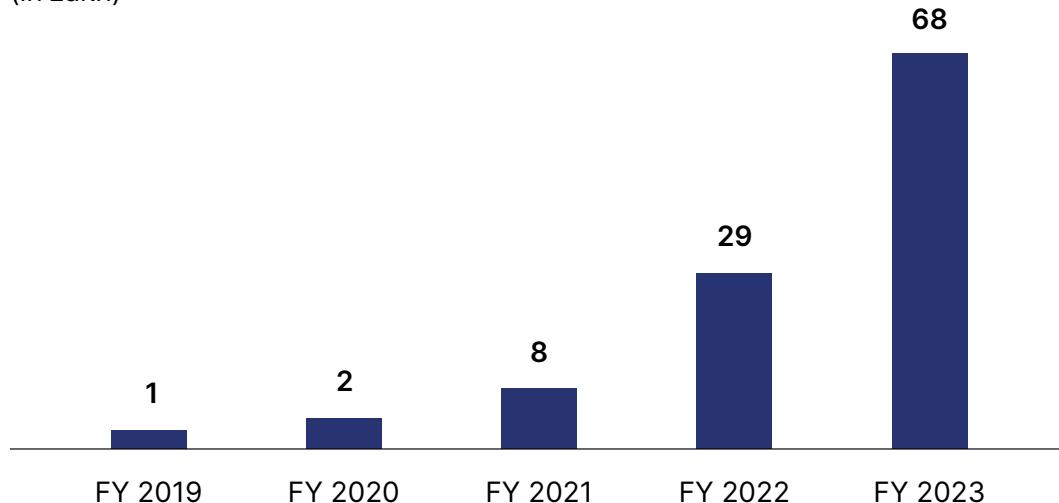
The increased adoption of payments use-cases has resulted in our Monthly Transacting Users (MTU) growing 27% YoY to 9 crore during Q4 FY 2023. The full year average for MTU was 8.2 crore, up 36% from 6.1 crore in FY 2022.

Average Monthly Transacting Users
(in Cr)



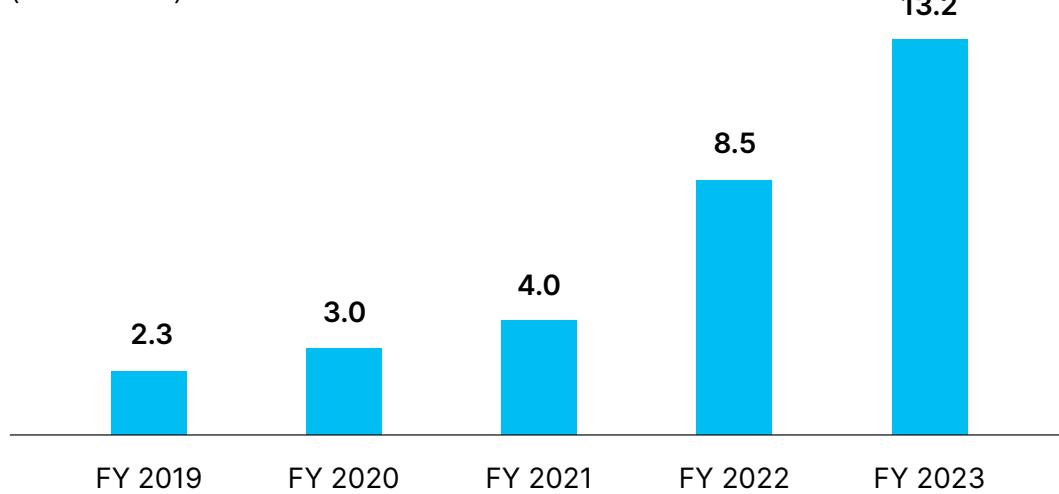
On the merchant side of our platform, we help our partners grow their businesses by providing solutions that allow them to accept payments through a wide variety of instruments and by deploying devices that help receive payments and with reconciliation. We earn about ₹100 to ₹500 per month per device.

- Entry level merchants can use a free Mobile QR to accept payments, typically using Paytm Payment Instruments or UPI.
- Small retailers can upgrade to Soundbox devices which allow better reconciliation for merchants, and generate subscription revenues for us.
- Our mid-sized and large retailers also use our card machines 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, From these merchants, we earn MDR revenues and platform fee.

Total Merchant Subscriptions
 (in Lakh)


As at end of the year

Driven by increased user and merchant engagement, we witnessed a massive growth in our GMV, which for the full year FY 2023 at ₹13.2 Lakh Cr, has grown 55% YoY from ₹8.5 Lakh Cr in FY 2022.

GMV
 (in ₹ Lakh Cr)


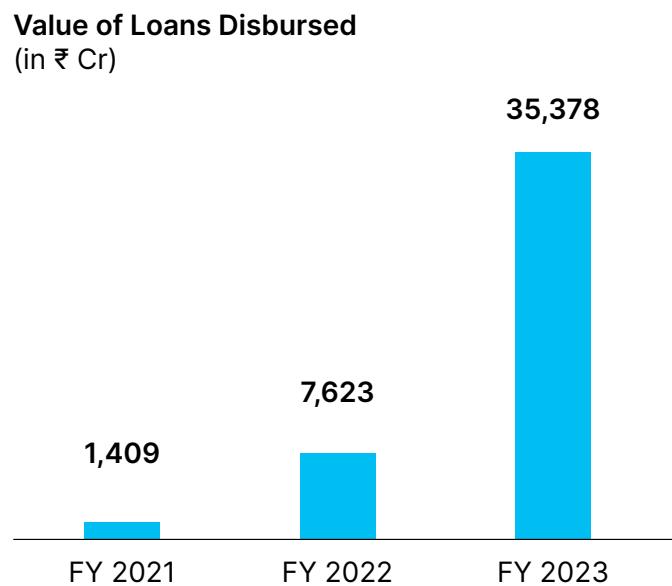
Financial Services

Financial Services business consists of loan distribution (in partnership with lending partners), as well as insurance and wealth management offerings.

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 seamless credit access to our consumers and merchants through our financial institution partners. Lending partners are able to work with Paytm to service a segment that previously did not have access to this type of financing. In addition to handling distribution, we also collect loans on behalf of lending partners, by leveraging our technological and digital capabilities, which ensures that our collection business is a low-cost process.

Our lending business continues to scale providing attractive upsell revenues. Our lending partners disbursed over 4 crore loans through our platform in FY 2023, a 163% growth over FY 2022. The value of loans grew 364% to ₹35,378 Cr in FY 2023, from ₹7,623 Cr in FY 2022.



Commerce and Cloud Services

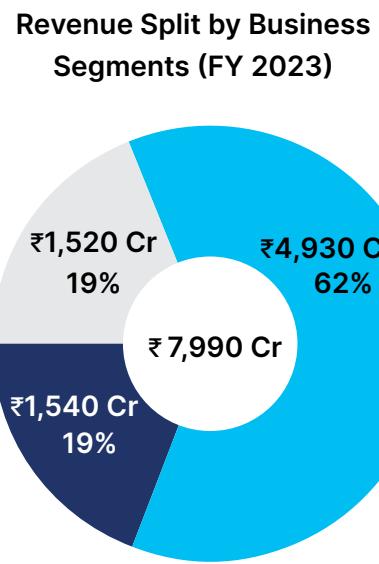
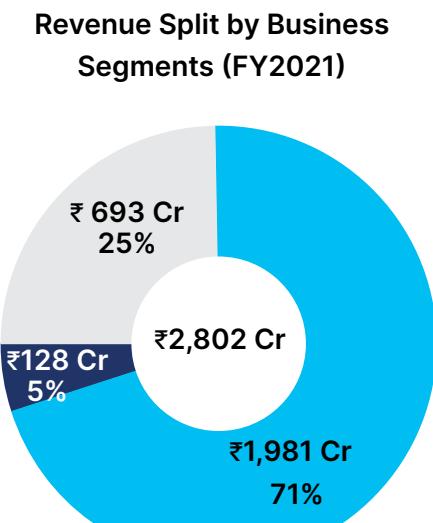
To help our merchant partners grow their business by leveraging Paytm's consumer traffic, we offer them services like ability to sell tickets, deals and gift vouchers to customers. In addition, we also provide advertising, and loyalty services. In the Commerce business, we generally earn 5-6% take-rate on GMV.

The distribution of co-branded credit cards falls under our cloud business. As of March 2023, we have a total of 589,000 active cards with SBI Card and HDFC Bank. It is noteworthy that 90% of customers who obtain a credit card through Paytm remain active users driven by the variety of use cases on the Paytm App. This enables us to 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 from payments and lending consumers.

Business Update and Outlook

FY 2023 was a strong year for us. In April 2022 we had shared that we will achieve operating profitability (i.e EBITDA before ESOP) by September 2023. We were able to achieve this three quarters ahead of plan in the quarter ended December 2022. This performance was driven by (1) sustained growth in revenues on account of platform expansion and increased monetization; (2) better profitability in the payments business as well as increased contribution of high growth, high margin businesses such as loan distribution, and (3) disciplined cost management and better operating leverage.

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



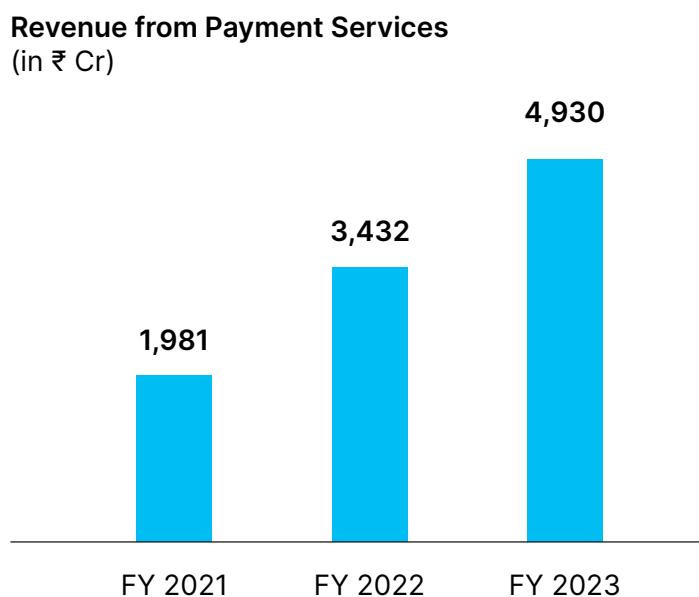
■ Payment Services ■ Financial Services ■ Commerce & Cloud Services

Total revenue has grown from ₹2,802 Cr in FY 2021 to ₹7,990 Cr in FY 2023, growing at a CAGR of 69%.

Payments revenue has grown from ₹1,981 Cr in FY 2021 to ₹4,930 Cr in FY 2023, growing at a CAGR of 58%. Payments business forms 62% of total revenues in FY 2023.

Revenue from Financial Services & Others have scaled up rapidly at a CAGR of 246% and were ₹1,540 Cr in FY 2023, compared to ₹128 Cr in FY 2021. Financial Services & Others now accounts of 19% of total revenues in FY 2023.

Revenue from Commerce and Cloud segment stood at ₹1,520 Cr in FY 2023, growing at a CAGR of 48% from ₹693 Cr in FY 2021. This segment is 19% of total revenues in FY 2023.



Our revenue from Payment services grew 44% to ₹4,930 Cr in FY 2023 from ₹3,432 Cr in FY 2022.

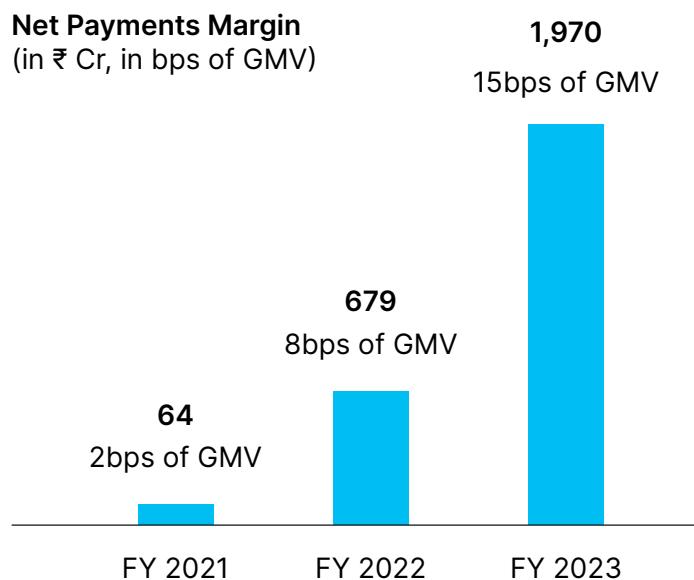
This includes revenues from the use cases such as bill payments and top-ups on the Paytm platform. These revenues are primarily from, (i) the transaction fee that we charge our merchants based on a percentage of GMV, and (ii) consumer convenience fees that we charge our consumers for certain types of transactions.

We also earn revenues from our comprehensive offerings of online and in-store payment acceptance services such as Payment Gateway, All-in-one and Dynamic-QR, POS, and Soundbox. These revenues are primarily from, (i) the transaction fee that we charge our merchants based on a percentage of GMV and (ii) recurring subscription fees from merchants for certain products and services, such as Paytm Soundbox and card machines.

Payments has two margin drivers - Payments processing and Subscriptions

Our payments business has two distinct margin drivers - payment processing and subscription. In payment processing, we make a net margin (i.e, revenues earned from processing payments less charges incurred on such transactions) of 7-9 bps on the Gross Merchandise Value (GMV). We earn revenues on processing all kinds of payments, including those made with UPI (Unified Payments Interface), in the form of incentives from the government.

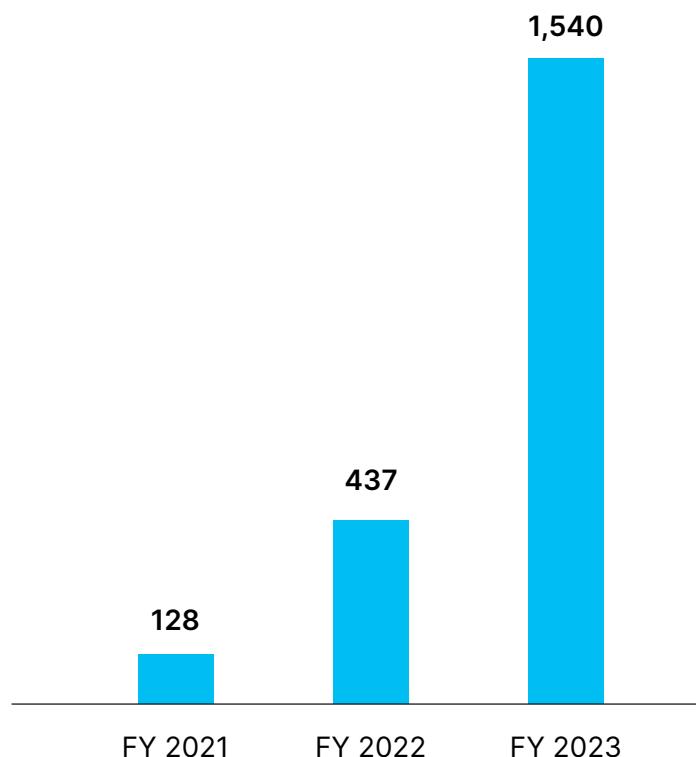
Apart from earning revenues on processing payments, we also earn subscription revenue from merchants who use our payment devices, such as Soundbox and card machines. As of March 2023, our merchant base has grown to 3.4 crore, with deployed payment devices increasing to 68 lakh from 29 lakh in FY 2022, thus accelerating our subscription revenues. Merchants use our devices not only for accepting payments but also for fraud avoidance and reconciliation services.



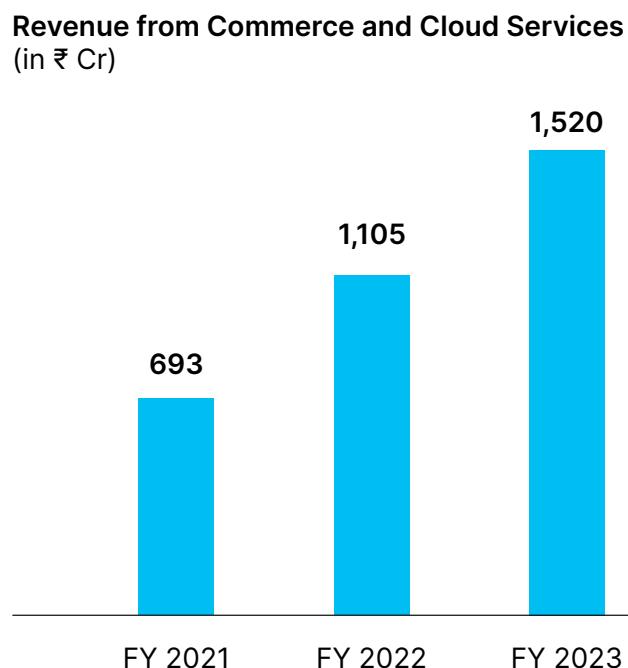
Net Payments Margin, defined as payments revenue (on payment processing as well as subscription revenue) less payment processing charges is a key indicator of profitability in this business. Payments profitability has improved significantly over the years, with net payments margin growing 2.9x YoY to ₹1,970 Cr for FY 2023. 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 include revenues that we make from our financial services partners or consumers from our financial services offerings, primarily lending. Revenue from financial services and others grew 252% to ₹1,540 Cr in FY 2023 from ₹437 Cr in FY 2022, primarily driven by 364% YoY growth in the value of loans processed in FY 2023 to ₹35,378 Cr, from ₹7,623 Cr in FY 2022.

Revenue from Financial Services and Others
(in ₹ Cr)



Commerce and Cloud Services:



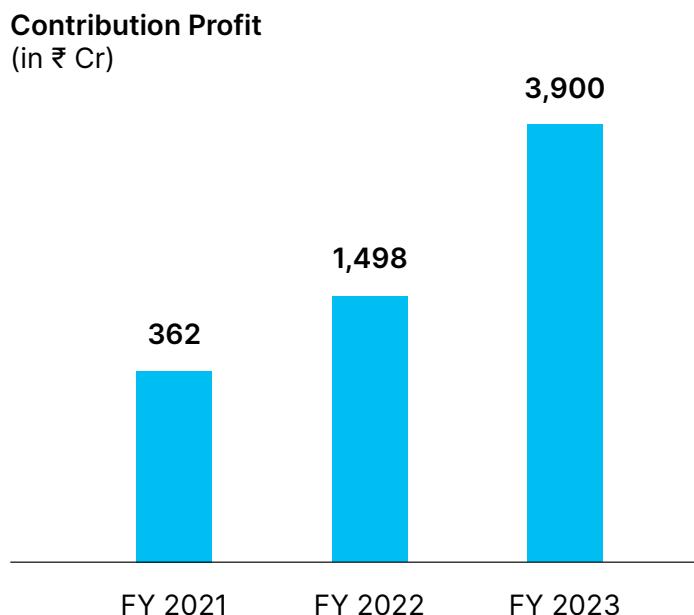
Our revenue from Commerce and Cloud Services grew 38% to ₹1,520 Cr in FY 2023 from ₹1,105 Cr in FY 2022. We further split our Commerce and Cloud Services revenues into the following lines, (i) Commerce Services and (ii) Cloud Services.

In commerce services, we generate revenue by levying a transaction fee to our merchant partners and/or a convenience fee to our customers, typically linked to a percentage of the transaction value of use cases such as ticketing for travel or entertainment and deals.

In cloud services, we generate revenue by charging our merchant partners a fee (subscription and volume linked) for utilizing our cloud and software solutions and our advertising partners, depending on the scale and type of campaign.

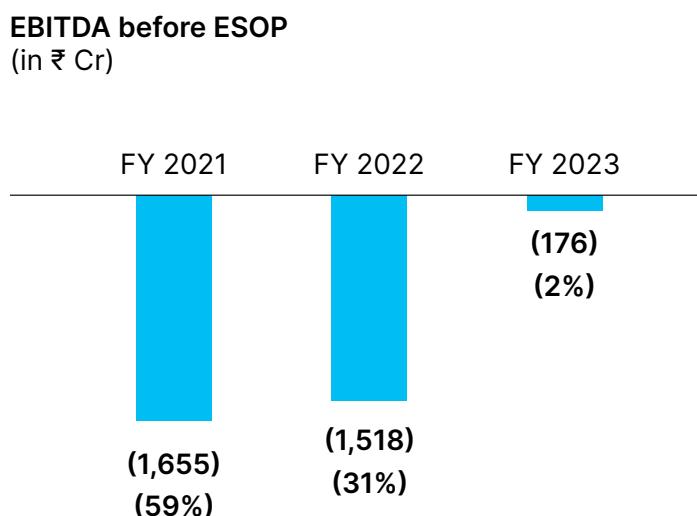
Contribution Profit

Driven by improvement in Net Payments Margin and increased share of high margin financial services business, our contribution profit grew 160% to ₹3,900 Cr in FY 2023 from ₹1,498 Cr in FY 2022. As a % of revenue of operations, our contribution margin was 49% in FY 2023, up from 30% in FY 2022.



EBITDA before ESOP

Our indirect expenses have grown 35% to ₹4,076 Cr in FY 2023 from ₹3,016 Cr in FY 2022. Our EBITDA before ESOP increased to ₹176 Cr in FY 2023 from ₹1,518 Cr in FY 2022 with 160% growth in our contribution profit and 35% increase in indirect expenses. Our EBITDA before ESOP margin (as % of revenue) was (2%) for FY 2023 as compared to (31%) in FY 2022.



Discussion on financial performance with respect to operational performance

Particulars	in ₹ crores, except percentages			
	FY 2023	FY 2022	FY 2021	Y-o-Y Δ
Revenue from Operations	7,990	4,974	2,802	61%
Payments & Financial Services	6,385	3,858	2,109	66%
Payment Services to Consumers	2,105	1,528	969	38%
Payment Services to Merchants	2,739	1,892	1,012	45%
Financial Services and Others	1,540	437	128	252%
Commerce & Cloud Services	1,520	1,105	693	38%
Commerce	615	374	245	65%
Cloud	905	731	448	24%
Other Operating Revenue	86	12	-	615%
Total Direct Expenses	4,090	3,476	2,440	18%
Contribution Profit	3,900	1,498	363	160%
Margin %	48.8%	30.1%	12.9%	1,870 bps
Indirect Expenses (excluding ESOP expense)	4,076	3,016	2,018	35%
% of Revenue	51.0%	60.6%	72.0%	(963) bps
EBITDA (before ESOP expense)	(176)	(1,518)	(1,655)	(88%)
Margin %	(2.2%)	(30.5%)	(59.0%)	2,832 bps

Details of Key Consolidated Financial Ratios

Particulars	FY 2023	FY 2022	FY 2021	Y-o-Y Δ
Debtors Turnover Ratio	7.99	8.17	5.81	(2.2)%
Current Ratio	3.12	3.22	3.43	(3.3)%
Debt-Equity Ratio	0.02	0.02	0.09	9.7%
Operating Profit Margin (%)	(26.5)%	(52.0)%	(69.4)%	49.1%
Net Profit Margin (%)	(22.2)%	(48.2)%	(60.7)%	53.8%
Return on Equity Ratio (%)	(13.1)%	(23.2)%	(23.3)%	(43.6)%

* 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

Our ecosystem allows us to address large market opportunities: We have built one of the largest payments ecosystem in terms of number of consumers and merchants in the country. Customers use various payment services that we offer and merchants use us to accept payments and grow their business. We also provide financial services through our financial institution partners, particularly lending. 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. Digital distribution of credit is a very large and scalable profit pool in India. Our ecosystem allows us to address these multiple large market opportunities at scale and gives us multiple growth vectors.

Our network effect 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. We are the only payments company in India that, together with our affiliates, owns each layer of the payment stack. 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, our respective subsidiaries or associates. Our technology ownership and scope of our ecosystem has allowed us (and our associates, and financial institution partners) to offer services such as Paytm Wallet, Paytm QR, Paytm Soundbox, Gold investments and Fixed Deposit, Paytm Postpaid, Merchant Cash Advance and FASTag. 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, PPI 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 hiring additional personnel, broadening our marketing and promotional activities, and expanding our products and services. There could be growth in expenses as we continue to expand our business operations. During the course of the business, we may offer performance guarantees or undertakings/indemnity to certain organisations/PSUs in relation to business tenders or contracts. In the past, the Company hasn't observed any material claims on account of issuances of such guarantees.

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 focussed 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 2023, we had an average of 32,798 on-roll (29,503 active on-roll) and 1,589 off-roll employees worldwide, inclusive of all subsidiaries.⁽¹⁾ 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, moderated to 29% in FY2023 from 33% in FY2022. Our Employee costs (excluding ESOP expense) at ₹2,323 Cr in FY 2023 grew 43% from ₹1,623 Cr in FY 2022, as we strengthened our sales channel to drive penetration of our high margin use cases such as merchant subscriptions and lending. We are also investing 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

In our mission to bring half a billion Indians into the mainstream economy, 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 digital payments via various sources, and in turn, engaging more users, but also receive seamless access to micro-credit, business payment solutions and wealth management, safely.

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 mobile 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 excluded from the formal banking system. Through its digital wallet and other services, Paytm has enabled people to store, 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.

⁽¹⁾Total onroll active headcount for OCL standalone was 25,959 as of March 2023.

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. Paytm Foundation also facilitated a fundraising initiative to the Odisha Chief Minister's Relief Fund to help the victims of the Balasore train tragedy.

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") Patron 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. During the year, UNEP and Paytm foundation have launched a national-level action-oriented forum for India, involving the regulators, national & international philanthropic organizations, international development agencies & the corporate sector. This forum intends to identify the needs, gaps, and solutions to the problem of air quality in India and will ensure project implementation in a structured manner with a yearly action plan.

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 160 laptops and created an impact in the lives of more than 2500 students. These laptops 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.

Statutory Reports

Board's Report

Dear Members,

The Board of Directors ("Board") hereby submits the 23rd 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, 2023 ("FY 2022-23"). 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 summarized below:

Particulars	(Amounts in ₹ Million, except earnings per share)			
	Consolidated		Standalone	
	Year ended		Year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue from operations	79,903	49,742	60,277	38,924
Other income	4,097	2,901	3,994	2,830
Total income	84,000	52,643	64,271	41,754
Total expenses	101,304	76,011	82,199	64,561
Loss before share of profit / (loss) of associates / joint ventures, exceptional items and tax	(17,304)	(23,368)	(17,928)	(22,807)
Share of profit/ (loss) of associates / joint ventures	(125)	(459)	-	-
Loss before exceptional items and tax	(17,429)	(23,827)	(17,928)	(22,807)
Exceptional items	-	(24)	(630)	(441)
Loss before tax	(17,429)	(23,851)	(18,558)	(23,248)
Income Tax expense	336	113	-	3
Loss for the year	(17,765)	(23,964)	(18,558)	(23,251)
Other comprehensive Income/ (Loss)	2,082	9,549	(23)	(18)
Total Comprehensive Income/ (Loss)	(15,683)	(14,415)	(18,581)	(23,269)
Earnings per equity share of the face value ₹ 1 each (Amount in ₹)				
Basic	(27)	(38)	(29)	(37)
Diluted	(27)	(38)	(29)	(37)

State of the Affairs of the Company / Operational Highlights

Your Company achieved rapid growth across its payments and financial services businesses during FY 2022-23 and we are excited by the continued long-term potential for revenue growth and profitability.

Our payments business is our acquisition engine which brings customers to our platform. We monetize these customers by cross selling various financial & commerce services. In India, the penetration of consumer credit, especially products like personal loans, merchant loans, and small ticket consumption credit (Postpaid and Credit Card) remains low, providing us with ample opportunity for leveraging our platform by working with lending partners in distributing such products. Device subscriptions offer an attractive cross-sell opportunity for merchant lending, while postpaid customers are an upsell opportunity to personal loans and credit cards. We have partnered with large NBFCs, and Banks and we continue to focus on the quality of loans distributed through our platform.

Key aspects of our Company's consolidated performance during FY 2022-23 are as follows:

- The Company achieved operating profitability, i.e., EBITDA before ESOP break even, in the second half of FY 2022-23, well ahead of guidance of September 2023 quarter shared in our CEO's letter dated April 2022.
- Our average monthly transacting users for the quarter ended March 2023 were 90 million, up by 27% YoY from 71 million for the quarter ended March 2022; driven by our variety of use cases on 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 6.8 million merchants paying us subscriptions as of March 2023, more than doubling from 2.9 million as of March 2022.
- Our loan distribution business, in partnership with our lending partners, continues to scale with loans amounting to ₹ 35,378 Cr, a YoY growth of 364%.
- Gross merchandise volume of payments facilitated through our platform for FY 2022-23 has grown 55% YoY to 13.20 Lakh Crore from 8.50 Lakh Crore in FY 2021-22.

The growth of UPI and other mobile payment methods presents a wealth of untapped opportunities. We are prepared to capitalize on these opportunities by bringing innovative products to our customers. Since the launch of our UPI Lite platform in February 2023, we have already onboarded 5.50 million customers. National Payments Corporation of India's wallet interoperability guidelines will allow full KYC Paytm Wallet to be universally acceptable on all UPI QRs and online merchants.

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. With Paytm Soundbox, we provide flexibility and convenience to our merchants with support for multiple payment methods such as Paytm Wallet, Postpaid, Paytm UPI and other BHIM UPI apps, net banking & cards.

During the year under review, we also launched a 4G-enabled Soundbox 3.0, a first-of-its-kind device that offers the fastest real-time payment

alerts, along with best-in-industry battery backup of 7 days.

We have also pioneered the Paytm Dynamic QR that empowers merchants to accept contactless and error-free payments from customers using the Paytm App as well as any other UPI app. While Static QR or the physical code that is kept on the shop counter requires customers to fill the amount to be paid, Dynamic QR helps generate a code with the transaction value, giving the merchant full control on the payment. A merchant can generate the dynamic QR code on their POS devices or smartphones for a specific order which helps them keep a record of every individual transaction including the order ID, specific goods sold among other details. This has helped make transactions transparent and error-free.

We have also made significant improvements on the technology front with the launch of our new technology platform in March 2023. The new platform is a full stack 100% indigenous development. This cutting-edge platform will enhance customer experience through better success rate, speed and security. The new platform makes us future ready with regards to volumes as it is capable of carrying out 10 times more transactions than our current scale. We have built new operational risk and fraud management systems which are equipped to cater to India's payment growth. With this platform, Paytm is well placed to handle fast growing digital payments opportunities in the country.

While our loan distribution business has scaled significantly in the last few quarters, our penetration level for each product remains low,

and gives us a long growth runway ahead. As of quarter ended March 31, 2023:

- Postpaid penetration is at 4.30% of average MTU.
- Personal loans penetration is at 0.90% of average MTU.
- Merchant loans penetration is at 5.90% of total devices deployed.

Our collections efforts continue to deliver good performance, with indicative portfolio performance across loan products holding up well. We continue to seek growth & upsell opportunities as low penetration supports future growth potential, while working with our lending partners to maintain healthy credit quality.

Dividend

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company adopted the Dividend Distribution Policy setting out the broad principles for guiding the Board and the management in matters relating to declaration and distribution of dividend, and the same is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>

As the Company does not have profits for FY 2022-23 hence, the Board does not recommend any dividend for FY 2022-23.

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, 2023 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 legal entities e.g. for a payments bank, for payment aggregation, and also for our overseas marketing cloud business), and to support our business needs, including those from 3rd 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, 2023. 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 the material subsidiary of the Company, engaged in the business of providing payment aggregator services and payment gateway services in accordance with Reserve Bank of India guidelines and to develop infrastructure including information technology, handling, facilitating, processing and settlement of transactions, customer grievances and disputes 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.

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 Company's website at <https://ir.paytm.com/annual-reports>.

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>.

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 2022-23, there was no deviation or variation in the utilization of proceeds of the IPO from the objects stated in the Prospectus dated November 11, 2021.

The Monitoring Agency Reports for such utilization are received by the Company from its Monitoring Agency on quarterly basis affirming no deviation in utilization of the issue proceeds from the objects stated in offer documents and are submitted to the Stock Exchanges in compliance with the aforesaid regulation. Details on actual utilization of the Net IPO proceeds are given in note no. 39 of the standalone financial

statements and note no. 43 of the consolidated financial statements which forms part of the Annual Report.

Material Event

Buy-back of Equity Shares

During the year under review, the Company successfully completed the Buy-back of its equity shares having face value of ₹ 1 (Rupee One Only) each in accordance with the provisions of the Act, the SEBI ("Buy-back of Securities) Regulations, 2018 ("SEBI Buy-back Regulations") and the SEBI Listing Regulations read with the Articles of Association of the Company, pursuant to which an aggregate of 1,55,66,746 (One Crore Fifty-Five Lakh Sixty-Six Thousand Seven Hundred and Forty-Six Only) equity shares were bought back by the Company utilizing a total amount of ₹ 849,83,39,982 (Rupees Eight Hundred Forty-Nine Crores Eighty-Three Lakhs Thirty-Nine Thousand Nine Hundred and Eighty-Two Only) (excluding the transaction costs), which represents approximately 99.98% of the Maximum Buy- back Size. The equity shares were bought back at a volume weighted average price of ₹ 545.93 (Rupees Five Hundred Forty-Five and Ninety-Three Paise Only) per equity share, excluding the transaction costs.

In accordance with Section 69 of the Act, as at March 31, 2023, the Company has created the capital redemption reserve of ₹ 16 million equal to the nominal value of the equity shares bought back as an appropriation from free reserves or security premium.

Please refer to note no. 40 of standalone financial statements of the Company, which forms part of the Annual Report, fully reflecting the impact of the said buy-back announced and completed during the year under review.

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 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 <https://ir.paytm.com/agm>.

During the year under review, the Company issued and allotted 793,549 (Seven Lakhs Ninety Three Thousand Five Hundred Forty Nine) equity shares to its employees pursuant to exercise of vested options by the eligible employees under ESOP 2008 and ESOP 2019. As on March 31, 2023, the issued, subscribed and paid-up capital of the Company stood at ₹ 633,788,217/- comprising 633,788,217 (Sixty Three Crores Thirty Seven Lakhs Eighty Eight Thousand Two Hundred Seventeen) 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 certificate from M/s. PI & Associates, Secretarial Auditors of the Company 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.

Transactions With Related Parties

The Company has adopted a Policy on Related Party Transactions in compliance with Regulation 23 of the SEBI Listing Regulations, which 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 2022-23 were on an arm's length basis and in the ordinary course of business & in the best interest of the Company. The said transactions were entered into by the Company with the prior approval of the Audit Committee.

During the year under review, the Company had entered into a material transaction with Paytm Payments Bank Limited ("PPBL") for which prior approval of the Audit Committee and Members of the Company were obtained. 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.

For further details of related party transactions during the year, 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, 2023, the Board comprised of 7 (seven) Directors with an appropriate mix of Executive Directors, Non-Executive Non-Independent Directors 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.

In compliance with the provisions of Section 196, 203 and Schedule V of the Act, Mr. Vijay Shekhar Sharma (DIN: 00466521) was reappointed as Managing Director designated as 'Managing Director and Chief Executive Officer' of the Company for a term of 5 (five) years, with effect from December 19, 2022 and Mr. Madhur Deora (DIN: 07720350) was appointed as Whole Time Director designated as 'Executive Director, President and Group Chief Financial Officer' of the Company for a term of 5 (five) years, with effect from May 20, 2022. Their reappointment and appointment were approved by the Members of the Company at the 22nd Annual General Meeting ("AGM") held on August 19, 2022.

Mr. Gopalasamudram Srinivasaraghavan Sundararajan (DIN: 00361030) has been appointed as a Non-Executive Independent Director of the Company for a term of 5 (five) years with effect from August 29, 2022. His appointment was subsequently approved by the Members of the Company through a postal ballot on November 20, 2022. He is not liable to retire by rotation.

Mr. Mark Schwartz (DIN: 07634689) completed his tenure as a Non-Executive Independent Director of the Company on August 30, 2022. The Board places on record its appreciation for the contribution made by Mr. Schwartz during his tenure as a Director on the Board of the Company.

Mr. Douglas Feagin (DIN: 07868696) resigned from the position of Non-Executive Non-Independent Director of the Company with effect from February 02, 2023. The Board places on record its appreciation for the contribution made by Mr. Feagin during his tenure as a Director on the Board of the Company.

Subsequently, after closure of FY 2022-23, Mr. Vivek Kumar Mathur (DIN: 03581311), Alternate Director to Mr. Ravi Chandra Adusumalli (DIN: 00253613), Non-Executive Non-Independent Director of the Company, has resigned with effect from June 30, 2023 as there was no requirement for an alternate director to Mr. Adusumalli.

Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer, retires by rotation and being eligible, offers himself for reappointment at the ensuing AGM.

None of the Directors of the Company is disqualified to act as a Director as per the requirements of Section 164 of the Act.

Key Managerial Personnel

Mr. Amit Khera (ICSI Membership No.: A10827) resigned from the position of the Company Secretary and Compliance Officer of the Company with effect from March 14, 2023.

Ms. Sonali Singh (ICSI Membership No.: A26585), was appointed as an Interim Compliance Officer of the Company with effect from March 15, 2023.

Subsequently, after closure of FY 2022-23, 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 with effect from July 21, 2023. Consequent to the said appointment, Ms. Sonali Singh ceased to be the Interim Compliance Officer of the Company with effect from July 21, 2023.

Pursuant to the provisions of Section 203 of the Act, Mr. Vijay Shekhar Sharma, Chairman, Managing Director and Chief Executive Officer and Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer are the Key Managerial Personnel of the Company as on March 31, 2023.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors confirming that they continue to fulfill the criteria of independence as required pursuant to Section 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 the requisite expertise and experience (including proficiency) and are persons of high integrity and repute.

Corporate Social Responsibility ("CSR")

In view of the losses incurred by the Company during the previous financial years, the Company was under no obligation to contribute towards CSR activities during FY 2022-23. 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 7 (seven) times during FY 2022-23. 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, 2023, 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
- (vii) IPO Committee
- (viii) Buy-back 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.

After the closure of FY 2022-23, the IPO Committee and the Buy-back Committee have been dissolved by the Board with effect from 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, inter alia, covering composition, details of meetings of the Board and Committees, together with a certificate from M/s. PI & Associates, Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance, forms part of the Annual Report.

A certificate from the Managing Director & CEO and the Executive Director, President & 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 2022-23 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 and Remuneration Policy in terms of Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II to the SEBI Listing Regulations, for identification, selection and appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management of the Company. The policy lays down the principles related to the appointment, cessation and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The 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 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.

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 2022-23 describing the various initiatives undertaken from an environment, social and governance perspective during FY 2022-23 forms part of the Annual Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for FY 2022-23 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.

Extract of 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 Rule 12 of the Companies

(Management and Administration) Rules, 2014 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 Independent Joint Internal Auditors under Section 138 of the Act for FY 2022-23. The Internal Audit Head of the Company supervises the Internal Audit function and reports directly to the Audit Committee.

Internal Audit function is governed by the Internal Audit Charter, Internal Audit scope and Internal Audits / reviews outcome are submitted and presented in the Audit Committee meetings every quarter.

The Company has laid down adequate internal financial controls commensurate with the scale and size of the operation 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 of assets of the Company, adhering to the management policies besides ensuring compliance.

Human Resource Management and Related Disclosures

Prevention of Sexual Harassment at Workplace

The Prevention of Sexual Harassment ("POSH") at Workplace 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. 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 policy. The Company also make sure to organize several virtual seminars on POSH to everyone cognizant of the guidelines laid in the policy. The detailed disclosure is given in the Corporate Governance Report, which forms part of the Annual Report.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which is available on the website of the Company at <https://ir.paytm.com/policies-and-guidelines>.

During FY 2022-23, number of cases reported were as follows:

Number of complaints filed during FY 2022-23	Number of complaints disposed off during FY 2022-23	Number of complaints pending as on end of FY 2022-23
5	4*	1**

* Out of the 4 disposed cases, 1 case was withdrawn by the complainant.

** The complaint has been closed after March 31, 2023

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. 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 equipment, office equipment, furniture & fixtures etc. have been adequately insured against major risks. The Company has also taken appropriate Directors' & Officers' Liability Insurance Policy to 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 Policy

The Company has adopted a Whistle Blower Policy / Vigil Mechanism with protective clauses for the whistleblowers. The Policy provides adequate safeguards against victimisation of whistleblowers and provides direct access to the Chairperson of the Audit Committee, in exceptional circumstances.

The policy provides for a mechanism to report concerns about unethical behaviour, 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 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 by the Company during FY 2022-23, under review is as follows:

Particulars	(Amounts in ₹ Million)	
	FY 2022-23	FY 2021-22
Foreign Exchange Earnings	308.98	416.75
Foreign Exchange Outgo	4,050.93	5,149.44

Auditors and Auditor's Report

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP, (Firm Registration No. 012754N/N500016), were appointed as the Statutory Auditors of the Company at the AGM held on September 28, 2018, for a term of 5 (five) consecutive years from the conclusion of 18th AGM till the conclusion of 23rd 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, 2023, forms part of this Annual Report. There have been no qualification, reservation, adverse remarks or disclaimer given by the Statutory Auditors in their Report which calls for any explanation.

In view of the requirement of rotation of the Statutory Auditors in accordance with the requirements of Section 139 of the Act and on the basis of recommendation of the Audit Committee, the Board has recommended the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration no. 101049W/E300004) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of 23rd AGM till the conclusion of 28th AGM of the Company. M/s. S.R. Batliboi

& Associates LLP have submitted a certificate, as required under Section 139(1) of the Act confirming that they meet the criteria provided in Section 141 of the Act. Their appointment is subject to the approval of the Members of the Company at the ensuing AGM.

A resolution seeking their appointment forms part of the Notice convening the 23rd AGM and the same is recommended for consideration and approval of the Members of the Company.

Secretarial Auditors

M/s. PI & Associates, firm of Practicing Company Secretaries (Firm Registration No.: P2014UP035400), carried out the Secretarial Audit for FY 2022-23 in compliance with the Act and the Rules made thereunder, the SEBI Listing Regulations, as Secretarial Auditors of the Company for FY 2022-23. 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 2022-23 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

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, energy-efficient insulation etc.

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 2022-23 are mentioned in the Business Responsibility and Sustainability Report, which forms part of the Annual Report.

Update on Technology Absorption

Paytm has been at the forefront of India's digital revolutions with its technology-led innovations that have empowered users with a 'Made in India' payments platform.

During FY 2022-23, we launched our new technology platform that is built with 100% indigenous developed technology. With this, we have taken another step towards 'Atmanirbhar Bharat' to promote digital payments in the country. This platform aims to significantly enhance consumer experience through a much better success rate, speed and security. The massive upgrade of our payment's platform through an indigenous full-stack development will further boost digital payments in the country.

The platform has been revamped, ensuring that the previous technology platform is upgraded with new-age tech solutions that are locally built and supported in-house. With a world-class platform that can handle 10X of the current scale, we have set a gold standard for fintech's, aimed at handling fast growing digital payments opportunities in the country. We have been investing heavily in India's mission of building a trillion-dollar digital economy.

The details on our expenses linked to strengthening and expanding our technology powered payments platform, are provided in note no. 4 of the standalone financial statements, which forms part of 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 2022-23, 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 2022-23:

- 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, 2023;
- 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 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 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 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 hence a certificate under FEMA is not required.
- There was no instance wherein the Company failed to implement any corporate action within the statutory time limit.

Cautionary Statement

Statements in this Annual 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.

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 2022-23.

For and on behalf of the Board
One 97 Communications Limited

Vijay Shekhar Sharma

Chairman, Managing Director and Chief Executive Officer

DIN: 00466521

Date: July 21, 2023

Place: New Delhi

Annexure I

AOC-1

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATE / JOINT VENTURE AS PER COMPANIES ACT, 2013

Part A: Subsidiaries

S. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency/ Exchange rate	Share capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments*	Turnover#	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	% shareholding
1	One 97 Communications India Limited	April to March	INR	831.50	90.41	950.34	28.43	844.04	40.40	35.03	7.78	27.25	100%
2	Paytm Entertainment Limited	April to March	INR	788.74	1,509.28	2,300.85	2.83	1,397.52	44.01	41.29	10.41	30.88	100%
3	Paytm Money Limited	April to March	INR	2,588.70	-1,642.02	3,216.65	2,269.97	179.07	1,328.03	427.68	-	427.68	100%
4	Mobiquest Mobile Technologies Private Limited	April to March	INR	3.61	-22.48	152.66	171.53	-	296.27	-81.36	-	-81.36	66.34%
5	Wasteland Entertainment Private Limited	April to March	INR	0.52	41.38	1,617.00	1,575.10	-	1,927.30	-192.30	-	-192.30	100%
6	Urja Money Private Limited	April to March	INR	31.16	-66.96	58.78	94.59	1.00	79.56	-13.91	-	-13.91	83.34%
7	Little Internet Private Limited	April to March	INR	223.83	-367.63	2.61	146.40	-	36.92	-2.45	-	-2.45	62.53%
8	Orbgen Technologies Private Limited	April to March	INR	9.75	111.15	228.86	107.97	-	155.87	-45.75	-	-45.75	100%
9	Paytm Payment Services Limited	April to March	INR	500.00	786.48	18,026.50	16,740.02	450.95	20,674.21	156.93	102.90	54.03	100%
10	Paytm Insurance Broking Private Limited	April to March	INR	750.00	-486.27	281.43	17.71	-	87.95	-93.29	-	-93.29	100%

Statutory Reports

Board's Report

Part A: Subsidiaries

S. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency/ Exchange rate	Share capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments*	Turnover#	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	% shareholding
11	Paytm Services Private Limited	April to March	INR	30.00	28.70	262.75	204.05	-	1,947.67	7.12	19.75	-12.63	100%
12	Xceed IT Solutions Private Limited	April to March	INR	0.50	0.02	0.59	0.08	-	0.01	-0.01	-	-0.01	66.34%
13	Nearbuy India Private Limited	April to March	INR	9.00	-107.02	64.31	162.32	-	167.43	63.34	-	63.34	62.53%
14	Findcollect Services Private Limited	April to March	INR	1.00	-19.34	388.22	406.56	-	829.04	5.95	-	5.95	83.34%
15	One97 Communications Nigeria Limited	April to March	NGN / 0.1778	2.96	-160.30	59.37	216.71	-	9.40	-14.97	3.04	-18.02	100%
16	One97 Communications FZ-LLC	April to March	AED / 22.3645	20.85	82.63	287.71	184.23	-	114.83	3.55	-	3.55	100%
17	One97 Communications Rwanda Private Limited	April to March	RWF / 0.0734	12.09	-9.52	2.57	-	-	1.05	0.41	-	0.41	100%
18	One97 Communications Tanzania Private Limited	April to March	TZS / 0.035	54.61	-5.15	120.77	71.31	-	85.47	-5.12	10.97	-16.10	100%
19	One97 Communications Bangladesh Private Limited	July to June	BDT / 0.7587	4.34	102.88	193.23	86.01	-	24.14	9.69	0.51	9.18	70%
20	One97 Ivory Coast SA	January to December	XOF / 0.1362	1.25	-5.00	0.52	4.28	-	-	-0.06	-	-0.06	100%
21	One97 Benin SA	January to December	XOF / 0.1362	1.28	-10.96	23.21	32.89	-	-0.25	9.15	2.07	7.08	100%
22	One97 Uganda Limited	April to March	UGX / 0.0216	25.90	-28.96	2.23	5.30	-	-0.22	-7.56	-2.25	-5.32	100%

Statutory Reports

Board's Report

Part A: Subsidiaries

S. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency/ Exchange rate	Share capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments*	Turnover#	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	% shareholding
23	One97 Communications Singapore Private Limited	April to March	SGD / 61.8296	272.06	11,842.57	12,151.55	36.91	12,100.22	23.40	-76.03	0.08	-76.11	100.00%
24	Paytm Labs Inc.	April to March	CAD / 60.654	311.05	933.86	1,606.08	361.17	-	1,910.08	325.48	197.64	127.83	100%
25	One97 USA Inc.	January to December	USD / 82.1533	34.76	-2.60	46.81	14.66	-	278.38	17.14	-0.32	17.46	100%
26	One 97 Communications Malaysia Sdn. Bhd.	April to March	MYR / 18.5654	1.53	4.73	78.95	72.69	-	17.72	-28.33	-7.48	-20.84	100%
27	One 97 Communication Nepal Private Limited	Shrawan to Ashad (16 July to 15 July)	NPR / 0.6173	3.23	14.68	132.62	114.71	-	38.92	9.48	1.58	7.90	100%
28	One Nine Seven Digital Solutions Ltd	January to December	KES / 0.6169	3.54	-0.05	6.12	2.62	-	3.39	-0.38	0.32	-0.70	100%
29	One Nine Seven Communications Saudi Arabia For Communication and Information Technology	January to December	SAR / 21.877	11.01	-13.22	4.99	7.20	-	0.36	-6.13	-	-6.13	100%

* 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

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

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
1	Latest audited / (unaudited) Balance Sheet Date	31-03-2023 Audited	31-03-2023 Audited	31-03-2023 Unaudited	31-03-2023 Unaudited	31-03-2023 Audited	31-03-2023 Audited
2	Shares of Associate/Joint Ventures held by the company on the year end No.	195,904,900 INR 1,959 million	2,000,000 INR 20 million	980,000 INR 9.8 million	49,000 INR 0.5 million	68,233,850 INR 1,398 million	Not Applicable# Not Applicable#
3	Amount of Investment in Associates/ Joint Venture*	49.00% Holding >20% of shareholding	48.78% Holding >20% of shareholding	49.00% Holding >20% of shareholding	49.00% Holding >20% of shareholding	55.00% Joint Control	48.78% Holding >20% of shareholding
4	Description of how there is significant influence	Equity accounting as per IndAS-28	Equity accounting as per IndAS-28				
5	Reason why the Associate/ Joint Venture is not consolidated	INR 2,543.29 million	INR 207.68 million	Nil	INR 0.04 million	Nil	INR 137.84 million
6	Networth attributable to Shareholding as per latest audited/unaudited Balance Sheet Profit/(Loss) for the year (Share of Group)	INR 24.38 million	INR 117.03 million	Nil	INR (0.25) million	INR (133) million	INR 123.59 million
	(i) Considered in Consolidation	Not Applicable	Not Applicable	INR 10.53 million	Not Applicable	Nil	Not Applicable
	(ii). Not Considered in Consolidation						

Part B: Associates and Joint Venture

S. No.	Name of Associate / Joint venture Company	Paytm Insuretech Private Limited	Foster Payment Networks Private Limited**	Infinity Transoft Solutions Private Limited	Eatgood Technologies Private Limited	First Games Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.)**	Paytm Technology (Beijing) Co., Ltd	Socomo Technologies Private Limited
1	Latest audited / (unaudited) Balance Sheet Date	31-03-2023 Audited	31-03-2023 Audited	31-03-2023 Unaudited	31-03-2023 Unaudited	31-03-2023 Unaudited	31-03-2023 Audited	31-03-2023 Unaudited
2	Shares of Associate/ Joint Ventures held by the company on the year end No.	2,560,938	Not Applicable^	3,618 CCPS	2,879 equity shares/ 72,373 CCPS	Not Applicable^	Not Applicable^	28,800 CCPS
3	Description of how there is significant influence	Amount of Investment in Associates/ Joint Venture*	Nil	Not Applicable^	INR 100 million	INR 242 million	Applicable^^	Not Applicable
	Extend of Holding%	32.45%	48.80%	26.57%	23.24%	55.00%	55.00%	12.75%
4	Reason why the Associate/ Joint Venture is not consolidated	Equity accounting as per IndAS-28	Equity accounting as per IndAS-28	Equity accounting as per IndAS-28	Equity accounting as per IndAS-28	Equity accounting as per IndAS-28	Equity accounting as per IndAS-28	Equity accounting as per IndAS-28
5	Net worth attributable to Shareholding as per latest audited/unaudited Balance Sheet	INR 14.75 million	INR 263.23 million	Nil	Nil	INR 2.37 million	INR 11.24 million	Nil

Part B: Associates and Joint Venture

S. No. Company	Name of Associate / Joint venture	Paytm Insuretech Private Limited	Foster Payment Networks Private Limited**	Infinity Transoft Solutions Private Limited	Eatgood Technologies Private Limited	First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.)**	Paytm Technology (Beijing) Co., Ltd	Socomo Technologies Private Limited
6 Profit/Loss for the year (Share of Group)								
(i) Considered in Consolidation	Nil	INR 8.70 million	INR 0.11 million	INR (5.04) million	INR (0.37) million	INR (9.70) million	Nil	
(ii) Not Considered in Consolidation	INR (0.12) million	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 Board of
One 97 Communications Limited

Vijay Shekhar Sharma

Chairman, Managing Director and Chief Executive Officer
DIN: 00466521

Place: New Delhi
Date: May 5, 2023

Madhur Deora

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

Place: Mumbai
Date: May 5, 2023

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 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, Gratification services, procurement of fast tags, 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.

(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
- (iv) adequate systems to safeguard data and information; and
- (v) 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 Audit Committee, were approved by the Board on February 23, 2022 and were subsequently approved

by the Members of the Company through Postal Ballot on March 26, 2022. During FY 2022-23, the aforesaid transactions, on the recommendations of Audit Committee, were again reviewed & approved by the Board on February 3, 2023 and subsequently approved by the Members of the Company through Postal Ballot on March 23, 2023 for a period of 1 year.

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

(f) Amount paid as advances, if any:

Refer Related Party Disclosure in the financial statements, which forms part of the Annual Report.

For and on behalf of the Board
One 97 Communications Limited

Place: New Delhi
Date: July 21, 2023

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

Annexure III

Annual Report on Corporate Social Responsibility activities for FY 2022-23

1. Brief outline on Corporate Social Responsibility (“CSR”) Policy of the Company

One 97 Communications Limited (“Company”) believes in combining the power of technology to build an inclusive culture 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 lastly, 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 CSR policy, the Company shall undertake CSR initiatives / projects / programmes as specified in Schedule VII of the Act as amended, at the various work-centers and locations of the Company.

2. Composition of CSR Committee:

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. Vijay Shekhar Sharma*	Chairman, Managing Director & Chief Executive Officer		
2.	Mr. Ravi Chandra Adusumalli	Member (Non-Executive Non- Independent Director)		Refer note below
3.	Mr. Gopalasamudram Srinivasaraghavan Sundararajan	Member (Non-Executive Independent Director)		

*Mr. Vijay Shekhar Sharma is also the Chairman of the CSR Committee.

Note: During the year under review, no CSR Committee meeting was held. However, the CSR Committee through circulation approved voluntary contribution of up to ₹ 10 crores to Paytm Foundation, a philanthropic arm of the Company, to contribute / donate in the areas specified under Section 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. Provide the 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 CSR Committee, CSR Policy and CSR Projects are available in the Investor Relation Section at <https://ir.paytm.com/>

4. Provide the 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 Rs)	Amount required to be set-off for the financial year, if any (in Rs)	
		NIL		

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

Not Applicable since the average net profit of 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*					

*While CSR spending is not applicable for the Company for the financial year 2022-23, however, the Company has voluntarily contributed to Paytm Foundation, a philanthropic arm of the Company for carrying out one or more of the Corporate Social Responsibility activities listed in Schedule VII of the Act and or any other charitable activities under Section 181 of the Act for an aggregate amount of ₹10 Crores (Rupees Ten Crores only)

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 in Schedule VII to the Act	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration 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 - Through Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	CSR registration number
				State District			Nil*			

*During the year under review, the projects undertaken by Paytm Foundation out of the contribution / donation made by the Company are given below:

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 Million)
1.	Laptop Donation drive Project Purpose - To bridge digital gap and promote digital education Activity - Distribution of new 150 laptops and dongles for education, research, digital skilling and overall growth of rural students	Education (Strengthening rural education and promoting digital skilling)	PAN India	1 Year	Act to Transform Foundation	5.94
2.	Laptop donation: Shikshit Bharat Project Purpose - To bridge digital gap and promote digital education. Activity - Donation of used laptops to underprivileged students of Uttar Pradesh and Himachal Pradesh	Education (Strengthening education among underprivileged students and promoting digital skilling)	Uttar Pradesh	1 Year	Aavishkar Yatraa	0.03

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 Million)
3.	Tamil Nadu Technology (iTNT) Hub Project Purpose - An initiative in collaboration with Tamil Nadu government focusing on skill development. Activity - iTNT with the aim to enable India to become one of the top global innovation hubs has signed MoU with 4 global ecosystem hubs.	Education and skill development	Tamil Nadu	3 Years	iTNT Foundation	10.00
4.	AQAF (Air Quality Action Forum) Purpose - The AQAF aims to collectively address the challenges posed by air pollution and pave the way towards a cleaner, healthier future. Activity - Till now under AQAF, consultation meetings have been organized with 120+ stakeholders on various issues concerning air pollution and the Need Assessment Report is published in February 2023	Environment and sustainability		1 Year	UNEP	10.12
Total CSR amount spent						26.09

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. 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 ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation – Through Implementing Agency Name CSR registration number
							NIL

- (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:

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

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

Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	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

Vijay Shekhar Sharma

Chairman, Managing Director and Chief Executive Officer

& Chairman - CSR Committee

DIN: 00466521

Place: New Delhi

Date: July 21, 2023

Annexure IV

Statement of Disclosure of Remuneration under Section 197(12) of 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 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2022-23 are as under:

Name of Directors	Percentage (%) increase in remuneration in FY 2022-23	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	5.68	103.97
Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer*	9.43	83.49
Non-Executive Non-Independent Directors		
Mr. Ravi Chandra Adusumalli	N.A.	N.A.
Mr. Douglas Feagin	N.A.	N.A.
Non-Executive Independent Directors		
Mr. Neeraj Arora	53.40	40.33
Mr. Ashit Ranjit Lilani	50.03	40.33
Mrs. Pallavi Shardul Shroff	11.03	50.47
Mr. Gopalasamudram Srinivasaraghavan Sundararajan**	N.A.	29.73
Mr. Mark Schwartz***	N.A.	21.04
Key Managerial Personnel other than Executive Directors		
Mr. Amit Khera, Company Secretary****	2.54	32.85

Notes:

*The above remuneration of Mr. Madhur Deora does not include the perquisite value of ₹ 7,028,592 towards the value of Stock Options exercised during FY 2022-23

** Mr. Gopalasamudram Srinivasaraghavan Sundararajan was appointed as an Independent Director in FY 22-23 with effect from August 29, 2022.

*** Mr. Mark Schwartz ceased to be an Independent Director from August 30, 2022 due to his retirement.

****Mr. Amit Khera ceased to be the Company Secretary and Compliance Officer of the Company with effect from March 14, 2023.

The percentage increase and ratio of the remuneration to the median remuneration of the employee's remuneration for Executive Director and KMP's is computed basis the remuneration excluding perquisite value of stock options exercised during FY 2022-23, 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 2022-23 has decreased by 67.16. (The reason for decrease is due to inclusion of Front line salesforce. Also, the Company has expanded their business and due to hiring of front line sales employees, the % change has further decreased.)
- iii. The number of permanent employees on the rolls of the Company:** There were 25,959 employees (excluding subsidiary Companies employees) on the rolls of the Company as on March 31, 2023.
- 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 2022-23 was 13%. There has been an increase of 5.68% in the remuneration of Mr. Vijay Shekhar Sharma from FY 2021-22 remuneration and 9.43% increase in remuneration of Mr. Madhur Deora. However, these remunerations 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. Further, no remuneration was paid to Non-Executive Director for FY 2022-23 and the remuneration paid to Non-Executive Independent Directors for FY 2022-23 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:** Yes

For and on behalf of the Board
One 97 Communications Limited

Vijay Shekhar Sharma

Place: New Delhi
Date: July 21, 2023

Chairman, Managing Director and Chief Executive Officer
DIN: 00466521

Annexure V

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,

The Members,

One 97 Communications Limited

(L72200DL2000PLC108985)

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")**. The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the financial year ended on March 31st, 2023 (**"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 and External Commercial Borrowings;
- (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;

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

It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and as informed to us, there are no laws which are specifically applicable to the Company.

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. 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 Act. The following changes took place during the audit period:
 - a. Mr. Madhur Deora (DIN: 07720350) was appointed as a whole-time Director of the Company with effect from May 20, 2022.
 - b. Mr. Gopalasamudram Srinivasaraghavan Sundararajan (DIN: 00361030) has been appointed as an Independent Director for a term of five years i.e., from August 29, 2022 to August 28, 2027.
 - c. Mr. Mark Schwartz ceased to be the Independent Director of the Company with effect from August 30, 2022.
 - d. Mr. Douglas Feagin (DIN: 07868696), Non-Executive, Non-Independent Director has resigned with effect from February 02, 2023.
- (ii) Further, the composition of all statutory committees was also in compliance with the Act and applicable Rules and 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 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) The majority of 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 the following events have occurred in the Company having major bearing on the Company's affairs:

- i. That the Board of Directors at its meeting held on December 13, 2022 have approved buy-back of equity shares amounting to ₹ 850,00,00,000 (Rupees Eight Hundred and Fifty crores Only) (Maximum buy-back size, excluding transaction costs and tax on buy-back) at a price not exceeding ₹ 810 per equity share (Maximum Buy-back price) which has been offered to the equity Members of the Company under the open market route through the stock exchanges. Consequently, the Company has bought

back 1,55,66,746 (One Crore, Fifty-Five Lakhs, Sixty Six Thousand, Seven Hundred and Forty-Six) equity shares utilizing a total amount of ₹849,83,39,982 (Rupees Eight Hundred Forty Nine Crores Eighty Three Lakhs Thirty Nine Thousand Nine Hundred and Eighty Two Only) in accordance with the SEBI Regulations. Also, the shares which have been bought back have been extinguished by the Company for which the auditor's certificate has been obtained and has been duly filed with the stock exchanges. The offer of the Buyback was commenced on December 21, 2022 and closed on February 13, 2023. However, due to technical glitches on MCA portal, the Company has filed Form SH-11 pursuant to completion of Buy-back in physical mode with an undertaking to file the said form online when the MCA portal starts functioning smoothly.

- ii. That the Members of the Company has granted their approval on March 23, 2023 vide Postal Ballot for entering into material related party transactions with Paytm Payments Bank Limited in accordance with the SEBI Listing Regulations, 2015.
- iii. That the RBI has 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, PPSL has filed the requisite

application on December 14th, 2022 with the Government of India under FDI guidelines and the same is pending for disposal as on even date.

- iv. That during the quarter ended December 31, 2022, the Company had received a demand of ₹ 10,815 million against the show cause notice issued by Uttar Pradesh GST department

against which the Company had filed a writ petition before the Hon'ble High Court of Allahabad which stayed the said demand however, the matter is pending for disposal.

For PI & Associates,
Company Secretaries

Nitesh Latwal
Partner
ACS No.: 32109
CP No.: 16276
Peer Review No.: 1498/2021
UDIN: A032109E000255123

Date: May 05, 2023

Place: New Delhi

Disclaimer:

*This report is to be read with our letter of even date which is annexed as "**Annexure A**" which 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

Nitesh Latwal
Partner
ACS No.: 32109
CP No.: 16276

Date: May 05, 2023

Place: New Delhi

Peer Review No.: 1498/2021
UDIN: A032109E000255123

Annexure VI

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2023

[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 31st, 2023 (**"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 17th, 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 31st, 2023, 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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(Not Applicable)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable**)
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not Applicable**)
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable**)
 - The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; (**Not Applicable**)
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not Applicable**)
 - 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**)
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not Applicable**)
 - The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (**Not Applicable**)
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Not Applicable**)
- (vi) 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:-
- The Payment and Settlement Systems Act, 2007 read with Payment and Settlement Systems Regulations, 2008 ('PSS Act, 2007');
 - Guidelines on Regulation of Payment Aggregators and Payment Gateways ('PA/PG Guidelines') as updated thereunder; and
 - 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 24th, 2009.

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 extent 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 period under review 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, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013. The following changes took place during the Audit Period:

(a) Mr. Srinivas Yanamandra, Mr. Nakul Jain, Mrs. Pallavi Shardul Shroff and Mr. Bhavesh Gupta were appointed as Non-Executive Directors on the Board of the Company. Thereafter, Mr. Nakul Jain was appointed as a Managing Director w.e.f August 01st, 2022.

(b) Mr. Deepankar Sanwalka and Mr. Praveen Sharma resigned as Directors from the Board of the Company.

- 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) In response to the application made by the Company to the RBI for authorization to set-up Payment Systems under PSS Act, 2007 on January 08th, 2021, the RBI on November 25th, 2022 had made following directions:
 - (a) Resubmit the PA application within 120 calendar days,
 - (b) Not onboard new online merchants
 - (c) Seek necessary approval for past downward investment from the Company in to PPSL, to comply with FDI Guidelines.
- 2) As informed to us, the Company has filed the required application on December 14th, 2022 with the Government of India for past downward investment from the Parent Company, One97 Communication 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.
- 3) As further informed to us, the Company has also filed an extension application to the RBI for re-submitting the application of Payment Aggregator and RBI has also granted the extension and directed the Company to re-submit the said application upon approval of the application made under PN-3.

For PI & Associates,
Company Secretaries

Ankit Singh
Partner

FCS No.: F11685
C P No: 16274

Peer Review No.: 1498/2021
UDIN: F011685E000248262

Date: May 03, 2023

Place: New Delhi

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

"Annexure A"

To,

The Members,

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

Ankit Singhi

Partner

FCS No.: F11685

C P No.: 16274

Peer Review No.: 1498/2021

UDIN: F011685E000248262

Date: May 03, 2023

Place: New Delhi

Corporate Governance Report

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

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 endeavours 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 following 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

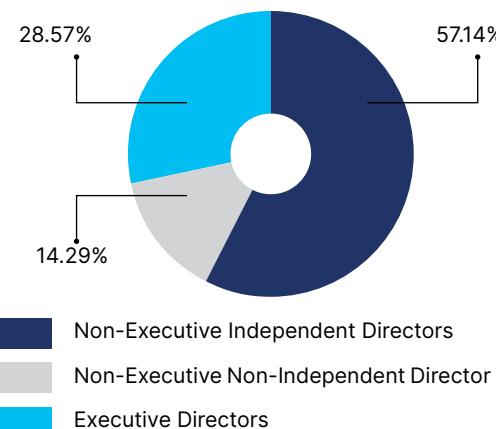
The Company is a professionally managed company functioning under the overall supervision of its Board of Directors ("Board"). The Board has the ultimate responsibility for the management, general affairs, direction, performance and long-term success of the Company's business. The functions of the Board 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 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. The 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 an optimum combination of Executive Directors, Non-Executive Non-Independent Directors, Non-Executive Independent Directors and Independent Woman Director as required under the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations. As on March 31, 2023, the Board comprises of 7 (seven) Directors, out of which 4 (four) are Non-Executive Independent Directors ("ID") including a woman Director, 2 (two) are Executive Directors and 1 (one) is Non-Executive Non-Independent Director.

Board Composition as on March 31, 2023



During FY 2022-23, the composition and categories of the Directors on the Board, their attendance at the last Annual General Meeting ("AGM"), and their Directorship(s), Committee Membership(s) or Chairpersonship(s) in other companies is provided below:

Name of the Director	Director Identification Number	Designation & Category	No. of board meetings attended (total held during tenure)	Whether attended last AGM	Name of the listed entity where person is Director along with category of Directorships ¹	Number of other Directorships ¹	Committees Membership/ Chairpersonships ²	
							Chairperson	Member
Mr. Vijay Shekhar Sharma ^{3,4}	00466521	Executive Director (Chairman, Managing Director and Chief Executive Officer)	7(7)	Yes	NIL	3	NIL	NIL
Mr. Ravi Chandra Adusumalli	00253613	Non-Executive Non-Independent Director	7(7) ⁶	No	NIL	1	NIL	2
Mr. Neeraj Arora ⁴	07221836	Non-Executive Independent Director	4(7)	No	NIL	NIL	NIL	NIL
Mr. Madhur Deora ^{3,4}	07720350	Executive Director, President and Group Chief Financial Officer	7(7)	Yes	NIL	4	1	1
Mr. Ashit Ranjit Lilani	00766821	Non-Executive Independent Director	7(7)	Yes	NIL	NIL	NIL	NIL

Name of the Director	Director Identification Number	Designation & Category	No. of board meetings attended (total held during tenure)	Whether attended last AGM	Name of the listed entity where person is Director along with category of Directorships ¹	Number of other Directorships ¹	Committees Membership/ Chairpersonships ²	
							Chairperson	Member
Mrs. Pallavi Shardul Shroff	00013580	Non-Executive Independent Director	3(7)	Yes	Asian Paints Limited - Non-Executive Independent Director Apollo Tyres Limited - Non-Executive Independent Director Interglobe Aviation Limited - Non-Executive Independent Director PVR Limited - Non-Executive Independent Director	5	NIL	5
Mr. Gopalasamudram Srinivasaraghavan Sundararajan ³	00361030	Non-Executive Independent Director	5(5)	Not Applicable ('NA')	NIL	3	3	NIL
Mr. Mark Schwartz ³	07634689	Non-Executive Independent Director	1(2)	Yes	NIL	NIL	NIL	NIL
Mr. Douglas Feagin ³	07868696	Non-Executive Non-Independent Director	4(5)	No	NIL	NIL	NIL	NIL

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 Committees Memberships provided above do not include Chairpersonship of Committees as the same has been provided separately.
- The details with respect to appointment and cessation of Directors, during FY 2022-23 is as follows:
 - Mr. Madhur Deora was appointed as Whole-time Director designated as 'Executive Director, President and Group Chief Financial Officer' of the Company w.e.f. May 20, 2022.
 - Mr. Gopalasamudram Srinivasaraghavan Sundararajan, was appointed as Non-Executive Independent Director of the Company w.e.f. August 29, 2022.
 - Mr. Mark Schwartz, Non-Executive Independent Director ceased to be a Director of the Company w.e.f. August 30, 2022.

- Mr. Vijay Shekhar Sharma was re-appointed as Managing Director designated as 'Managing Director and Chief Executive Officer' of the Company w.e.f. December 19, 2022.
- Mr. Douglas Feagin, Non-Executive Non-Independent Director ceased to be a Director of the Company w.e.f. February 02, 2023.

- As on March 31, 2023, 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 equity shares;
- Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer holds 688,394 equity shares; and
- Mr. Neeraj Arora, Non-Executive Independent Director holds 75,000 equity shares.

Further, none of the Non-Executive Directors of the Company including Non-Executive Independent Directors holds any convertible instruments in the Company.

5. None of the Directors are relatives of any other Directors and are Independent to each other.
6. As on March 31, 2023, Mr. Vivek Kumar Mathur (DIN: 03581311), was an Alternate Director to Mr. Ravi Chandra Adusumalli. One meeting was attended by Mr. Mathur. He resigned w.e.f. June 30, 2023.

Board Meetings and Attendance

During FY 2022-23, the Board met 7 (seven) 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.

The details of the Board meetings and attendance of Directors at these meetings are given below:

S. No.	Date of Board meeting	Board Strength	No. of Directors present	% of attendance
1	May 20, 2022	8	5	62.50
2	August 05, 2022	8	8	100.00
3	November 07, 2022	8	6	75.00
4	December 13, 2022	8	8	100.00
5	January 23, 2023	8	6	75.00
6	February 03, 2023	7	6	85.71
7	March 31, 2023	7	6	85.71

Key Board Skills, Expertise and Competencies

The Board of the Company represents 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.

Area	Particulars
Financial	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	✓	✓	✓	✓	✓	✓	✓
Financial	✓	✓	✓	✓	✓	✓	✓
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 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. Information is provided to the Board Members on a continuous basis for their review, inputs and approval. 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, various matters such as appointment of Directors and Key Managerial Personnel, details of investor grievances, important managerial decisions, material positive/negative developments and legal/ statutory matters are presented to the respective Committee and placed for noting / approval of the Board subsequently upon recommendation by respective Committee.

The documents containing Unpublished Price Sensitive Information are submitted to the Board at a shorter notice, as per the general consent taken from the Board, from time to time.

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 access to all relevant information within the Company. The information shared with the Board on a regular basis, inter-alia, includes:

- Annual operating plans, capital budgets and updates thereon;
- Regular business updates;
- Quarterly/ annual consolidated and standalone 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 at one level below the Board;
- Material 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 certificates 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
- Report on action taken on the last Board meeting decisions.

Independent Directors

The Board of the Company comprises 4 (four) Non-Executive Independent Directors. In the opinion of the Board and based on the declarations received, all the Non-Executive Independent Directors fulfill the conditions under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and that they are independent of the management.

Further, in terms of Regulation 25(8) of the SEBI Listing Regulations, they have 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 2022-2023, the Non-Executive Independent Directors of the Company met on March 31, 2023, without the presence of other members of the Board and management, in accordance with the provisions of the Act 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.

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 and risk involved including their roles, rights, responsibilities in the Company etc.

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 has an effective 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.

Paytm has been growing at a fast pace and has made targeted efforts in investing across Product, Technology, Business, Risk & Operations and Enabling functions to ensure that the Senior leadership and KMPs are supported by professionals with domain expertise and a

strong career track record of performance in high performing organizations. This has enabled us to manage any talent risks for growth and ongoing delivery. Our top tier retention at senior leadership is in the top quartile . As we grow we will continue to enhance our succession planning mechanisms and develop talent internally for critical roles within the organisation.

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 31, 2023, deliberated 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 2022-23. The results of evaluation were discussed in the meeting of the respective Committees and the Board.

Overview of Evaluation Framework and Evaluation Criteria:

S. No.	Category	Criteria
1.	Board of Directors	Board 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	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 after seeking input from the Committee members and recommendations at the Board level.
3.	Individual Directors	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.
4.	Chairman, Managing Director and Chief Executive Officer	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	Besides the criteria mentioned in point no. 3 above, the following are additional criteria: <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.

Directors' remuneration

In terms of the provisions of the Act and the SEBI Listing Regulations, the Board has approved a Nomination and Remuneration 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.

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

The details of remuneration paid to Directors during FY 2022-23 are given below:

(Amount ₹ in million)

Directors	Sitting Fees	Remuneration	Commission	Perquisites*	Allowances	Variable Bonus \$	Total
Executive Directors							
Mr. Vijay Shekhar Sharma ²	-	40.00	-	2.31	-	-	42.31
Mr. Madhur Deora [^]	-	31.78	-	-	-	2.20	33.98
Non-Executive Non-Independent Directors							
Mr. Ravi Chandra Adusumalli	-	-	-	-	-	-	-
Mr. Douglas Feagin ²	-	-	-	-	-	-	-
Non-Executive Independent Directors							
Mr. Neeraj Arora	-	16.41	-	-	-	-	16.41
Mr. Ashit Ranjit Lilani	-	16.41	-	-	-	-	16.41
Mrs. Pallavi Shardul Shroff	-	20.54	-	-	-	-	20.54
Mr. Gopalasamudram Srinivasaraghavan Sundararajan ²	-	12.10	-	-	-	-	12.10
Mr. Mark Schwartz ²	-	8.56	-	-	-	-	8.56
Total	-	145.80	-	2.31	-	2.20	150.31

Notes:

1. As per the Nomination and Remuneration 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 2022-23.
2. The requisite details relating to appointment/ cessation of Directors have been provided as footnotes to the table under section 'Board Composition, Board Meetings and Board Attendance' of this report.
3. The Remuneration includes the Company's contribution to the Provident Fund, if any. Liability for gratuity, leave encashment and LTIP (Long Term Incentive Plan) 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.
4. Except for the remuneration payable to the Non-Executive Independent Directors in accordance with the applicable laws and with the approval of the Members, there is no pecuniary or business relationship between the Non-Executive Directors vis-à-vis the Company. Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director of the Company, is the Managing Partner of M/s. Shardul Amarchand Mangaldas & Co., Solicitors & Advocates, which renders professional services to the Company. The quantum of fees paid to M/s. Shardul Amarchand Mangaldas & Co. is an insignificant portion of their total revenue, thus, M/s. Shardul Amarchand Mangaldas & Co., is not to be construed to have any material association with the Company.
5. The terms of severance, notice period and termination for the Executive Directors of the Company will be governed by terms and conditions of the agreement entered with the Company. Further, no notice period or severance fee is paid to any other Director.

^{\$}For Madhur Deora, variable remuneration is LTIP (Long Term Incentive Plan) which is paid out based on Annual performance rating by the Nomination and Remuneration Committee. Variable remuneration for FY22 performance is to be paid out in 3 tranches (50% in FY23, 25% in FY24 and 25% in FY25) and for FY23 performance will also be paid out in 3 tranches (50% in FY24, 25% in FY25 and 25% in FY26).

^{*}The above remuneration of Mr. Madhur Deora does not include the perquisite value of ₹ 7,028,592 towards the value of Stock Options exercised during FY 2022-23.

^{*}Perquisites granted to Mr. Vijay Shekhar Sharma include two vehicles and related expenses on actual, utility and other expenses in relation to the Company, leased accommodation and club subscription. Provided that the aggregate value of perquisites shall not exceed 25% of total remuneration.

^{**} During FY 2022-23, Mr. Madhur Deora was granted 55,556 stock options on May 20, 2022 under ESOP Scheme 2019 of the Company towards his performance appraisal for the FY 2021-22. As on date, he holds 677,774 stock options which were granted in previous financial years, under One 97 Employees Stock Option Scheme 2019 (referred to as "Scheme"), which were duly approved by the Nomination and Remuneration Committee/ Board/ 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.

6. Mr. Vijay Shekhar Sharma was not granted any ESOPs during FY 2022-23. 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 / Board / Members of the Company. The vesting of these options is subject to achievement of certain milestones (including the market cap of the Company crossing its IPO level, on a sustained basis), and will vest equally in 4 tranches having a minimum vesting period of 24 months, 36 months, 48 months and 60 months for each tranche, respectively, from the date of grant as mentioned in his grant letter.
7. None of the other Directors have been granted any stock options during FY 2022-23.
8. No sitting fee was paid to Directors during FY 2022-23.

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 Committee. Each Committee of the Board is guided by its Charter/ terms of reference, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for its information or approval.

During FY 2022-23, the Board has accepted all the recommendations of its Committees.

Audit Committee

Composition, Meetings and Attendance

As on March 31, 2023, the Audit Committee comprised of 3 (three) Non-Executive Directors out of whom 2 (two) are Non-Executive Independent Directors and 1 (one) is Non-Executive Non-Independent Director. Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director and Chairman of the Committee 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 2022-23, the following changes occurred in the composition of the Committee:

- a) Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director was appointed as the member and Chairman of the Committee w.e.f. August 29, 2022; and
- b) Mr. Mark Schwartz, Non-Executive Independent Director ceased to be the member and Chairman of the Committee w.e.f. August 29, 2022;

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

During FY 2022-23, the Committee met 7 (seven) times viz., on April 26, 2022, May 19, 2022, August 04, 2022, November 07, 2022, January 25, 2023, February 03, 2023, and March 30, 2023.

The composition of the Committee and attendance of members at the Committee meetings held during FY 2022-23, are given below:

S. No.	Date of Committee meeting	Name of the Committee Members			
		Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Chairman (Non-Executive Independent Director)	Mr. Mark Schwartz (Non- Executive Independent Director)	Mr. Ravi Chandra Adusumalli (Non- Executive Non- Independent Director)	Mrs. Pallavi Shardul Shroff (Non- Executive Independent Director)
1	April 26, 2022	NA^	Yes	Yes	Yes
2	May 19, 2022	NA^	Yes	Yes	Yes
3	August 04, 2022	NA^	Yes	Yes	Yes
4	November 07, 2022	Yes	NA^^	Yes*	Yes
5	January 25, 2023	Yes	NA^^	Yes	Yes
6	February 03, 2023	Yes	NA^^	Leave of absence	Yes
7	March 30, 2023	Yes	NA^^	Yes	Yes
Number of meetings attended (total held during tenure)		4(4)	3(3)	6(7)	7(7)

[^] Not Applicable as Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director was appointed as the member and Chairman of the Committee w.e.f. August 29, 2022.

^{^^}Not applicable as Mr. Mark Schwartz, Non-Executive Independent Director ceased to be member of the Committee w.e.f. August 29, 2022.

* The Audit Committee Meeting held on November 7, 2022 was attended by Mr. Vivek Kumar Mathur as an Alternate Director to Mr. Ravi Chandra Adusumalli.

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 considers 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 whistle blower 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 ₹1,000,000,000 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.

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

- 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.

Nomination and Remuneration Committee

Composition, Meetings and Attendance

As on March 31, 2023, Nomination and Remuneration Committee comprised of 3 (three) Non-Executive Directors out of whom 2 (two) are Non-Executive Independent Directors and 1 (one) is Non-Executive Non-Independent Director. Mr. Ashit Ranjit Lilani, Non-Executive Independent Director is the Chairman of the Committee.

During FY 2022-23, the following changes occurred in the composition of the Committee:

- a) Mr. Douglas Feagin, Non-Executive Non-Independent Director, ceased to be the member of the Committee w.e.f. February 2, 2023;
- b) Mr. Ravi Chandra Adusumalli, Non-Executive Non-Independent Director was appointed as the member of the Committee w.e.f. February 3, 2023.

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. The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

During FY 2022-23, the Committee met 6 (six) times viz., on April 01, 2022, May 01, 2022, May 20, 2022, August 01, 2022, November 01, 2022 and January 31, 2023.

The composition and the attendance of members at the meetings held during FY 2022-23, are given below:

S. No.	Date of Committee meeting	Name of the Committee Members			
		Mr. Ashit Ranjit Lilani, Chairman (Non-Executive Independent Director)	Mr. Neeraj Arora (Non- Executive Independent Director)	Mr. Ravi Chandra Adusumalli (Non- Executive Non- Independent Director)	Mr. Douglas Feagin (Non- Executive Non- Independent Director)
1	April 1, 2022	Yes	Leave of absence	NA*	Yes
2	May 01, 2022	Yes	Yes	NA*	Yes
3	May 20, 2022	Yes	Leave of absence	NA*	Yes
4	August 01, 2022	Yes	Yes	NA*	Yes
5	November 01, 2022	Yes	Yes	NA*	Yes
6	January 31, 2023	Yes	Yes	NA*	Leave of absence
Number of meetings attended (total held during tenure)		6(6)	4(6)	0(0)	5(6)

* Not applicable as Mr. Ravi Chandra Adusumalli was appointed as the member of the Committee w.e.f. February 03, 2023.

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 (the "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, 2023, the Stakeholders Relationship Committee comprised of 3 (three) Directors out of whom 2 (two) are Non-Executive Independent Directors and 1 (one) is Executive Director. Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director is the Chairperson of the Committee.

During FY 2022-23, the following changes occurred in the composition of the Committee:

- a) Mr. Douglas Feagin, Non-Executive Non-Independent Director ceased to be the member of the Committee w.e.f. February 2, 2023; and
- b) Mr. Madhur Deora, Executive Director, President and Group Chief Financial Officer was appointed as the member of the Committee w.e.f. February 3, 2023.

The composition of the Stakeholders Relationship Committee meets the requirements of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee.

During FY 2022-23, the Committee met once on March 30, 2023. The composition and the attendance of members at the meeting are given below:

S. No.	Date of Committee meeting	Name of the Committee Members		
		Mrs. Pallavi Shardul Shroff, Chairperson (Non-Executive Independent Director)	Mr. Madhur Deora (Executive Director, President and Group Chief Financial Officer)	Mr. Ashit Ranjit Lilani (Non-Executive Independent Director)
1	March 30, 2023	Yes	Yes	Leave of absence
Number of meetings attended (total held during tenure)		1(1)	1(1)	0(1)

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 2022-23, Mr. Amit Khera, Company Secretary & Compliance Officer of the Company (ICSI Membership No.: A10827) resigned w.e.f. March 14, 2023. In the interim period, Ms. Sonali Singh, a qualified Company Secretary (ICSI Membership No.: A26585) was appointed as Interim Compliance Officer of the Company.

Further, 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. Consequent to the said appointment, Ms. Sonali Singh (ICSI Membership No.: A26585) ceased to be the Interim Compliance Officer of the Company with immediate effect.

Nature of Complaints and Redressal Status

During FY 2022-23, the complaints and queries received by the Company were general in nature, which included issues relating to Lock-in of shares, receipt of annual reports, Buy-back and others, which were resolved by the Company to the satisfaction of the investors.

The details of investors complaints received and redressed, during FY 2022-23, are as follows:

Status of Investor Complaints

Pending at the beginning of FY 2022-23	02
Received during FY 2022-23	17
Disposed off during FY 2022-23	19
Pending at the end of FY 2022-23	Nil
Complaints not resolved to the satisfaction of investor	Nil

Risk Management Committee

Composition, Meetings and Attendance

As on March 31, 2023, the Risk Management Committee comprised of 4 (four) Directors out of whom 3 (three) are Non-Executive Independent Directors and 1 (one) Executive Director. Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director is Chairman of the Committee.

During FY 2022-23, the following changes occurred in the composition of the Committee:

- a) Mr. Deepankar Sanwarka, President ceased to be the member of the Committee w.e.f. May 20, 2022;
- b) Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent

Director was appointed as the member and Chairman of the Committee w.e.f. August 29, 2022; and

- c) Mr. Mark Schwartz, Non-Executive Independent Director ceased to be the member and Chairman of the Committee w.e.f. August 29, 2022.

The composition of the Risk Management Committee meets the requirements of Regulation 21 of the SEBI Listing Regulations. The Company Secretary acts as the Secretary of the Risk Management Committee.

During FY 2022-23, the Committee met three (3) times viz. August 29, 2022, February 16, 2023, and March 24, 2023.

The composition of the Committee and the attendance of members at the meetings held during FY 2022-23, are given below:

S. No.	Date of Committee meeting	Name of the Committee Members			
		Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Chairman (Non- Executive Independent Director)	Mr. Vijay Shekhar Sharma (Chairman, Managing Director and Chief Executive Officer)	Mrs. Pallavi Shardul Shroff (Non- Executive Independent Director)	Mr. Ashit Ranjit Lilani (Non- Executive Independent Director)
1	August 29, 2022	Yes	Leave of absence	Leave of absence	Yes
2	February 16, 2023	Yes	Leave of absence	Yes	Yes
3	March 24, 2023	Yes	Yes	Leave of absence	Leave of absence
Number of meetings attended (total held during tenure)		3(3)	1(3)	1(3)	2(3)

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 ("CSR")

Composition, Meetings and Attendance

As on March 31, 2023, Corporate Social Responsibility ("CSR") Committee comprised of 3 (three) Directors out of whom 1 (one) is Non-Executive Independent Director, one (1) is Non-Executive Non-Independent Director, and 1 (one) is Executive Director. Mr. Vijay Shekhar Sharma, Chairman, Managing Director and Chief Executive Officer of the Company is the Chairman of the CSR Committee.

During FY 2022-23, the following changes occurred in the composition of the CSR Committee:

- a) Mr. Gopalasamudram Srinivasaraghavan Sundararajan, Non-Executive Independent Director, was appointed as the member of the Committee w.e.f. August 29, 2022; and
- b) Mr. Mark Schwartz, Non-Executive Independent Director, ceased to be the member of the Committee w.e.f. August 29, 2022.

The composition of the CSR Committee meets the requirements of Section 135 of the Act. During FY 2022-23, no CSR Committee meeting was held.

As on March 31, 2023, the composition of the CSR Committee is as follows:

1. Mr. Vijay Shekhar Sharma (Chairman, Managing Director and Chief Executive Officer)-Chairman
2. Mr. Ravi Chandra Adusumalli (Non-Executive Non-Independent Director)
3. Mr. Gopalasamudram Srinivasaraghavan Sundararajan (Non-Executive Independent Director)

Key Responsibilities of the CSR Committee

During FY 2022-23, the Committee was authorised to perform the following functions, as approved by the Board on July 5, 2021 and further revised on March 31, 2023 respectively:

- 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 following committees to meet the specific business needs:

- Investment Committee
- IPO Committee
- Buy-back Committee

Investment Committee

As on March 31, 2023, Investment Committee comprised of 3 (three) Directors out of whom 1 (one) is Non-Executive Independent Director, 1 (one) is Non-Executive Non-Independent Director, and 1 (one) is Executive Director.

During FY 2022-23, Mr. Douglas Feagin, Non-Executive Non-Independent Director ceased to be the member of the Committee w.e.f. February 2, 2023.

During FY 2022-23, the Committee met 2 (two) times viz. April 26, 2022 and March 24, 2023.

The composition of the Committee and the attendance of members at the meetings held during FY 2022-23, are given below:

S. No.	Date of Committee meeting	Name of the Committee Members			
		Mr. Vijay Shekhar Sharma (Chairman, Managing Director and Chief Executive Officer)	Mr. Neeraj Arora (Non- Executive Independent Director)	Mr. Ravi Chandra Adusumalli (Non- Executive Non- Independent Director)	Mr. Douglas Feagin (Non- Executive Non- Independent Director)
1	April 26, 2022	Leave of absence	Yes	Yes	Yes
2	March 24, 2023	Yes	Yes	Yes	NA*
Number of meetings attended (total held during tenure)		1(2)	2(2)	2(2)	1(1)

* Not applicable as Mr. Douglas Feagin resigned as Non- Executive Non-Independent Director w.e.f. February 02, 2023.

The Company Secretary acts as the Secretary of the Investment 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.

IPO Committee

An IPO Committee was constituted by the Board on June 14, 2021 and delegated with powers to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in relation to the IPO of the Company, which was completed on November 18, 2021.

As on March 31, 2023, IPO Committee comprises of Mrs. Pallavi Shardul Shroff, Non-Executive Independent Director and Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive Officer.

Mr. Douglas Feagin, Non-Executive Non-Independent Director, ceased to be the member of the Committee w.e.f. February 2, 2023;

During FY 2022-23, No IPO Committee meeting was held. The Company Secretary acts as the Secretary of the IPO Committee.

Consequent upon completion of IPO and listing of shares of the Company w.e.f. November 18, 2021, the Board at its meeting held on July 21, 2023 dissolved the IPO Committee.

Buy-back Committee

The Board at its meeting held on December 13, 2022 constituted a Buy-back Committee and delegated the powers to carry out all Buy-back related activities. The Committee was authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in relation to the Buy-back.

The Buy-back Committee comprises of 3 (three) Directors out of whom 2 (two) are Executive Directors and 1 (one) is Non-Executive Independent Director.

During FY 2022-23, the Buy-back Committee met 2 (two) times viz. January 20, 2023 and February 13, 2023. The composition of the Committee and the attendance of members at the meetings held during FY 2022-23, are given below:

S. No.	Date of Committee meeting	Name of the Committee Members		
		Mr. Gopalasamudram Srinivasaraghavan Sundararajan (Non- Executive Independent Director)	Mr. Vijay Shekhar Sharma (Chairman, Managing Director and Chief Executive Officer)	Mr. Madhur Deora (Executive Director, President and Group Chief Financial Officer)
1	January 20, 2023	Yes	Yes	Yes
2	February 13, 2023	Yes	Yes	Yes
Number of meetings attended (total held during tenure)		2(2)	2(2)	2(2)

Terms of Reference

- seek regulatory approvals, if required, for implementing the Buy-back;
- finalise of the terms of the Buy-back, including the opening and closing dates of the Buy-back, the price and number of Equity Shares to be bought back under the Buy-back, subject to the terms approved under this resolution and in compliance with the provisions of the Act and the SEBI Buy-back Regulations;
- negotiate, finalise and/or execute agreements in accordance with SEBI Buy-back Regulations;
- open, operate and close all necessary accounts, such as broker account and any other bank account(s), for the purpose of the Buy-back;
- arrangement for adequate resources of funds for the Buy-back as may be necessary in accordance with the applicable law and arrange for bank guarantee and/or cash

deposits as may be necessary for the escrow account for the Buy-back, in accordance with applicable law;

- take all actions for the verification, acceptance and extinguishment of the Equity Shares bought back under the Buy-back, in accordance with the applicable law;
- pay consideration to the shareholders for the Equity Shares bought back pursuant to the Buy-back and/or issue rejection letters, if any;
- decide closure of the Buy-back and complete all other requisite formalities as specified under the Act, the SEBI Buy-back Regulations, the SEBI Listing Regulations and other applicable laws;
- authorize and make payment of expenses incidental to the Buy-back;
- withdraw, postpone or to decide not to proceed with the Buy-back, in accordance with the applicable law, including the SEBI Buy-back Regulations;

- carry out management discussion and analysis on the likely impact of the Buy-back on the Company's earnings, public holdings, holdings of NRIs/FIIIs, etc.;
- execute, sign, affirm and deliver all such documents, including consent letter, power of attorney, certificates, instruments, agreements, letters, undertakings, memorandum of understanding, declarations, affidavits, indemnity, bank guarantee, etc., as may be required in connection with this resolution, the Buy-back and/or such other purposes as may be considered by the Buy-back Committee to be in the best interest of the Company;
- furnish and make disclosures, certificates, returns, confirmations, etc., as may be required under the Act the SEBI Buy-back Regulations, the SEBI Listing Regulations and/or other applicable law;
- appoint advertisement agency(ies), printers agency(ies), escrow agent(s)and such other person(s) / consultant(s) for the Buy-back as may be required or as the Buy-back Committee may deem fit, necessary or proper;
- fix/ decide the remuneration, including commission, brokerage, fees, charges etc., and other terms and conditions for the appointment of professionals, firms, etc., as may be required for undertaking the Buy-back;
- settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the best interest of the Company;
- file copies of the offer documents (and any revision thereto) as may be required under applicable law in relation to the Buy-back with SEBI, the Stock Exchanges and other Appropriate Authorities; and
- do all such acts, deeds and things as may be necessary, expedient and incidental for the implementation of, and undertaking, the Buy-back in accordance with the Act, the SEBI Buy-back Regulations and other applicable law.

Consequent upon completion of Buy-back of shares of the Company on February 13, 2023, the Board at its meeting held on July 21, 2023 dissolved the Buy-back Committee.

Particulars of the Senior Management of the Company including the changes therein

a. Senior Management as on March 31, 2023

Name of employee	Designation
Mr. Bhavesh Gupta*	SVP - Business Management
Mr. Manmeet Singh Dhody**	CTO - Payments
Mr. Praveen Sharma	SVP - Business
Mr. Sanjeev Garg***	SVP - Finance
Mr. Srinivas Yanamandra***	Head of Compliance
Ms. Urvashi Sahai***	General Counsel

*Mr. Bhavesh Gupta was re-designated as President & Chief Operating Officer w.e.f. May 16, 2023.

**Mr. Manmeet Singh was re-designated as CTO Paytm w.e.f. April 01, 2023.

***The employee was recognised as Senior Management during FY 2022-23

b. Changes in Senior Management during FY 2022-23

Name of employee	Designation	Date of Change	Appointed/ Resigned
Mr. Deepankar Sanwalka	President – Compliance & Operations	May 31, 2022	Resigned
Mr. Amit Khera	Company Secretary and Compliance Officer	March 14, 2023	Resigned

General Body Meetings

Annual General Meetings

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

Financial year	Location	Date	Time	Special Resolutions passed
2021-22	Through Video Conference	August 19, 2022	04:30 p.m. (IST)	1. Payment of remuneration of Mr. Vijay Shekhar Sharma (DIN: 00466521), Managing Director and Chief Executive Officer of the Company 2. 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)	1. Re-appointment of Mrs. Pallavi Shardul Shroff, as a Non-Executive Independent Director 2. Remuneration of Mr. Vijay Shekhar Sharma, Managing Director for FY 2021- 22 3. Subscription of optionally convertible debentures issued by VSS Holdings Private Limited 4. Grant of inter-corporate deposit/ loan to VSS Investco Private Limited
2019-20	First Floor, Devika Tower, Nehru Place, New Delhi- 110019	September 25, 2020	10:00 a.m. (IST)	No Special Resolution passed in the 20 th AGM

Postal Ballot

During FY 2022-23, two (2) Postal Ballots were conducted by the Company for seeking the approvals of the Members. The details of the Postal Ballots conducted are mentioned below:

Postal Ballot 1:

Date of Postal Ballot Notice: February 03, 2023

Voting period: February 22, 2023 at 9:00 a.m. (IST) to March 23, 2023 at 5:00 p.m. (IST)

Date of Declaration of Results: March 24, 2023

Voting Pattern:

Item No.	Description	Type of Resolution	No. of Votes Polled	Votes in Favour		Votes Against	
				No. of Votes	%	No. of Votes	%
1.	Approval of Material Related Party Transactions with Paytm Payments Bank Limited	Ordinary Resolution	100,066,747	99,913,163	99.85	153,584	0.15

Postal Ballot 2:

Date of Postal Ballot Notice: August 27, 2022

Voting period: October 22, 2022 at 9:00 a.m. (IST) to November 20, 2022 at 5:00 p.m. (IST).

Date of Declaration of Results: November 22, 2022

Voting Pattern:

Item No.	Description	Type of Resolution	No. of Votes Polled	Votes in Favour		Votes Against	
				No. of Votes	%	No. of Votes	%
1.	Approval for appointment of Mr. Gopalasamudram Srinivasaraghavan Sundararajan (DIN:00361030), as a Non-Executive Independent Director of the Company	Special Resolution	550,239,605	550,160,649	99.99	78,956	0.01

Item No.	Description	Type of Resolution	No. of Votes Polled	Votes in Favour		Votes Against	
				No. of Votes	%	No. of Votes	%
2.	Approval for payment of remuneration to Mr. Gopalasamudram Srinivasaraghavan Sundararajan (DIN:00361030), as a Non-Executive Independent Director of the Company	Special Resolution	550,239,576	515,637,590	93.71	34,601,986	6.29

Procedure for Postal Ballot

In compliance with Regulation 44 of the SEBI Listing Regulations, Section 108, 110 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 read with applicable general circulars issued by Ministry of Corporate Affairs, the Postal Ballot Notice was sent only by way of email to those Members whose e-mail ids were registered with the Depository Participants / Link Intime India Private Limited, Company's Registrar and Share Transfer Agent ("RTA"). The physical copy of the Notice along with the Postal Ballot Form and prepaid business reply envelope were not sent to the Members for these postal ballots in accordance with MCA Circulars.

The Company had appointed RTA for providing the e-voting facility to all its Members. The Company also published a notice in the newspapers declaring the details and requirements as mandated by the Act and applicable rules.

Voting Rights were in proportion to the shares held by Members whose names appeared in the Register of Members/ List of Beneficial Owners in the total paid-up equity share capital of Company as on the cut-off date. Members were requested to vote through remote e-voting only on or before the close of voting period.

Mr. Ankit Singh (C.P No.: 16274), and failing him Mr. Nitesh Latwal (C.P No.: 16276) Company Secretary in Practice and Partner of M/s. PI & Associates, Company Secretaries was appointed as Scrutinizer for conducting the postal ballot/e-voting process in a fair and transparent manner.

The scrutinizer completed the scrutiny and submitted his report to the Chairman and consolidated results of the voting were announced by the Chairman. Thereafter, the results of the postal ballot along with the scrutiniser's report were displayed at the registered office of the Company, hosted at <https://ir.paytm.com/postal-ballot>, RTA's website and were also communicated to stock exchanges.

No resolution is proposed for approval of the Members by way of Postal Ballot as on the date of this report.

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 all Directors and Senior Management Personnel ("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 a quarterly 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 2022-23, 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 for prohibition of Insider Trading (“PIT Code”) to regulate and monitor trading by Designated Persons (“DPs”) and their immediate relatives. 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 DPs require pre-clearance irrespective of value or quantum. The PIT Code, inter-alia, lays down the procedures to be followed by DPs while trading/dealing in Company shares and while sharing Unpublished Price Sensitive Information (“UPSI”). The PIT Code includes, inter-alia, 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 sensitise the DPs to familiarise them with the provisions of the PIT Code and compliance requirements.

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.

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 Company’s website 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 Company's website 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 Company's website as well as filed with the stock exchanges

where the equity shares of the Company are listed, 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, and policies 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.

D. General Shareholder Information

Date, Time and Venue of the AGM	Tuesday, September 12, 2023 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 110 019, India
Financial Calendar	April 1 to March 31
Adoption of Financial Results (Tentative Schedule, subject to change)	
For the quarter ending June 30, 2023	July 21, 2023
For the quarter and half year ending September 30, 2023	on or before November 14, 2023
For the quarter and nine months ending December 31, 2023	on or before February 14, 2024
For the fourth quarter and financial year ending March 31, 2024	on or before May 30, 2024
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 generally 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 2022-23
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai - 400001	PAYTM	Yes
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	543396	Yes

The listing fees for FY 2023-24 has been paid by the Company to the NSE and BSE.

Registrar and Share Transfer Agent

All the functions related to share registry, both in physical and electronic form, are handled by the RTA i.e. Link Intime India Private Limited as per the particulars mentioned in the communication details section of this report.

Share Transfer System

During FY 2022-23, Link Intime India Private Limited, 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.

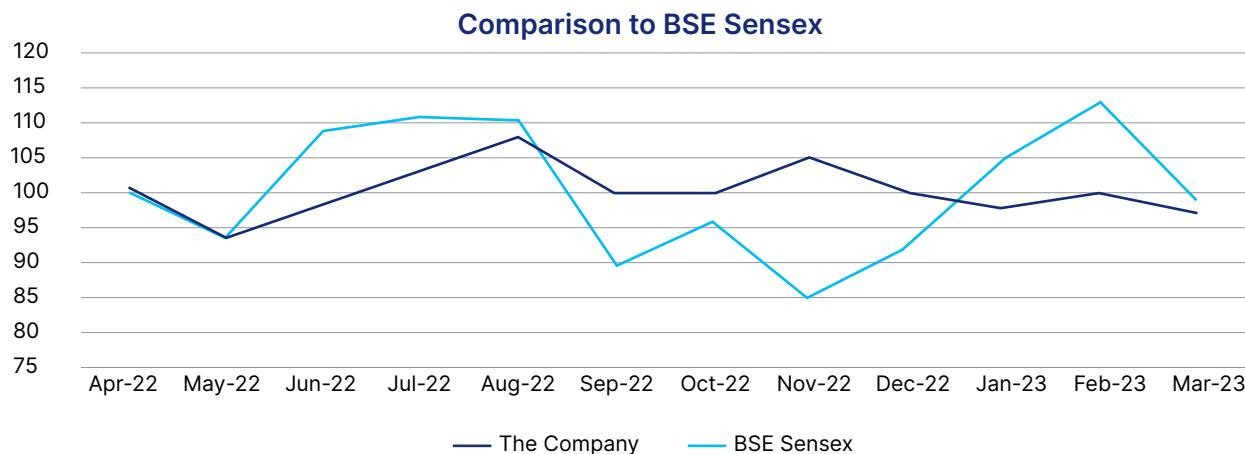
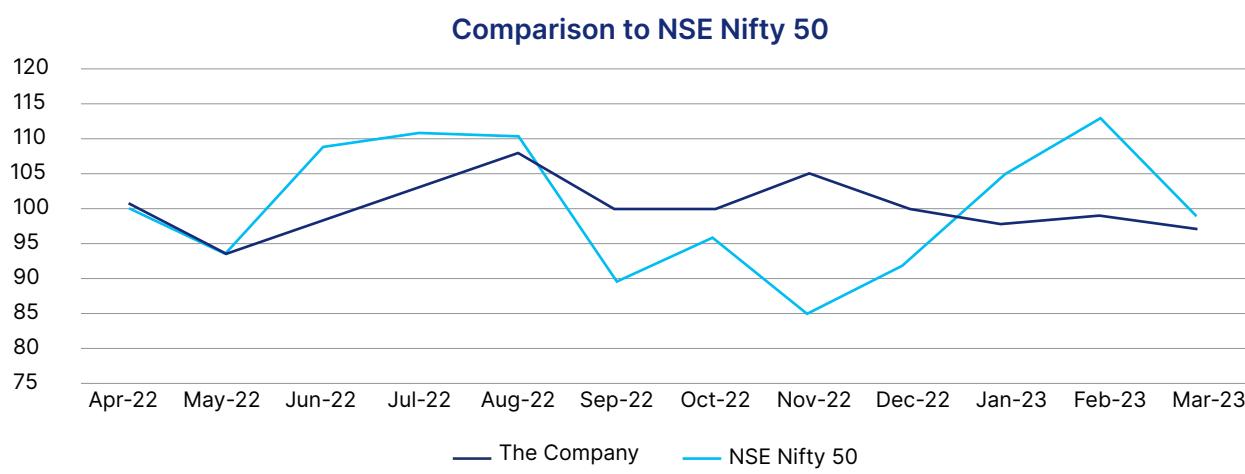
SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. Accordingly, the Company / its RTA are not accepting any lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation. 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.

List of Top 10 Shareholders as on March 31, 2023

S.No	Shareholder's Name	Shares	% of shareholding
1.	Antfin (Netherlands) Holding B.V.	158,080,740	24.94
2.	SVF India Holdings (Cayman) Limited	81,610,229	12.88
3.	SAIF III Mauritius Company Limited	68,735,489	10.85
4.	Mr. Vijay Shekhar Sharma	57,845,053	9.13
5.	Axis Trustee Services Limited	30,970,406	4.89
6.	SAIF Partners India IV Limited	29,180,478	4.60
7.	BH International Holdings	15,623,529	2.47
8.	Mirae Asset Mutual Funds	11,396,024	1.80
9.	Canada Pension Plan Investment Board	11,085,832	1.75
10.	Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	5,781,100	0.91

Stock Market Data for the period ended March 31, 2023

Month	BSE			NSE		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Apr-22	720.65	530.65	12,243,704	719.70	530.00	161,632,478
May-22	664.35	511.00	7,173,348	664.00	510.05	95,398,459
Jun-22	723.55	578.50	5,250,718	723.60	578.00	87,670,116
Jul-22	763.00	580.00	4,012,965	763.30	632.00	59,085,367
Aug-22	844.40	706.65	3,902,107	844.70	707.45	62,299,048
Sep-22	747.75	627.60	2,148,657	748.00	629.55	25,272,935
Oct-22	745.00	624.65	1,508,897	745.45	625.00	18,610,302
Nov-22	668.45	439.60	13,319,572	668.40	438.35	202,392,054
Dec-22	554.70	472.00	9,038,793	554.45	472.00	133,171,155
Jan-23	583.95	502.65	6,207,711	583.75	508.10	105,734,930
Feb-23	738.60	516.00	12,291,367	738.70	515.25	230,460,563
Mar-23	655.80	556.30	6,065,793	655.90	556.05	97,959,384

Performance of the Company in comparison to BSE Sensex (Base 100)**Performance of the Company in comparison to NSE Nifty (Base 100)****Distribution of shareholding by number of shares held as on March 31, 2023**

No. of Equity Shares held	No. of Shareholders	% to total Shareholders	No. of Shares	% of total Shares
1 - 5,000	1,119,507	99.91	46,117,700	7.27
5,001 - 10,000	475	0.04	3,365,872	0.53
10,001 - 20,000	216	0.02	3,085,423	0.49
20,001 - 30,000	78	0.01	1,955,195	0.31
30,001 - 40,000	47	0.00	1,655,400	0.26
40,001 - 50,000	33	0.00	1,505,426	0.24
50,001 - 100,000	66	0.01	4,826,440	0.76
100,001 & above	144	0.01	571,276,761	90.14
Total	1,120,566	100.00	633,788,217	100.00

Shareholding Pattern as on March 31, 2023

Category	Total Shares	Total Percentage (%)
Promoter and Promoter Group		
Indian	-	-
Foreign	-	-
Total Promoter Shareholding	-	-
Public Shareholding		
Institutional Investor		
Mutual Funds	17,150,731	2.71
Financial institutions and Banks	-	-
Insurance Companies	705,025	0.11
Alternate Investment Funds	2,322,062	0.37
Foreign Portfolio Investors	73,280,140	11.56
Foreign Direct Investment	382,000,083	60.27
Any Other (Central Government / President of India)	2,086	0.00
Non-Institutional Investor		
Bodies Corporate	37,400,584	5.90
Clearing Members	157,652	0.02
IEPF	-	-
Bodies Corporate (Foreign)	-	-
Trust	208,569	0.03
NBFC	13,128	0.00
NRI	2,391,977	0.38
Resident Individual / Hindu Undivided Family / Directors and their relatives (excluding Independent Directors and nominee Directors)	118,156,175	18.64
Foreign National	5	0.00
Total Public Shareholding	633,788,217	100.00
Shares held by Employee Trust	-	-
Total	633,788,217	100

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.

In terms of the amended Regulation 40(1) of the SEBI Listing Regulations, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialised form (except transmission of securities or transposition in the name(s) of holding). Accordingly, the shares held in physical form will not be transferred unless they are converted into dematerialized form. Transfers of equity shares in electronic form are effected through the depository system with no involvement of the Company.

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Company obtain certificates from a practicing Company Secretary on a yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received are submitted to both the Stock Exchanges viz. NSE and BSE.

There was no instance of suspension of trading in Company's shares during FY 2022-23.

The break-up of shares held in physical and dematerialised mode as on March 31, 2023 is as follows:

Shareholding	No. of Shares	% of Total Shares
Physical Mode	567,162	0.09
Dematerialised Mode	633,221,055	99.91
Total	633,788,217	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, 2023, 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 No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 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 2022-23, 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, 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 2022-23.

Communications Details

Particulars	Contact	Email	Address
For queries relating to investor grievances and annual report	Mr. Sunil Kumar Bansal, Company Secretary and Compliance Officer	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 Kumar, 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

Related Party Transactions

During FY 2022-23, the Company has entered into material Related Party Transactions, with Paytm Payments Bank Limited ("PPBL") for which prior approval of the Audit Committee and Members of the Company was obtained. The Related Party Transactions with PPBL, being operational and critical in nature, play a significant role in Company's / its subsidiaries business(es).

The Related Party Transactions with PPBL are not, in any manner, detrimental to the interest of minority Members and are in the best interest of the Company and its Members. The Related Party Transactions with PPBL, doesn't have a potential conflict of interest between the Company and its Directors or Management or their relatives.

The Related Party Transactions are disclosed in Notes to Accounts. A copy of the policy on dealing with Related Party Transactions is available on the Company's website 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 Policy

The Company has adopted and established a robust vigil/whistle blower mechanism. Since it is also a statutory requirement, therefore, 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 22 of the SEBI Listing Regulations, the Board approved the establishment of the said mechanism by formulating and adopting the 'Vigil Mechanism/Whistle Blower Mechanism Policy' ("WB Policy"). The WB Policy provides a framework for responsible and secure whistle blowing/vigil mechanism. The WB Policy covers

disclosure / reporting of any unethical behaviour (actual or suspected), event of misconduct, fraud or any act against the Company's interest as well as any breach of the Company's Code of Conduct which may have taken place or is suspected to have taken place in the Company.

The WB Policy encourages the employee(s) of the Company to raise genuine concerns about any malpractices at the workplace without any fear of retaliation or victimisation. Additionally, the mechanism also facilitates reporting of genuine concerns about any unethical / improper conduct of any employee of the Company to the management/Audit Committee of the Company. Adequate safeguards have been provided in the WB Policy to protect any Director(s) and employee(s) against any kind of victimisation.

All disclosures made by Whistle Blowers under this mechanism/WB policy are recorded and thoroughly investigated by the Company's designated vigilance officer (either himself/herself or by involving any other officer of the Company or through an outside agency). A Whistle Blower also has the option to avail direct access to the Chairman of the Audit Committee for reporting inter-alia any instance of unethical behaviour or violation of Company's Code of Conduct, which instance is investigated as per the procedure set out in the Policy. 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 link of WB Policy is annexed as **Annexure B** to this report.

During FY 2022-23, a total of 27 complaints were received and taken up for investigation out of which 22 complaints were resolved as on March 31, 2023. 5 complaints remained pending/under

the process of investigation by the Company as on the aforesaid date (which investigations stand resolved within the stipulated time period). 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 Prevention of Sexual Harassment ("POSH") at Workplace 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 counselling. 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 policy can be accessed on the Company's website using below link: <https://ir.paytm.com/policies-and-guidelines>

The Company on a regular basis 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 2022-23, status of cases reported with respect to POSH is as follows:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
5	4*	1**

*Out of the 4 disposed cases, 1 case was withdrawn by the complainant.

**The complaint has been closed after March 31, 2023.

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

During FY 2022-23, 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, M/s. PI & Associates, Practicing Company Secretaries, 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, 2023, is provided in **Annexure C** to this report.

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

A certificate from M/s. PI & Associates, Practicing Company Secretaries, pursuant to Schedule V of the SEBI Listing Regulations, affirming compliance of Corporate Governance during FY 2022-23, is provided in **Annexure D** to this report.

CEO and CFO Certification

The certificate required under Regulation 17(8) of 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 2022-23, 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*	19.28
Other services*	14.49
Total	33.77

*Includes 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 subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the Statutory Auditors of such subsidiaries

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 2022-23, Paytm Payments Services Limited ("PPSL") was identified as a material subsidiary of the Company. The details of PPSL, as on March 31, 2023, are set out below:

Date and Place of Incorporation	October 10, 2020, New Delhi
Name of Statutory Auditors	Price Waterhouse Chartered Accountants LLP
Date of Appointment of Statutory Auditors	September 24, 2021

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, details of the equity shares lying in the Unclaimed Suspense Account are as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2022	1	6
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year i.e. April 1, 2022 to March 31, 2023	1	6
Number of shareholders to whom shares were transferred from suspense account during the year i.e. April 1, 2022 to March 31, 2023	1	6
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2023	0	0

The Company confirms that the voting rights on these shares remained frozen till the rightful owner of such shares claims the shares.

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 along with the transcripts of earnings and presentations are posted on the Company's website. Other information, such as press releases, stock exchange disclosures and presentations made to investors and analysts, etc., is also regularly updated on the Company's website. The Company also publishes voting results of shareholders' meetings and makes it available on its website as well as reports the same to Stock Exchanges in terms of Regulation 44 of SEBI Listing Regulations. For an easy understanding of shareholders' rights, a Frequently Asked Questions' section is also available on the Company's website.

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>.

c) Audit Qualifications

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

d) Reporting of Internal Auditor

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 independent Joint Internal Auditors under Section 138 of the Act for FY 2022-23. The Company also have an Internal Audit department of the Company to supervise Internal Audit function, who also reports directly to the Audit Committee.

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 Audit Committee meetings every quarter.

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Act 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, 2023, that they are in compliance with the Company's Code of Conduct.

For One 97 Communications Limited

Date: July 21, 2023

Place: New Delhi

Vijay Shekhar Sharma

Chairman, Managing Director & Chief Executive Officer

DIN: 00466521

Annexure B**Corporate Policies**

Every Listed Company is required to formulate certain policies pursuant to provisions of the Companies Act, 2013 and 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

Anti-Bribery and Anti-Corruption Policy

Code of Conduct for Board of Directors and the Senior Management Team

Code of Conduct to Regulate, Monitor & Report Trading by Designated Persons and their Immediate Relatives.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Corporate Social Responsibility Policy

Dividend Distribution Policy

Equal Employment Opportunity Policy for Persons with Disabilities.

Nomination and Remuneration Policy

Policy for Determining 'Material' Subsidiaries

Policy for Preservation of Documents

Policy for Prevention of Sexual Harassment at Workplace

Policy on Familiarization of Independent Director

Policy on Material Events and Information

Policy on Related Party Transactions

Risk Assessment and Management Policy

Vigil Mechanism/Whistle Blower Mechanism Policy

Web Archival Policy

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, 2023, 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 reappointment)
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	Mrs. Pallavi Shardul Shroff	February 09, 2018	February 09, 2021
5	00766821	Mr. Ashit Ranjit Lilani	July 05, 2021	July 05, 2021
6	03581311	Mr. Vivek Kumar Mathur*	July 11, 2021	July 11, 2021
7	07221836	Mr. Neeraj Arora	July 11, 2021	July 11, 2021
8	00361030	Mr. Gopalasamudram Srinivasaraghavan Sundararajan	August 29, 2022	August 29, 2022

*Alternate Director to Mr. Ravi Chandra Adusumalli

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

Peer Review No.: 1498/2021

UDIN: A032109E000291423

Date: May 11, 2023

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, 2023, 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, 2023
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

CP No.: 16276

Date: May 11, 2023

Place: New Delhi

Peer Review No.: 1498/2021

UDIN: A032109E000291423

Annexure E

Chief Executive Officer (CEO)/ 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, 2023 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 & Chief
Executive Officer
DIN: 00466521

Date: May 4, 2023

Place: New Delhi

Madhur Deora

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

Place: Mumbai

Business Responsibility & Sustainability Report

Section A – General Disclosures

Details of the Listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L72200DL2000PLC108985
2	Name of the Listed Entity	One 97 Communications Limited
3	Year of incorporation	2000
4	Registered office address	First Floor, Devika Tower, Nehru Place, New Delhi – 110019
5	Corporate address	One Skymark, Tower D, Plot No. H-10B, Sector-98, Noida–201304
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 2022-23
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 BSE Limited
11	Paid-up Capital (₹)	Rs. 63,37,88,217
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	Name: 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 basis

Products/services

14. Details of business activities (accounting for 90% of the turnover):

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 digital distribution of credit, insurance, and wealth management for consumers and merchants.	80%
2	Commerce and cloud services	Commerce and Cloud services include ticketing for travel and entertainment. It also includes advertising, and loyalty programs for merchants.	20%

Note: In addition, we have other non-operating income

15. 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 recharge and bill payment on the Paytm app; payment gateway services; and EDC (Electronic Data Capture) payment devices	63999	100

III Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	56	56
International	0	17	17

Note: International locations represent the number of registered offices, of the subsidiaries (including wholly owned) of the listed entity.

17. Market served by the entity.

a. Number of Locations

Locations	Number
National (No. of States)	The Company provides services in all states of India.
International (No. of Countries)	20

Note: International locations represent the number of countries with recorded revenue from an export service provided for the fiscal year 2022-23, either by the listed entity, or by its subsidiaries (including wholly owned).

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Approximately 1%.

c. A brief on types of customers

The Company offers payments, commerce and cloud, and financial services/solutions to over 9.2 crores transacting users 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 3.56 crores (35.6 million) merchants. 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

18. Details as at the end of Financial Year: 2023

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)*	25,959	24,310	93.65%	1,649	6.35%
2	Other than Permanent (E)^	NIL	NIL	NIL	NIL	NIL
3	Total Employees (D+E)	25,959	24,310	93.65%	1,649	6.35%
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 PSA Consultants (CG) are not on Company payrolls and paid out as Business Consulting payout. Hence, they have not been included.

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)	10	10	100%	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	10	10	100%	0	0
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: Above data includes those who have declared themselves as disabled and have submitted their disability certificates as proof

19. Participation/Inclusion/Representation of women

S. No.		Total (A)	No. and percentage of Females	
			No. (B)	% (B/A)
Board of Directors*		7	1	14.29%
Key Management Personnel^		2#	0	0

* Board of Directors - Vijay Shekhar Sharma, Ravi Chandra Adusumali, Neeraj Arora, Madhur Deora, Ashit Ranjit Lilani, Pallavi Shardul Shroff and Gopalasamudram S Sundararajan

^Key Management Personnel - Vijay Shekhar Sharma, Madhur Deora

#Mr. Amit Khera was a KMP (Company Secretary and Compliance Officer) who left the Company in mid of March 2023

20. Turnover rate for permanent employees and workers

	FY 22-23 (Turnover rate in current FY)			FY 21-22 (Turnover rate in previous FY)			FY 20-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	67.70%	35.34%	64.59%	35.84%	46.55%	37.46%	35.82%	26.91%	34.33%
Permanent Workers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note: Turnover rate for Permanent Employees includes Confirmed MG +SG employees (Entity transfers from the Company to other entities are not included in attrition). MG & SG employees on probation are not included since they are yet to be confirmed.

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. (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 listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)*
1.	One 97 Communications India Limited	Subsidiary	100.00%	No
2.	Paytm Entertainment Limited	Subsidiary	100.00%	No
3.	Paytm Money Limited	Subsidiary	100.00%	No
4.	Paytm Financial Services Limited	Associate	48.78%	No
5.	Admirable Software Limited ¹	Associate	48.78%	No
6.	Paytm Payments Services Limited	Subsidiary	100.00%	No
7.	Wasteland Entertainment Private Limited	Subsidiary	100.00%	No
8.	Orbgen Technologies Private Limited	Subsidiary	100.00%	No
9.	Paytm Services Private Limited	Subsidiary	100.00%	No
10.	Paytm Insurance Broking Private Limited	Subsidiary	100.00%	No
11.	Foster Payment Networks Private Limited ²	Associate	48.80%	No
12.	Little Internet Private Limited	Subsidiary	62.53%	No
13.	Nearbuy India Private Limited ³	Subsidiary	62.53%	No
14.	Urja Money Private Limited ⁴	Subsidiary	83.34%	No
15.	Fincollect Services Private Limited ⁵	Subsidiary	83.34%	No
16.	Mobiquest Mobile Technologies Private Limited ⁶	Subsidiary	66.34%	No
17.	Xceed IT Solutions Private Limited ⁷	Subsidiary	66.34%	No
18.	Paytm First Games Private Limited (Name changed to First Games Technology Private Limited w.e.f. April 20, 2023) ⁸	Joint Venture	55%	No
19.	Paytm Payments Bank Limited ⁹	Associate	49.00%	No
20.	Paytm Life Insurance Limited	Associate	49.00%	No
21.	Paytm General Insurance Limited	Associate	49.00%	No
22.	Paytm Insuretech Private Limited (formerly known as QoRQL Private Limited)	Associate	32.45%	No
23.	One97 Communications FZ-LLC	Subsidiary	100.00%	No
24.	One97 Communications Nigeria Limited	Subsidiary	100.00%	No
25.	One97 Communications Singapore Private Limited ¹⁰	Subsidiary	100.00%	No
26.	One97 USA Inc.	Subsidiary	100.00%	No
27.	One97 Communications Tanzania Private Limited ¹¹	Subsidiary	100.00%	No
28.	One97 Communications Rwanda Private Limited ¹¹	Subsidiary	100.00%	No
29.	One 97 Communications Bangladesh Private Limited ¹¹	Subsidiary	70.00%	No
30.	One97 Uganda Limited ¹¹	Subsidiary	100.00%	No
31.	One 97 Communications Malaysia Sdn. Bhd. ¹¹	Subsidiary	100.00%	No
32.	One 97 Benin SA ¹¹	Subsidiary	100.00%	No
33.	One 97 Ivory Coast SA ¹¹	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 listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)*
34.	Paytm Labs Inc. ¹¹	Subsidiary	100.00%	No
35.	One Nine Seven Communication Nepal Private Limited ¹¹	Subsidiary	100.00%	No
36.	One Nine Seven Digital Solutions Limited ¹¹	Subsidiary	100.00%	No
37.	One Nine Seven Communications Saudi Arabia For Communication and Information Technology ¹¹	Subsidiary	100.00%	No
38.	First Games Singapore Pte Ltd. (Formerly Paytm First Games Singapore Pte. Ltd.)	Joint Venture	55%	No
39.	Paytm Technology Beijing Co. Ltd. (Name changed to Bluefield Technology Beijing Co. Ltd. w.e.f. July 06, 2023) ¹²	Joint Venture	55%	No
40.	Socomo Technologies Private Limited	Associate	12.75%	No
41.	Infinity Transoft Solution Private Limited ¹³	Associate	26.57%	No
42.	Eatgood Technologies Private Limited ¹³	Associate	23.24%	No

¹ WOS of Paytm Financial Services Limited² Including 4.90% held through Paytm Payments Bank Limited³ WOS of Little Internet Private Limited⁴ Including 15.87% held through Admirable Software Limited⁵ WOS of Urja Money Private Limited⁶ Including 0.63% held through Admirable Software Limited. The entities have issued preference shares as well to the Holding Company⁷ WOS of Mobiquest Mobile Technologies Private Limited⁸ Joint Venture of Paytm Entertainment Limited⁹ Including 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 bank¹⁰ Including 43.75% held through One 97 Communications India Limited¹¹ Subsidiary of One97 Communications Singapore Private Limited¹² WOS of First Games Technology Private Limited¹³ The entities have issued preference shares as well to the Holding Company¹⁴ Please refer to details on Corporate Social Responsibility as covered in the Board's Report.¹⁵ 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 2022-23

Note: Some of the subsidiary/associate companies have their own business responsibility initiatives and participate in those of the Company's only as and when required/agreed.

VI CSR Details¹⁴

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes¹⁵

(ii) Turnover (in Rs.) Rs. 6,028 Crores

(iii) Net worth (in Rs.) Rs. 12,287 Crores

VII Transparency and Disclosures Compliances

23. 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 (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		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	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Shareholders	Yes. It is publicly available. https://ir.paytm.com/policies-and-guidelines	17	NIL	NIL	40	2	The 2 complaints pending at the end of the FY 2021-22 were redressed within due timelines in compliance with SEBI Listing Regulations and in accordance with Investor Grievance Policy of the Company
Employees & workers	Yes. It is publicly available. https://paytm.com/document/ir/policies-and-guidelines/ Anti-Bribery-Anti-Corruption-Policy-Ver1.2.pdf https://paytm.com/document/ir/policies-and-guidelines/Whistle-Blower-Vigil-mechanism-policy.pdf	27	5	Nil	18	0	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		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
Customers ¹⁶	Yes https://paytm.com/ company/terms- and-conditions?co mpany=one97&tab =terms	9,847	0	a) 2,395-Merchant Helpdesk b) 7,452 - Customer Helpdesk	1,739	0	Merchant Helpdesk
Value Chain Partners*	No*	NA	NA	NA	NA	NA	NA
Others (please specify)				NIL			

¹⁶ The data for FY 21-22 consists of only merchant complaints. However, the data for FY 22-23 consist of merchants and users' complaints. Hence, there is a difference in the number of complaints. Further, the complaints mentioned herein are received through following channels: RBI complaints, Banking Ombudsman (BO), Nodal, Grievance (GRO)

*As of now the value chain partners register their complaints through the following email - vendorhelpdesk@paytm.com, procuresupport@paytm.com

Note: Purchase team is in a process to develop a ticketing module which is an online tool to track the real time grievances. The process is in the testing phase and the system will be ready in the next 2-3 months.

24. 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 issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunities (indicate positive or negative implications)
1	Business Ethics & transparency	Opportunity	Embracing strong business ethics and transparency can offer fintech companies a notable edge in the prevailing competitive landscape. With steadfast dedication to ethical conduct, transparent practices, and safeguarding consumers, the Company continues to strengthen trust with regulators, partners, and customers. Additionally, upholding ethical principles creates a work environment that attracts and retains top tier talent seeking to contribute to an organisation esteemed for its unwavering integrity and responsible practice.	Not applicable	Positive
2	Customer satisfaction	Opportunity	The Company has established its reputation and brand and enjoys stakeholders' confidence. We are committed to delivering high levels of customer-experience and satisfaction to our user base, and have put in place requisite frameworks and measures to gauge customer satisfaction across key journeys, touch points and business lines. We have a dedicated grievance redressal mechanism for our customers and we plan to continue improving the mechanism by providing customers with multiple channels to raise their grievances, such as a dedicated helpline, email support, and an in-app chat feature. Keeping customers informed about the progress of their complaints is essential in building trust. We are working on setting realistic timeframes for resolution of issues.	Not applicable	Positive

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunities (indicate positive or negative implications)
3	Data privacy	Opportunity	The Company embraces data protection and privacy as the foundation of the business operations. In this digital age, we recognize the utmost importance of safeguarding sensitive information, especially with the widespread adoption of remote working conditions, which has further amplified the significance of these measures.	Not applicable	Positive
4	Financial inclusion & product innovation	Opportunity	<p>Addressing financial inclusion can be an opportunity for fintech companies to demonstrate their commitment to social responsibility, build trust with customers, and tap into underserved markets, thereby expanding their customer base and potential for growth.</p> <p>Developing solutions that address societal challenges such as financial inclusion, accessibility and sustainability can lead to positive brand perception, increased customer loyalty, and new market opportunities. By proactively integrating social responsibility into the innovation processes, we can create a positive impact on society while driving our own success in the market.</p> <p>The Company is committed to enhancing customer satisfaction via product innovation, efficient processes, digital solutions, easy access to products and services and fair marketing practices.</p>	Not applicable	Positive
5	Employee wellness and talent management	Opportunity	<p>We recognize that building a positive work culture and prioritizing employee engagement are vital components for achieving long-term success.</p> <p>Our commitment to effective talent management practices allows us to identify high-potential individuals and nurture their skills to prepare them for leadership roles as our Company continues to expand and flourish.</p>	Not applicable	Positive

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunities (indicate positive or negative implications)
6	Community Development	Opportunity	<p>The Company, as a responsible corporate business, embraces an unwavering commitment to Corporate Social Responsibility (CSR), aimed at enhancing the quality of life for individuals within the communities it serves. Our CSR Policy stands as a testament to our dedication in creating a positive impact on society's well-being. By actively engaging with the communities in which we operate, the Company strives to be a catalyst for positive change, fostering sustainable development and empowering those in need.</p> <p>(Currently, CSR activities are being carried out through Paytm Foundation, a trust set up by the Company.)</p>	Not applicable	Positive
7	Environment sensitivity/ sustainable awareness	Opportunity	<p>While our energy consumption is modest, we are committed to minimizing it further, cutting carbon footprints, and lowering costs. By efficiently managing energy, we are reducing emissions and expenses. Our dedication to combat climate change has driven us to adopt eco-friendly solutions like VRV/VRF AC systems and LED bulbs, reducing carbon output. As environmental awareness grows, we are meeting consumer demands for sustainability. We have implemented a robust waste collection plan aligned with the Central Pollution Control Board's (CPCB) Extended Producer Responsibility. Additionally, Company has significantly curbed paper usage across its operations, contributing to our eco-conscious approach.</p>	Not applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Principle	Applicable Policies with Link
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct Code of Conduct for Board of Directors and the Senior Management Team Whistle Blower Policy/Vigil Mechanism Anti-Bribery & Anti-corruption Policy Policy on Related-Party Transaction Anti-Money Laundering Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives Code of practices and procedures for fair disclosure of unpublished price sensitive information Risk Assessment and Management Policy Policy on familiarization of Independent Director Policy on material events and information Sustainable Sourcing Policy
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
Principle 3: Businesses should promote the wellbeing of all employees	Policy on Prevention of Sexual Harassment Whistle Blower Policy/Vigil Mechanism Employee Grievance Redressal Policy Insurance Policies Disciplinary Action Policy Nomination and Remuneration Policy Web Archival Policy
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Corporate Social Responsibility Policy Policy for preservation of documents

Principle	Applicable Policies with Link
Principle 5: Businesses should respect and promote human rights	Policy on Prevention of Sexual Harassment Equal Employment Opportunity Policy for Persons with Disabilities Code of Conduct (Internal) Nomination and Remuneration Policy
Principle 6: Business should respect, protect, and make efforts to restore the environment	Sustainability Policy
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a responsible manner	Policy for Determining Material Subsidiaries Code of practices and procedures for fair disclosure of unpublished price sensitive information
Principle 8: Businesses should support inclusive growth and equitable development	Corporate Social Responsibility Policy Learning and Development
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Acceptable Usage Policy Information Security Policy

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NIL	Yes ISO 27001							

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines	No	No	Yes. 1. Conducting safety training for value chain partners by FY ending March 2024. 2. Ensuring human rights training for employees by FY ending March 2024 3. Through continuous learning and professional growth opportunities, we aim to empower our workforce, enhancing their capabilities, and fostering a thriving and dynamic work environment.	No	Yes 1. Conducting safety training for value chain partners by FY ending March 2024. 2. Ensuring human rights training for employees by FY ending March 2024	No	No	Yes. To create a positive and lasting impact in the lives of communities. To achieve this, we will identify key focus areas and actively work towards uplifting these communities through our initiatives and efforts.	No
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	No commitment was made last year								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility & sustainability report highlighting ESG related challenges, targets and achievements	<p>We are delighted to present the Company's Business Responsibility and Sustainability Report for the year, which details our achievements and commitment towards promoting environmental, social, and governance (ESG) principles. We are India's leading mobile payments and financial services distribution company, and the pioneer of the mobile QR payments revolution in India. The Company's mission is to serve half a billion Indians and bring them to mainstream of economy with help of technology.</p> <p>As a prominent digital financial services platform, we are dedicated towards working with relevant stakeholders to establish a robust ESG framework that aligns with our mission of creating sustainable value. We have consistently invested in technology and built a strong digital infrastructure, as outlined in the report. OCL builds technologies that help small businesses with payments and commerce, and we take great pride in extending financial services to underserved communities and promoting financial literacy in India. Through our various collaborations, we have provided access to affordable and convenient digital financial services.</p>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<p>We are equally committed to fostering a diverse and inclusive workplace that promotes equal opportunities and have implemented concrete measures to enhance diversity across all levels of our organization.</p> <p>In conclusion, our commitment to ESG principles is fundamental to our long-term success and sustainability as a business. We will continue to prioritize these issues to achieve our goals and advance our vision of a more responsible and inclusive future.</p>									
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies)</p> <p>CSR Committee comprises of:</p> <ul style="list-style-type: none"> > Mr. Vijay Shekhar Sharma > Mr. Ravi Chandra Adusumalli > Mr. Gopalasamudram S Sundararajan 									
<p>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</p> <p>CSR committee shall be responsible for decision making and has approved the formulation of an ESG Committee to implement/ monitor its execution.</p>									

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								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies & follow up action	No									NIL								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes									Half yearly								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	No independent assessment has been carried out								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)									

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 the awareness programmes
Board of Directors (BoD)	1	1. Cyber Security Awareness 2. Overview of Data Privacy Bill	100%
Key Managerial Personnel (KMP)	2*	1. Cyber security training on LMS (Learning Management System) 2. POSH (Prevention of Sexual Harassment) on LMS. The impact of these sessions was focused on building safe work environment and Company risk mitigation	The sessions were assigned to all 3 KMPs. Completion rate as below: 1. Cybersecurity digital module- 100% 2. POSH- 100%

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 the awareness programmes
Employees other than BoD and KMPs	41 Trainings (Unique count)	<p>1. COC – (Company's code of conduct)</p> <p>2. Anti Money Laundering (AML) for designated employees (Compliance team)</p> <p>3. Insider trading awareness</p> <p>4. POSH Trainings</p> <p>Career Aiding Skills for growth & development like:</p> <p>1. Tech Upskilling - Cloud related skilling AWS & Tech Talks for knowledge sharing</p> <p>2. Product Upskilling - Product related skilling & knowledge sharing for Product Managers</p> <p>3. Behavioural Upskilling – Learning Hour for everyday soft skills, Customer Service, Team Leading, Campus to Corporate Program, Interviewing effectiveness etc.</p> <p>4. Tool related skilling on topics like Excel, Python, SQL, etc.</p>	<ul style="list-style-type: none"> • COC -Company's Code of conduct 82.76% • Anti-money Laundering (AML) for designated employees (Compliance team) - 100% • Insider trading awareness for targeted employees -100% • POSH Training - 70% • Career Aiding Skills for growth & development - 49% collectively
Workers		NIL	

*Trainings were conducted for all the 3 KMPs but Amit Khera left the organization in mid-March 2023. However, he had completed the trainings assigned to him.

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):

NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
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Monetary

Penalty/ Fine	P1-P9	NA	NIL	NA	NA
Settlement	P1-P9	NA	NIL	NA	NA
Compounding fee	P1-P9	NA	NIL	NA	NA

NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
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Non-Monetary

Imprisonment	P1-P9	NIL	No Case	NA
Punishment	P1-P9	NIL	No Case	NA

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 agency/judicial intuitions
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, we have an Anti-Bribery and Anti-Corruption Policy. The Company is committed to maintaining 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/document/ir/policies-and-guidelines/Anti-Bribery-Anti-Corruption-Policy-Ver1.2.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

Particulars	FY 22-23 Current Financial Year		FY 21-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	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

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. 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.

	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year	Details of Improvements in Environmental and social impacts
R&D (₹)	90%	68%	Reduced paper usage, transitioning to software solutions and enhancing data management through adoption of Electronic Data Capture (EDC) devices, softwares capitalised, soundbox etc.
CAPEX (₹)	4%	0%	Promoting sustainable growth of digital payments and enabling affordable access to financial services through additions to Project infinity – PG system developed in-house.

- 2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. As a responsible corporation, the Company strives to reduce the environmental impacts of its operations. We aim at sourcing the most energy efficient and sustainable products (such as ensuring that all our electrical appliances are 5-star rated for energy efficiency) and services available in the market from known and reputed vendor.

- b. If yes, what percentage of inputs were sourced sustainably?

Currently, it is not being tracked

- 3 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.

The Company has a process to dispose-off E - waste assets. We also strictly follow our E-Waste Policy for e-waste generated through our business activities. We dispose-off our e-waste through CPCB listed e-waste vendors.

<https://business.paytm.com/ewaste-compliance-tnc>

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 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.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chain.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by												
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities *		Term Life Insurance	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	Number (G)	% (G/A)
Permanent employees ¹⁷													
Male	24,310	24,310	100%	24,310	100%	NA	NA	24,310	100%	NA	NA	24,310	100%
Female	1,649	1,649	100%	1,649	100%	1,649	100%	NA	NA	1,649	100%	1,649	100%
Total	25,959	25,959	100%	25,959	100%	1,649	6.35%	24,310	93.65%	1,649	6.35%	25,959	100%
Other than Permanent employees													
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
Permanent workers												
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Other than Permanent workers												
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

¹⁷ 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 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.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 22-23			FY 21-22		
	Current Financial Year		Previous Financial Year			
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.89%*	NIL	Y	99.76%	NIL	Y
Gratuity	100%	NIL	NA	100%	NIL	NA
ESI	48.02%**	NIL	Y	29.17%	NIL	Y
Others - please specify			NIL			

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)

For FY'22

* 26 out of 10,775 Employees have not opted for PF

** 3,143 employees are covered in ESIC (1 MG and 3142 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.

The Company has adopted an Equal Employment Opportunity Policy for Persons with Disabilities in order to comply with the Rights of Persons with Disabilities Act, 2016 along with the Right of Persons with Disabilities Rules, 2017 ("Act"), to empower, protect and further the interests of persons with Disabilities employed in the Company. The policy outlines the company's approach towards disabled employees.

- This policy describes how we are creating an inclusive workplace and work culture in which disabled employees are treated with respect and dignity.

- b. This policy is designed to create equal opportunity(ies) in all aspects of employment for disabled persons and to maintain a non-discriminatory and inclusive work environment which enables robust career advancement for people with disabilities, including those who acquire Disability during their employment tenure.
- c. This policy contains provisions to ensure that adequate facilities and amenities, as well as physical and digital infrastructure to cater to the needs of the persons with disabilities and to enable them to discharge their duties in the Company effectively.

The policy can be accessed at 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 in %	Retention rate in %	Return to work rate in %	Retention rate in %
Male	100%	81.21%	NIL	NIL
Female	100%	68.63%	NIL	NIL
Total	100%	78.24%	NIL	NIL

* Above data does not include 37 employees who took parental leaves during FY 22-23 and they are due to return in the next fiscal year as their parental leave will end post 31st March 2023.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If yes give the details of the mechanisms in brief)
Permanent workers	No
Other than permanent workers	No
Permanent Employees	Yes
Other than permanent employees	No

The Company has a robust employee grievance redressal mechanism which is managed through the Consequence Management Policy. It provides an easy and readily accessible redressal platform to the employees for prompt redressal of their grievances. The Company does not tolerate any direct or indirect retaliation against employees who raise grievances and will take necessary actions in case anyone is found to have engaged in any such retaliation. The employees and workers who face any kind of discontent or dissatisfaction owing to work or culture related issues, team related issues, or any other issue can report the same to the reporting manager/Skip manager/HR Business

Partner/ HOD (head of the department) or CHRO (Chief Human Resources Officer) according to the defined stages for redressal in the policy. We also provide specific helpdesk IDs for queries related to PF (Provident Fund), payroll etc.

In addition, the Anti Bribery and Whistle-Blower mechanism provides a formal platform to share grievances on various matters. The Compliance Officer ensures the mandatory training of internal stakeholders once a year to enhance their compliance with our policies. The details of the grievance mechanism are shared with employees through a specific module. They can raise their concerns pertaining to bribery or corruption using our vigil mechanism. We have appointed Navex Global to facilitate reporting in a protected manner which will keep the identity of complainants confidential.

The Company has a POSH Policy and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Our policy on the same is placed on the Company's website. The ICC comprises a majority of women members. Members of the ICC are responsible for conducting inquiries pertaining to such complaints. On a regular basis, we sensitise our employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes.

Link for POSH Policy- <https://paytm.com/document/ir/policies-and-guidelines/Prevention-of-Sexual-Harassment-at-Workplace-Policy.pdf>

Link for Whistle-blower Policy- <https://paytm.com/document/ir/policies-and-guidelines/Whistle-Blower-Vigil-mechanism-policy.pdf>

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 22-23			FY 21-22				
	Current Financial Year		Previous Financial Year	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)
Total Permanent Employees								
Male	24,310	NIL	NIL	9,475	NIL	NIL	NIL	NIL
Female	1,649	NIL	NIL	1,300	NIL	NIL	NIL	NIL
Total Permanent Workers								
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

8. Details of training given to employees and workers:

Category	FY 22-23				FY 21-22					
	Current Financial Year				Previous Financial Year					
	Total (A)	On Health & Safety Measures		On Skill Upgradation	Total (D)	On Health & Safety Measures		On Skill Upgradation		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (E)	% (E/D)	No. (F)	% (F/D)	
Employees										
Male	24,310	804	3.3%	11,754	48.4%	9,475	1023	10.8%	6019	63.5%
Female	1,649	296	17.9%	968	58.7%	1,300	140	10.7%	821	63.2%
Total	25,959	1,100	4.2%	12,722	49.0%	10,775	1163	10.8%	6840	63.5%
Workers										
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	

9. Details of performance and career development reviews of employees and worker:

Category	FY 22-23			FY 21-22		
	Current Financial Year			Previous Financial Year		
Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)	
Employees						
Male	24,310	22,308	91.8%	9,475	7,040	74.3%
Female	1,649	1,316	79.8%	1,300	813	62.5%
Total	25,959	23,624	91.0%	10,775	7,853	72.8%
Workers						
Male	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL

Note: The employees who have joined on or before 30th Sept 2022 are the eligible employees for the annual performance review for FY'22-23

Front line sales are provided real time performance review on a monthly basis and are part of the career progression plan which enables them for a real time review and progression during the year.

10. Health and safety management system:

<p>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?</p>	<p>Yes.</p> <p>There are minimal occupational health and safety risks considering our nature of the business.</p> <p>While the Company is currently developing an exclusive OHS (Occupational Health and Safety) Policy and framework, employee well-being and safety continue to be a priority for the Company. The following Health and Safety management system have been implemented:-</p> <ul style="list-style-type: none"> a) The Company has ensured physical and electronic security including man-guarding, installation of Access Control Systems, CCTV monitoring, and fire-fighting systems at all our offices. b) The admin team conducts emergency/disaster management drills, including fire-fighting drills at regular intervals in all offices. The buildings are in line with the National Building Code. c) Offices are ergonomically designed with ergonomic modular furniture for the comfort of employees. d) Central heating, ventilation, and cooling system with air filters are installed in the offices and there is a provision of fresh air in all our offices through the installation of air purifiers. Air purifying plants have been placed in all our offices that help in cleaning the indoor air. e) Centralized helpline number for employees to reach out to the administration department for any work-related hazards. f) The Company has tied up with nearby hospitals for emergency medical support. g) Safe drinking water, hygienic and clean offices, and food safety are provided across all our offices.
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	<p>h) The Company's admin team ensures periodic checks, maintenance, and certification of all electromechanical equipment including Lifts, HVAC (heat, ventilation and air conditioning), fire systems, DG (Diesel Generator) sets, UPS (Uninterruptible Power Supply).</p> <p>i) For emergency support, oxygen concentrators, masks, and PPE (Personal Protective Equipment) kits were provisioned at all offices during Covid-19.</p>
<p>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</p>	<p>To minimize the risks, the following checks are undertaken by the Company:</p> <ul style="list-style-type: none"> • Security Checks (Physical security including man-guarding, Access Control System, CCTV monitoring, Fire-fighting systems) • Disaster Management Plan is in place and the Company conducts fire drill exercise annually. • Water testing to measure Total Dissolved Solid (TDS) • Heating Ventilation Air Conditioning (HVAC) checks at regular intervals. • Building safety, periodic maintenance of electromechanical devices like lifts, UPS, Diesel Generators • Maintain office hygiene and cleanliness. • Necessary precautions, such as installation of thermal scanners, office sanitization, and social distancing, were undertaken as per govt. guidelines to prevent the risks associated with the COVID-19 pandemic. • Hybrid Office System/Work from Home Policy was introduced. • Security guards deployed at the bank premises are trained on fire safety equipment. • Regular advisories are issued on various safety-related aspects, such as weather warnings, fire safety and security, etc.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	<p>Yes, the centralized Helpline number and email is provided to all the employees to report any kind of risks. Our Quick Response Teams are deployed at all major offices for immediate support. The HR and Admin teams regularly organise sessions on health and safety awareness which are conducted by experts on different subject matters for all employees. Regular communication/mailers related to health and safety are also sent to all employees.</p> <p>Mental health wellness sessions were organized for the employees in collaboration with doctors from prominent hospitals. We have tied up with various hospitals for employee discounts on medical tests and treatment.</p> <p>During COVID-19 pandemic, various initiatives were taken by the Company, such as office sanitisation, hand sanitisation, social distancing, and mandatory face masks as per Govt. guidelines. Vaccination drives were organised at all offices for our employees and their families. The team arranged and distributed masks, sanitizers, oxygen cylinders, and concentrators to safeguard employees' health during the pandemic.</p> <p>Mental health wellness sessions were organised for the employees in collaboration with doctors from prominent hospitals.</p> <p>A total of 182 "Breast cancer sessions" and 168 sessions on "All about Headaches" were conducted.</p>
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. Employees and workers have medical and term insurance which covers the healthcare benefits for all the employees

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
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

Safety Incident/Number	Category	FY 22-23	FY 21-22
		Current Financial Year	Previous Financial Year
No. of fatalities	Employees	11	37
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The following measures have been taken by the Company to ensure a safe and healthy workplace:

- Physical and electronic security measures, such as man guarding, Access Control System, CCTV monitoring and Fire-fighting systems.
- Fire and burglar alarms with fire and smoke sensors are installed for early fire detection.
- Fire extinguishers are available in all offices for immediate fire-fighting, and regular maintenance of the equipment is ensured.
- Comprehensive training and awareness about best practices and firefighting are provided to guards and employees. The Company conducts regular mock drills, fire drills, and physical verification of fire safety equipment, along with evacuation plans.
- Auto fire suppressants are installed in data/server rooms in selected offices.
- Earthing pits and lightning conductors are installed in buildings to discharge lightning safely.
- Important contact numbers for the nearest fire brigade, police station, ambulance, etc., are displayed at buildings/offices.
- Public address systems are installed at office premises to facilitate communication during emergencies.
- Emergency Evacuation plans, floor plans, and exit paths are displayed on each floor.
- CCTV cameras are used for detecting and recording all activities, including sabotage, if any.
- First-Aid Boxes are available in all offices, and regular first-aid training is provided to all employees and security guards.
- Employees' dependents are enrolled under Mediclaim to provide medical coverage.
- Free-of-cost shuttles are provided for employees to commute from the nearest metro station to the office, promoting convenience and reducing transportation risks.
- The Company ensures cleanliness and hygiene in the dining area to maintain a healthy environment.

13. Number of Complaints on the following made by employees and workers:

	FY 22-23			FY 21-22		
	Current Financial Year		Remarks	Previous Financial Year		Remarks
	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	NA	NIL	NIL	NA	NIL
Health & Safety	NIL	NA	NIL	NIL	NA	NIL

14. Assessments for the year:

	% 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. There were queries on COVID-related medical support which were handled and resolved by the COVID helpdesk.

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. To prevent the spread of COVID-19, during the year, the Company took necessary precautions at all its offices, which included sanitation facilities, social distancing, installation of thermal scanners and installation of air purifiers which do not use chemicals or produce ozone. Detailed standard operating procedures and guidelines/advisories were issued periodically to the employees of the Company. The Company adheres to directives issued by the government/local authorities pertaining to COVID-19.

- 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.**

During the year, there were no accidents reported whilst on duty.

Leadership Indicator

- 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.

- 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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	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 22-23 Current Financial Year	FY 21-22 Previous Financial Year	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Employees	11	37	NIL	1
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)**

Yes. The Company provides gratuity to employees who fulfil the criteria at the time of retirement. The retiring employees also have detailed understanding of our business, processes and systems. Hence, in order to leverage such experienced people, we appoint them as an external consultant as per Company's requirements on a case-to-case basis.

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.

The stakeholders have been identified on the basis of:

- 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.

Stakeholders are the individuals or organizations that are internal or external to the Company and who have an interest in its operations. The favourable or adverse view of these stakeholders may have an impact on the reputation of the organization, which is why it is crucial to identify them. We believe healthy stakeholder relationships are key to long-term value creation. Anyone adding value to the business of the Company or anyone impacted by its operations are identified as a core stakeholder.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half/ yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during engagement
Employees	No	Emails	Weekly	<ul style="list-style-type: none"> • Learning and development • Organizational updates
		Newsletter	Quarterly	<ul style="list-style-type: none"> • Employee recognition and engagement activities • Employee performance review and career development
Customers	No	Social Media	Weekly	To stay in touch with the customer throughout and address any issues that the customer may have

Stakeholder Group	Whether identified Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half/ yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during engagement
Merchants	No	Business App	Everyday	<ul style="list-style-type: none"> • Resolving queries • Support on the soundbox • Support on information related to business with Company's
Vendors/ suppliers	No	Emails	Everyday	<ul style="list-style-type: none"> • Resolving queries and assessing performance. • Contract negotiation and exploring new scope of work
Partners	No	Emails	Fortnightly	Resolving queries and operational challenges
Shareholders/ investors	No	Face-to-face meetings	Monthly	<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 meetings	Weekly	Discussions with relevant Ministries, Departments within Ministries, Sectoral Regulators, various Committees constituted by the Government on existing and proposed regulations / orders / directives and advisories undertaken on need basis.

Stakeholder Group	Whether identified Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half/ yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during engagement
Media	No	Emails	Monthly	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	Company conducts a proactive and focused engagements which helps identify significant material issues for the Company, evaluate business strategy and operations, products, services and solutions, to minimize reputational risk and positively influence our internal and external environment

Leadership Indicators

- 1. 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 established a CSR committee which has an overall responsibility for the effective operation, setting guidance, direction and overseeing policies and progress on the Company's ESG related activities and shall offer advice to the Board and management on these matters. The responsibilities of the CSR committee include the following:

- To 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 Companies Act, 2013, as amended;

- To review and recommend the amount of expenditure to be incurred on the CSR activities;
 - To monitor the corporate social responsibility policy of the Company and its implementation from time to time;
 - To monitor the Company's ESG framework, strategy, goals and disclosures;
 - To 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.
- 2. 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, we consider stakeholder consultation a significant step towards identifying and managing ESG topics and have therefore conducted a materiality assessment exercise to this effect. The analysis included a finalisation of ESG issues material to our business viz. consultations with internal and external stakeholders inclusive of shareholders/investors, employees, customers, partners, vendors/suppliers and merchants on the degree of relevance of our material topics.

The material topics identified include business ethics & transparency, customer satisfaction, data privacy, financial inclusion & product innovation, employee wellness and talent management, community development and environment sensitivity/sustainable awareness.

Through this identification and prioritisation process, we aim to continue our sustainability journey.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity:

The Company promotes a culture of fairness and inclusion. Policies and processes like POSH, Whistleblower, Grievance Redressal, Equal Employment Opportunity, Code of Conduct etc. are in place to protect human rights of employees. The Company policies are well defined and the employees are regularly educated and trained as these policies are disseminated through the electronic medium.

Every employee has been given a briefing during their onboarding for these policies. Every employee undergoes a couple of mandatory training on LMS within 30 days of joining to get a deeper understanding. The respective team tracks these trainings and ensures that they are completed within a stipulated time.

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	25,959	21,484	82.76%	10,755	7,070	65.6%
Other than Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Total Employees	25,959	21,484	82.76%	10,755	7,070	65.6%
Workers						
Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Other than Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Total Workers	NIL	NIL	NIL	NIL	NIL	NIL

Note: Employees undergo COC trainings which broadly covers various aspects of human rights. The frontline salesforce team also undergoes such trainings as a refresher training by the regional SPOCs.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 22-23				FY 21-22					
	Current Financial Year				Previous Financial Year					
	Total (A)	Equal Minimum Wage to		More than Minimum Wage	Total (D)	Equal Minimum Wage To		Morethan Minimum Wage		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (E)	% (E/D)	No. (F)	% (F/D)	
Employees										
Permanent										
Male	24,310	NIL	NIL	24,310	100%	9,475	NIL	NIL	9,475	100%
Female	1,649	NIL	NIL	1,649	100%	1,300	NIL	NIL	1,300	100%
Other than Permanent										
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Workers										
Permanent										
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Other than Permanent										
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

3. Details of remuneration/salary/wages, in the following format

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4 ¹⁸	14.3	1	20.5
Key Managerial Personnel	2	31.8	NA	NIL
Employees other than BoD and KMP*	24,308	0.33	1,649	0.92
Workers	NIL	NA	NIL	NA

*in ₹ lacs per month

¹⁸ This doesn't include the Executive Directors who are covered in the KMPs (in below row), Mr. Mark Schwartz whose term as an Independent Director expired during the fiscal year and includes Mr. Ravi Chandra Adusumalli who doesn't draw any remuneration.

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 internal team of the Company who owns 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 counselling.

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 has a Consequence Management Policy that makes the employees aware of the various corrective actions the Company might take against erring employees and the process that will follow if any misconduct is noticed/suspected/reported. The policy is available on the intranet, Deep Purple.

Our leadership fosters a culture of accessibility, providing employees with direct access to them through the HRMS platform for any grievances or concerns.

As per the whistle-blower mechanism, the Company expects all the stakeholders to comply with the mechanism and shall raise the concerns, if any, for the instances like bribery, suspicion of corruption, behavioural issues, discrimination etc via this vigil mechanism. The identity of the complainants shall remain confidential during the investigation and may be disclosed only on 'need to know' basis. The Company has enabled 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 details of the same are also available in the ABAC Policy as available on the Company's website.

For every protected disclosure raised on the Navex portal, a unique case number allocated that can be further leveraged to provide necessary information and track the status of complaint raised by the complainant. The Company timely investigates all the complaints reported under the whistle blowing mechanism. The investigating team shall ensure 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 concerned stakeholders (including the Disciplinary Action Committee) and appropriate disciplinary actions are initiated based on the findings and recommendations of such a report. The stakeholders are guided by the existing Consequence Management Policy. The policy reinforces the complainants, 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.

6. Number of Complaints on the following made by employees and workers:

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	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	5	1	Out of the 4 disposed cases, 1 case was withdrawn by the complainant. The 1 pending complaint has been closed after March 31, 2023	3	1	One case withdrawn by the complainant
Discrimination at workplace	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)	9	0	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced labour/ involuntary labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	5	0	NIL	NIL	NIL	NIL
Other human rights related issues (breach of Code of Conduct, Suspected Fraud, Bribery/ Kickbacks)	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 investigating team would be in a position to investigate the matters. No response has been received from the Complainant yet.	9	9	NIL

7 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 this Code, 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 the instances like bribery, suspicion of corruption, behavioural issues, discrimination etc via this vigil mechanism. Complaints reported to any internal stakeholder (reporting manager/ HR team/ Compliance Officer) of any potential violation shall be channelled to the whistle blowing mechanism, immediately. The identity of the complainants shall remain 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 will timely investigate all the complaints reported under the whistle blowing mechanism after the due approval from a member of the Disciplinary Action Committee. The investigating team shall ensure compliance with all the regulatory requirements during the course of investigation. After the completion of the investigation, a report shall be submitted with recommended measures to the Disciplinary Action Committee. The Disciplinary Action Committee shall initiate disciplinary actions as appropriate based on the findings and recommendations of such a report. The committee would be guided by the existing Consequence

management Policy. The details of the same are also available in the ABAC Policy as available on the Company's website.

The organization on a regular basis 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.

8 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 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.

9 Assessment for the Year

	% 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

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable. Although, we internally make sure to amend and follow compliances from time to time.

Leadership Indicator

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:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	This is currently not explicitly assessed or measured.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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.

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 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total electricity consumption (A)	10,747.44 GJ	6,197.47 GJ
Total fuel consumption (B)	39,961.30 GJ	8,526.96 GJ
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	50,708.74 GJ	14,724.43 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	841.22 J/₹	378.29 J/₹
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

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 by an external agency during the year.

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 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water – Packaged drinking water	515	344
(iv) Seawater / desalinated water	-	-
(v) Others - Municipal Supply	-	-
Total volume of water withdrawal (in kilolitres)	515	344
(i + ii + iii + iv + v)		

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total volume of water consumption (in kilolitres)	515	344
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000854 L/₹	0.00000884 L/₹
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

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 by an external agency during the year.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
NOx	TPY	35.75	7.81
SOx	TPY	0.50	0.12
Particulate matter (PM)	TPY	0.94	0.20
Persistent organic pollutants (POP)	TPY	Not being tracked	
Volatile organic compounds (VOC)	TPY	4.64	1.00
Hazardous air pollutants (HAP)	TPY	0.0372	0.0082
Others- please Specify (CO)	TPY	23.03	4.91

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 by an external agency during the year.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	4,150.42	4,344.56
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	2,125.01	1,185.42
Total Scope 1 and Scope 2 emissions per rupee of turnover	KgCO2e/₹	0.000104	0.000142
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

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 by an external agency during the year.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

We proudly represent our country in international forums, actively promoting sustainability efforts. Since December 2017, our CEO, Mr. Vijay Shekhar Sharma, has served as the United Nations Environment Programme's ("UNEP") Patron for Clean Air, playing a key role in driving environmental action and awareness. He advocates for UNEP's global #BreatheLife campaign, a significant initiative focused on improving air quality and encouraging policy changes and citizen involvement for a healthier future. Additionally, our Founder sits on the Advisory Board of the Green Digital Finance Alliance, established by Ant Financial Services and UNEP. This alliance aims to leverage digital finance and fintech-powered innovations to reshape the financial system, aligning it more effectively with the goals of sustainable development.

We are committed to adopting environmentally friendly practices in all our major offices to conserve energy. This includes using LED lights, prohibiting one-time use plastic, employing energy-efficient appliances, and implementing sensor-based water faucets and lighting systems in toilets, among other initiatives.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Not applicable	Not applicable
Flexible Plastic Waste	59 MT	NA –Authorization applied in the year 2022
E-waste (B)	129.01 MT*	9.32 MT
Bio-medical waste (C)	Not applicable	Not applicable
Construction and demolition Waste (D)	Not applicable	Not applicable
Battery waste (E)	1.06 MT	0.90 MT
Radioactive waste (F)	Not applicable	Not applicable
Other Hazardous waste. Please specify, if any. (G)	Not applicable	Not applicable
Non-hazardous waste. Please specify, if any. (H) (Break-up by composition i.e., by materials relevant to the sector) – 1) Dry and wet waste (tissues, paper napkins, food leftovers, tea bags etc.) 2) Paper, magazines, cardboards, etc.	13 MT	Data not captured for the last FY
Total (A+B + C + D + E + F + G+ H)	202.07 MT	10.22 MT

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	202.07 MT	10.22 MT
(ii) Re-used	0	0
(iii) Other recovery operations – Coprocessing, Incineration with energy recovery	0	0
Total	202.07 MT	10.22 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	NIL	NIL
(iii) Other disposal operations	NIL	NIL
Total	NIL	NIL

*The increase in electronic waste produced during the fiscal year 2022-23 can be attributed to Paytm's soundbox collection, retrieval, and upgrade campaign.

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 by an external agency during the year.

9. 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 nature of the Company's business does not involve the use of hazardous or toxic chemicals. To handle e-waste responsibly, the Company has established comprehensive systems across all its locations in India.

Our commitment to environmental responsibility extends to the disposal of e-waste assets, which are managed through a systematic process. We strictly adhere to our comprehensive E-Waste Policy, ensuring the proper disposal of E-waste resulting from our business activities. To meet these standards, we collaborate with e-waste vendors listed by CPCB, assuring responsible and compliant e-waste management practices throughout our operations. Additionally, the Company has formulated a comprehensive waste collection plan in strict adherence to the Extended Producer Responsibility (EPR) plan submitted to CPCB.

To effectively manage other waste, the Company segregates and stores generated waste into two categories: dry waste and wet waste. Suitable bins are used for this purpose. All wastes generated in our premises is carefully managed through our partnership with Government authorized agencies equipped with sorting and processing units.

10. 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.

11. 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	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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NA. As per the Environmental Impact Assessment (EIA) Notification 2006 environmental impact assessment is to be done by the third-party consultants for new projects only, the conditions are: built up area for covered construction ≥20,000 sq.mtrs and <1,50,000 sq.mtrs.

Since all offices have built-up area lesser than threshold, there is no requirement to undertake EIA.

- 12. 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:**

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
	NIL	NA	NA	NA

Leadership Indicators

- 1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	NIL	NIL
Total fuel consumption (B)	NIL	NIL
Energy consumption through other sources (C)	NIL	NIL
Total energy consumed from renewable sources (A+B+C)	NIL	NIL
From non-renewable sources		
Total electricity consumption (D)	10,747.44 GJ	6,197.47 GJ
Total fuel consumption (E)	39,961.30 GJ	8,526.96 GJ
Energy consumption through other sources (F)	NIL	NIL
Total energy consumed from non-renewable (D+E+F)	50,708.74 GJ	14,724.43 GJ

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 by an external agency during the year.

2. Provide the following details related to water discharged:

At all our operating sites, the effluents are treated through primary, secondary and tertiary systems and are reused in the process and domestic purpose.

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – please specify level of Treatment		
(ii) To Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of Treatment		
(iii) To Seawater	NA	NA
- No treatment		
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of Treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of Treatment		
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.

No assessment was carried out by an external agency during the year.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	Metric tonnes of CO ₂ equivalent	Not Done	Not Done
Total Scope 3 emissions per rupee of turnover		Not Done	Not Done
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Not Done	Not Done

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 being done.

5. With respect to the ecologically sensitive areas reported at Question 10 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

6. 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:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Paytm Soundbox	<p>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.</p> <p>The feature is available in 11 languages (English, Hindi, Kannada, Telugu, Tamil, Malayalam, Punjabi, Marathi, Gujarati, Bangla, Odia), which facilitated its usage across the country.</p>	In last FY (01 April 2022 - 31 March 2023), a total of 13721 million Sound-box-based transactions have been completed through Paytm-enabled Sound boxes. This has enabled saving paper slips worth 12.07 million pounds in last one year. (Considering each paper slip 5.7cm*10 cm, having 70 GSM paper)

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a disaster management plan which defines the procedures to be followed in the event of a natural or man-made emergencies or disasters, political turmoil or criminal action which affects business operations and develops into emergency events. The Disaster Management Plan outlines the procedures to be followed in such event.

The Emergency Response Plan (ERP) process document covers the following aspects:-

- Formation of ERT (emergency response team): An Emergency Response Team (ERT) is a group of people who prepare for and respond towards any emergency incident. Natural calamities and unnatural disasters could be fires, explosions, the release of potentially toxic chemicals, falls from height, confined space incidents, acts of terrorism, etc. The ERT provides knowledge & awareness in building experience through an overview of emergency preparedness-related requirements.

- Formation QRT (Quick response team): Quick Response Team shall operate on 24/7 basis as first responder and consists of one driver and two Civil Defence Volunteers trained in firefighting, search & rescue, first aid, etc. During a fire or other emergency, the Emergency Coordinator has primary responsibility for assisting firefighters and emergency personnel and coordinating the response of the staff and systems. Other responsibilities include designating and training of QRT in fire prevention technique.
- Incident Report: An incident report is a thorough documentation of the incident, including all relevant details that caused it and any outcomes reported. The incidents are required to be recorded & documented to serve as a guideline, in order to prepare, prevent and minimize the impact of such emergencies in future.

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 ten trade and industry chamber/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such 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	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
2	International Chamber of Commerce (ICC)	National
3	National Association of Software and Services Companies (NASSCOM)	National
4	Internet & Mobile Association of India (IAMAI)	National
5	Confederation of Indian Industry (CII)	National
6	Payments Council of India (PCI)	National
7	Fintech Convergence Council (FCC)	National
8	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
9	Alliance of Digital India Foundation (ADIF)	National
10	Advertising Standards Council of India	National

2 Provide details of corrective action taken or underway on any issues related to anti- competitive 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 behaviour involving the Company during the reporting period (2022-23).		

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 (Annually/ Half yearly/ Quarterly/ Others- please specify)	Web-link, if available
1.	Submitted inputs on draft Digital Personal Data Protection Bill	Submission to Ministry of Electronics and Information Technology (MeitY), submission to Industry bodies	No	NA	NA
2	Submission requesting introduction of a new category of IoT devices for incentives under NABARD's Financial Inclusion Fund scheme and RBI's Payments Infrastructure Development Scheme	Submission to industry bodies	No	NA	NA
3	Submission of detailed response to Telecom Regulatory Authority (TRAI) for implementation of Calling Name Presentation (CNAP) implementation for Telecom Networks in India.	Submission to TRAI	No	NA	NA
4	Submission to MeitY and Ministry of Home Affairs for implementation of Whitelisting for Fintech platforms on social media platforms	Submission to MeitY and Ministry of Home Affairs	No	NA	NA

S. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain (yes/no)	Frequency of Review (Annually/ Half yearly/ Quarterly/ Others- please specify)	Web-link, if available
5	Submission to Dept. of Telecommunications for removal of restrictions on M2M SIM cards used in IOT based payment acceptance devices.	Submission to Dept. of Telecommunications	No	NA	NA
6	Oral evidence to 'Parliamentary Standing Committee on Finance' on the subject 'Anti-competitive practices by Big Tech companies'	Oral evidence and Direct submission of response to Parliamentary Standing Committee	Yes	NA	https://loksabhadocs.nic.in/lsscommittee/Finance/17_Finance_53.pdf
7	Response to 'Standing Committee on Communications & IT' on subject 'Digital Payment and online security measures for data protection'	Direct submission to Standing Committee	No	NA	NA

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

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 the Project	SIA notification Number	Date of Notification	Whether conducted by independent external Agency (Yes or No)	Result communicated in Public Domain (Yes/No)	Relevant Weblink

No such project was initiated in the current financial year which requires Social Impact Assessment.

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 the Project for which R&R is going	State	District	Number of projects Affected Families	% of PAFs covered by R&R	Amount Paid to PAFs in FY (In ₹)
				NA		

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:

	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

Leadership Indicator

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 ₹)
1.	UNEP - Air Quality Action Forum Paytm Foundation in collaboration with UNEP has set up AQAF (Air Quality Action Forum). Till now under AQAF, consultation meetings have been organized with 80+ stakeholders on various issues concerning air pollution and solutions that could lead to preventing air pollution. Our Reach - Pan India	No	1,01,25,000
2.	Strengthening rural education and promoting digital skilling - Distribution of 150 laptops and dongles for education, research, digital skilling or overall growth and benefit to more than 2500 direct beneficiaries Our Reach – Himachal Pradesh	No	59,39,730
3.	Shikshit Bharat - An initiative by Paytm Foundation promoting education and digital literacy by donating 10 laptops to underprivileged students. Our Reach – Himachal Pradesh	No	30,000

* Projects have been undertaken through Paytm Foundation in other districts.

Note: Even though the funds were released in FY 2022 - 2023, for the iTNT hub (as called out in the Board Report section of this Annual Report), the hub was inaugurated on 15th May 2023. Therefore the beneficiaries have not been identified here.

3a Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

3b From which marginalized /vulnerable groups do you procure?

There is a Procurement Policy in place, but the nature of business limits such purchases. During the year, the Company procured various articles from NGOs. These organizations serve communities from marginalized backgrounds.

3c What percentage of total procurement (by value) does it constitute?

NA

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)	Benefits Shared Yes or No	Basis of calculating benefits share
Not applicable				

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
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Shikshit Bharat	30+	100%
2	Strengthening rural education and promoting digital skilling	2500+	NA
3	UNEP Air Quality Action Forum (AQAF)	NA	NA

Principles 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.**

Grievance redressal-Lending

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.

The Company recommends them to carefully go through the help pages that provide self-help to the customers. For queries and concerns that are not addressed through the help pages, the customers can contact the customer support team through the Paytm App. In order to create a ticket, they can click on the below links based on the Product.

Postpaid –

Social Media Twitter Handle - @Paytmcare
24*7 In App Support - https://m.paytm.me/paytm_post

Personal Loan –

Social Media Twitter Handle - @Paytmcare
24*7 In App Support - <https://m.paytm.me/ccloan>

Co-Branded Credit Cards

Social Media Twitter Handle - @Paytmcare
24*7 In App Support – https://m.paytm.me/paytm_crecard

Merchant Cash Advance

24*7 In App Support – https://b.paytm.me/Help_Support (Please use via Mobile)
Call Center - 0120-4440440

Social Media –

<https://twitter.com/PaytmBusiness>
<https://www.facebook.com/Paytmforbusiness>
<https://www.instagram.com/paytmbusiness/>
<https://www.linkedin.com/company/paytm-for-business/>

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 next level, one needs to ensure that they have already exhausted the previous level(s) and their concern remains un-resolved or not resolved to their satisfaction.

Service Levels

Service Levels for Lending Products

Level 1

Complaints Registration:

- One can register complaint 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_lending@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_lending@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.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the products	NA
Safe and responsible usages	NA
Recycling and /or safe disposal	NA

3. Number of consumer complaints in respect of following:

Category	FY 22-23 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	6	2	-	0	0	-
Advertising	5	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of Essential Services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	9,900	52	-	1,784	35	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for Recall
Voluntary recalls		NIL
Forced recalls		

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.

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.**

No penalties/regulatory action has been levied or taken on the above-mentioned parameters.

Leadership Indicator

1	<p>Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).</p> <p>Customer awareness articles and campaigns on Print and social media Through its various campaigns, the Company has ensured that its users get the right information and are made aware of all the features that make their life simpler. We regularly update users with information to prevent cyber frauds through the app, social media, blogs and articles. Blogs: Paytm QR and Paytm UPI Are Free: Understanding the Latest NPCI Circular On Wallet Interoperability With UPI https://paytm.com/blog/payments/upi/paytm-qr-and-paytm-upi-are-free-understanding-the-latest-npci-circular-on-wallet-interoperability-with-upi/ Paytm UPI LITE now active on these 10 banks for lightning-fast payments https://paytm.com/blog/payments/paytm-upi-lite-now-active-on-these-10-banks/ Launching Cancel Protect for Train Tickets – Empowering Users with 100% Refund on Cancellation, Avail Instant Refund With No Questions Asked Policy https://paytm.com/blog/investor-relations/paytm-empowers-users-to-get-100-refund-on-cancellation-of-train-tickets-with-cancel-protect-provides-instant-refund-with-no-questions-asked-policy/ How to Set up a UPI Lite Account on Paytm? https://paytm.com/blog/payments/upi/how-to-set-up-a-upi-lite-account-on-paytm/ The company signed MoU with Government of Andhra Pradesh at Global Investors Summit 2023, to drive initiatives in Financial Inclusion, Public Health, Cyber Security https://paytm.com/blog/payments/corporate/paytm-signs-mou-with-government-of-andhra-pradesh-at-global-investors-summit-2023/ Announcing our collaboration with MeitY for 'G20-Stay Safe Online' Campaign, to drive greater awareness among citizens on Cyber Safety https://paytm.com/blog/payments/our-collaboration-with-meity-for-g20-stay-safe-online-campaign/ India's Pioneer in Digital Payments Paytm Launched UPI LITE for Seamless UPI Transactions https://paytm.com/blog/payments/upi/paytm-launched-upi-lite-for-seamless-upi-transactions/</p>
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	<p>Simplify Loan Repayment with Paytm's EMI Options https://paytm.com/blog/loan/loan-repayment-with-paytms-emi-options/</p> <p>We are truly the Pioneer of QR Payments – How We Are Enabling India's Small Vendors https://paytm.com/blog/investor-relations/paytm-is-truly-the-pioneer-of-qr-payments-how-we-are-enabling-indias-small-vendors/</p> <p>How does Credit Score Help in Availing Loan? https://paytm.com/blog/credit-score/how-does-credit-score-help-in-availing-loan/</p> <p>Guide to Pradhan Mantri Garib Kalyan Yojana https://paytm.com/blog/saving-schemes/guide-to-pradhan-mantri-garib-kalyan-yojana/</p> <p>Pradhan Mantri Awas Yojana Scheme: Documents Required, Eligibility & Features https://paytm.com/blog/saving-schemes/government-schemes/pmay-pradhan-mantri-awas-yojana-scheme/</p> <p>Short Term FD Vs Long Term FD- Which is the Better Option of Investment? https://paytm.com/blog/fixed-deposit/short-term-fd-vs-long-term-fd/</p> <p>Detect Fake SMSs within Seconds! https://paytm.com/blog/paytm-help/how-to-detect-fake-sms/</p> <p>New Income Tax Slab Rates for FY 2023-24 https://paytm.com/blog/income-tax/check-the-new-income-tax-slabs-update/</p> <p>Key Highlights & Takeaways of Union Budget https://paytm.com/blog/tax/key-highlights-of-union-budget/</p>
2	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
3	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

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)	<p>Our primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications.</p> <p>We seek feedback from our customers quarterly and customer complaints/grievances are reviewed for a root cause analysis, which also gives opportunity to improve the services.</p> <p>Annual Customer Surveys are conducted and the recent customer survey shows</p> <p>Drivers impacting Satisfaction</p> <table border="1" data-bbox="504 848 1399 1304"> <thead> <tr> <th colspan="8">Key Drivers & their Weightage</th> </tr> </thead> <tbody> <tr> <td>01</td><td>Scan & Pay (Functional Attribute)</td><td>02</td><td>Rewards & Offer Led</td><td>03</td><td>Support Led</td><td>04</td><td>Refund Process</td></tr> <tr> <td>Key Improvement Areas for Paytm</td><td> <ul style="list-style-type: none"> Ease of Scanning the QR Code Transaction Success </td><td> <ul style="list-style-type: none"> Relevance of Offers & Vouchers Redemption Process </td><td> <ul style="list-style-type: none"> Behavior of the CSE Ability to resolve all the queries Coverage of issues </td><td> <ul style="list-style-type: none"> Time to get Refund Confirmation post getting the refund </td><td> <ul style="list-style-type: none"> Acceptability of Paytm for sending / receiving money in their peer set Acceptability of Paytm led P2P Transaction Success </td><td> <ul style="list-style-type: none"> Transaction completion notification </td><td> <ul style="list-style-type: none"> App Refresh Rule Ease of locating various icons </td></tr> <tr> <td></td><td>15%</td><td>13%</td><td>12%</td><td>10%</td><td>9%</td><td>9%</td><td>8%</td></tr> </tbody> </table> <p>The drivers that impact the overall satisfaction are taken into account and the teamwork towards improving the gaps</p>	Key Drivers & their Weightage								01	Scan & Pay (Functional Attribute)	02	Rewards & Offer Led	03	Support Led	04	Refund Process	Key Improvement Areas for Paytm	<ul style="list-style-type: none"> Ease of Scanning the QR Code Transaction Success 	<ul style="list-style-type: none"> Relevance of Offers & Vouchers Redemption Process 	<ul style="list-style-type: none"> Behavior of the CSE Ability to resolve all the queries Coverage of issues 	<ul style="list-style-type: none"> Time to get Refund Confirmation post getting the refund 	<ul style="list-style-type: none"> Acceptability of Paytm for sending / receiving money in their peer set Acceptability of Paytm led P2P Transaction Success 	<ul style="list-style-type: none"> Transaction completion notification 	<ul style="list-style-type: none"> App Refresh Rule Ease of locating various icons 		15%	13%	12%	10%	9%	9%	8%
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	15%	13%	12%	10%	9%	9%	8%																										
5 Provide the following information relating to data breaches: a. Number of instances of data breaches along with impact b. Percentage of data breaches involving personally identifiable information of customers	<p>a) No cases</p> <p>b) The Company did not witness any instances of data breaches during the year. We also have cyber risk insurance policies</p>																																

Financial Statements

Independent Auditor's Report

To the Members of **One 97 Communications Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of One 97 Communications Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. 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.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of carrying value of investment in subsidiaries and associates carried at cost (Refer accompanying notes 2.2(k), 2.2(o), 2.2(v), 5, 6 and 21 to the Standalone Financial Statements)</p> <p>The Company has equity investments in various subsidiaries and associates. The Company accounts for equity investments in subsidiaries and associates at cost (subject to impairment assessment).</p> <p>For investments carried at cost where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognized, if required.</p> <p>The accounting for investments is a key audit matter as the determination of recoverable value for impairment assessment involves significant management judgement.</p> <p>In measuring these investments, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The key inputs and judgements involved in the impairment of investments include:</p> <ul style="list-style-type: none"> i) Forecast cash flows including assumptions on growth rates ii) Discount rates iii) Terminal growth rate 	<p>Our procedures to assess the carrying value of investment (including impairment) in subsidiaries, and associates included the following:</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 of material investments. • We evaluated the Company's process regarding impairment assessment by involving auditor's valuation experts to assist in assessing the appropriateness of the impairment model including the independent assessment of the underlying assumptions relating to cash flow, discount rate, terminal value, etc. for material investments. • We checked the mathematical accuracy of the impairment model and agreed relevant data back to the latest budgets, actual past results and other supporting documents. • 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 in the Standalone Financial Statements. <p>Based on the above audit procedures performed, the Management's assessment of the carrying value of the investments was considered to be reasonable.</p>

Independent Auditor's Report

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report but does not include the Standalone Financial Statements and our auditor's report thereon. The Board's Report, Corporate Governance Report, Management Discussion and Analysis Report, Business Responsibility and Sustainability Report are expected to be made available to us after the date of this auditor's report. Our opinion on the Standalone Financial Statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Board's Report, Corporate Governance Report, Management Discussion and Analysis Report, Business Responsibility and Sustainability Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged With Governance for the Standalone Financial Statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue

Independent Auditor's Report

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

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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.
- 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 Standalone 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.

Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. 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.
12. 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. 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 B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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.

Independent Auditor's Report

- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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 has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 person(s) or entity(ies), 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 (Refer Note 41(i)(a) to the Standalone Financial Statements);
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), 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

Independent Auditor's Report

- the like on behalf of the Ultimate Beneficiaries (Refer Note 41(i) (b) to the Standalone Financial Statements); and
- (c) Based on such audit procedures that we 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. The Company has not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Amitesh Dutta

Partner

Membership Number: 058507

UDIN: 23058507BGYAXW2657

Place: Gurugram
Date: May 5, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of One 97 Communications Limited on the Standalone Financial Statements as of and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of One 97 Communications Limited ("the Company") as of March 31, 2023 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

2. 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 ("the Guidance Note") 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

Annexure A to Independent Auditor's Report

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 ICAI.

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

Amitesh Dutta

Partner

Membership Number: 058507
 UDIN: 23058507BGYAXW2657

Place: Gurugram
 Date: May 5, 2023

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of One 97 Communications Limited on the Standalone Financial Statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company, are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year 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) The title deeds of all the immovable properties, as disclosed in Note 3(b) to the Standalone Financial Statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right-of-Use assets) and

Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right-of-Use assets) or Intangible Assets does not arise.

- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property 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, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its Standalone Financial Statements does not arise.
- ii. (a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

Annexure B to Independent Auditor's Report

- iii. (a) The Company has made investments by way of subscribing to optionally convertible debentures in 3 companies and in treasury bills, government securities, certificate of deposits and commercial papers. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties during the year.
- (b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans granted in previous years, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Except for the following instances, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

Name of the entity	Amount (including accrued interest) (INR million)	Due Date	Extent of delay	Remarks (if any)
Little Internet Private Limited	80	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below
Arthimpact Finserv Private Limited	234	Refer Note 2 below	Refer Note 2 below	Refer Note 2 below
Urja Money Private Limited	11	Refer Note 3 below	Refer Note 3 below	Refer Note 3 below
Robust Infocom Private Limited	191	Refer Note 4 below	Refer Note 4 below	Refer Note 4 below
Rooter Sports Technologies Private Limited	47	Refer Note 5 below	Refer Note 5 below	Refer Note 5 below

Note 1: The Company had given loan to Little Internet Private Limited (LIPL), a subsidiary company, in December 2019. As per the agreement, this was to be repaid in equated monthly installments starting from 7th month after disbursement date till 24th month from the disbursement date i.e. December 30, 2021. The Company has extended the loan of INR 70 Mn to December 29, 2024 through addendum dated November 3, 2022.

Note 2: 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 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 loan of INR 234 million to December 31, 2021.

Annexure B to Independent Auditor's Report

Note 3: The Company had given loan of INR 10 million to Urja Money Private Limited, a subsidiary company in February 2021 which was to be repaid in one year from the disbursement date. The Company has entered into an addendum dated April 13, 2022 effective February 10, 2022. As per the addendum, term of loan has been extended to four years from the disbursement date.

Note 4: 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 has demanded the principal repayment from the party in FY 2020-21.

Note 5: The Company had given loan of INR 40 million in FY 2021-22 for a period of 18 months. The Company has entered into an addendum dated March 24, 2023 effective December 28, 2022. As per the addendum, term of loan has been extended to 30 months from the disbursement date.

- (d) In respect of the following loans, the total amount overdue for more than ninety days as at March 31, 2023 is INR 425 million. In such instances, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest thereon.

No. of cases	Principal Amount Overdue (INR million)	Interest Overdue (INR million)	Total Overdue (INR million)	Remarks (if any)
2	425	-	425	

- (e) Following loans which had fallen due during the year were extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

Name of the parties	Aggregate amount dues renewed or extended or settled by fresh loans (INR million)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Urja Money Private Limited	11	Not applicable as no loans or advances in the nature of loans granted during the year
Little Internet Private Limited	80	
Rooter Sports Technologies Private Limited	47	

Annexure B to Independent Auditor's Report

- (f) No loans were granted during the year to related parties u/s 2(76) which are repayable on demand or where no schedule for repayment of principal and payment of interest has been stipulated by the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including professional tax, labour welfare

fund have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. The Company is generally regular in depositing undisputed statutory dues in respect of provident fund and employees' state insurance, though there has been a slight delay in a few cases and the Company is regular in depositing undisputed statutory dues, including, income tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 28 (c)(ii) to the Standalone Financial Statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, professional tax and labour welfare fund which have not been deposited on account of any dispute. The particulars of goods and services tax, income tax, duty of customs and entry tax as at March 31, 2023, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (INR million)	Period to which the amount relates	Forum where the dispute is pending
Goods and service tax Act	GST demand	10,814.70	April 2020 to September 2020	Hon'ble High court of Allahabad
Income Tax Act, 1961	Non-deduction of tax deducted at source	3.62	AY 2013-14	Commissioner of Income-tax (Appeals)

Annexure B to Independent Auditor's Report

Name of the Statute	Nature of Dues	Amount (INR million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Non-deduction of tax deducted at source	12.50	AY 2014-15	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Non-deduction of tax deducted at source	0.01	AY 2017-18	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Non-deduction of tax deducted at source	3.16	AY 2019-20	Deputy Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Interest allowable on TDS refund	17.63	AY 2016-17 and 2017-18	The Assistant Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Non-deduction of tax deducted at source	69.1	AY 2015-16	Commissioner of Income-tax (Appeals)
Goods and service tax Act	Tran-1 transition	725.80	2016-17	The Joint Commissioner CGST, Commissionerate, Noida
The Customs Act, 1962	Custom duty on Sound box	32.92*	August 5, 2019 to July 6, 2021	Hon'ble Customs, Excise and Service Tax Appellate Tribunal
The Gujarat Tax on Entry of Specified Goods into Local Area Act, 2001	Entry Tax	17.21**	April 2016 to December 2016	Hon'ble Gujarat Value Added Tax Tribunal, Ahmedabad
Income Tax Act, 1961	Reassessment proceedings	624.9	AY 2013-14 to AY 2017-18	Hon'ble Delhi High Court.
Goods and service tax Act	Wrong availment of ITC of IGST	2.04	August 2020 to September 2020	The Joint Commissioner Corporate Circle

*excluding INR 2.4 million paid under protest by the Company.

**excluding INR 0.6 million paid under protest by the Company.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been

surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Annexure B to Independent Auditor's Report

- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that 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) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of initial public offer were applied for the purpose for which they were raised. The amount of unutilized proceeds as at March 31, 2023 amounted to INR 41,007 million. Also, refer Note 39 of the Standalone Financial Statements of the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with

Annexure B to Independent Auditor's Report

- the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- xii. (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. In respect of certain complaints, for which preliminary findings of the investigations have been provided to us by management, our consideration of the complaints having any bearing on our audit is limited to such preliminary findings.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- xiv.(b) The reports of the Internal Auditor 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 him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi.(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.

Annexure B to Independent Auditor's Report

xvii. The Company has not incurred any cash losses in the financial year and had incurred cash losses of Rs. 12,500 million in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 41(iv) to the Standalone Financial Statements), ageing and expected dates of realisation 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 relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(XXI) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Amitesh Dutta

Partner

Membership Number: 058507

UDIN: 23058507BGYAXW2657

Place: Gurugram
Date: May 5, 2023

Standalone Balance Sheet

Standalone Balance Sheet (Amounts in INR Million, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	8,138	5,431
Right-of-use-assets	3(b)	2,795	2,786
Capital work-in-progress	3(c)	71	97
Intangible assets	4	438	83
Intangible assets under development	3(d)	4	15
Financial assets			
Investment in subsidiaries	5	10,776	10,695
Investment in associates	6	2,081	1,932
Other investments	7(b)	1,582	426
Loans	7(c)	1,536	1,681
Other financial assets	7(d)	2,243	41,778
Current tax assets		5,325	3,838
Other non-current assets	9	3,198	3,031
Total Non-Current Assets		38,187	71,793
Current assets			
Financial assets			
Other investments	7(a)	10,495	-
Trade receivables	8	11,421	7,059
Cash and cash equivalents	10(a)	30,029	10,664
Bank balances other than cash and cash equivalents	10(b)	33,092	37,690
Loans	7(c)	370	514
Other financial assets	7(d)	22,522	22,339
Other current assets	9	10,248	13,507
Total Current Assets		118,177	91,773
TOTAL ASSETS		156,364	163,566
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11(a)	634	649
Other equity	11(b)	122,233	136,476
Total Equity		122,867	137,125
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	3(b)	1,799	1,724
Contract liabilities	14(b)	2,367	3,165
Provisions	12	533	235
Total Non-Current Liabilities		4,699	5,124
Current liabilities			
Financial liabilities			
Lease liabilities	3(b)	267	318
Trade payables			
(a) Total Outstanding dues of micro and small enterprises	13(a)	397	193
(b) Total Outstanding dues other than (a) above	13(a)	7,437	6,914
Other financial liabilities	13(b)	13,525	7,308
Contract liabilities	14(b)	2,353	2,001
Other current liabilities	14(a)	3,426	3,865
Provisions	12	1,393	718
Total Current Liabilities		28,798	21,317
Total Liabilities		33,497	26,441
TOTAL EQUITY AND LIABILITIES		156,364	163,566

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 Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/ N500016

Amitesh Dutta | Partner
Membership No: 058507
Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN No. 07720350
Place: Mumbai | Date: May 5, 2023

Standalone Statement of Profit and Loss

Standalone Statement of Profit and Loss (Amounts in INR Million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	15	60,277	38,924
Other income	16	3,994	2,830
Total income		64,271	41,754
Expenses			
Payment processing charges		17,140	19,855
Marketing and promotional expenses		9,516	7,907
Employee benefits expense	17	32,584	19,072
Software, cloud and data centre expenses		6,545	4,516
Depreciation and amortization expense	18	4,696	2,282
Finance costs	19	219	381
Other expenses	20	11,499	10,548
Total expenses		82,199	64,561
Loss before exceptional items and tax		(17,928)	(22,807)
Exceptional items	21	(630)	(441)
Loss before tax		(18,558)	(23,248)
Income Tax expense			
Current tax	27	-	3
Total Tax expense		-	3
Loss for the year		(18,558)	(23,251)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement gains/ (losses) on defined benefit plans	26	(23)	(18)
Total Other Comprehensive Income/ (Loss) for the year		(23)	(18)
Total Comprehensive Income/ (Loss) for the year		(18,581)	(23,269)
Earnings per share (INR per share of INR 1 each)			
Basic	22	(29)	(37)
Diluted	22	(29)	(37)

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 Price Waterhouse Chartered
Accountants LLP

Firm registration number:
012754N/ N500016

Amitesh Dutta | Partner

Membership No: 058507

Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN No. 07720350

Place: Mumbai | Date: May 5, 2023

Standalone Statement of Changes in Equity

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, 2021#	60,260,013	605
Shares issued during the year##	38,646,058	39
Shares issued during the year - ESOP	4,627,616	5
Adjustment for Sub-Division of Equity Shares**	543,217,887	-
Impact of derecognition of trust	1,809,840	-
At March 31, 2022	648,561,414	649
Shares issued during the year - ESOP	793,549	1
Shares buy-back (Refer note 40)	(15,566,746)	(16)
At March 31, 2023	633,788,217	634

Net of treasury shares, April 1, 2021: 222,391 of face value of INR 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year ended March 31, 2022 includes 41,407 shares of face value of INR 10 each issued out of treasury shares

**Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on June 30, 2021, each equity share of face value of INR 10 per share was sub-divided into ten equity shares of face value of INR 1 per share, with effect from record date, i.e., June 30, 2021.

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

Standalone Statement of Changes in Equity (Amounts in INR Million, unless otherwise stated)

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, 2021	2	189,256	(123,814)	3,822	-	(26)	69,240
Loss for the year	-	-	(23,251)	-	-	-	(23,251)
Other Comprehensive income	-	-	(18)	-	-	-	(18)
Total comprehensive income/ (loss)	-	-	(23,269)	-	-	-	(23,269)
Exercise of share options	(2)	2	-	-	-	-	-
Adjustment on forfeiture of ESOP	-	-	17	(17)	-	-	-
Adjustment on cancellation of ESOP	-	-	102	(102)	-	-	-
Amount transferred to security premium on exercise of ESOPs	-	2,290	-	(2,290)	-	-	-
Share based payment expenses (Refer note 24)	-	-	-	7,498	-	-	7,498
Share based payment for employees of subsidiaries and associates (Refer note 24)	-	-	-	674	-	-	674
Share application money received (pending allotment)	*	-	-	-	-	-	*
Amount received on issue of shares	-	83,023	-	-	-	-	83,023
Amount utilised for share issue expenses	-	(1,401)	-	-	-	-	(1,401)
Other adjustments (Refer note 11(b))	-	-	711	-	-	-	711
As at March 31, 2022	*	273,170	(146,253)	9,585	-	(26)	136,476
Loss for the period	-	-	(18,558)	-	-	-	(18,558)
Other Comprehensive income	-	-	(23)	-	-	-	(23)
Total comprehensive income/ (loss)	-	-	(18,581)	-	-	-	(18,581)
Exercise of share options	*	*	-	-	-	-	-
Adjustment on forfeiture of ESOP	-	-	3	(3)	-	-	-
Adjustment on cancellation of ESOP	-	-	12	(12)	-	-	-

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

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		
Amount transferred to securities 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 40)	-	(8,568)	-	-	-	-	(8,568)
Transfer on account of buy-back of equity shares (Refer note 40)	-	(16)	-	-	16	-	-
Tax on buy-back of equity shares (Refer note 40)	-	(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

* 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 Price Waterhouse Chartered Accountants LLP

Firm registration number:
012754N/ N500016

Amitesh Dutta | Partner
Membership No: 058507
Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN No. 07720350

Place: Mumbai | Date: May 5, 2023

Standalone Statement of Cash Flows

Standalone Statement of Cash Flows (Amounts in INR Million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities:			
Loss before tax		(18,558)	(23,248)
Depreciation and amortization expense	18	4,696	2,282
Interest income	16	(2,582)	(2,388)
Interest Income on unwinding of discount - financial assets measured at amortized cost	16	(582)	(182)
Interest on borrowing at amortized cost	19	-	293
Interest and finance charges on lease liabilities	19	185	75
Gain on leases termination		(1)	(3)
Trade receivables/ advance written off	20	84	201
Provision for advances	20	125	40
Loss allowance for financial assets	20	795	697
Provision for impairment of investments in associates and subsidiaries	21	630	441
Liabilities no longer required written back	16	(85)	(7)
Property, plant and equipment and intangible assets written off	20	12	10
Share based payment expenses	17	13,799	7,498
Provision for employee incentive		(4)	15
Fair value gain on financial instruments measured at FVTPL (net)	16	(532)	(223)
Profit on sale of property, plant and equipment (net)	16	(130)	(7)
Operating loss before working capital changes		(2,148)	(14,506)
Working capital adjustments:			
Increase/(decrease) in trade payables		735	977
Increase/(decrease) in provisions		950	379
Increase / (decrease) in other current liabilities and contract liabilities		(885)	860
Increase/(decrease) in other financial liabilities		6,055	8,236
(Increase)/decrease in trade receivables		(4,772)	(2,805)
(Increase)/decrease in other financial assets		(299)	(5,707)
(Increase)/decrease in other current and non-current assets		2,767	373
Cash generated from/ (used in) operations		2,403	(12,193)
Tax paid, net of refunds		(1,487)	(987)
Net cash inflow/ (outflow) from operating activities (A)		916	(13,180)
Cash flow from investing activities:			
Purchase of property, plant and equipment and intangible assets		(6,968)	(5,043)
Proceeds from sale of property, plant and equipment		189	13
Proceeds from sale of online payment aggregator business		568	-
Investment in fixed and other deposits with bank		(54,056)	(93,951)
Maturity of bank deposits		97,353	42,339
Proceeds from repayment of inter corporate loans		483	117
Inter corporate loans given		-	(1,972)
Proceeds from sale of non-current investments		-	13
Payment for purchase of non-current investments		(1,226)	(421)
Proceeds from sale of current investments		332,377	85,696

Standalone Statement of Cash Flows

Standalone Statement of Cash Flows (Amounts in INR Million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment for purchase of current investments		(342,165)	(84,204)
Interest received		2,904	2,694
Net cash inflow/ (outflow) from investing activities (B)		29,459	(54,719)
Cash flow from financing activities:			
Proceeds from issue of shares (including securities premium)		7	83,067
Share issue expenses		-	(1,401)
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)		1	*
Net change in working capital demand loan		-	(435)
Received on recharge of ESOP cost to subsidiaries and associates		97	-
Interest paid		(185)	(368)
Principal elements of lease payments		(369)	(239)
Net cash inflow/ (outflow) from financing activities (C)		(11,010)	80,624
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		19,365	12,725
Cash and cash equivalents at the beginning of the year		10,664	(2,061)
Cash and cash equivalents at the end of the year		30,029	10,664

Cash and cash equivalents as per above comprises of following	March 31, 2023	March 31, 2022
Cash on hand	*	*
Balance with banks		
- On current accounts	25,909	10,664
- Deposits with original maturity of less than 3 months	4,120	-
Cash and cash equivalents for the purpose of statement of cash flows	10(a)	30,029
		10,664

* Amount below rounding off norms adopted by the Company

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 Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/ N500016

Amitesh Dutta | Partner

Membership No: 058507

Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,
President & Group Chief Financial Officer

DIN No. 07720350

Place: Mumbai | Date: May 5, 2023

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 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.

These Standalone Financial Statements ("Financial Statements") were authorised for issue in accordance with a resolution of the Board of Directors on May 5, 2023.

2. Significant 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 (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.

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. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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.

Impact of COVID-19

The government has removed substantially all COVID-19 related restrictions gradually in a phased manner and the Company has seen improvement in its operations. The Company has made an assessment of the recoverability and carrying values of its assets as at the end of the current year and has concluded that there are no material adjustments required in the Standalone Financial Statements.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

Management believes that it has considered all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Standalone Financial Statements.

New and amended standards adopted by the Company

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and current period, and are not expected to significantly affect the future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on

initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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

b. Foreign currencies

Functional and presentation currency

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

Transactions and balances

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

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

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the

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

c. Fair value measurement

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

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

d. Revenue recognition

Revenue is 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

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 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.

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 Company operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised either in other

comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 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.

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

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

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

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

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

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

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

h. 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 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

Assets	Useful life (in years)
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.

With effect from April 1, 2022, the Company has 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. The impact on account of above change in estimate is 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.

i. 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

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.

j. Borrowing costs

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

k. 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.

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

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.

m. 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 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.

n. Share-based payments

i) 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.

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(Amounts in INR Million, unless otherwise stated)

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 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.

ii) Cash-settled transactions

For awards classified as cash settled share based transactions, the goods or services acquired are measured and the liability incurred, at the fair value of

liability. Until the liability is settled, the fair value of the liability is re-measured at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in statement of profit and loss for the period.

The cost of cash-settled transactions is determined by the fair value of equity instruments at each reporting date using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in liability, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for cash-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.

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

The Company has set up Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust) for administering

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certain types of share-based payment arrangements including awards given to employees of the outside group companies as well for awards of options of other companies given to its employees. The Company uses the Trust as a vehicle for distributing shares under the ESOP schemes. The Trust holds shares of the Company, for giving shares to employees. The Company treats the Trust as its extension and shares of the Company held by Trust are treated as treasury shares. Other assets held by the Trust are consolidated on a line-by-line basis with Company's financial statements. Shares of other companies held by the Trust for distribution to its employees are separately disclosed under investments.

The Company has lost control over the Trust and accordingly, it is now not consolidated on a line-by-line basis with Company's financial statements.

o. 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.

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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:

- 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 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

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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 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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

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

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.

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(Amounts in INR Million, unless otherwise stated)

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 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.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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

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contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

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.

p. 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.

q. 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. 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.

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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.

r. 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.

s. Treasury shares

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

t. 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.

u. 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

v. 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 of investments in subsidiaries and associates, gain/ loss on disposal of subsidiaries and associates (other than major lines of business that meet the definition of a discontinued operation) are considered and reported as exceptional items.

w. Contributed Equity

Equity shares are classified as equity.

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Qualifying transaction costs incurred in anticipation of an issuance of equity instruments is deferred on the balance sheet until the equity instrument is recognised. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognised. If the equity instruments are not subsequently issued, the deferred transaction costs are charged off to profit or loss.

The transaction costs incurred with respect to the IPO of the Company as reduced by the amount recovered from the selling shareholders are allocated between new issue of shares and listing of existing equity shares. The costs attributable to listing of existing shares is recognised in profit or loss and the costs attributable to new issuance of shares is recognised in equity.

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(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, 2021	3,482	42	72	12	269	2,612	6,489
Additions	639	5	9	-	27	4,057	4,737
Disposals	124	22	-	-	26	*	172
As at March 31, 2022	3,997	25	81	12	270	6,669	11,054
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
Accumulated depreciation							
As at April 1, 2021	2,516	28	46	3	134	1,012	3,739
For the year	524	4	9	2	26	1,476	2,041
Disposals	115	19	-	-	23	*	157
As at March 31, 2022	2,925	13	55	5	137	2,488	5,623
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
Net carrying amount							
As at March 31, 2023	648	10	17	5	126	7,332	8,138
As at March 31, 2022	1,072	12	26	7	133	4,181	5,431

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 40 (March 31, 2022: 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 10,460 (March 31, 2022: INR 4,678), Accumulated depreciation INR 4,553 (March 31, 2022: INR 1,875), Net carrying amount INR 5,907 (March 31, 2022: INR 2,803) of point-of-sale machines and sound boxes installed at customers premise.

*Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

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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, 2021	844	719	1,563
Additions	-	1,928	1,928
Disposals (refer note below)	-	6	6
As at March 31, 2022	844	2,641	3,485
As at April 1, 2022	844	2,641	3,485
Additions	-	405	405
Disposals (refer note below)	-	8	8
As at March 31, 2023	844	3,038	3,882
Accumulated Depreciation			
As at April 1, 2021	20	478	498
For the Year	10	191	201
Disposals	-	-	-
As at March 31, 2022	30	669	699
As at April 1, 2022	30	669	699
For the Year	10	378	388
Disposals	-	-	-
As at March 31, 2023	40	1,047	1,087
Net Carrying Amount			
As at March 31, 2023	804	1,991	2,795
As at March 31, 2022	814	1,972	2,786

B. Lease Liabilities

Particulars	March 31, 2023	March 31, 2022
Lease Liability on Land- Current	-	58
Lease Liability on Office Premises- Current	267	260
Lease Liability on Office Premises- Non-Current	1,799	1,724
Total	2,066	2,042
Total lease liability - Current	267	318
Total lease liability - Non-Current	1,799	1,724

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

C. Amounts recognised in Statement of profit and loss

Particulars	Notes	For the year	For the year
		ended March 31, 2023	ended March 31, 2022
Depreciation charge of Right-of-use assets			
Land		10	10
Office Premises*		378	191
Total	18	388	201
Interest expense (included in finance cost)	19	185	75
Expense relating to short-term lease (included in other expenses)	20	5	42

* This amount is including cross charge of INR Nil (March 31, 2022: 7). Net depreciation charge of Right-of-use assets in profit & loss is INR 388 (March 31, 2022: 194).

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 9 (March 31, 2022: 9) with corresponding adjustment to Right-of-Use assets amounting to INR 8 (March 31, 2022: 6) 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 554 (March 31, 2022: 314)

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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

Changes in liabilities arising from financing activities

Particulars	March 31, 2023		March 31, 2022	
	Lease liabilities	Current borrowings	Lease liabilities	Current borrowings
Opening debt	2,042	-	440	5,444
Non cash adjustments (includes termination of leases)	393	-	1,841	-
Cash flows/ assets acquired	(369)	-	(239)	(5,444)
Interest expense	185	-	75	293
Interest paid	(185)	-	(75)	(293)
Total	2,066	-	2,042	-

3 (c) Capital-work-in progress aging schedule

Capital-work-in progress (CWIP) 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

Capital-work-in progress (CWIP) for the year ended March 31, 2022

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	2	2	37	97

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (d) Intangible assets under development aging schedule

Intangible assets under development aging schedule for the year ended March 31, 2023

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	4	*	-	-	4

Intangible assets under development aging schedule for the year ended March 31, 2022

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	14	-	1	-	15

* 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, 2021	429	1	430
Additions	41	-	41
Disposals	191	-	191
As at March 31, 2022	279	1	280
As at April 1, 2022	279	1	280
Additions	114	315	429
Disposals	3	-	3
As at March 31, 2023	390	316	706
Accumulated amortisation			
As at April 1, 2021	339	1	340
For the year	47	*	47
Disposals	190	-	190
As at March 31, 2022	196	1	197
As at April 1, 2022	196	1	197
For the year	60	11	71
Disposals	-	-	-
As at March 31, 2023	256	12	268
Net carrying amount			
As at March 31, 2023	134	304	438
As at March 31, 2022	83	-	83

*Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

5. Investment in subsidiaries - Non Current

	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments		
Unquoted equity shares (Fully paid up)		
One97 Communications Nigeria Limited	3	3
10,000,000 (March 31, 2022 : 10,000,000) equity shares of NGN 1 each		
One97 Communications FZ LLC	21	21
1,500 (March 31, 2022 : 1,500) equity shares of AED 1000 each		
One 97 Communications India Limited	832	832
83,150,000 (March 31, 2022 : 83,150,000) equity shares of INR 10 each		
One97 Communications Singapore Private Limited	1,113	940
3,356,100 (March 31, 2022 : 3,356,100) equity shares of SGD 1 each		
One97 USA Inc	33	33
532,000 (March 31, 2022 : 532,000) equity shares of USD 1 each		
Paytm Entertainment Limited	2,824	2,691
78,873,755 (March 31, 2022 : 78,873,755) equity shares of face value of INR 10 each		
Paytm Money Limited	2,779	2,701
258,870,000 (March 31, 2022 : 258,870,000) equity shares of face value of INR 10 each		
Wasteland Entertainment Private Limited (Refer note (iii) below)	884	735
51,673 (March 31, 2022 : 51,673) equity shares of INR 10 each		
Orbgen Technologies Private Limited (Refer note (ii) below)	259	309
974,880 (March 31, 2022 : 974,880) equity shares of INR 10 each		
Urja Money Private Limited	225	227
2,102,245 (March 31, 2022 : 2,102,245) equity shares of INR 10 each		
Mobiquest Mobile Technologies Private Limited	192	180
201,634 (March 31, 2022 : 201,634) equity shares of INR 10 each		

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

5. Investment in subsidiaries - Non Current

	As at March 31, 2023	As at March 31, 2022
Little Internet Private Limited (Refer note (i) below)	-	-
13,997,263 (March 31, 2022 : 13,997,263) equity shares of face value of INR 10 each	49	52
Paytm Services Private Limited	274	774
3,000,000 (March 31, 2022 : 3,000,000) equity shares of face value of INR 10 each	1,266	1,175
Paytm Insurance Broking Private Limited (Refer note (iv) below)	10,754	10,673
75,000,000 (March 31, 2022 : 75,000,000) equity shares of face value of INR 10 each		
Paytm Payments Services Limited	22	22
35,710 (March 31, 2022 : 35,710) compulsory convertible preference shares of INR 10 each	22	22
Total (A)	10,776	10,695
Unquoted compulsorily convertible preference shares (Fully paid up)		
Mobiquest Mobile Technologies Private Limited	10,776	10,695
35,710 (March 31, 2022 : 35,710) compulsory convertible preference shares of INR 10 each	10,776	10,695
Total (B)	5,510	4,880
Grand Total [A+B]		
Aggregate amount of unquoted investments	10,776	10,695
Aggregate amount of impairment in the value of investment	5,510	4,880

- (i) Net of provision for impairment amounting to INR 2,714 (March 31, 2022: 2,713). Also Refer note 21.
- (ii) Net of provision for impairment amounting to INR 1,421 (March 31, 2022 : 1,317). Also Refer note 21.
- (iii) Net of provision for impairment amounting to INR 850 (March 31, 2022: 850). Also Refer note 21.
- (iv) Net of provision for impairment amounting to INR 525 (March 31, 2022: Nil). Also Refer note 21.

6. Investment in associates - Non Current

	As at March 31, 2023	As at March 31, 2022
Unquoted equity shares (Fully paid up)		
Paytm Payments Bank Limited	1,653	1,560
156,003,900 (March 31, 2022 : 156,003,900) equity shares of INR 10 each		

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

6. Investment in associates - Non Current

	As at March 31, 2023	As at March 31, 2022
Paytm General Insurance Limited	10	10
980,000 (March 31, 2022 : 980,000) equity shares of INR 10 each		
Paytm Life Insurance Limited	*	*
49,000 (March 31, 2022 : 49,000) equity shares of INR 10 each		
Paytm Financial Services Limited	76	20
2,000,000 (March 31, 2022 : 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, 2022 : 2,560,938) equity shares of INR 10 each		
Eatgood Technologies Private Limited (refer note (i) below)	-	-
2,879 (March 31, 2022 : 2,879) equity shares of INR 10 each		
Total (A)	1,739	1,590
Unquoted compulsorily convertible preference shares (Fully paid up)		
Socomo Technologies Private Limited (refer note (i) below)	-	-
28,800 (March 31, 2022 : 28,800) Compulsorily Convertible Preference share of face value of INR 1 each		
Infinity Transoft Solutions Private Limited	100	100
3,618 (March 31, 2022 : 3,618) Compulsorily Convertible Preference share of face value of INR 10 each		
Eatgood Technologies Private Limited (refer note (i) below)	242	242
72,373 (March 31, 2022 : 72,373) Compulsorily Convertible Preference share of face value of INR 100 each		
Total (B)	342	342
Grand Total [A+B]	2,081	1,932
Aggregate amount of unquoted investments	2,081	1,932
Aggregate amount of impairment in the value of investment	784	784

- (i) Net of provision for impairment amounting to INR 26 (March 31, 2022: 26), INR 428 (March 31, 2022 : 428) and INR 330 (March 31, 2022 : 330) for Paytm Insuretech Private Limited, Socomo Technologies Private Limited and Eatgood Technologies Private Limited, respectively.

* Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(a) Other investments - Current

	As at March 31, 2023	As at March 31, 2022
Investments at amortised cost		
Investments in Debt instruments		
Commercial papers (quoted)	7,694	-
Treasury bills (quoted)	2,801	-
Total Current investments	10,495	-

7(b) Other investments - Non-Current

	As at March 31, 2023	As at March 31, 2022
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, 2022 : 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)		
RainingClouds Tech Private Limited (Refer note (iii) below)	-	-
Nil (March 31, 2022 : 3,620) Redeemable Convertible Preference Shares of INR 10 each		
Fable Fintech Private Limited (formerly known as Avenues Payments India Private Limited (Refer note (i) below)	-	-
11,379 (March 31, 2022 : 11,379) Compulsorily Convertible Preference share of face value of INR 100 each		
Loginext Solutions Private Limited (refer note (iii) below)	-	-
Nil (March 31, 2022 : 279,443) Compulsorily Convertible Preference share of face value of INR 10 each		
Rooter Sports Technologies Private Limited	40	40
1,160 (March 31, 2022 : 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	67	32
5,999,731 (March 31, 2022 : 2,999,862) 10% Debentures of face value INR 10 each		

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(b) Other investments - Non-Current (Contd..)

	As at March 31, 2023	As at March 31, 2022
Admirable Software Limited	263	241
23,109,232 (March 31, 2022 : 23,109,232) 10% Debentures of face value INR 10 each		
Nearbuy India Private Limited	-	58
13,000,000 (March 31, 2022 : 13,000,000) 10% Debentures of face value INR 10 each		
Urja Money Private Limited	34	32
3,000,000 (March 31, 2022 : 3,000,000) 10% Debentures of face value INR 10 each		
Paytm Financial Services Limited	165	-
21,951,000 (March 31, 2022 : Nil) 10% Debentures of face value INR 10 each		
Massive Mobility Private Limited	106	-
10,000,000 (March 31, 2022 : Nil) 10% Debentures of face value INR 10 each		
Total (B)	635	363
Investments at amortised cost		
Investments in Debt instruments		
Government securities (quoted)	884	-
Total (C)	884	-
Total Non-Current investments [A+B+C]	1,582	426
Total Current Investments	10,495	-
Total Non-Current Investments	1,582	426
	12,077	426
Aggregate book value of unquoted investments	698	426
Aggregate book value of quoted investments	11,379	-
Aggregate market value of quoted investments	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.
- (iii) These companies have ceased to exist in the Ministry of Corporate Affairs records as of March 31, 2023.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(c) Loans

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Inter Corporate Loans#				
with related parties (Refer note 25) ##	1,536	1,681	404	551
Others	-	-	470	500
Less: Loss allowance for inter corporate loans	-	-	(504)	(537)
	1,536	1,681	370	514

Break-up of security details

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Secured, considered good	-	-	-	-
Unsecured, considered good	1,536	1,681	370	514
Loans which have significant increase in credit risk	-	-	504	537
Loans Credit Impaired	-	-	-	-
	1,536	1,681	874	1,051
Less: Loss allowance for inter corporate loans	-	-	(504)	(537)
Total Loans	1,536	1,681	370	514

#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, 2022 : 5.10% to 12%).

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, except as disclosed in note 25.

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)

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(c) Loans (Contd..)

(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.

Particulars	As at March 31 2022
Face value of loan given	1,613
Fair value of loan on inception	1,317
Deemed investment in First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) #	296

There has been no movement in deemed investment during the year ended March 31, 2023.

The Company has not granted loans to its directors, KMPs and the related parties (as defined under Companies Act, 2013) which are repayable on demand or 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, 2023	March 31, 2022
Amount of loan or advance in the nature of loan outstanding as specified above	433	870
Percentage to the total Loans and Advances in the nature of loans	18%	32%

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	March	March	March
		31, 2023	31, 2022	31, 2023	31, 2022
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) #	8.00%	1,796	1,679	1,796	1,679
Paytm Financial Services Limited	5.10%	-	471	471	471

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Wasteland Entertainment Private Limited	12.00%	324	293	324	293
Little Internet Private Limited	12.00%	80	80	80	80
Urja Money Private Limited	12.00%	29	26	29	26
Nearbuy India Private Limited	12.00%	-	-	-	20

Note:

(i) The above loans have been provided for general corporate purposes.

Excluding fair valuation impact amounting to INR 289 (March 31, 2022: 317)

7(d) Other financial assets

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Security deposits	877	705	1,250	1,410
Less: Loss allowance for security deposits	(18)	(37)	(213)	-
A	859	668	1,037	1,410
Bank balances				
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 10(a))	-	38,700	-	-
Others				
Advances recoverable in cash	-	-	356	116
Less: Loss allowance	-	-	(8)	-
Interest accrued but not due on fixed deposits	-	630	804	502
Interest accrued on security deposit	-	-	140	138
Less: Loss allowance	-	-	(138)	-
B	-	39,330	1,154	756

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Amount recoverable from Payment				
Gateway banks*				
Unsecured, considered good				
Amount recoverable from other parties	-	-	2,087	1,109
Amount recoverable from related parties (Refer note 25)	-	-	16,561	17,342
Unsecured, considered doubtful				
Amount recoverable from other parties	-	-	287	132
	-	-	18,935	18,583
Less : Loss allowance	-	-	(287)	(132)
C	-	-	18,648	18,451
Unsecured, considered good				
Amount recoverable from related parties (Refer note 25)#+	1,384	1,780	1,500	1,361
Amount recoverable from other parties (Refer note 34)	-	-	5	13
Amount recoverable from other parties	-	-	178	348
Unsecured, considered doubtful				
Amount recoverable from related parties (Refer note 25)	-	-	44	37
	1,384	1,780	1,727	1,759
Less: Loss allowance for recoverable from related parties	-	-	(44)	(37)
D	1,384	1,780	1,683	1,722
Total [A+B+C+D]	2,243	41,778	22,522	22,339

#Includes an amount of INR Nil (March 31, 2022 : INR 10) which has been set off against payable balance of INR Nil (March 31, 2022 : INR 4) as the Company has contractual right to offset the advance against the payable balance and also has the intention to settle the same on net basis.

* 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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(d) Other financial assets (Contd..)

Break up of financial assets

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At cost				
Investment in subsidiaries (Refer note 5)	10,776	10,695	-	-
Investment in associates (Refer note 6)	2,081	1,932	-	-
	12,857	12,627	-	-
At amortised cost				
Trade receivables (Refer note 8)	-	-	11,421	7,059
Cash and cash equivalents (Refer note 10(a))	-	-	30,029	10,664
Bank balances other than cash and cash equivalents (Refer note 10(b))	-	-	33,092	37,690
Inter corporate loans (Refer note 7(c))	29	319	370	514
Other investments (Refer note 7(a))	-	-	10,495	-
Other investments (Refer note 7(b))	884	-	-	-
Others (Refer note 7(d))	2,243	41,778	22,522	22,339
	3,156	42,097	1,07,929	78,266
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))	1,507	1,362	-	-
Investments at fair value through Profit and loss (Refer note 7(b))	675	403	-	-
	2,205	1,788	-	-

8. Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade Receivables	11,799	6,231
Receivables from related parties (Refer Notes (i) & (ii) below)	1,640	2,506
Receivables from other parties (Refer note 34)	16	30
Less: Loss allowance	(2,034)	(1,708)
	11,421	7,059

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

8. Trade receivables (Contd..)

	As at March 31, 2023	As at March 31, 2022
Current	11,421	7,059
Non-current	-	-

Break-up of security details

	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	12,301	7,918
Trade receivable which have significant increase in credit risk	-	-
Trade receivable Credit Impaired	1,154	849
Total	13,455	8,767
Less: Loss allowance	(2,034)	(1,708)
Total Trade receivables	11,421	7,059

- (i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 25.
- (ii) For related party receivables and related loss allowance, Refer note 25.
- (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, 2023

Particulars	Outstanding for following periods from due date of payment							
	Unbilled Dues#	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	Total
(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	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

8. Trade receivables (Contd..)

Trade Receivables ageing schedule for year ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment							
	Unbilled Dues#	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	Total
(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

Trade Receivables ageing schedule for year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment							
	Unbilled Dues#	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,993	1,509	2,308	474	392	135	107	7,918
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

8. Trade receivables (Contd..)

Trade Receivables ageing schedule for year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment								Total
	Unbilled Dues#	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	*	*	12	26	3	808	849	
Total	2,993	1,509	2,308	486	418	138	915	8,767	

* 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.

9. Other assets

	Non-Current		Current			
	As at		As at			
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
Capital advances						
Unsecured, considered good	565	762	-	-		
Doubtful	1	1	-	-		
	566	763	-	-		
Less: Provision for doubtful advances	(1)	(1)	-	-		
A	565	762	-	-		
Advances other than capital advances						
Advances to vendors						
Unsecured, considered good	2,042	1,636	3,553	3,500		
Doubtful	-	-	217	92		
	2,042	1,636	3,770	3,592		
Less: Provision for doubtful advances	-	-	(217)	(92)		
B	2,042	1,636	3,553	3,500		

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

9. Other assets (Contd..)

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Others				
Balances with government authorities :				
Goods and services tax input credit	328	500	5,466	7,363
Prepayments	263	133	511	1,215
Advances to related parties*	-	-	718	1,429
(Refer note 25)				
C	591	633	6,695	10,007
Total (A+B+C)	3,198	3,031	10,248	13,507

*No advances are recoverable from directors or other officers of the Company either severally or jointly with any other person. Nor any advance are recoverable from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 25.

10(a). Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	*	*
Balance with banks		
- On current accounts	25,909	10,664
- Deposits with original maturity for less than 3 months	4,120	-
	30,029	10,664

* 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 period and prior period.
- (b) Fixed deposits amounting to INR 2,081 (March 31, 2022: INR 32) included in note 7(d) and 10(b) are marked under lien by banks for providing bank overdraft, working capital demand loan and issuing bank guarantees under various contracts.
- (c) Balance with banks on current accounts includes balance of Initial Public Offer (IPO) proceeds of INR 10,007 (March 31, 2022: 736) which will be utilised as stated in the prospectus for IPO.
- (d) Fixed deposits amounting to INR 31,000 (March 31, 2022: 70,900) included in note 7(d) and 10(b) will be utilised as stated in the prospectus for IPO.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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

	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than 3 months but less than 12 months (Refer footnote (b) and (d) to note 10(a))	15,700	16,901
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 10(a))	17,392	15,341
Other deposits with banks#	-	5,448
	33,092	37,690

#Deposits with banks amounting to INR Nil (March 31, 2022 : 5,448) are held by banks as security against bank guarantees.

11 (a). Equity share capital

	Number of Shares	Amount
Authorised equity share capital		
As at April 1, 2021	104,106,600	1,041
Increase/ (decrease) during the year	-	-
Adjustment for Sub-division of Equity Shares#	936,959,400	-
As at March 31, 2022	1,041,066,000	1,041
Increase/ (decrease) during the year	-	-
As at March 31, 2023	1,041,066,000	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.

#Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on June 30, 2021, each equity share of face value of INR 10 per share was sub-divided into ten equity shares of face value of INR 1 per share, with effect from the record date, i.e., June 30, 2021.

Issued, subscribed and fully paid up shares

	As at March 31, 2023	As at March 31, 2022
633,788,217 equity shares of INR 1 each fully paid up (March 31, 2022 : 648,561,414 equity shares of INR 1 each fully paid up)	634	649
Total issued, subscribed and fully paid-up share capital	634	649

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, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year#	648,561,414	649	60,260,013	605
Shares issued during the year##	-	-	38,646,058	39
Shares issued during the year - ESOP	793,549	1	4,627,616	5
Adjustment for Sub-Division of Equity Shares	-	-	543,217,887	-
Impact on derecognition of trust	-	-	1,809,840	-
Shares buy-back (Refer note 40)	(15,566,746)	(16)	-	-
Shares outstanding at the end of the year	633,788,217	634	648,561,414	649

Net of treasury shares, April 1, 2021: 222,391 of face value of INR 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year ended March 31, 2022 includes 41,407 shares of face value of INR 10 each issued out of treasury shares

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

Name of shareholder	March 31, 2023		March 31, 2022	
	Number of Shares held	% holding	Number of Shares held	% holding
Antfin (Netherlands) Holding B.V.	158,080,740	24.94%	161,420,141	24.89%
SVF India Holding (Cayman) Limited	81,610,229	12.88%	113,262,230	17.46%
Mr.Vijay Shekhar Sharma	57,845,053	9.13%	57,673,032	8.89%
SAIF III Mauritius Company Limited	68,735,489	10.85%	68,735,489	10.60%
Alibaba.com Singapore E-Commerce Private Limited	-	-	40,631,822	6.26%

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).

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (a). Equity share capital (Contd..)

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 issued 333,035 shares 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.

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, 2023 and March 31, 2022, 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.

11 (b). Other equity

	As at March 31, 2023	As at March 31, 2022
1. Reserves and Surplus		
Securities premium	263,534	273,170
Employee stock options outstanding account (ESOP Reserve)	23,531	9,585
Retained earnings	(164,865)	(146,253)
Capital Redemption Reserve	16	-
Total reserve and surplus (A)	122,216	136,502
(i) Securities premium		
Opening balance	273,170	189,256
Add: transferred from ESOP Reserve on exercise of stock options	919	2,290
Add: amount received on issue of shares	6	83,023
Add: exercise of share options	*	2
Less: amount utilised for share issue expenses	-	(1,401)
Less: buy-back of equity shares (including transaction cost)	(8,568)	-

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (b). Other equity (Contd..)

	As at March 31, 2023	As at March 31, 2022
Less: transfer on account of buy-back of equity shares	(16)	-
Less: tax on buy-back of equity shares	(1,977)	-
Balance at the end of the year	263,534	273,170
(ii) Employee stock options outstanding account (ESOP Reserve)		
Opening balance	9,585	3,822
Add: share based payment expense	13,799	7,498
Add: share based payment for employees of group companies	1,081	674
Less: amount transferred to securities premium on exercise of stock options	(919)	(2,290)
Less: reversal on forfeiture of stock options	(3)	(17)
Less: adjustment on cancellation of ESOP	(12)	(102)
Balance at the end of the year	23,531	9,585
(iii) Retained earnings		
Opening balance	(146,253)	(123,814)
Loss for the year	(18,558)	(23,251)
Less: remeasurement of post-employee benefit obligation	(23)	(18)
Add: transfer from employee stock options outstanding account	3	17
Add: adjustment on cancellation of ESOP	12	102
Add: other adjustments#	(46)	711
Balance at the end of the year	(164,865)	(146,253)
(iv) Capital Redemption Reserve		
Opening balance	-	-
Transfer on account of buyback of equity shares	16	-
Balance at the end of the year	16	-
2. Share application money pending allotment		
Opening balance	*	2
Less: exercise of share options	*	(2)
Receipt of share application money (pending allotment)	1	*
Balance at the end of the year (B)	1	*

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (b). Other equity (Contd..)

	As at March 31, 2023	As at March 31, 2022
3. Other reserves- FVTOCI		
Opening balance	(26)	(26)
Net change in fair value of equity instruments at FVTOCI	-	-
Transfer from FVTOCI to retained earning#	42	-
Balance at the end of the year (C)	16	(26)
Total other equity (A+B+C)	122,233	136,476

* Amount below rounding off norms adopted by the Company

Includes an amount of INR 42 (March 31, 2022: Nil) on account of disposal of investment and INR 4 (March 31, 2022: INR 711) 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for employee benefits				
Provision for gratuity (Refer note 26)	450	235	-	-
Provision for leave benefits*	-	-	1,096	718
Provision for LTIP	83	-	297	-
	533	235	1,393	718

*The entire amount of the provision of INR 1,096 (March 31, 2022 : INR 718) 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 830 (March 31, 2022 : INR 545).

13(a) Trade payables

	As at	
	March 31, 2023	March 31, 2022
Current		
Trade payables#	7,042	6,602
Trade payables to related parties (Refer note 25)	747	426
Trade payables to other parties (Refer note 34)	45	79
	7,834	7,107
# Refer note 29 for MSMED disclosure.		
(i) Total Outstanding dues of micro and small enterprises	397	193
(ii) Total Outstanding dues other than (i) above	7,437	6,914
	7,834	7,107

Trade Payables ageing schedule for the year ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Dues	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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

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, 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Dues	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - MSME	*	60	110	5	*	*	175
(ii) Undisputed - Others	5,552	372	674	39	61	133	6,831
(iii) Disputed dues – MSME	-	10	2	5	1	*	18
(iv) Disputed dues – Others	-	-	5	9	36	33	83
Total	5,552	442	791	58	98	166	7,107

* Amount below rounding off norms adopted by the company

13(b) Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Current		
Payable to merchants*	9,851	3,523
Payable on purchase of fixed assets	651	412
Payable on purchase of fixed assets- related parties (Refer note 25)	12	12
Employee benefits payable	1,243	1,104
Other amount received from customers	1,336	1,697
Other amount received from customers- related parties (Refer note 25)	-	1
Others	372	435
Others- related parties (Refer note 25)	60	124
	13,525	7,308

*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 8,533 (March 31, 2022 : INR 9,942). Gross payable to merchant includes payable to related parties (Refer note 25) INR 2,681 (March 31, 2022 : INR 1,591).

Terms and conditions of the above financial liabilities:

- (i) Trade and other payables are non-interest bearing and generally carry credit period of 30 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 current liabilities

	As at March 31, 2023	As at March 31, 2022
Other payable - related parties (Refer note 25)	-	30
Statutory dues payable:		
Tax deducted at source payable	864	1,014
GST Payable	2,395	2,620
Tax collected at source payable	22	98
Provident fund payable	85	51
Other statutory dues	60	52
	3,426	3,865

14 (b) Contract liabilities

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Contract liabilities	2,367	3,165	2,353	2,001
	2,367	3,165	2,353	2,001

(i) For related party balances, Refer note 25.

Revenue recognized in relation to carried forward contract liabilities

	Year ended March 31, 2023	Year ended March 31, 2022
Contract liabilities recognized as revenue during the year	936	1,053
	936	1,053

15. Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of services	59,418	38,807
Other operating revenue		
Incentive income#	859	117
	60,277	38,924

#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:

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Nature of services		
Payment and financial services	47,611	29,297
Payments services to Consumers	14,376	11,637
Payments services to Merchants	18,372	13,662
Others (including Financial Services)	14,863	3,998
Commerce and cloud services	11,807	9,510
Commerce	4,497	3,467
Cloud	7,310	6,043
	59,418	38,807
(ii) Timing of revenue recognition		
Services provided at a point in time	53,739	36,567
Services provided over a period of time	5,679	2,240
	59,418	38,807

16. Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
- on bank deposits	2,509	2,170
- Interest on Inter corporate loans - measured at amortized cost	43	63
- Interest Income on unwinding of discount - financial assets measured at amortized cost	582	182
- Interest Income on debentures -measured at amortized cost	-	70
- Interest income on security deposit	30	85
Fair value gain on financial instruments measured at FVTPL (net)	532	223
Profit on sale of property, plant and equipment (net)	130	7
Liabilities no longer required written back	85	7
Exchange differences (net)	41	-
Miscellaneous Income	42	23
	3,994	2,830

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

17. Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, bonus and incentives	17,256	10,575
Contribution to provident and other funds	507	240
Share based payment expenses (Refer note 24)	13,799	7,498
Leave Encashment Expense	581	476
Gratuity expenses (Refer note 26)	185	124
Staff welfare expenses	256	159
	32,584	19,072

18. Depreciation and amortization expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 3(a))	4,237	2,041
Depreciation on right-of-use-assets# (Refer note 3(b))	388	194
Amortization of intangible assets (Refer note 4)	71	47
	4,696	2,282

#This amount is net of cross charge of INR Nil (March 31, 2022 : INR 7) (Refer note 3(b))

19. Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest		
- Interest and finance charges on lease liabilities (Refer note 3(b))	185	75
- on borrowings at amortised cost	-	293
- on late deposit of statutory dues	3	*
- on others	31	13
	219	381

* Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

20. Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Connectivity and content fees	2,924	2,126
Legal and professional fees (Refer note (ii) below)	802	1,656
Subcontract expenses	3,046	3,856
Contest, ticketing and FASTag expenses	544	364
Logistic, deployment & collection cost	1,574	656
Provision for advances	125	40
Loss allowance for financial assets	795	697
Trade receivables/ advance written off	84	201
Repair and maintenance	759	325
Insurance	157	83
Rates and taxes	60	103
Travelling and conveyance	316	88
Bank charges	(2)	19
Communication costs	36	19
Payment to auditors (Refer note (i) below)	18	32
Rent (Refer note 28)	5	42
Goods and services tax expense off	50	17
Property, plant and equipment and intangible assets written off	12	10
Corporate Social Responsibility (CSR) expenditure	26	14
(Refer note 37)		
Exchange differences (net)	-	6
Miscellaneous expenses	168	194
	11,499	10,548
(i) Payment to Auditors		
As auditors		
- Audit fee	9	8
- Tax audit fee	-	*
- Limited Review	7	3
In other capacity		
- Other Services (IPO related)	-	40
- Reimbursement of expenses	1	2
- Other Services (Certification fees)	2	2
Other adjustments**	(1)	(23)
	18	32

* Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

20. Other expenses (Contd..)

**During the year ended March 31, 2023 other adjustments relates to audit fee paid on buyback certification, which has been adjusted from securities premium. During the year ended March 31, 2022 other adjustments relates to amount recoverable from selling shareholders pursuant to agreement with selling shareholders for sharing of IPO expenses.

(ii) Legal and professional fees includes

- a) an amount of INR 74 (March 31, 2022 : INR 59) as remuneration to non-executive and independent directors.
- b) an amount of INR 21 (March 31, 2022 : INR 49) as payment to a Law firm in which one of the non-executive and independent director is interested. Further, payment of INR 4 (March 31, 2022: INR 1) 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

	Year ended March 31, 2023	Year ended March 31, 2022
Provision for impairment of investments in associates and subsidiaries	(630)	(441)
	(630)	(441)

- a) The Company basis its assessment of future business projections of its subsidiaries i.e. Orbgen Technologies Private Limited, Paytm Insurance Broking Private Limited, Wasteland Entertainment Private Limited and Little Internet Private Limited has recognized provision for impairment in the carrying value of its investments of INR 104, INR 525, INR Nil and INR 1 (March 31, 2022 : INR 132, INR Nil, INR 200 and INR Nil), respectively, which has been shown as exceptional item in the Standalone Statement of Profit and Loss for the year ended March 31, 2023. During current and previous year, the impairment loss 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 22.5% (March 31, 2022: 22.5%) and terminal growth rate used in extrapolating cash flows beyond the planning period of 2.45 (March 31, 2022: 2.45) times of revenue of the terminal year.
- b) The Company basis its assessment of future business projections of its associate, Eatgood Technologies Private Limited, has recognized provision of INR Nil (March 31, 2022: INR 30) for impairment in the carrying value of its investment. During current and previous year, the management has computed equity value for the investment based on discount rate of 17.24% (March 31, 2022: 17.24%) and terminal growth rate used in extrapolating cash flows is 3.8% (March 31, 2022: 3.8%).

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

21. Exceptional items (Contd..)

- c) During the previous year, the Company had subscribed to optionally convertible debentures of Nearbuy India Private Limited (subsidiary of Little Internet Private Limited). The Company has the rights of conversion into a fixed number of equity shares. The investment has been fair valued through profit and loss (FVTPL) since it does not meet the SPPI test. The difference in fair value of INR 79 has been taken as deemed investment in Little Internet Private Limited. The Company basis its assessment of future business projections has recognized an impairment of INR 79.

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) 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:

	Year ended March 31, 2023	Year ended March 31, 2022
Loss attributable to equity holders for basic and diluted earnings	(18,558)	(23,251)
Weighted average number of equity shares for basic and diluted EPS#	645,793,553	621,763,714
Earnings per share (INR per share of INR 1 each)		
Basic	(29)	(37)
Diluted*	(29)	(37)

* 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.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on June 30, 2021, each equity share of face value of INR 10 per share was sub-divided into ten equity shares of face value of INR 1 per share, with effect from record date, i.e., June 30, 2021.

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, 2023 it is not probable that such deferred tax assets can be realised in excess of available taxable temporary differences. Management re-assesses unrecognised deferred tax assets at each reporting date and recognises to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. For details about deferred tax assets, 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Significant accounting judgements, estimates and assumptions (Contd..)

its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in 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. For details about impairment reviews, refer note 21.

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 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Significant accounting judgements, estimates and assumptions (Contd..)

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

24. Employee Stock Option Schemes (ESOP)

(A) One97 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* (Refer Note 1 & 2 below) 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.

*After considering impact of share sub division

Significant changes/modifications in the ESOP 2019 Scheme during FY 2021-22 & FY 2022-23

- 1) Pursuant to the approval of Shareholders of the Company at the Annual General Meeting held on June 30, 2021, each equity share of the Company having face value of INR 10 each was sub divided into ten equity shares of face value of INR 1 per share with effect from June 30, 2021. Accordingly, all outstanding Employee Stock Options and remaining Employee Stock Option Pool have also been sub divided in the similar proportion.
- 2) Shareholders of the Company in the Extra Ordinary General Meeting held on September 2, 2021 has approved increase in ESOP Pool by adding 37,000,000 options. Accordingly, total ESOP Pool for ESOP 2019 Scheme stands at 46,455,832.
- 3) Post Initial Public Offering of the Company's share, the scheme has been ratified on February 19, 2022 by the shareholders through postal ballot to comply with SEBI (SBEB & SE) Regulations. Further, Scheme has also been extended to cover the employees of group companies.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

(B) One97 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 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.

*After considering impact of share sub division

(C) Details about employee stock options granted, outstanding and other information:

- During the year ended March 31, 2023, the Company has granted 12,385,196 (March 31, 2022- 27,428,285) Employee Stock Options under ESOP 2019 Scheme to Eligible Employees.

The grant made during FY 2021-22 includes grant of 21,000,000 Employee Stock Options to Managing Director and CEO of the Company which is subject to achievement of certain milestones and will vest equally in 4 tranches, having minimum vesting period of 24 months, 36 months, 48 months and 60 months for each tranche respectively.

- The total options outstanding as at March 31, 2023 under ESOP 2008 Scheme are 250,797 and ESOP 2019 Scheme are 37,457,727 (March 31, 2022 under ESOP 2008 Scheme – 585,450 and ESOP 2019 Scheme – 29,317,167). Scheme-wise options outstanding are as under:

ESOP 2008 Scheme

Grant Date	Number of Options	Number of Options	Exercise Price*
	outstanding*	outstanding*	
	March 31, 2023	March 31, 2022	
December 31, 2008	6,405	6,425	5
April 1, 2016	11,907	31,331	9
October 1, 2016	834	1,453	9
April 1, 2017	-	3,084	9
October 1, 2017	19,000	21,260	9
April 1, 2018	121,420	363,677	9
July 1, 2018	83,433	136,530	9
October 1, 2018	6,408	12,387	9
April 1, 2019	1,390	9,303	9
Total	250,797	585,450	

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

ESOP 2019 Scheme

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2023	March 31, 2022	
April 1, 2019	172,991	268,031	9
October 1, 2019	121,533	179,728	9
April 1, 2020	135,343	218,797	9
July 1, 2020	100,094	127,428	9
October 1, 2020	1,585,497	2,194,862	9
April 1, 2021	391,588	586,210	9
October 1, 2021	3,150,449	4,206,273	9
October 1, 2021	21,000,000	21,000,000	9
October 1, 2021	38,584	385,838	1900
October 8, 2021	150,000	150,000	9
April 1, 2022	2,309,166	-	9
May 1, 2022	3,298,184	-	9
August 1, 2022	1,057,294	-	9
November 1, 2022	3,226,112	-	9
January 31, 2023	720,892	-	9
Total	37,457,727	29,317,167	

*After considering impact of share sub division

3) Movement during the year ended March 31, 2023 and March 31, 2022:

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, 2023*		Year ended March 31, 2022*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2008 Scheme				
Outstanding at the beginning	585,450	8.96	5,362,100	10.97
Granted during the year	-	-	-	-
Exercised during the year	301,386	9.00	4,343,960	11.43
Forfeited during the year	33,267	9.00	350,020	8.99
Cancelled during the year	-	-	82,670	9.00

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, 2023*		Year ended March 31, 2022*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
Outstanding at the end of the year	250,797	8.90	585,450	8.96
Vested options outstanding at the end of the year (exercisable)	250,797	8.90	434,923	8.96

Particulars	Year ended March 31, 2023*		Year ended March 31, 2022*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2019 Scheme				
Outstanding at the beginning	29,317,167	33.89	4,669,180	9.00
Granted during the year	12,385,196	9.00	27,428,285	35.60
Exercised during the year	572,965	9.00	576,261	9.00
Forfeited during the year	3,651,172	188.85	2,150,327	9.00
Cancelled during the year	20,499	9.00	53,710	9.00
Outstanding at the end of the year	37,457,727	10.95	29,317,167	33.89
Vested options outstanding at the end of the year (exercisable)	1,013,089	81.02	291,732	9.00

*After considering impact of share sub division

- 4) Details of Weighted average share price of options exercised on the date of exercise are as follows:

Particulars	March 31, 2023		March 31, 2022	
	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)	586.54	602.94	1,411.82	1,646.04

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

- 5) Details of Weighted average remaining contractual life for the share options outstanding are as follows:

Particulars	March 31, 2023		March 31, 2022	
	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)	2.37	0.08	3.14	0.16

- 6) Expense recognized for employee services received during the year are as below:

Particulars	March 31, 2023	March 31, 2022
Expense arising from equity-settled share-based payment transactions (refer note 17)	13,799	7,498

- 7) Share based payment for employees of subsidiaries & associates during the year are as below:

Particulars	March 31, 2023	March 31, 2022
Investment (ESOP issued to employees of subsidiaries & Associates)	804	674
Reimbursement of ESOP Cost (For ESOPs granted to employees of certain subsidiaries & associates) #	277	-

During FY 2022-23, the Company has entered into recharge agreement with certain subsidiaries and associates effective December 1, 2022 for the share based payment arrangements.

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.

During FY 2021-22, the Company had cancelled 67,550* outstanding unvested employee stock options and 68,830* outstanding vested employee stock options. This cancellation of unvested employee stock options resulted into an accelerated share based payment expense of INR 39 (included in above charge) in the Standalone Statement of Profit and Loss for the year ended March 31, 2022.

*After considering impact of share sub division

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. 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 (computed using Discounted Cash Flow, OPM & Black-Scholes model) are as under:

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

Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2022 (computed using Discounted Cash Flow, OPM & Black-Scholes model) are as under:

Particulars	Grant Date					
	April 1, 2021*	October 1, 2021	October 1, 2021	October 1, 2021**	October 8, 2021	October 8, 2021
Share Price (INR per share)	1,657	1,891	1,891	1,891	1,891	1,891
Fair Value of Options Granted (INR per option)	1,651	1,883	1,027	1,884	1,883	1,882
Weighted Avg. Exercise Price (INR per share)	9	9	1900	9	9	9
Vesting Period (in years)	5	5	5	5	5	1
Dividend Yield (%)	-	-	-	-	-	-
Expected Life (in years)	3.50 - 7.50	1.04 - 5.04	3.50 - 7.50	2.88 - 5.04	1.04 - 5.04	1.04
Risk free interest rate (%)	5.30 - 6.40	4.00 - 5.90	5.30 - 6.40	4.90 - 5.90	4.00 - 6.00	4.00
Annualized Volatility (%)	45.00 - 55.30	40.30 - 51.60	43.20 - 56.30	44.10 - 56.20	40.20 - 51.60	40.20

*After considering impact of share sub division

** Grant of options to Managing Director & CEO

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

Notes:

1. Weighted average share price is based on the value of Equity Shares arrived at by using Discounted Cash Flow Method, OPM Method or Backsolve method and share prices based on secondary transactions, where available.
2. Dividend yield is considered zero, as no dividend payout is expected in the foreseeable future.
3. Risk free return is based on the yield to maturity of Indian treasury securities, with a maturity corresponding to the expected term of ESOP.
4. Annualized volatility is based on the median weekly volatility of selected comparable companies for a time period commensurate with the expected term.

25. Related party transactions

A. Entities over which company exercise control

Name	Country of Incorporation	Ownership interest held	
		As at March 31, 2023	As at March 31, 2022
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###	India	66.34%	66.34%
Urja Money Private Limited##	India	83.34%	83.34%
Little Internet Private Limited	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#	Singapore	100.00%	100.00%
One97 USA Inc.	USA	100.00%	100.00%

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Name	Country of Incorporation	Ownership interest held	
		As at March 31, 2023	As at March 31, 2022
Subsidiaries of Subsidiaries			
One97 Communications Rwanda Private Limited	Rwanda	100.00%	100.00%
One97 Communications Tanzania Private Limited	Tanzania	100.00%	100.00%
One97 Communications Bangladesh Private Limited	Bangladesh	70.00%	70.00%
One97 Uganda Limited	Uganda	100.00%	100.00%
One97 Ivory Coast SA	Ivory Coast	100.00%	100.00%
One97 Benin SA	Benin	100.00%	100.00%
Paytm Labs Inc.	Canada	100.00%	100.00%
One97 Communications Malaysia Sdn. Bdn	Malaysia	100.00%	100.00%
Nearbuy India Private Limited	India	62.53%	62.53%
Xceed IT Solution Private Limited	India	66.34%	66.34%
One Nine Seven Communication Nepal Private Limited	Nepal	100.00%	100.00%
One Nine Seven Digital Solutions Limited	Kenya	100.00%	100.00%
Fincollect Services Private Limited	India	83.34%	83.34%
One Nine Seven Communications Saudi Arabia For Communication and Information Technology	Saudi Arabia	100.00%	100.00%
Trust (till June 30, 2021)			
Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)**	India	-	-

** Consolidated till June 30, 2021 (upto date of loss of control)

including 43.75% (March 31, 2022: 43.75%) held through One 97 Communications India Limited

including 15.87% (March 31, 2022: 15.87%) held through Admirable Software Limited

including 0.63% (March 31, 2022: 0.63%) held through Admirable Software 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, 2023	As at March 31, 2022
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)*	India	55.00%	55.00%
First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.) (wholly owned subsidiary of First Games Technology Private Limited (formerly known as Paytm First Games Private Limited))	Singapore	55.00%	55.00%
Paytm Technology (Beijing) Co., Ltd. (wholly owned subsidiary of First Games Technology Private Limited (formerly known as Paytm First Games Private Limited))	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

Name	Country of incorporation	Ownership interest held	
		As at March 31, 2023	As at March 31, 2022
Paytm Payments Bank Limited#	India	49.00%	49.00%
Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited)	India	32.45%	32.45%
Foster Payment Networks Private Limited^ (w.e.f March 26, 2021) (subsidiary of PFSL)	India	48.80%	48.80%
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 (w.e.f. August 17, 2021) (subsidiary of PFSL)	India	48.78%	48.78%

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Name	Country of incorporation	Ownership interest held	
		As at March 31, 2023	As at March 31, 2022
Infinity Transoft Solution Private Limited	India	26.57%	26.57%
Eatgood Technologies Private Limited	India	23.24%	23.24%
Socomo Technologies Private Limited	India	12.75%	12.75%

including 10% (March 31, 2022: 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.

^ Including 4.90% (March 31, 2022: 4.90%) held through Paytm Payments Bank Limited.

D. Key Management Personnel

Mr. Vijay Shekhar Sharma	Chairman, Managing Director and CEO
Mr. Madhur Deora	Group Chief Financial Officer (w.e.f. October 9, 2020 and till December 31, 2021), Chief Financial Officer (w.e.f. January 1, 2022) and Whole-time Director (Executive Director, President & Group Chief Financial Officer) (w.e.f. May 20, 2022)
Mr. Vikas Garg	Chief Financial Officer (till December 31, 2021)

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.

Alipay Labs (Singapore) Pte Limited

SVF India Holdings (Cayman) Limited

SVF Panther (Cayman) Limited (till November 17, 2021)

Alibaba.com Singapore E-Commerce Private Limited (till November 17, 2021)

F. Relative of Key Management Personnel

Mr. Ajay Shekhar Sharma

Brother of Mr. Vijay Shekhar Sharma

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Details of transactions with related parties during the year ended March 31, 2023 and March 31, 2022:-

Particulars	March 31, 2023	March 31, 2022
Rendering of services to related parties		
One97 Communications FZ-LLC	9	64
Mobiquest Mobile Technologies Private Limited	2	3
Paytm Payments Bank Limited	7,089	6,379
Paytm Payments Services Limited	4,573	1,716
Wasteland Entertainment Private Limited	16	4
Nearbuy India Private Limited	29	46
Little Internet Private Limited	-	*
Urja Money Private Limited	19	1
Paytm Entertainment Limited	*	21
Orbgen Technologies Private Limited	26	10
Paytm Services Private Limited	1	1
Paytm Insurance Broking Private Limited	2	2
One97 Communications Tanzania Private Limited	54	37
Paytm Money Limited	169	95
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	65	233
Infinity Transoft Solution Private Limited	5	3
Eatgood Technologies Private Limited	-	*
One97 Communications Malaysia Sdn. Bdn	1	60
One97 Communications Singapore Private Limited	1	1
Paytm Labs Inc.	17	-
One Nine Seven Digital Solutions Limited	2	-
One Nine Seven Communication Nepal Private Limited	25	22
	12,105	8,698
Reimbursement of expenses incurred on behalf of related parties		
Paytm Payments Bank Limited	152	751
Mobiquest Mobile Technologies Private Limited	2	1
Paytm Money Limited	25	33
Wasteland Entertainment Private Limited	15	8
Urja Money Private Limited	23	*
Nearbuy India Private Limited	5	6
Orbgen Technologies Private Limited	7	5
Paytm Entertainment Limited	-	*

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	138	156
Paytm General Insurance Limited	*	*
Paytm Labs Inc.	4	17
Paytm Services Private Limited	7	3
Paytm Payments Services Limited	968	753
One97 Communications Singapore Private Limited	3	24
Paytm Insurance Broking Private Limited	9	7
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	*	-
One 97 Communications India Limited	*	-
	1,359	1,764
<u>Expenses reimbursed to related party</u>		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	-	2
Paytm Services Private Limited	*	*
Urja Money Private Limited	*	2
Paytm Financial Services Limited	-	1
Fincollect Services Private Limited	*	2
Paytm Insurance Broking Private Limited	-	3
Paytm Money Limited	-	18
	*	28
<u>Interest income earned from related parties</u>		
Paytm Payments Bank Limited	-	2
Urja Money Private Limited	3	3
Paytm Financial Services Limited	-	21
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	129	74
Nearbuy India Private Limited	-	*
Wasteland Entertainment Private Limited	34	10
Little Internet Private Limited	1	1
	167	111

* 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, 2023	March 31, 2022
<u>Interest income earned on Optionally Convertible Debentures ("OCD") from related parties</u>		
Urja Money Private Limited	3	2
Admirable Software Limited	24	11
Nearbuy India Private Limited	1	7
Paytm Financial Services Limited	20	-
Eatgood Technologies Private Limited	6	2
	54	22
<u>Sale of Business (Refer note 38)</u>		
Paytm Payments Services Limited	-	2,838
	-	2,838
<u>Purchase of property, plant & equipment from related party</u>		
Paytm Money Limited	*	4
Alibaba.com Singapore E-Commerce Private Limited	-	124
Nearbuy India Private Limited	-	*
Paytm Insurance Broking Private Limited	1	12
Wasteland Entertainment Private Limited	4	-
	5	140
<u>Sale of property, plant & equipment to related parties</u>		
Orbgen Technologies Private Limited	-	*
Urja Money Private Limited	-	1
Paytm Money Limited	2	-
Paytm Insurance Broking Private Limited	*	*
Paytm Payments Services Limited	9	-
Paytm Payments Bank Limited	13	*
	24	1
<u>Proceeds from sale of online payment aggregator business</u>		
Paytm Payments Services Limited	568	-
	568	-
<u>Services received from related parties</u>		
- <u>Payment processing charges</u>		
Paytm Payments Bank Limited	7,828	9,709
Paytm Payments Services Limited	4,857	2,751
	12,685	12,460

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
- <u>Legal and professional fees</u>		
Paytm Labs Inc.	314	765
	314	765
- <u>General expenses**</u>		
Paytm Payments Bank Limited	142	198
Alipay Labs (Singapore) Pte Limited (Refer note (i) below)	1,666	1,459
One97 Communications Bangladesh Private Limited	-	*
Orbgen Technologies Private Limited (Refer note (ii) below)	43	101
Wasteland Entertainment Private Limited	384	259
Urja Money Private Limited	10	24
Paytm Entertainment Limited	1	2
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	4	3
Paytm Money Limited (Refer note (iv) below)	4	47
Fincollect Services Private Limited	776	36
Paytm Services Private Limited	2,004	2,903
Little Internet Private Limited	*	2
Nearbuy India Private Limited	1	5
Mobiquest Mobile Technologies Private Limited (Refer note (iii) below)	71	49
Eatgood Technologies Private Limited	-	9
Paytm Insuretech Private Limited	3	16
Paytm General Insurance Limited	2	21
One 97 Communications India Limited	-	*
Paytm Payments Services Limited	(4)	-
	5,107	5,134

(i) includes INR 1,660 (March 31, 2022: INR 1,451) pertaining to Software, cloud and data centre expenses.

(ii) includes INR Nil (March 31, 2022:INR 76) pertaining to Software, cloud and data centre expenses.

(iii) includes INR 42 (March 31, 2022: INR 26) pertaining to Software, cloud and data centre expenses.

(iv) includes INR Nil (March 31, 2022: INR 3) pertaining to Software, cloud and data centre expenses.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Inter corporate loan given</u>		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	-	1,613
Wasteland Entertainment Private Limited	-	284
Nearbuy India Private Limited	-	20
Urja Money Private Limited	-	15
	-	1,932
<u>Repayment of Inter Corporate Loan</u>		
Paytm Financial Services Limited	471	-
Nearbuy India Private Limited	-	20
	471	20
<u>Investment in Optionally Convertible Debentures</u>		
Eatgood Technologies Private Limited	30	30
Urja Money Private Limited	-	30
Admirable Software Limited	-	231
Paytm Financial Services Limited	220	-
Nearbuy India Private Limited	-	130
	250	421

* Amount below rounding off norms adopted by the Company

** Includes other expenses and Software, cloud and data centre expenses

Particulars	March 31, 2023	March 31, 2022
<u>Investment in subsidiaries</u>		
Paytm Entertainment Limited (Fair value impact of inter corporate loan, refer note 7('c))	-	296
Paytm Payments Services Limited	-	617
	-	913
<u>Stock Options granted to employees of subsidiaries and associates</u>		
Paytm Entertainment Limited	133	78
Paytm Payments Bank Limited	188	-
One97 Communications Singapore Private Limited	319	320
Paytm Money Limited	78	60
Mobiquest Mobile Technologies Private Limited	12	7
Urja Money Private Limited	(3)	7
Paytm Payments Services Limited	127	58
Orbgen Technologies Private Limited	54	41

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
Paytm Insurance Broking Private Limited	25	(2)
Little Internet Private Limited	1	-
Paytm Services Private Limited	(3)	2
One 97 Communications India Limited	*	*
Paytm Financial Services Limited	*	-
Fincollect Services Private Limited	*	-
Wasteland Entertainment Private Limited	149	104
	1,081	675
Recharge of ESOP cost to subsidiaries and associates		
Paytm Payments Bank Limited	95	-
One97 Communications Singapore Private Limited	146	-
Paytm Payments Services Limited	36	-
	277	-

* Amount below rounding off norms adopted by the Company

Details of balances outstanding with related parties as at March 31, 2023 and March 31, 2022:-

Particulars	March 31, 2023	March 31, 2022
Other financial assets		
(Other receivable for expenditure incurred)		
One97 Benin SA	5	5
One97 Communications FZ-LLC	-	*
One97 Communications Nigeria Limited	14	13
One97 Communications Tanzania Private Limited	44	26
One97 Ivory Coast SA	2	2
One97 Communications Bangladesh Private Limited	20	21
Paytm Labs Inc.	121	-
Paytm Money Limited	11	27
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	164	223
Mobiquest Mobile Technologies Private Limited	*	*
Paytm Payments Bank Limited	30	138
Paytm Payments Services Limited	168	264
Paytm Insuretech Private Limited	-	*
Paytm Insurance Broking Private Limited	4	3
One Nine Seven Communication Nepal Private Limited	7	6
Orbgen Technologies 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, 2023	March 31, 2022
Paytm Financial Services Limited	*	-
Admirable Software Limited	*	-
Urja Money Private Limited	12	*
Paytm General Insurance Limited	45	12
Nearbuy India Private Limited	*	1
Wasteland Entertainment Private Limited	8	5
Paytm Services Private Limited	33	51
Paytm Entertainment Limited	*	*
Infinity Transoft Solution Private Limited	*	*
Little Internet Private Limited	*	-
One97 Communications Singapore Private Limited	25	-
	716	800
<u>Loss allowance for other receivable for expenditure incurred</u>		
One97 Communications Nigeria Limited	13	10
One97 Communications Bangladesh Private Limited	20	20
One97 Ivory Coast SA	2	2
One97 Benin SA	5	5
One Nine Seven Communication Nepal Private Limited	4	-
	44	37
<u>Amount receivable for sale of business (Other financial assets)</u>		
Paytm Payments Services Limited (Including accrued interest. Refer Note 7(d))	1,951	2,346
	1,951	2,346
<u>Other current assets</u>		
Paytm Payments Bank Limited	614	1,206
Wasteland Entertainment Private Limited	64	63
Paytm Services Private Limited	33	106
Little Internet Private Limited	-	2
Mobiquest Mobile Technologies Private Limited	7	19
One 97 Communications India Limited	*	*
Paytm General Insurance Limited	-	31
Paytm Money Limited	-	1
	718	1,429

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Inter corporate loan receivable (including accrued interest)</u>		
Little Internet Private Limited	80	80
Paytm Financial Services Limited	-	471
Wasteland Entertainment Private Limited	324	293
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) #	1,796	1,679
Urja Money Private Limited	29	26
	2,229	2,549
<u>Allowance on Inter Corporate Loans</u>		
Little Internet Private Limited	80	80
<u>Investments Optionally Convertible Debentures (including accrued interest)</u>		
Admirable Software Limited	263	241
Nearbuy India Private Limited**	140	137
Eatgood Technologies Private Limited	67	32
Paytm Financial Services Limited***	237	-
Urja Money Private Limited	34	32
	741	442
<u>Amount receivable from payment gateway</u>		
Paytm Payments Bank Limited	14,944	15,334
Paytm Payments Services Limited	1,617	2,008
	16,561	17,342

Excluding Fair Value impact amounting to INR 289 (March 31, 2022: 317)

** Excluding Fair Value impact amounting to INR 140 (March 31, 2022: 79). Also refer note 21.

*** Excluding Fair Value impact amounting to INR 72 (March 31, 2022: 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, 2023	March 31, 2022
<u>Trade receivables</u>		
One97 Communications Nigeria Limited	190	174
One97 Benin SA	*	*
One97 Communications Bangladesh Private Limited	1	1
Mobiquest Mobile Technologies Private Limited	-	*
Paytm Money Limited	18	25
Paytm Payments Bank Limited	625	1,201
Paytm Payments Services Limited	585	671
Little Internet Private Limited	*	*
Urja Money Private Limited	11	1
Orbgen Technologies Private Limited	3	5
Nearbuy India Private Limited	2	5
Paytm Services Private Limited	1	*
Fincollect Services Private Limited	-	*
One Nine Seven Communication Nepal Private Limited	105	79
One97 Communications Malaysia Sdn. Bdn	62	115
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	13	147
Wasteland Entertainment Private Limited	6	14
Paytm Entertainment Limited	*	*
Paytm Insurance Broking Private Limited	-	1
One 97 Communications India Limited	*	-
One97 Communications FZ-LLC	9	59
One97 Communications Tanzania Private Limited	3	6
One97 Communications Singapore Private Limited	4	2
One Nine Seven Digital Solutions Limited	2	-
	1,640	2,506
<u>Loss allowance for Trade receivables</u>		
One97 Communications Bangladesh Private Limited	1	1
One97 Benin SA	*	*
One97 Communications Nigeria Limited	190	174
One Nine Seven Communication Nepal Private Limited	29	33
One 97 Communication Malaysia Sdn. Bdn.	-	3
	220	211

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Other financial assets</u>		
Paytm Payments Bank Limited	26	32
Wasteland Entertainment Private Limited	235	-
Little Internet Private Limited	*	*
	261	32
<u>Trade payables (including accrued expenses)</u>		
Alipay Labs (Singapore) Pte Limited	150	77
One 97 Communications India Limited	*	*
Paytm Payments Bank Limited	20	51
Orbgen Technologies Private Limited	2	7
Wasteland Entertainment Private Limited	111	76
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	*	3
Paytm Services Private Limited	56	*
Urja Money Private Limited	3	4
Paytm Payments Services Limited	64	-
Paytm Financial Services Limited	-	1
Fincollect Services Private Limited	284	5
Paytm Insurance Broking Private Limited	-	1
Paytm Insuretech Private Limited	*	3
Mobiquest Mobile Technologies Private Limited	25	33
Eatgood Technologies Private Limited	-	*
Paytm General Insurance Limited	24	22
Paytm Entertainment Limited	*	1
Nearbuy India Private Limited	1	1
Little Internet Private Limited	*	2
Paytm Labs Inc.	7	114
Admirable Software Limited	*	-
Paytm Money Limited	*	24
	747	426

* 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, 2023	March 31, 2022
<u>Other financial liabilities</u>		
- <u>Payable to merchants</u>		
Socomo Technologies Private Limited	-	*
Little Internet Private Limited	-	*
Paytm Payments Bank Limited	2,623	1,591
Nearbuy India Private Limited	*	*
Orbgen Technologies Private Limited	-	*
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	*	*
	2,681	1,591
- <u>Payable on purchase of fixed assets</u>		
Orbgen Technologies Private Limited	12	12
	12	12
- <u>Others</u>		
Little Internet Private Limited	*	*
Paytm Payments Bank Limited	-	31
Nearbuy India Private Limited	*	*
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	58	92
Orbgen Technologies Private Limited	*	*
Eatgood Technologies Private Limited	-	*
Mobiquest Mobile Technologies Private Limited	1	1
Socomo Technologies Private Limited	*	*
Paytm Money Limited	1	-
One 97 Communications India Limited	*	-
Wasteland Entertainment Private Limited	*	1
	60	125
<u>Contract Liabilities</u>		
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	-

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
Paytm Money Limited	*	-
Paytm Services Private Limited	-	26
	4	27
Other Current Liabilities		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	-	30
	-	30

Remuneration to KMP & Relative of Key Management Personnel

Particulars	March 31, 2023	March 31, 2022
Short-term employee benefits (Salaries, bonus and incentives)	84	103
Post-employment benefits (Provident fund)	*	*
Employee share based payment	11,243	5,670
Total compensation	11,327	5,773

* Amount below rounding off norms adopted by the Company

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, 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	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	-	-	-

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

		Defined benefit obligation	Fair value of plan assets #	Defined benefit liability (Net)
	As at March 31, 2023	628	(178)	450
	Current			-
	Non Current			450

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2022:

		Defined benefit obligation	Fair value of plan assets #	Defined benefit liability (Net)
	As at April 01, 2021	374	(169)	205
Gratuity cost charged to Statement of Profit or Loss	Current Service cost	110	-	-
	Net interest expense/(income)	25	-	-
	Return on plan assets (excluding amounts included in net interest expense)	-	(11)	-
	Sub-total included in Statement of Profit or Loss	135	(11)	124
Remeasurement (gains)/ losses in Other Comprehensive Income	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	(8)	-	-
	Experience adjustments	24	2	-
	Sub-total included in OCI	16	2	18
	Net liability acquired on transfer of employees	20	-	20
	Benefits paid	(61)	49	(12)
	Contributions by employer	-	(120)	(120)
	As at March 31, 2022	484	(249)	235
	Current			-
	Non Current			235

Fair value of the total plan assets are 100% in funds managed by Insurer.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

The net liability disclosed above relates to funded plans are as follows:

	March 31, 2023	March 31, 2022
Present value of the obligations at end	628	484
Fair value of plan assets	(178)	(249)
Deficit of funded plan/gratuity plan	450	235

The principal assumptions used in determining defined benefit obligations are shown below:

(i) Economic Assumptions

Particulars	March 31, 2023	March 31, 2022
	%	%
Discount rate	7.39	7.26
Future salary increases	10%	10%

(ii) Demographic Assumptions

Particulars	March 31, 2023	March 31, 2022
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, 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)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Assumptions	March 31, 2022		March 31, 2022	
	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	(8)	8	7	(7)

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

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, 2024 are INR 254 (March 31, 2023 - INR 162).

The weighted average duration of the defined benefit obligation is 2.79 years (March 31, 2022- 2.78 years).

The average remaining working life of members of the defined benefit obligation as at March 31, 2023 is 30.87 years (as at March 31, 2022- 29.91 years)

The expected maturity analysis of gratuity is as follows:

	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	115	93
Between 1-2 years	112	96
Between 2 and 5 years	214	169
Beyond 5 years	187	126
Total expected payments	628	484

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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

Major categories of plans assets are as follows:

Particulars	March 31, 2023		March 31, 2022	
	Amount	In %	Amount	In %
Government securities	64	36.00	101	40.42
Non convertible debentures/ Corporate bonds	98	55.00	119	47.10
Others	16	9.00	29	11.48
Total	178	100.00	249	100.00

27. Income Tax

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

Standalone Statement of Profit and Loss:

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	-	3
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	-	3

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

	March 31, 2023	March 31, 2022
Accounting profit before income tax	(18,558)	(23,248)
Tax at India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	(4,671)	(5,851)
Tax expense during the year for Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)	-	3
Other non-deductible expenses	(27)	14
Losses on which deferred taxes not recognised*	2,958	4,887
Unabsorbed depreciation on which deferred taxes not recognised*	519	406

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Income Tax (Contd..)

	March 31, 2023	March 31, 2022
Other temporary differences on which deferred taxes not recognised*	1,221	544
Income tax expense reported in the statement of profit and loss	-	3

* As at the year ended on March 31, 2023 and March 31, 2022, the Company is having 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.

Deductible temporary differences for which no deferred tax asset is recognised in the Standalone Balance Sheet:

Particulars	Expiry Date (Year ending March 31,)	As of March 31, 2023	As of March 31, 2023 Tax impact @ 25.17%	As of March 31, 2022	As of March 31, 2022 Tax impact @ 25.17%
Tax Losses	2023	-	-	3,316	835
	2024	14,943	3,761	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
	2029	12,689	3,193	12,689	3,193
	2030	19,157	4,821	19,157	4,821
	2031	11,755	2,958	-	-
Total tax losses		1,38,140	34,766	1,29,701	32,643
Unabsorbed depreciation	No expiry period	7,471	1,880	5,409	1,361
Long term capital losses	No expiry period	68	17	-	-
Other temporary differences		16,757	4,218	11,919	3,000
Total		1,62,436	40,881	1,47,029	37,004

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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, 2023 amount to INR 5 (March 31, 2022: INR 42).

b. Capital commitments

Estimated amount of contracts towards property, plant & equipment remaining to be executed on capital account and not provided for is INR 2,586 (Net of capital advance of INR 566) [March 31, 2022: INR 3,057 (Net of capital advances of INR 763)].

c. Contingent liabilities

i)		March 31, 2023	March 31, 2022
	Claims against the Company not acknowledged as debts	476	494
	Income tax related matters	88	19
	Custom duty related matter	36	-
	Total	600	513

- 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.
- iii) The Company has been made aware of certain matters/claims relating to infringement of trademarks and patents in relation to the business activities carried on by it. The Company actively monitors such matters/claims along with appropriate legal/technology experts to assess their veracity and takes action as considered necessary. In the opinion of the management, no material liability is likely to arise on account of such matters/claims, based on assessments made to date.

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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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

	March 31, 2023	March 31, 2022
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	349	159
- Interest due on above	2	2
	351	161
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.	12	11
The amount of interest accrued and remaining unpaid at the end of each accounting year, for payment already made	46	32
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	602	1,219

Total Outstanding dues of micro and small enterprises is INR 397 (March 31, 2022: INR 193).

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, 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				
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
Investment in Mutual Funds	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022

	As of March 31, 2022	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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

30. Fair value (Contd..)

	As of March 31, 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments at fair value through Profit and loss				
Investment in Compulsorily Convertible Preference Shares	40	-	-	40
Investment in optionally convertible debentures	363	-	-	363
Inter corporate loans	1,362	-	-	1,362

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, trade receivables, loans, other financial assets, trade payables, lease liabilities and other financial liabilities, approximate their carrying amounts.

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.

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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

(ii) Price risk

The Company invests its surplus funds in fixed deposits, Commercial papers, Treasury bills and Government Securities. 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).

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

	As at March 31, 2023		As at March 31, 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in USD Millions	6	1	7	1
Amount in CAD Millions	-	-	-	2
Amount in MYR Millions	-	-	3	-

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, 2023	10% strengthening of USD against INR	(43)
	10% weakening of USD against INR	35
March 31, 2022	10% strengthening of USD against INR	(47)
	10% weakening of USD against INR	38

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

The following tables demonstrate the sensitivity of profit or loss to a reasonably possible change in CAD and exchange rates, with all other variables held constant.

	Change in CAD rate	Effect on loss before tax
March 31, 2023	10% strengthening of CAD against INR	-
	10% weakening of CAD against INR	-
March 31, 2022	10% strengthening of CAD against INR	13
	10% weakening of CAD against INR	(10)

The following tables demonstrate the sensitivity of profit or loss to a reasonably possible change in MYR and exchange rates, with all other variables held constant.

	Change in MYR rate	Effect on loss before tax
March 31, 2023	10% strengthening of MYR against INR	-
	10% weakening of MYR against INR	-
March 31, 2022	10% strengthening of MYR against INR	(6)
	10% weakening of MYR against INR	5

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 under-lying foreign currency against the functional currency while assuming all other variables to be constant.

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

b. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) 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- period 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	3%	3%	6%	63%	86%	84%	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

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2022

Ageing in years	Unbilled Dues	Not due	0-1 year	1-2 year	2-3 year	>3 year	Credit impaired	Total
Gross carrying amount	2,993	1,509	2,782	392	135	107	849	8,767
Expected loss rate	5%	5%	5%	72%	93%	97%	100%	
Expected credit losses (Loss allowance provision)	148	70	129	283	125	104	849	1,708
Carrying amount (net of loss allowance)	2,845	1,439	2,653	109	10	3	-	7,059

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

Reconciliation of loss allowance	Loss allowance measured at simplified approach
Loss allowance as on April 1, 2021	1,532
Creation during the year	236
Transferred pursuant to BTA (refer note 38)	(60)
Loss Allowance as on March 31, 2022	1,708
Creation during the year	326
Loss Allowance as on March 31, 2023	2,034

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.

(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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 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, 2021	282
Creation during the year	460
Loss allowance as on March 31, 2022	742
Creation during the year	469
Loss Allowance as on March 31, 2023	1,211

c. Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, working capital loans etc. Company monitor their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

Particulars	0-180 days	181-365 days	1-2 Year	More than 2 year	Total
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
As at March 31, 2022					
Lease liabilities	266	212	374	2,107	2,959
Trade payables	7,107	-	-	-	7,107
Other financial liabilities	7,308	-	-	-	7,308
Total	14,681	212	374	2,107	17,374

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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, 2023 and March 31, 2022.

33. Segment Reporting

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

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 7,089 are derived from one external customer (March 31, 2022: INR 6,379 from one external customer).

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

34. Details of Transactions and outstanding balances of Paytm E-Commerce Private Limited (PEPL)

Details of transactions entered during the year

	March 31, 2023	March 31, 2022
Rendering of services to PEPL	955	1,194
Reimbursement of expenses incurred on behalf of PEPL	28	122
Services received from PEPL	200	189

Details of outstanding balances

	March 31, 2023	March 31, 2022
Other financial assets	5	13
Trade payables	45	79
Contract liabilities	3,384	4,176
Trade receivable	16	30

35. Overdue outstanding foreign currency receivables

As of March 31, 2023, the Company has certain foreign currency receivable balances aggregating to INR 374 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 had applied to the Authorised Dealer Bank for extension of time for realisation of the amount and the approval has been received.

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, 2022 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 26 (March 31, 2022: INR 14) as CSR expenditure.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

38. 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, to comply with Guidelines on Regulation of Payment Aggregators And Payment Gateways issued by RBI via circular dated March 17, 2020. This business transfer agreement has been approved by Board and Shareholders on August 30, 2021 and September 23, 2021 respectively. The consideration of INR 2,838 for transfer of business would be settled in cash based on the carrying value of the net assets of the business as on September 1, 2021, being the date of transfer of operations. For accounting purposes date of effective loss of control over the above business has been taken as September 30, 2021 considering that the transaction was approved by the shareholders on September 23, 2021 and final submission was made to RBI on September 30, 2021. The consideration is to be paid in 5 equal annual installments payable at the end of each year without any interest. The difference between present value of consideration and net assets amounting to INR 601 has been accounted as 'Deemed Investment' in Standalone Financial Statements. The transferred operations are not considered as discontinued operations in the Standalone Financial Statements of the Company in accordance with Ind AS. Consequent to the aforesaid transfer, figures for the previous year ended March 31, 2022 are not comparable with the figures of current year ended March 31, 2023.

39. 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 4,115 as IPO related expenses and allocated such expenses between the Company INR 1,866 and selling shareholders INR 2,249. Such amounts were allocated based on agreement between the Company and selling shareholders and in proportion to the total proceeds of the IPO. Out of Company's share of expenses of INR 1,866, INR 1,401 had been adjusted to securities premium.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

39. Utilisation of IPO proceeds (Contd..)

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

S. No	Objects of the issue	Amount as proposed in Offer Document	Amount Utilised up to March 31, 2023	Amount Un- utilised as on March 31, 2023
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	5,985	10,722
	ii) Expanding our merchant base and deepening our partnership with our merchants		12,967	
	iii) Strengthening and expanding our technology powered payments platform		13,326	
	Total (A)	43,000	32,278	10,722
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	18,134	7,849	10,285
	Total (C)	18,134	7,849	10,285
	Total (A+B+C)	81,134	40,127	41,007

Net IPO proceeds which were un-utilised as at March 31, 2023 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Buyback of shares

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 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.

41. 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 susbidiaries, 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, 2023 and March 31, 2022 are as follows:

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

41. Additional disclosures required by Schedule III (Contd..)

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 27, 2021	175	Urja Money Private Limited	Ultimate beneficiary is the subsidiary of the company which has significant influence over the intermediary	Equity Investment	August 27, 2021	175
Admirable Software Limited	U72900DL2021 PLC385287	Associate Company	Optionally Convertible Debentures	February 11, 2022	57	Mobiquest Mobile Technologies Private Limited	Ultimate beneficiary is the subsidiary of the company which has significant influence over the intermediary	Equity Investment	February 18, 2022	7
Urja Money Private Limited	U93000MH2012 PTC237284	Subsidiary Company	Loan	June 30, 2021	15	Fincollect Services Private Limited	Subsidiary of the intermediary	Loan	July 15, 2021	5
Urja Money Private Limited	U93000MH2012 PTC237284	Subsidiary Company	Optionally Convertible Debentures	September 28, 2021	30	Fincollect Services Private Limited	Subsidiary of the intermediary	Loan	September 30, 2021	1
									October 1, 2021	*
									October 7, 2021	*
									October 18, 2021	15
									November 2, 2021	*
									November 30, 2021	*
									December 31, 2021	3
									January 6, 2022	*
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	U74999DL2017 PTC325912	Joint Venture	Loan	June 7, 2021	803	First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.)	Subsidiary of the intermediary	Equity Investment	June 30, 2021	28
						First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.)	Subsidiary of the intermediary	Equity Investment	September 6, 2021	11
						Paytm Technology Beijing Co., Limited	Subsidiary of the intermediary	Equity Investment	September 4, 2021	1

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

41. Additional disclosures required by Schedule III (Contd..)

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) During the current year, the Company has not availed borrowings from banks and financial institutions. During the previous year, the Company had availed loan from a bank on the basis of security of current assets. The Company filed statement of current assets with the bank on quarterly basis. There were no material discrepancies between the statement filed and the books of accounts. There were no borrowing outstanding as on March 31, 2022.
- (iii) There are no Balances reported with the 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 year, the Company has written off and written back the balances with struck off companies amounting to * and 1 respectively.

Details of transactions entered during the year ended March 31, 2022 by the Company are as follows:

Name of the struck off company	Balance outstanding as at March 31, 2022	Relationship with the struck off company
Dravya Technosys Private Limited		- Vendor
Global Softnet Software Private Limited		- Vendor
Zapcel Technologies Pvt Ltd		* Vendor
One M Infomedia Private Limited		* Vendor
Vektrix Consulting Private Limited		* Vendor
Deep Enterprises Pvt Ltd		- Vendor
Shine Star Luxary Coach And Cargo Private Limited		* Customer
Lahori Foods Private Limited		* Customer
Automark Pvt Ltd		* Customer
Sripati Infracon Private Limited	2	Customer
Life Plus Living Private Limited		* Customer
Deep Enterprises Pvt Ltd		* Customer
Bquobe Infosystem Private Limited		* Customer
SRS Entertainment Limited		* Customer

*Amount below rounding off norms adopted by the Company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

41. 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
(a) Current Ratio = Current Assets / Current Liabilities	1,18,177	91,773	28,798	21,317	4.10	4.31	(4.68%)	N/A
(b) Debt-Equity Ratio = Total Debt / Shareholder's Equity	2,066	2,042	1,22,867	1,37,125	0.02	0.01	12.92%	N/A
(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt Service	(13,761)	(20,585)	554	607	N/A	N/A	N/A	N/A, refer note (i)
(d) Return on Equity Ratio = Net Profit / Average Shareholder's Equity	(18,558)	(23,251)	1,29,996	1,03,485	(14.28%)	(22.47%)	36.46%	Increased on account of decrease in loss and increase in average shareholder's equity, majorly on account of issue of shares in previous year
(e) Trade Receivables turnover ratio = Total Sales / Average Accounts Receivable	60,277	38,924	9,240	5,987	6.52	6.50	0.34%	N/A
(f) Trade payables turnover ratio = Total Purchase / Average Accounts Payable	43,634	41,855	7,471	6,622	5.84	6.32	(7.59%)	N/A
(g) Net capital turnover ratio = Total Sales / Working Capital	60,277	38,924	89,379	70,456	0.67	0.55	22.07%	N/A
(h) Net profit ratio = Net profit / Total Sales	(18,558)	(23,251)	60,277	38,924	(30.79%)	(59.73%)	48.46%	Increased on account of increase in total sales
(i) Return on Capital employed = EBIT / Capital employed	(21,703)	(25,256)	1,24,491	1,39,069	(17.43%)	(18.16%)	(4.01%)	N/A
(j) Return on investment = Net Profit / Total Assets	(18,558)	(23,251)	1,56,364	1,63,566	(11.87%)	(14.22%)	(16.51%)	N/A

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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

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 or previous financial year.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

41. Additional disclosures required by Schedule III (Contd..)

(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.

(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. During the previous year the Company had utilised the borrowing for the purpose it was obtained.

42. Company Secretary

Mr. Amit Khera, Company Secretary of the Company has resigned from the Company with effect from March 14, 2023. The Company is in the process of identifying the replacement and shall make the appointment at the earliest and in any event within the applicable statutory time limit.

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/ N500016

Amitesh Dutta | Partner
Membership No: 058507
Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN No. 07720350
Place: Mumbai | Date: May 5, 2023

Independent Auditor's Report

To the Members of **One 97 Communications Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of One 97 Communications Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and joint ventures (refer Note 23 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate companies and joint ventures as at March 31, 2023, of consolidated

total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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, its associate companies and joint ventures in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 sub-paragraph 16 of the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 42(a) to the Consolidated Financial Statements, relating to one of the Subsidiary Company, which

Independent Auditor's Report

describes that the Subsidiary Company's application for authorization to set up Payment System ('PA application'), to the Department of Payment and Settlement Systems, Reserve Bank of India ("RBI"), was returned. The Subsidiary Company has further been advised by the RBI to resubmit its application after the receipt of approval from the Government of India ('GoI'), on past downward investment from One 97 Communications Limited (the holding company), in compliance with Foreign Direct Investment (FDI) Guidelines. If GoI does not provide such approval, the Subsidiary Company has been directed to inform RBI immediately. The response to the Subsidiary Company's application to the GoI for the aforesaid approval, is presently awaited.

Our opinion is not modified in respect of the above matter.

5. The following emphasis of matter paragraph has been included in the independent auditor's report dated April 22, 2023 issued by independent firm of chartered accountants on the audit of the Special Purpose Ind AS Financial Information of Paytm Payments Bank Limited which has been reported as under:

"Attention is drawn to note no. 2(e) regarding the receipt of the Comprehensive Systems IT Audit (RBI) report during the year recommending strengthening of IT outsourcing processes and operational risk management, including KYC/AML at the Bank. The Bank's compliance to the RBI's report is currently being validated by the RBI. Our conclusion is not modified in respect of above matter."

Note 2(e) referred above corresponds to Note 42(b) to the Consolidated Financial Statements.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. 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 separate opinion on these matters.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment of goodwill relating to acquisition of subsidiaries and assessment of appropriateness of the carrying value of investments in associates</p> <p>(Refer accompanying notes 2.2, 2.4, 2.5(k), 2.5(o), 2.5(v), 4, 5(b), 20, 24A and 36 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. For the purpose of impairment assessment, each subsidiary is considered as separate CGU.</p> <p>The management has estimated future cash flows for a 5 year period and a terminal growth rate is applied in determining the terminal value.</p> <p>Further, there are certain investments in associates which are carried at cost (subject to impairment assessment).</p> <p>We considered impairment assessment of goodwill and carrying value of associate's investment as key audit matter given the extent of management judgement and the estimates involved around impairment assessment with respect to determining appropriate discount rates, cash flow projections (Cash flow forecasts) and earnings growth rates applied beyond the initial five-year period (Terminal growth rates).</p>	<p>Our procedures to assess impairment of goodwill relating to acquisition of subsidiaries and appropriateness of the assessment of carrying value of investments in associates included the following:</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 and valuation assessment. • We evaluated the Company's process regarding impairment and carrying value assessment by involving auditor's valuation experts to assist in assessing the appropriateness of the valuation and impairment model including the independent assessment of the underlying assumptions relating to cash flow, discount rate, terminal value, etc. for material investments. • We checked the mathematical accuracy of the valuation and impairment model and agreed relevant data back to the latest budgets, actual past results and other supporting documents. • 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 in the Consolidated Financial Statements. <p>Based on the above audit procedures performed, the Management's assessment of the impairment of goodwill on acquisition of subsidiaries and carrying value of the investments in associates was considered to be reasonable.</p>

Independent Auditor's Report

Other Information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Board's Report, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report but does not include the Consolidated Financial Statements and our and other auditor's report thereon. The Board's Report, Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility and Sustainability Report is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Holding Company's Board's Report, Corporate Governance Report, Management Discussion and Analysis Report, Business Responsibility and Sustainability Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Group including its associate companies and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

Independent Auditor's Report

9. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for assessing the ability of the Group and of its associate companies and joint ventures 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.
10. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associate companies and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. 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.

12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - 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.
 - 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 Consolidated 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.
 - 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

Independent Auditor's Report

on the ability of the Group and its associate companies 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 associate companies and joint ventures to cease to continue as a going concern.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies and joint ventures 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.

13. 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.
14. 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.
15. 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements/ financial information of 12 subsidiaries included in the consolidated financial statements, whose financial statements/ financial information reflect total assets of INR 19,947 million and net assets of INR 14,533 million as at March 31, 2023, total

Independent Auditor's Report

revenues of INR 6,196 million, total profit after tax of INR 240 million, and total comprehensive income of INR 1,135 million for the year ended March 31, 2023, and cash inflows (net) of INR 1,208 million for the year ended March 31, 2023, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of INR 13 million and total comprehensive income of INR 128 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 associates and 1 joint venture, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint venture and associate companies, is based solely on the reports of the other auditors.

17. We did not audit the financial statements/ financial information of 11 subsidiaries, whose financial statements/ financial information reflect total assets of INR 393 million and net assets of INR (-)63 million as at March 31, 2023, total revenue of INR 404 million, total loss after tax of INR 13 million, and total comprehensive loss of INR 13 million for the year ended March 31, 2023, and cash inflows (net) of INR 21 million for the year ended March 31, 2023, as considered in the consolidated financial results. The consolidated financial statements also includes the Group's share of net loss after tax of INR 5 million and

total comprehensive loss of INR 5 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 6 associates and 1 joint venture, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint venture and associate companies, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion 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/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

Independent Auditor's Report

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records 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.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated

in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate companies and joint ventures- Refer Note 29(c) and 24 to the Consolidated Financial Statements.
 - ii. The Group, its associate companies and joint ventures has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Group, its associate companies and joint ventures did not have any derivative contracts as at March 31, 2023 .
 - iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint ventures incorporated in India.

Independent Auditor's Report

- iv. (a) The respective Managements of the Holding Company and its subsidiaries, associate companies and joint venture 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 companies and joint venture respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) 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 companies and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associate companies and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 44(i) to the Consolidated Financial Statements).
- (b) The respective Managements of the Holding Company and its subsidiaries, associate companies and joint venture 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 companies and joint venture respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, associate companies and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate companies and joint venture shall, 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 (Refer Note 44(i) to the Consolidated Financial Statements).
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by

Independent Auditor's Report

- the auditors of the subsidiaries, associate companies and joint venture 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 (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Holding Company, its subsidiary companies, associate companies and joint venture, has not declared or paid any dividend during the year.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, associate companies and joint ventures, is applicable to the Group, associate companies and joint ventures only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable
 - 20. The Group, its associate companies and joint venture have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Amitesh Dutta

Partner

Membership Number: 058507
UDIN: 23058507BGYAXX1373

Place: Gurugram
Date: May 5, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of One 97 Communications Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of One 97 Communications Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 5 associates incorporated in India namely Paytm Insuretech Private Limited, Foster Payment Networks Private Limited, Infinity Transoft Solution Private Limited, Eatgood Technologies Private Limited and Socomo Technologies Private Limited, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is

applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 ("the Guidance Note") 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

Annexure A to Independent Auditor's Report

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.
5. 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting

and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 financial statements

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

Annexure A to Independent Auditor's Report

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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.

Other Matters

9. Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 7 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Amitesh Dutta

Partner

Membership Number: 058507
UDIN: 23058507BGYAXX1373

Place: Gurugram
Date: May 5, 2023

Annexure B to Independent Auditor's Report

Referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of One 97 Communications Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023

I. As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

1. Paytm Services Private Limited (CIN U74110KA2016PTC094535) (Subsidiary) vide auditor's report dated April 28, 2023 which is reproduced as under:

vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of provident fund, the Company is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, professional tax goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.in Lakhs)*	Period to which the amount relates	Due date	Date of Payment
The Employee's Provident Funds and Miscellaneous Provisions Act,1956	Provident Fund	0.50	April 2022	15 May 2022	25 April 2023
		0.41	May 2022	15 June 2022	25 April 2023
		0.80	June 2022	15 July 2022	25 April 2023
		0.57	July 2022	15 August 2022	25 April 2023
		1.55	August 2022	15 September 2022	25 April 2023

*Also, refer note 16 to the financial statements.

Annexure B to Independent Auditor's Report

2. Mobiquest Mobile Technologies Private Limited (CIN U22130DL2007PTC158782) (Subsidiary) vide auditor's report dated April 28, 2023 which is reproduced as under:

vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of provident fund, the Company is regular in depositing undisputed statutory dues, including income tax, employees' state insurance, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (in INR thousands)	Period to which the amount relates	Due date	Date of Payment
The Employee's Provident Funds and Miscellaneous Provisions Act,1956	Provident Fund*	3.45	April 2022	May 15, 2022	Not yet paid
		3.45	May 2022	June 15, 2022	Not yet paid
		3.45	June 2022	July 15, 2022	Not yet paid
		3.45	July 2022	August 15, 2022	Not yet paid
		6.15	August 2022	September 15, 2022	Not yet paid

* Refer note 3.18 to the financial statement.

Also, refer note 11(b)(ii) to the financial statements regarding management's assessment on certain matters relating to provident fund.

3. Urja Money Private Limited (CIN U93000MH2012PTC237284) (Subsidiary) vide auditor's report dated April 21, 2023 which is reproduced as under:

iii (c) In respect of loan(s) granted to companies, 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	Due date	Extent of delay	Remarks, if any
Fincollect Services Private Limited	1,412,720	Various dates	More than one day	

Annexure B to Independent Auditor's Report

4. One 97 Communications Limited (CIN L72200DL2000PLC108985) (Holding company) vide our report dated May 5, 2023 which is reproduced as under:
- iii (c) In respect of the loans granted in previous years, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Except for the following instances, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

Name of the entity	Amount (including accrued interest) (INR million)	Due Date	Extent of delay	Remarks (if any)
Little Internet Private Limited	80	Refer Note 1 below	Refer Note 1 below	Refer Note 1 below
Arthimpact Finserve Private Limited	234	Refer Note 2 below	Refer Note 2 below	Refer Note 2 below
Urja Money Private Limited	11	Refer Note 3 below	Refer Note 3 below	Refer Note 3 below
Robust Infocom Private Limited	191	Refer Note 4 below	Refer Note 4 below	Refer Note 4 below
Rooter Sports Technologies Private Limited	47	Refer Note 5 below	Refer Note 5 below	Refer Note 5 below

Note 1: The Company had given loan to Little Internet Private Limited (LIPL), a subsidiary company, in December 2019. As per the agreement, this was to be repaid in equated monthly installments starting from 7th month after disbursement date till 24th month from the disbursement date i.e. December 30, 2021. The company has extended the loan of INR 70 Mn to December 29, 2024 through addendum dated November 3, 2022.

Note 2: 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 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 loan of INR 234 million to December 31, 2021.

Annexure B to Independent Auditor's Report

Note 3: The Company had given loan of INR 10 million to Urja Money Private Limited, a subsidiary company in February 2021 which was to be repaid in one year from the disbursement date. The Company has entered into an addendum dated April 13, 2022 effective February 10, 2022. As per the addendum, term of loan has been extended to four years from the disbursement date.

Note 4: 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 has demanded the principal repayment from the party in FY 2020-21.

Note 5: The Company had given loan of INR 40 million in FY 2021-22 for a period of 18 months. The Company has entered into an addendum dated March 24, 2023 effective December 28, 2022. As per the addendum, term of loan has been extended to 30 months from the disbursement date.

- iii (e) Following loans which had fallen due during the year were extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

Name of the parties	Aggregate amount dues renewed or extended or settled by fresh loans (INR million)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Urja Money Private Limited	11	Not applicable as no loans or advances in the nature of loans granted during the year
Little Internet Private Limited	80	
Rooter Sports Technologies Private Limited	47	

Annexure B to Independent Auditor's Report

- II. The statutory audit report on the financial statements for the year ended March 31, 2023 of following companies has not been issued until the date of this report. Accordingly, no comments for the said associate have been included for the purpose of reporting under this clause.

Name of the Company	Relationship	CIN
Eatgood Technologies Private Limited	Associate	U74900KA2015PTC080961
Xceed I T Solution Private Limited	Subsidiary	U72200DL2005PTC139611
Paytm Insuretech Private Limited	Associate	U72200DL2015PTC285987
Paytm General Insurance Limited	Associate	U67200DL2018PLC329710
Paytm Life Insurance Limited	Associate	U67200DL2018PLC329711

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

Place: Gurugram
Date: May 5, 2023

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 23058507BGYAXX1373

Consolidated Balance Sheet

Consolidated Balance Sheet (Amounts in INR Million, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	8,293	5,616
Right-of-use-assets	3(b)	2,883	2,945
Capital work-in-progress	3(c)	72	102
Goodwill	4	443	443
Other intangible assets	4	469	135
Intangible assets under development	3(d)	42	18
Financial assets			
Investment in joint ventures	5(a)	-	-
Investment in associates	5(b)	2,518	2,233
Other investments	6(b)	13,247	10,062
Loans	6(c)	1,507	1,362
Other financial assets	6(d)	1,237	42,131
Current tax assets		5,769	4,317
Deferred tax assets	28	85	70
Other non-current assets	8	3,202	3,032
Total Non-Current Assets		39,767	72,466
Current assets			
Financial assets			
Other investments	6(a), 6(b)	11,206	-
Trade receivables	7	12,528	7,464
Cash and cash equivalents	9(a)	33,120	13,790
Bank balances other than cash and cash equivalents	9(b)	37,275	38,230
Loans	6(c)	57	514
Other financial assets	6(d)	33,427	32,295
Other current assets	8	12,278	15,157
Total Current Assets		139,891	107,450
TOTAL ASSETS		179,658	179,916
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	634	649
Other equity	10(b)	129,522	140,867
Equity attributable to owners of the parent		130,156	141,516
Non-controlling interests		(227)	(221)
Total Equity		129,929	141,295
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	3(b)	1,876	1,822
Deferred tax liabilities	28	-	2
Contract liabilities	13(b)	2,367	3,165
Provisions	11	617	307
Total Non-Current Liabilities		4,860	5,296
Current liabilities			
Financial liabilities			
Borrowings	12(a)	20	1
Lease liabilities	3(b)	337	392
Trade payables			
(a) Total Outstanding dues of micro and small enterprises	12(b)	417	229
(b) Total Outstanding dues other than (a) above	12(b)	8,172	7,285
Other financial liabilities	12(c)	27,586	18,005
Contract liabilities	13(b)	2,573	2,076
Other current liabilities	13(a)	4,189	4,514
Provisions	11	1,575	823
Total Current Liabilities		44,869	33,325
Total Liabilities		49,729	38,621
TOTAL EQUITY AND LIABILITIES		179,658	179,916

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 Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/ N500016

Amitesh Dutta | Partner

Membership No: 058507

Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,

President & Group Chief Financial Officer

DIN No. 07720350

Place: Mumbai | Date: May 5, 2023

Consolidated Statement of Profit and Loss

Consolidated Statement of Profit and Loss (Amounts in INR Million, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	14	79,903	49,742
Other income	15	4,097	2,901
Total income		84,000	52,643
Expenses			
Payment processing charges		29,577	27,538
Marketing and promotional expenses		10,764	8,554
Employee benefits expense	16	37,783	24,319
Software, cloud and data centre expenses		6,939	4,999
Depreciation and amortization expense	17	4,853	2,473
Finance costs	18	233	394
Other expenses	19	11,155	7,734
Total expenses		101,304	76,011
Loss before share of profit/ (loss) of associates / joint ventures, exceptional items and tax		(17,304)	(23,368)
Share of profit/ (loss) of associates / joint ventures	24	(125)	(459)
Loss before exceptional items and tax		(17,429)	(23,827)
Exceptional items	20	-	(24)
Loss before tax		(17,429)	(23,851)
Income Tax expense			
Current tax	28	351	151
Deferred tax expense/ (credit)	28	(15)	(38)
Total Tax expense		336	113
Loss for the year		(17,765)	(23,964)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement gains/ (losses) on defined benefit plans	27	(41)	(21)
Changes in fair value of equity instruments at FVTOCI		902	9,376
Share of other comprehensive income of associates / joint ventures	24	128	-
Items that may be reclassified to profit or loss in subsequent period			
Exchange differences on translation of foreign operations		1,093	194
Total Other Comprehensive Income/ (Loss) for the year		2,082	9,549
Total Comprehensive Income/ (Loss) for the year		(15,683)	(14,415)
Loss for the year			
Attributable to:			
Owners of the parent		(17,759)	(23,929)
Non-controlling interests		(6)	(35)
		(17,765)	(23,964)
Other comprehensive income for the year			
Attributable to:			
Owners of the parent		2,082	9,549
Non-controlling interests		*	*
		2,082	9,549
Total comprehensive income/(loss) for the year			
Attributable to:			
Owners of the parent		(15,677)	(14,380)
Non-controlling interests		(6)	(35)
		(15,683)	(14,415)
Earnings per share (INR per share of INR 1 each)			
Basic	21	(27)	(38)
Diluted	21	(27)	(38)

*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 Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/ N500016

Amitesh Dutta | Partner

Membership No: 058507

Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,

President & Group Chief Financial Officer

DIN No. 07720350

Place: Mumbai | Date: May 5, 2023

Consolidated Statement of Changes in Equity

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, 2021#	60,260,013	605
Shares issued during the year##	38,646,058	39
Shares issued during the year - ESOP	4,627,616	5
Adjustment for Sub-Division of Equity Shares**	543,217,887	-
Impact of derecognition of trust	1,809,840	-
At March 31, 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

Net of treasury shares, April 1, 2021: 222,391 of face value of INR 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year ended March 31, 2022 includes 41,407 shares of face value of INR 10 each issued out of treasury shares

**Pursuant to the approval of the shareholders at the Annual General Meeting of the Holding Company held on June 30, 2021, each equity share of face value of INR 10 per share was sub-divided into ten equity shares of face value of INR 1 per share, with effect from record date, i.e., June 30, 2021.

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity (Amounts in INR Million, unless otherwise stated)

b) Other equity

Particulars	Share application money pending allotment	Attributable to owners of the parent					Non-controlling interests	Total Other Equity
		Securities Premium	Retained Earnings	ESOP Reserve	Capital Redemption Reserve	Other reserves		
As at April 1, 2021	2	189,252	(128,717)	4,264	-	(33)	(25)	64,557
Loss for the year	-	-	(23,929)	-	-	-	(23,929)	(35)
Other comprehensive income	-	-	(21)	-	-	9,376	194	9,549
Total comprehensive income/(loss)	-	-	(23,950)	-	-	9,376	194	(14,415)
Exercise of share options	(2)	2	-	-	-	-	-	-
Adjustment on forfeiture of ESOP	-	-	17	(17)	-	-	-	-
Adjustment on cancellation of ESOP	-	-	106	(106)	-	-	-	-
Amount transferred to securities premium on exercise of ESOPs	-	2,290	-	(2,290)	-	-	-	-
Share based payment expenses	-	-	8,093	-	-	8,093	-	8,093
Share based payment reserve on account of joint ventures	-	-	78	-	-	78	-	78
Share application money received (pending allotment)	*	-	-	-	-	-	*	-
Amount received on issue of shares	-	83,023	-	-	-	-	83,023	-
Acquisition of Non-controlling interest	-	(1,401)	-	-	-	-	(1,401)	-
Other adjustments (Refer note 10(b))	-	711	-	-	-	-	711	-
As at March 31, 2022	*	273,166	(151,833)	10,022	-	9,343	169	140,867
Loss for the year	-	-	(17,759)	-	-	-	(17,759)	(6)
Other comprehensive income	-	-	(41)	-	-	1,030	1,093	2,082
Total comprehensive income/(loss)	-	(17,800)	-	-	-	1,030	1,093	(15,677)
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)	-	-	-	-

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity (Amounts in INR Million, unless otherwise stated)

b) Other equity (Contd..)

Particulars	Share application money pending allotment	Attributable to owners of the parent						Non-controlling interests	Total Other Equity
		Securities Premium	Retained Earnings	Reserves and Surplus	ESOP Reserve	Capital Redemption Reserve	FVTOCI		
Share based payment expenses	-	-	-	14,553	-	-	-	14,553	-
Share based payment reserve on account of joint ventures and associates	-	-	321	-	-	-	-	321	-
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 30)	-	(8,568)	-	-	-	-	(8,568)	-	6
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)	-
As at March 31, 2023	1	263,530	(169,664)	23,962		16	10,415	1,262	129,522
							(227)	129,295	

*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 Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/ N5000016
Amitesh Dutta | Partner
Membership No: 058507
Place: Gurugram | Date: May 5, 2023

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

Vijay Shekhar Sharma | Chairman,
Managing Director and CEO
DIN No. 00466521
Place: New Delhi | Date: May 5, 2023
Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN No. 07720350
Place: Mumbai | Date: May 5, 2023

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows (Amounts in INR Million, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities:			
Loss before tax		(17,429)	(23,851)
Depreciation and amortization expense	17	4,853	2,473
Interest income	15	(2,778)	(2,518)
Interest Income on unwinding of discount - financial assets measured at amortized cost	15	(411)	(92)
Interest on borrowing at amortized cost	18	1	294
Interest and finance charges on lease liabilities	18	198	86
(Gain)/ loss on lease termination/ modification (net)		15	(3)
Trade receivables/ advances written off	19	143	391
Provision for advances	19	73	62
Loss allowance for financial assets	19	794	432
Liabilities no longer required written back	15	(92)	(19)
Property, plant and equipment and intangible assets written off	19	17	11
Impairment of goodwill	20	-	24
Share based payment expenses	16	14,558	8,093
Provision for employee incentive		(4)	15
Share of profit/ (loss) of associates/ joint ventures	24	125	459
Fair value gain on financial instruments measured at FVTPL (net)	15	(609)	(215)
Profit on sale of property, plant and equipment (net)	15	(25)	(7)
Operating loss before working capital changes		(571)	(14,365)
Working capital adjustments:			
Increase/(decrease) in trade payables		1,090	1,481
Increase/(decrease) in provisions		981	434
Increase /(decrease) in other current liabilities and contract liabilities		(626)	1,412
Increase/(decrease) in other financial liabilities		9,415	13,338
(Increase)/decrease in trade receivables		(5,539)	(3,192)
(Increase)/decrease in other financial assets		(1,267)	(9,187)
(Increase)/decrease in other current and non-current assets		2,435	(805)
Cash generated from/ (used in) operations		5,918	(10,884)
Tax paid, net of refunds		(1,762)	(1,479)
Net cash inflow/ (outflow) from operating activities (A)		4,156	(12,363)
Cash flow from/ (used in) investing activities			
Purchase of property, plant and equipment and intangible assets		(7,052)	(5,071)
Proceeds from sale of property, plant and equipment		85	27
Investment in fixed and other deposits with bank		(57,876)	(96,322)
Maturity of bank deposits		99,248	43,206
Proceeds from repayment of inter corporate loans		483	908
Inter corporate loans given		(10)	(1,653)
Proceeds from sale of non-current investments		-	13
Payment for purchase of non-current investments		(1,226)	(261)
Proceeds from sale of current investments		351,192	85,696
Payment for purchase of current investments		(361,669)	(84,204)
Interest received		3,080	2,775
Net cash inflow/ (outflow) from investing activities (B)		26,255	(54,886)

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows (Amounts in INR Million, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from/ (used in) financing activities			
Proceeds from issue of shares (including securities premium)	7	83,067	
Share issue expenses	-	(1,401)	
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)	1	*	
Net change in working capital demand loan	-	(435)	
Received on recharge of ESOP cost to associates	69	-	
Interest paid	(199)	(380)	
Principal elements of lease payments	(440)	(316)	
Net cash inflow/ (outflow) from financing activities (C)		(11,123)	80,535
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		19,288	13,286
Cash and cash equivalents at the beginning of the year		13,789	454
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		23	49
Cash and cash equivalents at the end of the year		33,100	13,789

Cash and cash equivalents as per above comprises of following		March 31, 2023	March 31, 2022
Cash on hand		*	*
Balance with banks			
- On current accounts		27,390	12,742
- Deposits with original maturity of less than 3 months		5,730	1,048
Cash and cash equivalents	9(a)	33,120	13,790
Bank overdraft#	12(a)	(20)	(1)
Cash and cash equivalents for the purpose of statement of cash flows		33,100	13,789

*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.

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 Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/ N500016

Amitesh Dutta | Partner
Membership No: 058507
Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,
President & Group Chief Financial Officer
DIN No. 07720350
Place: Mumbai | Date: May 5, 2023

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, 2023.

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 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.

These Consolidated Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on May 5, 2023.

2. Significant 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 (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.

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. However, the date on which

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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.

Impact of COVID-19

The government has removed substantially all COVID-19 related restrictions gradually in a phased manner and the Group has seen improvement in its operations. The Group has made an assessment of the recoverability and carrying values of its assets as at the end of the current period and has concluded that there are no material adjustments required in the Consolidated Financial Statements. Management believes that it has considered all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Consolidated Financial Statements.

New and amended standards adopted by the Company

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and current period, and are not expected to significantly affect the future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

liabilities acquired in a business combination are measured at the basis indicated below:

- The assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 19 Employee Benefits.
- Deferred tax assets and liabilities are recognized and measured in accordance with Ind AS 12 Income Taxes.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. The consideration transferred by the acquirer is recognized at fair value at the acquisition date. Deferred consideration is classified as a liability under Ind AS 109 and is measured at amortized cost.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually 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:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements
- c) The Group's voting rights and potential voting rights
- d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the 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.

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(Amounts in INR Million, unless otherwise stated)

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in Fixed assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. 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.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the Subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

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.

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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 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 or joint venture is shown on the face of the consolidated statement of profit and loss. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate 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 consolidated statement of profit or loss.

2.5 Summary of significant accounting policies

a. Current versus non-current classification

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

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the 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.

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

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

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

b. Foreign currencies

Functional and presentation currency

Items included in the 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

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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 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

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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 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.

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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 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.

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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 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

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

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

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

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

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities

classified as held for sale are presented separately in the Consolidated Balance Sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

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

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

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

h. 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.

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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'.

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.

With effect from April 1, 2022, the Holding Company has 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. The impact on account of above change in estimate is 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.

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i. 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.

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.

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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.

j. Borrowing costs

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

k. 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 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

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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.

I. Provisions and contingencies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision

is presented in the consolidated statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

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

m. 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.

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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. Re-measurements 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.

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.

n. Share-based payments

i) 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

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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 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.

ii) Cash-settled transactions

For awards classified as cash settled share based transactions, the goods or services acquired are measured and the liability incurred, at the fair value of liability. Until the liability is settled, the fair value of the liability is re-measured at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in consolidated statement of profit and loss for the period.

The cost of cash-settled transactions is determined by the fair value of equity instruments at each reporting date using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in liability, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for cash-settled transactions at each

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(Amounts in INR Million, unless otherwise stated)

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.

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

The Group has set up Paytm Associate Benefit Welfare Trust (formerly known as One 97 Employee Welfare Trust) for administering certain types of share-based payment arrangements including awards given to employees of the outside group companies as well for awards of options of other companies given to its employees. The Group uses the Trust as a vehicle for distributing shares under the ESOP schemes. The Trust holds shares of the Group, for giving shares to employees. The Group treats the Trust as its extension and shares of the Group held by Trust are treated as treasury shares. Other assets held by the Trust are consolidated on a line-by-line basis with Group's consolidated financial statements. Shares of other companies held by the Trust for distribution to its employees are separately disclosed under investments.

The Group has lost control over the Trust and accordingly, it is now not consolidated on a line-by-line basis with Group's financial statements.

o. 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)

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses 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.

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(Amounts in INR Million, unless otherwise stated)

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.

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

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(Amounts in INR Million, unless otherwise stated)

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.

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.

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Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include 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.

Embedded derivatives

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

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

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.

p. 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.

q. 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, 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.

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(Amounts in INR Million, unless otherwise stated)

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.

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

Basic EPS amounts are calculated by dividing the profit/ (loss) for the period attributable to equity holders by the weighted average number of Equity shares outstanding during the year excluding the treasury shares.

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 period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

s. Treasury shares

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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

t. 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.

u. 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.

v. 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 of goodwill,

impairment of investments in associates and gain/ loss on disposal of subsidiaries and associates (other than major lines of business that meet the definition of a discontinued operation) are considered and reported as exceptional items.

w. Contributed Equity

Equity shares are classified as equity.

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Qualifying transaction costs incurred in anticipation of an issuance of equity instruments is deferred on the balance sheet until the equity instrument is recognised. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognised. If the equity instruments are not subsequently issued, the deferred transaction costs are charged off to profit or loss.

The transaction costs incurred with respect to the IPO of the Holding Company as reduced by the amount recovered from the selling shareholders are allocated between new issue of shares and listing of existing equity shares. The costs attributable to listing of existing shares is recognised in profit or loss and the costs attributable to new issuance of shares is recognised in equity.

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(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, 2021	3,739	69	247	11	310	2,622	6,998
Additions	662	5	10	-	31	4,057	4,765
Foreign Currency Translation Reserve	3	1	8	-	*	-	12
Disposals	173	23	*	-	34	-	230
As at March 31, 2022	4,231	52	265	11	307	6,679	11,545
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
Accumulated depreciation							
As at April 1, 2021	2,708	41	83	3	149	1,022	4,006
For the year	562	8	37	2	28	1,479	2,116
Foreign Currency Translation Reserve	2	*	4	-	*	-	6
Disposals	150	19	*	-	30	*	199
As at March 31, 2022	3,122	30	124	5	147	2,501	5,929
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
Net carrying amount							
As at March 31, 2023	696	17	98	4	155	7,323	8,293
As at March 31, 2022	1,109	22	141	6	160	4,178	5,616

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 40 (March 31, 2022: 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 10,460 (March 31, 2022: INR 4,678), Accumulated depreciation INR 4,553 (March 31, 2022: INR 1,875), Net carrying amount INR 5,907 (March 31, 2022: INR 2,803) of point-of-sale machines and sound boxes installed at customer's premise.

*Amount below rounding off norms adopted by the group.

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(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, 2021	844	1,047	1,891
Additions	-	1,941	1,941
Disposals	-	6	6
As at March 31, 2022	844	2,982	3,826
As at April 1, 2022	844	2,982	3,826
Additions	-	451	451
Disposals	-	69	69
As at March 31, 2023	844	3,364	4,208
Accumulated Depreciation			
As at April 1, 2021	20	588	608
For the Year	10	263	273
Disposals	-	-	-
As at March 31, 2022	30	851	881
As at April 1, 2022	30	851	881
For the Year	10	434	444
Disposals	-	-	-
As at March 31, 2023	40	1,285	1,325
Net Carrying Amount			
As at March 31, 2023	804	2,079	2,883
As at March 31, 2022	814	2,131	2,945

B. Lease Liabilities

Particulars	March 31 2023	March 31 2022
Lease Liability on Land- Current	-	58
Lease Liability on Office Premises- Current	337	334
Lease Liability on Office Premises- Non-Current	1,876	1,822
Total	2,213	2,214
Total lease liability - Current	337	392
Total lease liability - Non-Current	1,876	1,822

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(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

C. Amounts recognised in Statement of profit and loss

Particulars	Notes	For the year	For the year
		ended March 31, 2023	ended March 31, 2022
Depreciation charge of Right-of-use assets			
Land		10	10
Office Premises#		434	263
Total	17	444	273
Interest expense (included in finance cost)	18	198	86
Expense relating to short-term lease (included in other expenses)	19	67	100

This amount is including cross charge of INR Nil (March 31, 2022: 2). Net depreciation charge of Right-of-use assets in profit & loss is INR 444 (March 31, 2022 INR 271).

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 9 (March 31, 2022: 9) with corresponding adjustment to Right-of-Use assets amounting to INR 24 (March 31, 2022: 6) 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 638 (March 31, 2022: 402)

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.

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(Amounts in INR Million, unless otherwise stated)

3 (c) Capital work-in-progress

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

Capital work-in-progress (CWIP) ageing schedule for the year ended March 31, 2022

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	5	2	39	102

3 (d) Intangible assets under development

Intangible assets under development ageing schedule for the year ended March 31, 2023

Intangible assets under development	Amount 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

Intangible assets under development ageing schedule for the year ended March 31, 2022

Intangible assets under development	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	16	1	1	*	18

*Amount below rounding off norms adopted by the group.

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4. Other intangible assets

Particulars	Customer Relationship	Brand	Non-Compete	Software	Internally Generated Software	Total	Goodwill
Gross carrying amount							
As at April 1, 2021	251	448	39	592	103	1,433	4,129
Additions	-	-	-	49	-	49	-
Foreign Currency Translation Reserve	-	-	-	-	1	1	-
Disposals	-	-	-	191	-	191	-
As at March 31, 2022	251	448	39	450	104	1,292	4,129
As at April 1, 2022	251	448	39	450	104	1,292	4,129
Additions	-	-	-	121	314	435	-
Foreign Currency Translation Reserve	-	-	-	-	2	2	-
Disposals	-	-	-	3	-	3	-
As at March 31, 2023	251	448	39	568	420	1,726	4,129
Accumulated Amortization/ Impairment							
As at April 1, 2021	243	439	36	443	101	1,262	3,662
For the year	4	7	3	71	1	86	-
Impairment loss for the year (Refer note 36)	-	-	-	-	-	-	24
Foreign Currency Translation Reserve	-	-	-	-	*	*	-
Disposals	-	-	-	191	-	191	-
As at March 31, 2022	247	446	39	323	102	1,157	3,686
As at April 1, 2022	247	446	39	323	102	1,157	3,686
For the year	4	2	*	82	10	98	-
Foreign Currency Translation Reserve	-	-	-	-	2	2	-
Disposals	-	-	-	*	-	*	-
As at March 31, 2023	251	448	39	405	114	1,257	3,686
Net carrying amount							
As at March 31, 2023	-	-	-	163	306	469	443
As at March 31, 2022	4	2	-	127	2	135	443

*Amount below rounding off norms adopted by the group.

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5 (a) Investment in joint ventures - Non Current

	As at March 31, 2023	As at March 31, 2022
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, 2022 : 68,233,850) equity shares of INR 10 each	-	-
	-	-

5 (b) Investment in associates - Non Current

	As at March 31, 2023	As at March 31, 2022
Unquoted equity shares (Fully paid up)		
Paytm Payments Bank Limited 195,904,900 (March 31, 2022 : 195,904,900) equity shares of INR 10 each	2,073	1,956
Paytm General Insurance Limited 980,000 (March 31, 2022 : 980,000) equity shares of INR 10 each	-	-
Paytm Life Insurance Limited 49,000 (March 31, 2022 : 49,000) equity shares of INR 10 each	*	*
Paytm Financial Services Limited 2,000,000 (March 31, 2022 : 2,000,000) equity shares of INR 10 each	177	4
Paytm Insuretech Private Limited (Formerly known as QorQI Private Limited) (refer note (i) below) 2,560,938 (March 31, 2022 : 2,560,938) equity shares of INR 10 each	-	-
Eatgood Technologies Private Limited (Refer note (i) below) 2,879 (March 31, 2022 : 2,879) equity shares of INR 10 each	-	-
Total (A)	2,251	1,961

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

5 (b) Investment in associates - Non Current (Contd..)

	As at March 31, 2023	As at March 31, 2022
Unquoted compulsorily convertible preference shares (Fully paid up)		
Socomo Technologies Private Limited (refer note (i) below) 28,800 (March 31, 2022 : 28,800) Compulsorily Convertible Preference share of face value of INR 1 each	-	-
Infinity Transoft Solutions Private Limited 3,618 (March 31, 2022 : 3,618) Compulsorily Convertible Preference share of face value of INR 10 each	79	79
Eatgood Technologies Private Limited (refer note (i) below) 72,373 (March 31, 2022 : 72,373) Compulsorily Convertible Preference share of face value of INR 100 each	188	193
Total (B)	267	272
Grand Total [A+B]	2,518	2,233
Aggregate amount of unquoted investments	2,518	2,233
Aggregate amount of impairment in the value of investment	754	754

*Amount below rounding off norms adopted by the Group

- (i) Net of provision for impairment amounting to INR 26 (March 31, 2022: 26), INR 428 (March 31, 2022: 428) and INR 300 (March 31, 2022: 300) for Paytm Insuretech Private Limited, Socomo Technologies Private Limited and Eatgood Technologies Private Limited, respectively.
- (ii) Refer note 24 for more details.

6 (a). Other Investments - Current

	As at March 31, 2023	As at March 31, 2022
Investments at fair value through profit and loss		
Mutual Funds (Unquoted)		
Axis Overnight Fund Direct Growth 449,099 units (March 31, 2022: Nil units)	532	-
Mutual Funds (Quoted)		
Axis Liquid Fund - Direct Growth 71,602 units (March 31, 2022: Nil units)	179	-
Total (A)	711	-

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (a). Other Investments - Current (Contd..)

	As at March 31, 2023	As at March 31, 2022
Investments at amortised cost		
Investments in Debt instruments		
Commercial papers (quoted)	7,694	
Treasury bills (quoted)	2,801	
Total (B)	10,495	-
Total Current investments [A+B]	11,206	-

6 (b). Other Investments - Non-Current

	As at March 31, 2023	As at March 31, 2022
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, 2022 : 3,458) Equity shares of face value INR 10 each		
Plivo Inc. (Refer note (i) below)	-	-
793,696 (March 31, 2022 : 793,696) common stock of USD 0.00001 each.		
Software Is Correct INC (Refer note (i) below)	-	-
34,333 (March 31, 2022 : 34,333) common stock of USD 1 each		
Stock acquisition rights (PayPay Corporation) (Refer note (iii) below)	11,699	9,726
Total (A)	11,722	9,749
Investments at fair value through Profit and loss		
Unquoted Compulsorily Convertible Preference shares (Fully paid up)		
RainingClouds Tech Private Limited (Refer note (iv) below)	-	-
Nil (March 31, 2022 : 3,620) Redeemable Convertible Preference Shares of INR 10 each		
Fable Fintech Private Limited (formerly known as Avenues Payments India Private Limited (Refer note (i) below)	-	-
11,379 (March 31, 2022 : 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, 2023	As at March 31, 2022
Loginext Solutions Private Limited (Refer note (iv) below)	-	-
Nil (March 31, 2022 : 279,443) Compulsorily Convertible Preference share of face value of INR 10 each	40	40
Rooter Sports Technologies Private Limited	40	40
1,160 (March 31, 2022 : 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	67	32
5,999,731 (March 31, 2022 : 2,999,862) 10% Debentures of face value INR 10 each	263	241
Admirable Software Limited	165	-
23,109,232 (March 31, 2022 : 23,109,232) 10% Debentures of face value INR 10 each	106	-
Paytm Financial Services Limited	601	273
21,951,000 (March 31, 2022 : Nil) 10% Debentures of face value INR 10 each	641	313
Total (B)		
Investments at amortised cost		
Investments in Debt instruments		
Government securities (quoted)	884	-
Total (C)	884	-
Total Non-Current investments [A+B+C]	13,247	10,062
Total Current Investments	11,206	-
Total Non-Current Investments	13,247	10,062
	24,453	10,062
Aggregate book value of unquoted investments	12,895	10,062
Aggregate book value of quoted investments	11,558	-
Aggregate market value of quoted investments	11,558	-

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (b). Other Investments - Non-Current (Contd..)

Notes

- (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.
- (iv) These companies have ceased to exist in the Ministry of Corporate Affairs records as of March 31, 2023.

6 (c). Loans

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Inter Corporate Loans# with related parties (Refer note 26)##	1,507	1,362	11	471
Others	-	-	471	500
Less: Loss allowance for inter corporate loans	-	-	(425)	(457)
	1,507	1,362	57	514

Break-up of security details

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Secured, considered good	-	-	-	-
Unsecured, considered good	1,507	1,362	57	514
Loans which have significant increase in credit risk	-	-	425	457
Loans Credit Impaired	-	-	-	-
	1,507	1,362	482	971
Less: Loss allowance for inter corporate loans	-	-	(425)	(457)
Total Loans	1,507	1,362	57	514

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 24% (March 31, 2022: 5.10% to 12%).

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (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, except as disclosed in note 26.

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.

Particulars	As at	
	March 31, 2022	
Face value of loan given	1,613	
Fair value of loan on inception	1,317	
Deemed investment in First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) #	296	

There has been no movement in deemed investment during the year ended March 31, 2023.

The Group has not granted loans to its directors, KMPs and the related parties (as defined under Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment. In certain cases, the Group 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, 2023	March 31, 2022
Amount of loan or advance in the nature of loan outstanding as specified above	-	470
Percentage to the total Loans and Advances in the nature of loans	-	20%

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) #	8.00%	1,796	1,679	1,796	1,679
Paytm Financial Services Limited	5.10%	-	471	471	471
Eatgood Technologies Private Limited	24.00%	11	-	11	-

Note:

- (i) The above loans have been provided for general corporate purposes.

Excluding fair valuation impact amounting to INR 289 (March 31, 2022: 317)

6 (d). Other financial assets

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Security deposits	932	755	1,276	1,423
Less: Loss allowance for security deposits	(18)	(37)	(215)	(2)
A	914	718	1,061	1,421
Bank balances				
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 9(a))	271	40,688	-	-

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Others				
Loan to employees	-	-	2	3
Advances recoverable in cash	-	-	365	122
Less: Loss allowance	-	-	(8)	-
Interest accrued but not due on fixed deposits	20	708	928	514
Interest accrued on security deposit	-	-	140	138
Less: Loss allowance	-	-	(138)	-
Lease receivable	18	-	20	-
B	309	41,396	1,309	777
Amount recoverable from Payment Gateway banks**				
Unsecured, considered good				
Amount recoverable from other parties	-	-	9,359	9,006
Amount recoverable from related parties (Refer note 26)	-	-	21,144	20,115
Unsecured, considered doubtful				
Amount recoverable from other parties	-	-	287	132
	-	-	30,790	29,253
Less : Loss allowance	-	-	(287)	(132)
C	-	-	30,503	29,121
Unsecured, considered good				
Amount recoverable from related parties (Refer note 26)##	-	-	271	411
Amount recoverable from other parties (Refer note 38)	-	-	5	13
Amount recoverable from exchange for margin money	-	-	60	75
Amount recoverable from other parties	14	17	218	477
D	14	17	554	976
Total [A+B+C+D]	1,237	42,131	33,427	32,295

#Includes payable of INR Nil (March 31, 2022: INR 2,944) which the Group has set-off with the advance of INR Nil (March 31, 2022: INR 2,260) as the Group has contractual right to offset the payable with

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (d). Other financial assets (Contd..)

the advance and also has the intention to settle the same on a net basis. The net payable of INR Nil (March 31, 2022: INR 684) is grouped under Payable to merchants under Other financial liabilities shown in Note 12(c).

** 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.

*Amount below rounding off norms adopted by the Group

Break up of financial assets

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At equity method				
Investment in joint ventures (Refer note 5(a))	-	-	-	-
Investment in associates (Refer note 5(b))	2,518	2,233	-	-
	2,518	2,233	-	-
At amortised cost				
Trade receivables (Refer note 7)	-	-	12,528	7,464
Cash and cash equivalents (Refer note 9(a))	-	-	33,120	13,790
Bank balances other than cash and cash equivalents (Refer note 9(b))	-	-	37,275	38,230
Inter corporate loans (Refer note 6(c))	-	-	57	514
Other investments (Refer note 6(a), 6(b))	884	-	10,495	-
Others (Refer note 6(d))	1,237	42,131	33,427	32,295
	2,121	42,131	1,26,902	92,293

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At fair value				
Other investments at fair value through OCI (Refer note 6(b))	11,722	9,749	-	-
Inter corporate loans at fair value through Profit and loss (Refer note 6(c))	1,507	1,362	-	-
Investments at fair value through Profit and loss (Refer note 6(a), 6(b))	641	313	711	-
	13,870	11,424	711	-

7. Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade Receivables	13,758	7,606
Receivables from related parties (Refer notes (i) & (ii) below)	702	1,444
Receivables from other parties (Refer note 38)	16	30
Less: Loss allowance	(1,948)	(1,616)
	12,528	7,464
Current	12,528	7,464
Non-current	-	-

Break-up of security details

	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	13,394	8,364
Trade receivable which have significant increase in credit risk	14	-
Trade receivable Credit Impaired	1,068	716
Total	14,476	9,080
Less: Loss allowance	(1,948)	(1,616)
Total Trade receivables	12,528	7,464

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

7. Trade receivables (Contd..)

- (i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 26.
- (ii) For related party receivables, Refer note 26
- (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, 2023

Particulars	Outstanding for following periods from due date of payment								Total
	Unbilled Dues#	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade Receivables – considered good	6,271	3,778	2,302	396	400	140	107	13,394	
(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	6,301	3,788	2,418	517	516	206	730	14,476	

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, 2022

Particulars	Outstanding for following periods from due date of payment								Total
	Unbilled Dues#	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	3,415	1,794	2,023	528	370	123	111	8,364	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	*	-	-	-	-	*
(iii) Undisputed Trade Receivables – credit impaired	-	-	4	*	10	*	3	17	
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	*	2	14	28	10	645	699	
Total	3,415	1,794	2,029	542	408	133	759	9,080	

*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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Capital advances				
Unsecured, considered good	565	762	-	-
Doubtful	1	1	-	-
	566	763	-	-
Less: Provision for doubtful advances	(1)	(1)	-	-
A	565	762	-	-
Advances other than capital advances				
Advances to vendors				
Unsecured, considered good	2,042	1,636	4,982	4,535
Doubtful	-	-	275	202
	2,042	1,636	5,257	4,737
Less: Provision for doubtful advances	-	-	(275)	(202)
B	2,042	1,636	4,982	4,535
Others				
Balances with government authorities				
Goods and services tax input credit	328	500	6,045	7,987
Value Added Tax (VAT) credit receivable	-	-	3	3
Advance tax [net of provision]	-	-	28	29
Prepayments	267	134	606	1,366
Advances to related parties*	-	-	614	1,237
(Refer note 26)				
C	595	634	7,296	10,622
Total (A+B+C)	3,202	3,032	12,278	15,157

*No advances are recoverable from directors or other officers of the Company either severally or jointly with any other person. Nor any advance are recoverable from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 26.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

9(a). Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	*	*
Balance with banks		
- On current accounts	27,390	12,742
- Deposits with original maturity for less than 3 months	5,730	1,048
	33,120	13,790

*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 period and prior period.
- (b) Fixed deposits amounting to INR 3,733 (March 31, 2022: 1,998) included in note 6(d) and 9(b) are marked under lien by banks for providing bank overdraft, issuing bank guarantees under various contract, Indian Clearing Corporation Limited and exchanges.
- (c) Balance with banks on current accounts includes balance of Initial Public Offer (IPO) proceeds of INR 10,007 (March 31, 2022: 736) which will be utilised as stated in the prospectus for IPO.
- (d) Fixed deposits amounting to INR 31,000 (March 31, 2022: 70,900) included in note 6(d) and 9(b) will be utilised as stated in the prospectus for IPO.

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

	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than 3 months but less than 12 months (Refer footnote (b) and (d) to note 9(a))	19,533	17,340
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 9(a))	17,742	15,342
Other deposits with banks#	-	5,548
	37,275	38,230

#Deposits with banks amounting to INR Nil (March 31, 2022 : 5,548) are held by banks as security against bank guarantees.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10(a). Equity share capital

	Number of Shares	Amount
Authorised equity share capital		
As at April 1, 2021	104,106,600	1,041
Increase/ (decrease) during the year	-	-
Adjustment for Sub-division of Equity Shares#	936,959,400	-
As at March 31, 2022	1,041,066,000	1,041
Increase/ (decrease) during the year	-	-
As at March 31, 2023	1,041,066,000	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.

#Pursuant to the approval of the shareholders at the Annual General Meeting of the Holding Company held on June 30, 2021, each equity share of face value of INR 10 per share was sub-divided into ten equity shares of face value of INR 1 per share, with effect from the record date, i.e., June 30, 2021.

Issued, subscribed and fully paid up shares

	As at March 31, 2023	As at March 31, 2022
633,788,217 equity shares of INR 1 each fully paid up (March 31, 2022 : 648,561,414 equity shares of INR 1 each fully paid up)	634	649
Total issued, subscribed and fully paid-up share capital	634	649

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, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year#	648,561,414	649	60,260,013	605
Shares issued during the year##	-	-	38,646,058	39
Shares issued during the year - ESOP	793,549	1	4,627,616	5
Adjustment for Sub-Division of Equity Shares	-	-	543,217,887	-
Impact on derecognition of trust	-	-	1,809,840	-
Shares buy-back (Refer note 30)	(15,566,746)	(16)	-	-
Shares outstanding at the end of the year	633,788,217	634	648,561,414	649

Net of treasury shares, April 1, 2021: 222,391 of face value of INR 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year ended March 31, 2022 includes 41,407 shares of face value of INR 10 each issued out of treasury shares

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10(a). Equity share capital (Contd..)

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

Name of shareholder

	March 31, 2023		March 31, 2022	
	Number of Shares held	% holding	Number of Shares held	% holding
Antfin (Netherlands) Holding B.V.	158,080,740	24.94%	161,420,141	24.89%
SVF India Holding (Cayman) Limited	81,610,229	12.88%	113,262,230	17.46%
Mr.Vijay Shekhar Sharma	57,845,053	9.13%	57,673,032	8.89%
SAIF III Mauritius Company Limited	68,735,489	10.85%	68,735,489	10.60%
Alibaba.com Singapore E-Commerce Private Limited	-	-	40,631,822	6.26%

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 issued 333,035 shares for consideration other than cash during the period of five years immediately preceding the reporting date. The Holding Company has not issued bonus shares 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.

e. Shareholding of Promoters

Shares held by Promoters at the end of the year			% Change during the year
Promoter Name	No. of Shares	% of Total Shares	
	Nil		Not Applicable

As of March 31, 2023 and March 31, 2022, 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, 2023	As at March 31, 2022
1. Reserves and Surplus		
Securities premium	263,530	273,166
Employee stock options outstanding account (ESOP Reserve)	23,962	10,022
Retained earnings	(169,664)	(151,833)
Capital Redemption Reserve	16	-
Total reserve and surplus (A)	117,844	131,355
1. Reserve and Surplus		
(i) Securities premium		
Opening balance	273,166	189,252
Add: transferred from ESOP Reserve on exercise of stock options	919	2,290
Add: amount received on issue of shares	6	83,023
Add: exercise of share options	*	2
Less: amount utilised for share issue expenses	-	(1,401)
Less: buy-back of equity shares (including transaction cost)	(8,568)	-
Less: transfer on account of buy-back of equity shares	(16)	-
Less: tax on buy-back of equity shares	(1,977)	-
Balance at the end of the year	263,530	273,166
(ii) Employee stock options outstanding account (ESOP Reserve)		
Opening balance	10,022	4,264
Add: share based payment expense	14,553	8,093
Add: share based payment reserve on account of joint ventures and associates	321	78
Less: amount transferred to securities premium on exercise of stock options	(919)	(2,290)
Less: reversal on forfeiture of stock options	(3)	(17)
Less: adjustment on cancellation of ESOP	(12)	(106)
Balance at the end of the year	23,962	10,022
(iii) Retained earnings		
Opening balance	(151,833)	(128,717)
Loss for the year	(17,759)	(23,929)
Less: remeasurement of post-employee benefit obligation	(41)	(21)
Add: transfer from employee stock options outstanding	3	17
Add: adjustment on cancellation of ESOP	12	106
Add: amount transferred on account of sale of investment	-	-

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10(b). Other equity (Contd..)

	As at March 31, 2023	As at March 31, 2022
Add: other adjustments#	(46)	711
Balance at the end of the year	(169,664)	(151,833)
(iv) Capital Redemption Reserve		
Opening balance	-	-
Transfer on account of buyback of equity shares	16	-
Balance at the end of the year	16	-
2. Share application money pending allotment		
Opening balance	*	2
Less: exercise of share options	*	(2)
Receipt of share application money (pending allotment)	1	*
Balance at the end of the year (B)	1	*
3. Other reserves- FVTOCI		
Opening balance	9,343	(33)
Net change in fair value of equity instruments at FVTOCI	1,030	9,376
Transfer from FVTOCI to retained earning#	42	-
Balance at the end of the year (C)	10,415	9,343
4. Other reserves- FCTR		
Opening balance	169	(25)
Net change during the year	1,093	194
Balance at the end of the year (D)	1,262	169
Total other equity (A+B+C+D)	129,522	140,867

*Amount below rounding off norms adopted by the Group

Includes an amount of INR 42 (March 31, 2022: Nil) on account of disposal of investment and INR 4 (March 31, 2022: INR 711) 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10(b). Other equity (Contd..)

(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.

11. Provisions

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for employee benefits				
Provision for gratuity (Refer note 27)	527	285	17	8
Provision for leave benefits*	-	-	1,184	805
Provision for LTIP	90	-	325	-
Other provisions				
Provision for income tax	-	-	46	6
Other provisions	-	22	3	4
	617	307	1,575	823

*The entire amount of the provision of INR 1,184 (March 31, 2022: INR 805) 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 898 (March 31, 2022: INR 613).

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

12(a) Borrowings

	As at	
	March 31, 2023	March 31, 2022
Current		
Secured from banks		
Loan repayable on demand- bank overdraft (refer note (i) below)	20	1
Total borrowings	20	1

Note:

- (i) In respect of one subsidiary, Bank Overdraft carry interest at 3 months MCLR + 1% per annum with monthly rest (8.30% - 9.85%). This is secured against current assets, 100% cash margin of fixed deposits held with bank and personal guarantee of two directors. As at March 31, 2022, the rate of interest was 8.5%. This was secured against total assets and personal guarantee of two directors.

Changes in liabilities arising from financing activities

	March 31, 2023		March 31, 2022	
	Lease Liabilities	Borrowings	Lease Liabilities	Borrowings
Opening debt	2,214	1	671	5,449
Non cash adjustments (includes termination of leases)	439	-	1,859	-
Cash flows	(440)	19	(316)	(5,448)
Interest expense	198	1	86	294
Interest paid	(198)	(1)	(86)	(294)
Closing debt	2,213	20	2,214	1

12(b) Trade payables

	As at	
	March 31, 2023	March 31, 2022
Current		
Trade payables	8,328	7,277
Trade payables to related parties (Refer note 26)	216	158
Trade payables to other parties (Refer note 38)	45	79
	8,589	7,514
(i) Total Outstanding dues of micro and small enterprises	417	229
(ii) Total Outstanding dues other than (i) above	8,172	7,285
	8,589	7,514

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

12(b) Trade payables (Contd..)

Trade Payables ageing schedule for the year ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Dues	Not due	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

Trade Payables ageing schedule for the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Dues	Not due	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - MSME	17	73	115	5	*	1	211
(ii) Undisputed - Others	5,693	397	871	43	72	126	7,202
(iii) Disputed dues - MSME	-	10	2	5	1	-	18
(iv) Disputed dues - Others	-	-	5	9	36	33	83
Total	5,710	480	993	62	109	160	7,514

*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, 2023	As at March 31, 2022
Current		
Payable to merchants#	21,617	11,931
Payable on purchase of fixed assets	670	427
Employee benefits payable	1,382	1,256
Other amount received from customers	1,401	1,597
Clients and Exchanges payables	2,045	2,172
Others	387	363
Others- related parties (Refer note 26)	59	133
Others- Other parties (Refer note 38)	25	126
	27,586	18,005

#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 9,965 (March 31, 2022: INR 11,013). Gross payable to merchant includes payable to related parties INR 5,350 (March 31, 2022: INR 2,328) (refer note 26).

*Amount below rounding off norms adopted by the Group

Terms and conditions of the above financial liabilities:

- (i) Trade and other payables are non-interest bearing and generally carry credit period of 30 days.

Note: All financial liabilities are carried at amortized cost

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

13(a). Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues payable:		
Tax deducted at source payable	1,013	1,124
GST Payable	2,976	3,101
Tax collected at source payable	22	100
Provident fund payable	97	100
Other statutory dues	80	59
Other payable - related parties (Refer note 26)	-	30
Liability towards corporate social responsibility	1	-
	4,189	4,514

13(b). Contract liabilities

	Non-Current		Current	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Contract liabilities	2,367	3,165	2,573	2,076
	2,367	3,165	2,573	2,076

(i) For related party balances, Refer note 26.

Revenue recognized in relation to carried forward contract liabilities

	Year ended March 31, 2023	Year ended March 31, 2022
Contract liabilities recognized as revenue during the year	991	1,054
	991	1,054

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

14. Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of services	79,044	49,625
Other operating revenue		
Incentive income#	859	117
	79,903	49,742

#There are no unfulfilled conditions or other contingencies attached to these grants.

Disaggregated details of revenue:

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Nature of services		
Payment and financial services	63,845	38,577
Payments services to Consumers	21,050	15,286
Payments services to Merchants	27,391	18,919
Others (including Financial Services)	15,404	4,372
Commerce and cloud services	15,199	11,048
Commerce	6,153	3,736
Cloud	9,046	7,312
	79,044	49,625
(ii) Timing of revenue recognition		
Services provided at a point in time	73,215	46,862
Services provided over a period of time	5,829	2,763
	79,044	49,625

15. Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
- on bank deposits	2,739	2,297
- Interest on Income tax refund	25	3
- Interest on Inter corporate loans - measured at amortized cost	6	65
- Interest Income on unwinding of discount - financial assets measured at amortized cost	411	92

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

15. Other income (Contd..)

	Year ended March 31, 2023	Year ended March 31, 2022
- Interest Income on debentures -measured at amortized cost	-	70
- Interest income on security deposit	33	86
Fair value gain on financial instruments measured at FVTPL (net)	609	215
Profit on sale of property, plant and equipment (net)	25	7
Liabilities no longer required written back	92	19
Exchange differences (net)	8	-
Miscellaneous Income	149	47
	4,097	2,901

16. Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, bonus and incentives	21,332	14,848
Contribution to provident and other funds	731	499
Share based payment expenses (Refer note 25)	14,558	8,093
Leave encashment expense	657	560
Gratuity expenses (Refer note 27)	216	146
Staff welfare expenses	289	173
	37,783	24,319

17. Depreciation and amortization expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 3(a))	4,311	2,116
Depreciation on right-of-use assets# (Refer note 3(b))	444	271
Amortization of intangible assets (Refer note 4)	98	86
	4,853	2,473

#This amount is net of cross charge of INR Nil (March 31, 2022: INR 2) (Refer note 3(b)).

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

18. Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest		
- Interest and finance charges on lease liabilities (Refer note 3(b))	198	86
- on borrowings at amortised cost	1	294
- on late deposit of statutory dues	3	2
- on others	31	12
	233	394

19. Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Connectivity and content fees	3,111	2,259
Legal and professional fees (Refer note (i) below)	804	1,279
Subcontract expenses	884	879
Contest, ticketing and FASTag expenses	1,653	516
Logistic, deployment & collection cost	1,550	667
Provision for advances	73	62
Loss allowance for financial assets	794	432
Trade receivables/ advance written off	143	391
Repair and maintenance	798	347
Insurance	265	170
Rent (Refer note 29)	67	100
Communication costs	63	41
Rates and taxes	97	108
Travelling and conveyance	483	130
Exchange differences (net)	-	67
Bank Charges	3	25
Goods and services tax expense off	51	19
Corporate Social Responsibility (CSR) expenditure (Refer note 41)	32	14
Property, plant and equipment and intangible assets written off	17	11
Miscellaneous expenses	267	217
	11,155	7,734

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

19. Other expenses (Contd..)

(i) Legal and professional fees includes

- a) an amount of INR 74 (March 31, 2022 : INR 59) as remuneration to non-executive and independent directors.
- b) an amount of INR 21 (March 31, 2022 : INR 49) as payment to a Law firm in which one of the non-executive and independent director is interested. Further, payment of INR 4 (March 31, 2022: INR 1) 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.

20. Exceptional items

	Year ended March 31, 2023	Year ended March 31, 2022
Impairment of Goodwill (Refer note (a) below and note 36)	-	(24)
	-	(24)

- a) During previous year, the Group basis its assessment of future business projections of Orbgen Technologies Private Limited had recognized provision for impairment in the carrying value of its goodwill of INR 24. The impairment loss for Orbgen Technologies Private Limited 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 (Refer note 36).

21. Earnings per shares (EPS)

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

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

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2023	Year ended March 31, 2022
Loss attributable to equity holders for basic and diluted earnings	(17,759)	(23,929)
Weighted average number of equity shares for basic and diluted EPS#	645,793,553	621,763,714

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

21. Earnings per shares (EPS) (Contd..)

	Year ended March 31, 2023	Year ended March 31, 2022
Earnings per share (INR per share of INR 1 each)		
Basic	(27)	(38)
Diluted*	(27)	(38)

* 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.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Holding Company held on June 30, 2021, each equity share of face value of INR 10 per share was sub-divided into ten equity shares of face value of INR 1 per share, with effect from record date, i.e., June 30, 2021.

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, 2023 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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

22. Significant accounting judgements, estimates and assumptions (Contd..)

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.

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 is 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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

22. Significant accounting judgements, estimates and assumptions (Contd..)

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.

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.

23. Group information

A. Entities over which Group exercises control

The Group's subsidiaries as at March 31, 2023 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
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	66.34%	66.34%	33.66%	33.66%

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
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%	-	-

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
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 Arabia	100.00%	100.00%	-	-
Xceed IT Solution Private Limited (subsidiary of MQ)	India	66.34%	66.34%	33.66%	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%

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Group information (Contd..)

B. Entities over which the Group exercise significant influence - Associates

The Group's associates as at March 31, 2023 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, 2023	As at March 31, 2022	
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 (w.e.f. August 17, 2021) (subsidiary of PFSL)	India	48.78%	48.78%	Equity method
Infinity Transoft Solution Private Limited (refer note (i) below)	India	26.57%	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	12.75%	12.75%	Equity method

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Group information (Contd..)

C. Joint Ventures of Paytm Entertainment Limited

Name	Country of incorporation/ Place of business	% equity interest		Accounting method
		As at March 31, 2023	As at March 31, 2022	
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
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.

Alipay Labs (Singapore) Pte Limited

SVF India Holdings (Cayman) Limited

SVF Panther (Cayman) Limited (till November 17, 2021)

Alibaba.com Singapore E-Commerce Private Limited (till November 17, 2021)

Notes:

- (i) The entities have issued preference shares as well to the Holding Company.
- (ii) Including 10% (March 31, 2022: 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 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)

23. Group information (Contd..)

- (iv) Including 15.87% (March 31, 2022: 15.87%) held through Admirable Software Limited.
- (v) Including 0.63% (March 31, 2022: 0.63%) held through Admirable Software Limited.
- (vi) Including 43.75% (March 31, 2022: 43.75%) held through One 97 Communications India Limited.
- (vii) Including 4.90% (March 31, 2022: 4.90%) held through Paytm Payments Bank Limited.

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, 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	-	-	-	-	-	56	-	56
Goodwill/ (Capital Reserves)	-	-	-	107	487	-	(15)	579
Provision for impairment of investment	-	-	-	-	(300)	-	-	(300)
Total Carrying amount of the investment#	2,073	-	*	79	188	177	-	2,518

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Investment in Associates and Joint ventures (Contd..)

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	-	-	-	-	-	-	-	-

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, 2022

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	75,227	1	1	57	194	982	48	76,509
Non-current assets	18,838	-	-	7	28	167	2	19,041
Current liabilities	(47,695)	(55)	*	(62)	(162)	(848)	(3)	(48,825)
Non-current liabilities	(41,334)	(2)	-	(107)	(39)	(201)	*	(41,683)
Employee share based payment reserve	(1,054)	-	-	-	-	-	-	(1,054)
Investment recognised for ESOP expenses	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	(52)	-	(52)
Fair value impact on borrowings (net of deferred tax impact)	-	-	-	-	-	(38)	-	(38)
Equity	3,982	(57)	1	(105)	21	10	46	3,898
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	1,956	-	*	(28)	6	4	15	1,954
Goodwill/ (Capital Reserves)	-	-	-	107	487	-	(15)	580
Provision for impairment of investment	-	-	-	-	(300)	-	-	(300)
Total Carrying amount of the investment#	1,956	-	*	79	193	4	-	2,233

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Investment in Associates and Joint ventures (Contd..)

For the year ended March 31, 2022

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	22,179	-	-	45	458	29	16	22,728
Profit / (loss) for the year	(103)	(6)	*	(28)	(49)	(30)	(1)	(218)
Other comprehensive (loss) / income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(103)	(6)	*	(28)	(49)	(30)	(1)	(218)
Group's share of profit / (loss) for the year	(50)	-	*	(7)	(12)	(15)	-	(85)
Group's share in other comprehensive (loss) / income for the year	-	-	-	-	-	-	-	-
Unrecognised share of losses	-	3	-	-	-	-	*	3
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, 2023	As at March 31, 2022
Current assets		
- Cash and cash equivalents	34	394
- Other assets	1,263	528
Total current assets	1,297	922
Total non-current assets	637	720
Current liabilities		
- Financial liabilities (excluding trade payables)	(77)	(91)
- Other liabilities	(918)	(1,032)
Total current liabilities	(995)	(1,123)
Non-current liabilities		
- Financial liabilities (excluding trade payables)	(2,667)	(2,212)
- Other liabilities	(21)	(10)
Total non-current liabilities	(2,688)	(2,222)
Fair value impact on borrowings (net of deferred tax impact)	(452)	(393)
Employee share based payment reserve	(528)	(395)
Net assets	(2,729)	(2,490)
Proportion of the Group's ownership	55.00%	55.00%
Carrying amount of the investment	(1,501)	(1,369)
Investment recognised for ESOP expenses	291	158
Deemed investment	296	296
Total Carrying amount of the investment #	(914)	(915)

Particulars	First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) (consolidated)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue	4,874	3,895
Interest Income	84	64
Depreciation and amortisation	87	70
Interest expense	278	178
Income tax expense	(6)	(119)

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 March 31, 2023	For the year ended March 31, 2022
(Loss) for the year	(228)	(1,743)
Other comprehensive income	(12)	(7)
Total comprehensive income for the year	(240)	(1,750)
Group's share of profit / (loss) for the year #	(132)	(374)
Unrecognised losses of previous period recognised during the year #	(1)	-
Unrecognised share of losses	-	(589)
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.

*Amount below rounding off norms adopted by the Group

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* (Refer Note 1 & 2 below) equity shares. ESOPs are generally granted to high performing employees. These Stock Options will generally vest between a minimum of one

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

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.

*After considering impact of share sub division

Significant changes/modifications in the ESOP 2019 Scheme during FY 2020-21 & FY 2021-22

- 1) Pursuant to the approval of Shareholders of the Holding Company at the Annual General Meeting held on June 30, 2021, each equity share of the Holding Company having face value of INR 10 each was sub divided into ten equity shares of face value of INR 1 per share with effect from June 30, 2021. Accordingly, all outstanding Employee Stock Options and remaining Employee Stock Option Pool had also been sub divided in the similar proportion.
- 2) Shareholders of the Holding Company in the Extra Ordinary General Meeting held on September 2, 2021 had approved increase in ESOP Pool by adding 37,000,000 options. Accordingly, total ESOP Pool for ESOP 2019 Scheme stands at 46,455,832.
- 3) Post Initial Public Offering of the Company's share, the scheme had been ratified on February 19, 2022 by the shareholders through postal ballot to comply with SEBI (SBEB & SE) Regulations. Further, Scheme had also been extended to cover the employees of group companies.

(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.

*After considering impact of share sub division

(C) Details about employee stock options granted, outstanding and other information:

- 1) During the year ended March 31, 2023, the Company has granted 12,385,196 (March 31, 2022- 27,428,285) Employee Stock Options under ESOP 2019 Scheme to Eligible Employees.

The grant made during FY 2021-22 includes grant of 21,000,000 Employee Stock Options

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

to Managing Director and CEO of the Holding Company which is subject to achievement of certain milestones and will vest equally in 4 tranches, having minimum vesting period of 24 months, 36 months, 48 months and 60 months for each tranche respectively.

- 2) The total options outstanding as at March 31, 2023 under ESOP 2008 Scheme are 250,797 and ESOP 2019 Scheme are 37,457,727 (March 31, 2022 under ESOP 2008 Scheme – 585,450 and ESOP 2019 Scheme – 29,317,167). Scheme-wise options outstanding are as under:

ESOP 2008 Scheme

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2023	March 31, 2022	
December 31, 2008	6,405	6,425	5
April 1, 2016	11,907	31,331	9
October 1, 2016	834	1,453	9
April 1, 2017	-	3,084	9
October 1, 2017	19,000	21,260	9
April 1, 2018	121,420	363,677	9
July 1, 2018	83,433	136,530	9
October 1, 2018	6,408	12,387	9
April 1, 2019	1,390	9,303	9
Total	250,797	585,450	

ESOP 2019 Scheme

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2023	March 31, 2022	
April 1, 2019	172,991	268,031	9
October 1, 2019	121,533	179,728	9
April 1, 2020	135,343	218,797	9
July 1, 2020	100,094	127,428	9
October 1, 2020	1,585,497	2,194,862	9
April 1, 2021	391,588	586,210	9
October 1, 2021	3,150,449	4,206,273	9
October 1, 2021	21,000,000	21,000,000	9
October 1, 2021	38,584	385,838	1900
October 8, 2021	150,000	150,000	9
April 1, 2022	2,309,166	-	9

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2023	March 31, 2022	
May 1, 2022	3,298,184	-	9
August 1, 2022	1,057,294	-	9
November 1, 2022	3,226,112	-	9
January 31, 2023	720,892	-	9
Total	37,457,727	29,317,167	

*After considering impact of share sub division

3) Movement during the year ended March 31, 2023 and March 31, 2022:

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, 2023*		Year ended March 31, 2022*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2008 Scheme				
Outstanding at the beginning	585,450	8.96	5,362,100	10.97
Granted during the year	-	-	-	-
Exercised during the year	301,386	9.00	4,343,960	11.43
Forfeited during the year	33,267	9.00	350,020	8.99
Cancelled during the year	-	-	82,670	9.00
Outstanding at the end of the year	250,797	8.90	585,450	8.96
Vested options outstanding at the end of the year (exercisable)	250,797	8.90	434,923	8.96

Particulars	Year ended March 31, 2023*		Year ended March 31, 2022*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2019 Scheme				
Outstanding at the beginning	29,317,167	33.89	4,669,180	9.00
Granted during the year	12,385,196	9.00	27,428,285	35.60
Exercised during the year	572,965	9.00	576,261	9.00
Forfeited during the year	3,651,172	188.85	2,150,327	9.00

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, 2023*		Year ended March 31, 2022*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
Cancelled during the year	20,499	9.00	53,710	9.00
Outstanding at the end of the year	37,457,727	10.95	29,317,167	33.89
Vested options outstanding at the end of the year (exercisable)	1,013,089	81.02	291,732	9.00

*After considering impact of share sub division

- 4) Details of Weighted average share price of options exercised on the date of exercise are as follows:

Particulars	March 31, 2023		March 31, 2022	
	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)	586.54	602.94	1,411.82	1,646.04

- 5) Details of Weighted average remaining contractual life for the share options outstanding are as follows:

Particulars	March 31, 2023		March 31, 2022	
	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)	2.37	0.08	3.14	0.16

The Holding Company has granted ESOPs to the employees of joint ventures and associates. During FY 2022-23, the Holding Company has recognized an amount of INR 226 (March 31, 2022: INR 78) as investment in respective joint ventures and associates.

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 is INR 95 (March 31, 2022: INR Nil).

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 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.

During FY 2021-22, the Holding Company had cancelled 67,550* outstanding unvested employee stock options and 68,830* outstanding vested employee stock options. This cancellation of unvested employee stock options resulted into an accelerated share based payment expense of INR 39 in the Consolidated Statement of Profit and Loss for the year ended March 31, 2022.

*After considering impact of share sub division

Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2023 (computed using Discounted Cash Flow, OPM & Black-Scholes model) are as under:

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

Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2022 (computed using Discounted Cash Flow, OPM & Black-Scholes model) are as under:

Particulars	Grant Date					
	April 1, 2021*	October 1, 2021	October 1, 2021	October 1, 2021**	October 8, 2021	October 8, 2021
Share Price (INR per share)	1,657	1,891	1,891	1,891	1,891	1,891
Fair Value of Options Granted (INR per option)	1,651	1,883	1,027	1,884	1,883	1,882
Weighted Avg. Exercise Price (INR per share)	9	9	1900	9	9	9

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Particulars	Grant Date					
	April 1, 2021*	October 1, 2021	October 1, 2021	October 1, 2021**	October 8, 2021	October 8, 2021
Vesting Period (in years)	5	5	5	5	5	1
Dividend Yield (%)	-	-	-	-	-	-
Expected Life (in years)	3.50 - 7.50	1.04 - 5.04	3.50 - 7.50	2.88 - 5.04	1.04 - 5.04	1.04
Risk free interest rate (%)	5.30 - 6.40	4.00 - 5.90	5.30 - 6.40	4.90 - 5.90	4.00 - 6.00	4.00
Annualized Volatility (%)	45.00 - 55.30	40.30 - 51.60	43.20 - 56.30	44.10 - 56.20	40.20 - 51.60	40.20

*After considering impact of share sub division

** Grant of options to Managing Director & CEO

Notes:

- Weighted average share price is based on the value of Equity Shares arrived at by using Discounted Cash Flow Method, OPM Method or Backsolve method and share prices based on secondary transactions, where available.
- Dividend yield is considered zero, as no dividend payout is expected in the foreseeable future.
- Risk free return is based on the yield to maturity of Indian treasury securities, with a maturity corresponding to the expected term of ESOP.
- Annualized volatility is based on the median weekly volatility of selected comparable companies for a time period commensurate with the expected term.

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

	March 31, 2023	March 31, 2022
Expense arising from equity-settled share-based payment transactions of Holding Company	14,553	8,094
Expense arising from equity-settled share-based payment transactions (Urja Money Private Limited)	-	(1)

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

	March 31, 2023	March 31, 2022
Other Adjustments (Impact on account of foreign currency translation)	5	-
Total expense arising from share-based payment transactions	14,558	8,093

Notes –

1. The ESOP Plans of Urja Money Private Limited, Wasteland Entertainment Private Limited and Little Internet Private Limited are not material to the group and hence no further information is disclosed.
2. During FY 2021-22, Wasteland Entertainment Private Limited and Urja Money Private Limited had terminated their Employee Stock Option Plans.

26. Related party transactions

A. Entities over which Group exercise significant influence

Name	Country of incorporation
Paytm Payments Bank Limited	India
Paytm Insuretech Private Limited	India
(Formerly known as QoRQL Private Limited)	
Foster Payment Networks Private Limited (w.e.f March 26, 2021) (subsidiary of PFSL)	India
Paytm General Insurance Limited	India
Paytm Life Insurance Limited	India
Paytm Financial Services Limited (PFSL)	India
Admirable Software Limited (w.e.f. August 17, 2021) (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	Chairman, Managing Director and CEO
Mr. Madhur Deora	Group Chief Financial Officer (w.e.f. October 9, 2020 and till December 31, 2021), Chief Financial Officer (w.e.f. January 1, 2022) and Whole-time Director (Executive Director, President & Group Chief Financial Officer) (w.e.f. May 20, 2022)
Mr. Vikas Garg	Chief Financial Officer (till December 31, 2021)

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

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)*	India
First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.) (wholly owned subsidiary of First Games Technology Private Limited (formerly known as Paytm First Games Private Limited))	Singapore
Paytm Technology (Beijing) Co., Ltd. (wholly owned subsidiary of First Games Technology Private Limited (formerly known as Paytm First Games Private Limited))	China

* The entity is into business of online gaming. It is a strategic investment which utilises group's knowledge and expertise in online space.

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.
 Alipay Labs (Singapore) Pte Limited
 SVF India Holdings (Cayman) Limited
 SVF Panther (Cayman) Limited (till November 17, 2021)
 Alibaba.com Singapore E-Commerce Private Limited (till November 17, 2021)

E. Relative of Key Management Personnel

Mr. Ajay Shekhar Sharma

Brother of Mr. Vijay Shekhar Sharma

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

Details of transactions with related parties during the year ended March 31, 2023 and March 31, 2022:-

Particulars	March 31, 2023	March 31, 2022
<u>Rendering of services to related parties</u>		
Paytm Payments Bank Limited	8,590	10,107
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	128	283
Infinity Transoft Solution Private Limited	9	3
Eatgood Technologies Private Limited	4	*
Socomo Technologies Private Limited	*	*
	8,731	10,394
<u>Reimbursement of expenses incurred on behalf of related parties</u>		
Paytm Payments Bank Limited	152	751
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	138	156
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	*	-
	291	907
<u>Expenses reimbursed to related party</u>		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	-	2
Paytm Financial Services Limited	-	2
Admirable Software Limited	-	*
	-	4
<u>Interest income earned from related parties</u>		
Paytm Payments Bank Limited	-	2
Paytm Financial Services Limited	-	21
Eatgood Technologies Private Limited	1	-
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	129	89
	130	112

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Interest income earned on Optionally Convertible Debentures ("OCD") from related parties</u>		
Admirable Software Limited	24	11
Paytm Financial Services Limited	20	-
Eatgood Technologies Private Limited	6	2
	50	13
<u>Purchase of property, plant & equipment from related party</u>		
Alibaba.com Singapore E-Commerce Private Limited	-	124
	-	124
<u>Sale of property, plant & equipment to related parties</u>		
Paytm Payments Bank Limited	13	*
	13	*
<u>Services received from related parties</u>		
- <u>Payment processing charges</u>		
Paytm Payments Bank Limited	9,951	12,888
	9,951	12,888
- <u>General expenses**</u>		
Paytm Payments Bank Limited	142	198
Alipay Labs (Singapore) Pte Limited (Refer note (i) below)	1,666	1,459
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	4	3
Eatgood Technologies Private Limited	-	9
Paytm Insuretech Private Limited	3	16
Paytm General Insurance Limited	2	21
Paytm Financial Services Limited	3	-
Admirable Software Limited	2	-
	1,822	1,707
(i) includes INR 1,660 (March 31, 2022: INR 1,451) pertaining to Software, cloud and data centre expenses.		
<u>Inter corporate loan given</u>		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	-	1,613
Eatgood Technologies Private Limited	10	-
	10	1,613

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Repayment of Inter Corporate Loan</u>		
Paytm Financial Services Limited	471	-
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	-	841
	471	841
<u>Investment in Optionally Convertible Debentures</u>		
Eatgood Technologies Private Limited	30	30
Admirable Software Limited	-	231
Paytm Financial Services Limited	220	-
	250	261
<u>Stock Options granted to employees of joint ventures and associates</u>		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	133	78
Paytm Payments Bank Limited	188	-
Paytm Financial Services Limited	*	-
	321	78
<u>Recharge of ESOP cost to associate</u>		
Paytm Payments Bank Limited	95	-
	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, 2023 and March 31, 2022:-

Particulars	March 31, 2023	March 31, 2022
<u>Other financial assets (Other receivable for expenditure incurred)</u>		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	164	223
Paytm Payments Bank Limited	30	138
Paytm Insuretech Private Limited	-	*
Admirable Software Limited	*	-
Paytm General Insurance Limited	45	12
Infinity Transoft Solution Private Limited	*	*
	239	373

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Other current assets</u>		
Paytm Payments Bank Limited	614	1,206
Paytm General Insurance Limited	-	31
	614	1,237
<u>Inter corporate loan receivable (including accrued interest)</u>		
Paytm Financial Services Limited	-	471
Eatgood Technologies Private Limited	11	-
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)##	1,796	1,679
	1,807	2,150
<u>Investments Optionally Convertible Debentures (including accrued interest)</u>		
Admirable Software Limited	263	241
Eatgood Technologies Private Limited	67	32
Paytm Financial Services Limited##	237	-
	567	273
<u>Amount receivable from payment gateway</u>		
Paytm Payments Bank Limited	21,144	20,115
	21,144	20,115
<u>Trade receivables</u>		
Paytm Payments Bank Limited	688	1,297
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	14	147
Eatgood Technologies Private Limited	*	-
	702	1,444
<u>Other financial assets</u>		
Paytm Payments Bank Limited	32	38
	32	38

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Trade payables (including accrued expenses)</u>		
Alipay Labs (Singapore) Pte Limited	150	77
Paytm Payments Bank Limited	42	51
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	*	3
Paytm Financial Services Limited	*	2
Paytm Insuretech Private Limited	*	3
Eatgood Technologies Private Limited	-	*
Paytm General Insurance Limited	24	22
Admirable Software Limited	*	*
	216	158

Excluding Fair Value impact amounting to INR 289 (March 31, 2022: 317)

Excluding Fair Value impact amounting to INR 72 (March 31, 2022: Nil)

* Amount below rounding off norms adopted by the Group

Particulars	March 31, 2023	March 31, 2022
<u>Other financial liabilities</u>		
- <u>Payable to merchants</u>		
Socomo Technologies Private Limited	*	*
Paytm Payments Bank Limited	5,287	2,280
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	55	48
Eatgood Technologies Private Limited	8	*
Infinity Transoft Solution Private Limited	*	*
	5,350	2,328
- <u>Others</u>		
Paytm Payments Bank Limited	1	37
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	58	96
Eatgood Technologies Private Limited	-	*
Socomo Technologies Private Limited	*	*
	59	133
<u>Contract Liabilities</u>		
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	*	*
	2	1

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Related party transactions (Contd..)

Particulars	March 31, 2023	March 31, 2022
<u>Other Current Liabilities</u>		
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	-	30
	-	30

Remuneration to KMP & Relative of Key Management Personnel

Particulars	March 31, 2023	March 31, 2022
Short-term employee benefits (Salaries, bonus and incentives)	84	103
Post-employment benefits (Provident fund)	*	*
Employee share based payment	11,243	5,670
Total compensation	11,327	5,773

* 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 by the Group entities as a whole.
- (iii) The Group has agreed to provide appropriate financial support only if and to the extent required by one of its 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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 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.

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 01, 2022	542	(249)	293
	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	3	39
	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

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2022:

		Defined benefit obligation	Fair value of plan assets #	Defined benefit liability (Net)
Gratuity cost charged to Statement of Profit or Loss	As at April 01, 2021	413	(169)	244
	Current Service cost	129	-	129
	Net interest expense/(income)	28	-	28
	Return on plan assets (excluding amounts included in net interest expense)	-	(11)	(11)
	Sub-total included in Statement of Profit or loss	157	(11)	146
Remeasurement (gains)/losses in Other Comprehensive Income	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	(10)	-	(10)
	Experience adjustments	29	2	31
	Sub-total included in OCI	19	2	21

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	17	-	17
	Benefits paid	(64)	49	(15)
	Contributions by employer	-	(120)	(120)
	As at March 31, 2022	542	(249)	293
	Current			8
	Non Current			285

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:

	March 31, 2023	March 31, 2022
Present value of the obligations at end	722	542
Fair value of plan assets	(178)	(249)
Deficit of funded plan/gratuity plan	544	293

The principal assumptions used in determining defined benefit obligations are shown below:

(i) Economic Assumptions

Particulars	March 31, 2023	March 31, 2022
	%	%
Discount rate	7.39-7.40	7.13 - 7.30
Future salary increases	8 -15	8 -12

(ii) Demographic Assumptions

Particulars	March 31, 2023	March 31, 2022
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

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)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Assumptions	March 31, 2022		March 31, 2022	
	Discount rate	Future salary increases		
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(10)	12	12	(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, 2024 are INR 254 (March 31, 2023 - INR 162).

The weighted average duration of the defined benefit obligation is 2.79 years (March 31, 2022- 2.78 years).

The average remaining working life of members of the defined benefit obligation as at March 31, 2023 is 30.87 years (as at March 31, 2022- 29.91 years)

The expected maturity analysis of gratuity is as follows:

	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	132	102
Between 1-2 years	130	104
Between 2 and 5 years	245	188
Beyond 5 years	215	148
Total expected payments	722	542

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

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.

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, 2023		March 31, 2022	
	Amount	In %	Amount	In %
Government securities	64	36.00	101	40.42
Non convertible debentures	98	55.00	117	47.10
Others	16	9.00	31	12.48
Total	178	100.00	249	100.00

28. Income Tax

The major components of income tax expense for the Year ended March 31, 2023 and March 31, 2022 are:

Consolidated Statement of profit and loss:

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	351	151
Deferred tax:		
Relating to origination and reversal of temporary differences	(15)	(38)
Income tax expense reported in the Statement of profit or loss	336	113

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

28. Income Tax (Contd..)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for Year ended March 31, 2023 and March 31, 2022:

	March 31, 2023	March 31, 2022
Accounting profit before income tax	(17,429)	(23,851)
At India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	(4,387)	(6,003)
Tax expense during the period for Paytm Associate Benefit Welfare Trust (formerly known as One 97 Employee Welfare Trust)	-	3
Share of results of associates	31	115
Tax in foreign jurisdiction	55	(6)
Effect of tax free rates in foreign jurisdiction	(1)	(5)
Other non-deductible expenses	151	143
Losses on which deferred taxes not recognised*	3,062	4,977
Losses on which deferred taxes utilised	(144)	-
Unabsorbed depreciation on which deferred taxes not recognised*	521	476
Other temporary differences on which deferred taxes utilised	-	(36)
Other temporary differences on which deferred taxes not recognised*	1,048	449
Income tax expense reported in the statement of profit and loss	336	113

Deferred tax relates to the following:

	Consolidated Balance Sheet		Consolidated statement of profit and loss	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2021
Deferred tax liabilities				
Accelerated depreciation for tax purposes	-	(2)	2	(2)
Loss allowance on financial assets	-	-	-	*
Employee Benefits	-	-	-	-
Deferred tax assets				
Unabsorbed depreciation	-	-	-	-
Unrealised foreign exchange gain/loss	-	-	-	-
Losses available for offsetting against future taxable income	-	-	-	-
Net deferred tax liabilities	-	(2)		

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

28. Income Tax (Contd..)

	Consolidated Balance Sheet		Consolidated statement of profit and loss	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2021
Deferred tax assets				
Accelerated depreciation for tax purposes	*	*	*	6
Loss allowance on financial assets	5	*	5	4
Losses available for offsetting against future taxable income	35	38	(4)	(14)
Employee Benefits	35	33	1	(33)
Preliminary Expense	2	(1)	3	1
Others	8	-	8	-
Deferred tax liabilities				
Unrealised foreign exchange gain/loss	-	*	-	-
Net deferred tax assets	85	70		
Deferred tax expense/(income)			15	(38)

Reconciliation of deferred tax liabilities (net)

	Net deferred tax liabilities		Net deferred tax assets	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance as of 1 April	(2)	(6)	70	35
Tax income/(expense) during the year recognised in profit or loss	2	3	13	35
Impact of FCTR	-	1	2	-
Closing balance as at 31 March	-	(2)	85	70

* As at the year ended on March 31, 2023 and March 31, 2022, 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 for certain entities.

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, 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 losses	No expiry period	68	17
Other temporary differences		16,757	4,217
Total		169,332	42,616

Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet:

Particulars	Expiry Date (Year ended March 31, 2022)	As of March 31, 2022	As of March 31, 2022 Tax impact @ 25.17%
Tax Losses	2023	3,316	835
	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
Total tax losses		135,679	34,147
Unabsorbed depreciation	No expiry period	5,955	1,582
Other temporary differences		11,591	2,917
Total		153,225	38,646

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, 2023 amounts to INR 67 (March 31, 2022: INR 100).

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 2,590 (Net of capital advance of INR 566) [March 31 2022: INR 3,060 (Net of capital advance of INR 763)].

c. Contingent liabilities

i)		March 31, 2023	March 31, 2022
Claims against the Group not acknowledged as debts		476	498
Income tax related matters		127	63
Custom duty related matter		36	-
Total		639	561

- 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.
- iii) The Holding Company has been made aware of certain matters/claims relating to infringement of trademarks and patents in relation to the business activities carried on by it. The Holding Company actively monitors such matters/claims along with appropriate legal/technology experts to assess their veracity and takes action as considered necessary. In the opinion of the management, no material liability is likely to arise on account of such matters/claims, based on assessments made to date.

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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

30. Buyback of shares

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.

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, 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				
Investment in equity shares	11,722	-	-	11,722
Investments at fair value through Profit and loss				

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Fair value (Contd..)

	As of March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
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 following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022

	As of March 31, 2022	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	9,749	-	-	9,749
Investments at fair value through Profit and loss				
Investment in Compulsorily Convertible Preference Shares	40	-	-	40
Investment in optionally convertible debentures	273	-	-	273
Inter corporate loans	1,362	-	-	1,362

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, trade receivables, loans, other financial assets, trade payables, lease liabilities, borrowings and other financial liabilities, approximate their carrying amounts.

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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. 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 Group has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Group ensures optimization of cash through fund planning and robust cash management practices.

(i) Interest Rate Risk

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

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

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

As at	March 31, 2023	March 31, 2022
Effect on loss before tax:		
Decrease by 50 bps	(*)	(*)
Increase by 50 bps	*	*

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

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

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

*Amount below rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

(ii) Price risk

The Group invests its surplus funds in debt based mutual fund, fixed deposits, Commercial papers, Treasury bills and Government Securities. As on March 31, 2023, 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, 2023	0.25%	(2)
	-0.25%	2
March 31, 2022	0.25%	Nil
	-0.25%	Nil

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).

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

	As at March 31, 2023		As at March 31, 2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in USD Millions	1	1	2	1
Total	1	1	2	1

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

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, 2023	10% strengthening of USD against INR	*
	10% weakening of USD against INR	*
March 31, 2022	10% strengthening of USD against INR	(6)
	10% weakening of USD against INR	5

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

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

*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- period ended March 31, 2023

Ageing	Unbilled Dues	Not due	0-1 year	1-2 year	2-3 year	>3 year	Credit impaired	Total
Gross carrying amount	6,271	3,778	2,703	407	141	108	1,068	14,476
Expected loss rate	3%	3%	5%	63%	91%	89%	100%	
Expected credit losses (Loss allowance provision)	157	110	130	258	129	96	1,068	1,948
Carrying amount (net of loss allowance)	6,114	3,668	2,573	149	12	12	-	12,528

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2022

Ageing in years	Unbilled Dues	Not due	0-1 year	1-2 year	2-3 year	>3 year	Credit impaired	Total
Gross carrying amount	3,415	1,794	2,551	370	123	111	716	9,080
Expected loss rate	4%	7%	7%	67%	85%	88%	100%	
Expected credit losses (Loss allowance provision)	147	125	178	247	105	98	716	1,616
Carrying amount (net of loss allowance)	3,268	1,669	2,373	123	18	13	-	7,464

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(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

Reconciliation of loss allowance	Loss allowance measured at simplified approach
Loss allowance as on April 1, 2021	1,570
Creation during the year#	46
Loss Allowance as on March 31, 2022	1,616
Creation during the year#	332
Loss Allowance as on March 31, 2023	1,948

#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.

(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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 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, 2021	246
Creation during the year#	382
Loss Allowance as on March 31, 2022	628
Creation during the year#	462
Loss Allowance as on March 31, 2023	1,090

#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.

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, 2023					
Borrowings	20	-	-	-	20
Lease liabilities	260	266	491	2,074	3,091
Trade payables	8,589	-	-	-	8,589
Other financial liabilities	27,586	-	-	-	27,586
Total	36,455	266	491	2,074	39,286
As at March 31, 2022					
Borrowings	1	-	-	-	1
Lease liabilities	308	251	446	2,141	3,146
Trade payables	7,514	-	-	-	7,514
Other financial liabilities	18,005	-	-	-	18,005
Total	25,828	251	446	2,141	28,666

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(Amounts in INR Million, unless otherwise stated)

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 into 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, 2023 and March 31, 2022.

34. Segment Reporting

The Group is engaged in different business units, including payment and financial services, commerce and cloud services and the Board of Directors (Chief Operating Decision Maker "CODM") reviews the information at the revenue level and does not allocate operating costs and expenses, assets and liabilities across business units, as the CODM does not use such information to allocate resources or evaluate the performance of the business units. Allocation of resources and assessment of financial performance is done at the consolidated level. The way the CODM reviews the performance, management of the 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 8,590 are derived from one external customer (March 31, 2022: INR 10,107 from one external customer).

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

35. Additional information

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 %	1,22,867	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)

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 Payments Services Limited (w.e.f October 10, 2020)	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

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 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	0.14 %	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%	1,29,929	100.00%	(17,765)	100.00%	2,082	100.00%	(15,683)

* Amount below rounding off norms adopted by the Group

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(Amounts in INR Million, unless otherwise stated)

35. Additional information (Contd..)

For the year ended March 31, 2022

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	97.05 %	1,37,125	97.02 %	(23,251)	(0.19)%	(18)	161.42 %	(23,269)
Adjustment due to consolidation	(9.34)%	(13,204)	(2.17)%	520	2.04 %	195	(4.96)%	715
Subsidiaries								
Indian								
One 97 Communications India Limited	0.61 %	858	(0.13)%	32	0.00 %	*	(0.22)%	32
Paytm Entertainment Limited	1.60 %	2,267	(0.11)%	26	0.00 %	*	(0.18)%	26
Paytm Money Limited	0.31 %	443	0.45 %	(107)	0.00 %	*	0.74 %	(107)
Wasteland Entertainment Private Limited	0.06 %	88	1.09 %	(261)	(0.00)%	*	1.81 %	(261)
Urja Money Private Limited (Including step down subsidiary)	(0.03)%	(49)	0.18 %	(44)	(0.00)%	*	0.31 %	(44)
Mobiquest Mobile Technologies Private Limited (Including step down subsidiary)	0.04 %	52	0.10 %	(25)	0.01 %	1	0.17 %	(24)
Little Internet Private Limited (Including step down subsidiary)	(0.23)%	(332)	0.18 %	(42)	0.00 %	*	0.29 %	(42)
Orbgen Technologies Private Limited	0.08 %	116	0.08 %	(20)	(0.03)%	(3)	0.16 %	(23)

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 Payments Services Limited (w.e.f October 10, 2020)	0.39 %	547	0.04 %	(9)	0.00 %	-	0.06 %	(9)
Paytm Insurance Broking private limited	0.23 %	332	0.33 %	(79)	(0.00)%	*	0.55 %	(79)
Paytm Services Private Limited (Formerly known as Balance Technology Private Limited)	0.06 %	78	(0.22)%	52	(0.02)%	(2)	(0.35)%	50
Foreign								
One97 Communications Singapore Private Limited (Including step down subsidiary)	7.79 %	11,001	1.10 %	(264)	98.19 %	9,376	(63.21)%	9,112
One97 Communications FZ-LLC	0.07 %	92	(0.03)%	7	0.00 %	-	(0.05)%	7
One97 Communications Nigeria Limited	(0.10)%	(143)	0.05 %	(13)	0.00 %	-	0.09 %	(13)
One97 USA Inc.	0.01 %	13	(0.03)%	7	0.00 %	-	(0.05)%	7
Non controlling interests in subsidiaries	(0.16)%	(221)	0.15 %	(35)	0.00 %	*	0.24 %	(35)

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
Interest in Associate Investments as per equity method)								
Indian								
Paytm Payments Bank Limited	1.38 %	1,956	0.21 %	(50)	0.00 %	-	0.35 %	(50)
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	0.03 %	(7)	0.00 %	-	0.05 %	(7)
Eatgood Technologies Private Limited	0.14 %	193	0.05 %	(12)	0.00 %	-	0.08 %	(12)
Paytm Financials Services Limited	0.00 %	4	0.06 %	(15)	0.00 %	-	0.10 %	(15)
Paytm Insuretech Private Limited (Formerly known as QoQL 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 %	-	1.56 %	(374)	0.00 %	-	2.59 %	(374)
	100.00%	1,41,295	100.00%	(23,964)	100.00%	9,549	100.00%	(14,415)

* Amount below rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements

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36. Impairment review of 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, 2023	As at March 31, 2022
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.

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 20% to 25% (March 31, 2022: 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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

36. Impairment review of goodwill arising on Consolidation (Contd..)

cash flows beyond the planning period, range from 1.5 to 2.5 times (March 31, 2022: 1.5 to 2.5 times) of revenue for the terminal year.

Goodwill Impairment

During the year ended March 31, 2023, no additional impairment is required based on above-mentioned analysis.

During the year ended March 31, 2022, the goodwill arising on account of consolidation has been impaired based on above mentioned analysis. Below is the table showing the value of goodwill impaired for the subsidiaries.

Impairment of Goodwill

Particulars	As at	
	March 31, 2023	As at March 31, 2022
Orbgen Technologies Private Limited	-	24
Total	-	24

37. Transactions with Non-controlling Interests

During the current year and previous year, there are 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	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current assets	2	6	61	52
Current liabilities	34	44	42	115
Net current assets	(32)	(38)	19	(62)
Non-Current assets	*	1	3	9
Non-Current liabilities	113	105	120	108
Net non-current assets	(112)	(104)	(117)	(100)
Net assets	(144)	(142)	(98)	(161)
Accumulated NCI	(158)	(180)	#	#

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(Amounts in INR Million, unless otherwise stated)

37. Transactions with Non-controlling Interests (Contd..)

Summarised statement of profit and loss	Little Internet Private Limited		Nearbuy Internet Private Limited	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue	-	-	79	86
Loss for the year	(2)	(14)	63	(35)
Other comprehensive income / (loss)	*	*	*	*
Total comprehensive income	(2)	(14)	63	(35)
Loss allocated to NCI#	22	(16)	#	#

Accumulated NCI and Loss allocated to NCI of Little Internet Private Limited includes accumulated NCI and loss allocated for Nearbuy Internet Private Limited.

Summarised cash flows	Little Internet Private Limited		Nearbuy Internet Private Limited	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Net cash inflow/ (used) in operating activities	(1)	*	2	(144)
Net cash inflow/ (used) in investing activities	*	(7)	-	17
Net cash inflow/ (used) from financing activities	(1)	(1)	(1)	136
Net increase/ (decrease) in cash and cash equivalents	(2)	(8)	1	9

* Amount below rounding off norms adopted by the Group.

38. Details of Transactions and outstanding balances of Paytm E-Commerce Private Limited (PEPL)

Details of transactions entered during the year

	March 31, 2023	March 31, 2022
Rendering of services to PEPL	1,055	1,281
Reimbursement of expenses incurred on behalf of PEPL	28	122
Services received from PEPL	200	189

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(Amounts in INR Million, unless otherwise stated)

38. Details of Transactions and outstanding balances of Paytm E-Commerce Private Limited (PEPL) (Contd..)

Details of outstanding balances

	March 31, 2023	March 31, 2022
Other Financial Assets	5	13
Trade payables	45	79
Other Financial Liability	25	126
Contract liabilities	3,384	4,176
Trade Receivable	16	30

39. Overdue outstanding foreign currency receivables

As of March 31, 2023, the Holding Company has certain foreign currency receivable balances aggregating to INR 374 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 had applied to the Authorised Dealer Bank for extension of time for realisation of these amounts and the approval has been received. 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 aggregating to INR 6. 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.

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, 2022 has been completed which did not result in any material adjustment.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 26 (March 31, 2022: INR 14) as CSR expenditure.

In respect of two subsidiaries on which CSR is applicable, refer below for disclosures:

	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent during the year	6	-
Amount of expenditure incurred	5	-
Amount of shortfall for the year	1	-
Amount of cumulative shortfall at the end of the year	1	-

One of the subsidiary Company is yet to incur the expenditure for the year. The company has time to spend the amount by September 30, 2023.

42. Notes given by the subsidiary and associate in their respective Financial Statements/Information:

a) Paytm Payments Services Limited (Subsidiary):

"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.

The RBI has directed the Company not to onboard new merchants. Management has assessed that this does not have a material impact on our business and revenues since the communication from RBI is applicable only to onboarding of new merchants."

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

42. Notes given by the subsidiary and associate in their respective Financial Statements/Information: (Contd..)

b) Paytm Payments Bank Limited (Associate):

"During FY2022, pursuant to a supervisory process, RBI directed the Bank to stop the onboarding of new customer's w.e.f. March 11, 2022. During FY2023, RBI appointed an external auditor for conducting a comprehensive systems audit of the Bank. On October 21, 2022 the Bank received the final report thereof from RBI outlining the need for continued strengthening of IT outsourcing processes and operational risk management, including KYC/AML at the Bank. Pursuant to a supervisory engagement thereafter, RBI recommended remediating action steps (including further steps to be taken by the Bank) in a time bound manner. The Bank has completed the compliance to these instructions of RBI and the same is currently being validated by RBI."

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 4,115 as IPO related expenses and allocated such expenses between the Company INR 1,866 and selling shareholders INR 2,249. 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 1,866, INR 1,401 has been adjusted to securities premium.

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

S. No	Objects of the issue	Amount as proposed in Offer Document	Amount Utilised up to March 31, 2023	Amount Un-utilised as on March 31, 2023
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	5,985	10,722
	ii) Expanding our merchant base and deepening our partnership with our merchants		12,967	
	iii) Strengthening and expanding our technology powered payments platform		13,326	
	Total (A)	43,000	32,278	10,722

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

43. Utilisation of IPO proceeds (Contd..)

S. No	Objects of the issue	Amount as proposed in Offer Document	Amount Utilised up to March 31, 2023	Amount Un-utilised as on March 31, 2023
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	18,134	7,849	10,285
	Total (C)	18,134	7,849	10,285
	Total (A+B+C)	81,134	40,127	41,007

Net IPO proceeds which were un-utilised as at March 31, 2023 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.

44. Additional disclosures required by Schedule III

- (i) The Group has granted loans and made investment in some of its subsidiary companies, associate companies and joint ventures. Loans has 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:

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III

One 97 Communications Limited

For the year ended March 31, 2023 and March 31, 2022:

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 27, 2021	175	Urja Money Private Limited	Ultimate beneficiary is the subsidiary of the company which has significant influence over the intermediary	Equity Investment	August 27, 2021	175
Admirable Software Limited	U72900DL2021 PLC385287	Associate Company	Optionally Convertible Debentures	February 11, 2022	57	Mobiquest Mobile Technologies Private Limited	Ultimate beneficiary is the subsidiary of the company which has significant influence over the intermediary	Equity Investment	February 18, 2022	7
Urja Money Private Limited	U93000MH2012 PTC237284	Subsidiary Company	Loan	June 30, 2021	15	Fincollect Services Private Limited	Subsidiary of the intermediary	Loan	July 15, 2021	5
Urja Money Private Limited	U93000MH2012 PTC237284	Subsidiary Company	Optionally Convertible Debentures	September 28, 2021	30	Fincollect Services Private Limited	Ultimate beneficiary is the subsidiary of the company which has significant influence over the intermediary	Loan	September 30, 2021	1
									October 1, 2021	*
									October 7, 2021	*
									October 18, 2021	15
									November 2, 2021	*
									November 30, 2021	*
									December 31, 2021	3
									January 6, 2022	*
									June 30, 2021	28
First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)	U74999DL2017 PTC325912	Joint Venture	Loan	June 7, 2021	803	First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.)	Subsidiary of the intermediary	Equity Investment	September 6, 2021	11
										1

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

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).

Notes given by the subsidiaries, associates and joint ventures in their respective standalone financial statements

Paytm Financial Services Limited

For the year ended March 31, 2023:

"Utilisation of the borrowed funds and share premium in the holding company.

Date	Amount	Mode	Funding Party
May 10, 2022	220	Optionally Convertible Debenture	One 97 Communications Limited
May 10, 2022	230	Optionally Convertible Debenture	VSS Investco Private Limited

During the previous year, the Company has received funds from its Ultimate Holding Company, One 97 Communications Limited (OCL), and VSS Investco Private Limited as mentioned in the table above. The Company has not yet utilised the above funds for its business operations."

For the year ended March 31, 2022:

"Utilisation of the borrowed funds and share premium in the holding company.

Date	Amount	Mode	Funding Party
February 24, 2021	250	Inter Company Deposits	One 97 Communications Limited
March 25, 2021	200	Inter Company Deposits	One 97 Communications Limited

During the previous year, the Company has received funds from its Ultimate Holding Company, One 97 Communications Limited (OCL) as mentioned in the table above. The Company has utilised the above funds for its business operations and invested an amount of INR 1 and INR 450 to its Subsidiary Companies, Admirable Software Limited on August 17, 2021 and Foster Payment Networks Private Limited on March 26, 2021, respectively.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

Utilisation of the borrowed funds and share premium in the subsidiary company.

Date	Amount	Mode	Funding Party
August 27, 2021	175	Optionally Convertible Debentures	One 97 Communications Limited
February 11, 2022	57	Optionally Convertible Debentures	One 97 Communications Limited

During the year, the Admirable Software Limited has received funds from its Ultimate Holding Company, One 97 Communications Limited (OCL) as mentioned in the table above. The Company has utilised the above funds for its business operations and has also invested an amount of INR 175 to its Associate Company, Urja Money Private Limited on August 27, 2021 and invested an amount of INR 7 in Mobiquest Mobile Technologies Private Limited on February 18, 2022.

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)."

Urja Money Private Limited

For the year ended March 31, 2022:

Date	Amount	Mode	Funding Party
June 29, 2021	15	Inter Company Deposits	One 97 Communications Limited
September 28, 2021	30	Optionally Convertible Debentures	One 97 Communications Limited

"During the year, the Company has received funds from its Holding Company, One 97 Communications Limited (OCL) as mentioned in the table above. The Company has utilised the above funds for its business operations and has also lent an amount of INR 25 to its wholly owned subsidiary, Fincollect Services Private Limited ("FSPL") on various dates during the year. The maximum outstanding balance of FSPL in the Company's books at any point during the year was INR 24.

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)."

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

First Games Technology Private Limited (formerly known as Paytm First Games Private Limited)

For the year ended March 31, 2022:

"One 97 Communications Limited ("Parent of the Joint Venture Partner") has provided a loan to its joint venture, First Games Technology Private Limited (formerly known as Paytm First Games Private Limited) ("The Intermediary") of INR 803 on June 7, 2021. Subsequently, the Company, based on the approvals from its Board, made a decision to invest part of the proceeds in First Games Singapore Pte. Ltd. (formerly known as Paytm First Games Singapore Pte. Ltd.) of INR 28 and INR 11 on June 30, 2021 and September 6, 2021, respectively aggregating to INR 39. Further, the Company also made investments in Paytm Technology (Beijing) Co., Limited of INR 1 on September 4, 2021.

The above transactions are in compliance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act and are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)."

Little Internet Private Limited

For the year ended March 31, 2022:

"On December 30, 2019 the Company had taken a Inter Corporate Loan (ICD) of INR 70 from its holding Company One 97 Communications Limited ('OCL') with the understanding that the Company may invest in its Subsidiary Company ("Nearbuy"). Accordingly, the Company has invested fund in the Subsidiary Company amounting to Rs.7 (March 31, 2021: Rs.66).

Relevant provisions of Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)."

(ii) 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. The Group file statement of current assets with the bank on quarterly basis. There are no material discrepancies between the statement filed and the books of accounts.

(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:

(a) One 97 Communications Limited (Holding Company)

(i) There are no Balances reported with the companies identified as struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 as at March 31, 2023 and March 31, 2022. During the year, the Company has written off and written back the balances with struck off companies amounting to * and 1 respectively.

* Amount below rounding off norms adopted by the Company.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(b) Wasteland Entertainment Private Limited (Subsidiary)

Name of struck off companies	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022 #	Relationship with the struck off company
Allstars United India Private Limited #, M K Enterprises Private Limited, Prince Enterprises Private Limited, Anu Travels Private Limited, S K Consultancy Services Private Limited, Blackeyed Event Management Private Limited, Genesis Foundation Pvt Ltd, Magnum Fashions Private Limited, Pb Entertainment Private Limited, Razzle Dazzle Entertainment Private Limited, Shivam Enterprises Pvt Ltd, Travel Plus India Private Limited.	1		* Customer

* Amount below rounding off norms adopted by the Group.

Balance outstanding as at March 31, 2022 pertains to only one party – Allstars United India Private Limited

Name of struck off companies	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022 #	Relationship with the struck off company
Clay Station Art Studios Private Limited #, Indecor Private Limited, Matrix Technologies Private Limited, S .K. Travels Private Limited, Sun Enterprises Private Limited, Third Eye Security Systems Private Limited.	*	*	Vendor

* Amount below rounding off norms adopted by the Group.

Balance outstanding as at March 31, 2022 pertains to only one party – Clay Station Art Studios Private Limited.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(c) Little Internet Private Limited (Subsidiary)

Name of struck off companies	Balance outstanding as at March 31, 2023 & March 31, 2022	Relationship with the company struck off
A. J. Beauty and Health Private Limited, A3 Health Food Ventures Private Limited, Anavila Foods Private Limited, B.S. Enterprises Private Limited, AI Global Beverages Private Limited, Al-an Ventures Private Limited, Ashleys Patisserie Private Limited, Aviashi Foods Private Limited, Big Bite Hospitality Private Limited, Chirag Restaurant Private Limited, Cafe Nine Private Limited, Chanson Hospitality Private Limited, City One Cafe & Bar Private Limited, Every Door Mystery Private Limited, Flash Foods and Beverages Private Limited, Frosty Foods and Beverages Private Limited, Falcon Hospitality Private Limited, Fnb Delights Private Limited, Fomokart Retail Private Limited, Food konnect Hospitality Private Limited, Green Park Hotels & Resorts Limited, Goldeneagle Fuds Private Limited, Golden Ginger Services Private Limited, Gratom Hospitality Private Limited, Iaea Food and Drinks Private Limited, Incubo Infotech Private Limited, Jitendra hindusthan Dhaba Private Limited, Jumbo Seafoods Private Limited, KV Hospitality Private Limited, Kattumaram Restaurants Private Limited, Malt and Leaf Hospitality Private Limited, Meuse Hotels and Hospitality Private Limited, Nfc Foods India Private Limited, Nutri Kitchen Private Limited, Pad Food Joint Private Limited, Palette Foods Private Limited, Pizzaroma Food Private Limited, Praana Restaurants Private Limited, Queen Marys Lifestyle Private Limited, R.j.establisments Private Limited, Rmb Hospitality (India) Private Limited, Rainbow Lifestyle Factory Private Limited, Red Ninja Hospitality Private Limited, Sahara Hospitality Limited, Sva Hospitality Private Limited, Scubert Retail Services Private Limited, Shivmitar Foodlinks Private Limited, Soni Mamaji Foods Private Limited, Tbc Tiffin Kaku Private Limited, Tech2trend It Solutions Private Limited, Tughlaq Foods Private Limited, Versus Hospitality Private Limited, Vittlecious Hospitality Private Limited, Ypa Hospitality Private Limited, Ariyansh Foods Private Limited.	Amount	Merchant - individually receivables and as aggregate are below rounding off norms adopted by the Group

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, 2023 & March 31, 2022	Relationship with the struck off company
Mahalaxmi Foods Private Limited, Maharaj Foods Private Limited, Mak Enterprise Private Limited, Ang Hospitality Private Limited, M S Enterprises Private Limited, Oram Foods Private Limited, Orange Feeds Private Limited, Orange Foods Private Limited, Anm Hospitality Private Limited, Parmar Associates Private Limited, Perfect Foods Private Limited, Pg Enterprises Private Limited, P.R. Hospitality Private Limited, Prarambh Spa Private Limited, R K Ceramics Private Limited, Raj Residency Private Limited, Rangat Restaurant Private Limited, Rohan Enterprises Private Limited, Royal Cafe Private Limited, Royal Enterprises Private Limited, Rudra Enterprises Private Limited, S V Motors Private Limited, Arv Hospitality Private Limited, Siddhivinayak Enterprises Private Limited, S K Ventures Private Limited, S M Enterprises Private Limited, S N Hospitality Private Limited, Spark Beauty Parlour Private Limited, Sri Venkateshwara Power Private Limited, Suman Enterprises Private Limited, Sushama Private Limited, Unnati Foods Private Limited, Vansh Enterprises Private Limited, Viva Foods Private Limited, White Feathers Hospitality Private Limited, White Orchid Resorts Private Limited, Wholesome Foods Private Limited, Worldwide Holidays Limited, Yummy Foods Private Limited, Bharti Foods Private Limited, Abc Entertainment Private Limited, Elite Enterprises Private Limited, Exotic Foods Private Limited, Exotic Foods Private Limited, Folklore Restaurants Private Limited, Foodkonnect Hospitality Private Limited, Foodocean Hotels Private Limited, Fortune Suites Private Limited, G.K Foods Private Limited, Greenwell Enterprises Private Limited, Aishwarya Enterprises Private Limited, Hamsa Private Limited, Honeywell Enterprises Private Limited, Horizon Hospitality Private Limited, Hospitality Asia Private Limited, Hotel Hillview (P) Limited, Hotel Maharaja Private Limited, Hotel Mount Heera Private Limited, Hotel Sura Palace P.Limited, Just Biryani Private Limited, Kiku'S Restaurant And Bar Private Limited,	Amount Merchant - individually receivables and as aggregate are below rounding off norms adopted by the Group	

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, 2023 & March 31, 2022	Relationship with the struck off company
Kurtarkar Hotels Private Limited, Lotus Associates Private Limited, M M And Associates Private Limited, Bglam Services Private Limited, Blue Mango Hospitality Private Limited, Bts Hospitality Private Limited, C V Restaurant Private Limited, Comrades Cafe Private Limited, D L Holdings Private Limited, Darshan Enterprises Private Limited, Dice Hospitality Private Limited, Disha International Private Limited, Elegant Enterprises Private Limited, Foodindex Restaurants Private Limited, G-six Flavours Private Limited, Gui Technologies Private Limited, Guru Foods Private Limited, Hazzel Dairy Products Private Limited, Honrao Hotels Private Limited, Impresa Hospitality Management Private Limited, In Green Hotels Private Limited, Infinite One Foods Private Limited, Jarota Enterprises Private Limited, Jk Amici Hotels Private Limited, Jsr Hospitality Private Limited, Kan - Ket Marketing (Opc) Private Limited, Maharaj Foods Private Limited, Mandakini Vacations Private Limited ,Maple Leafwoods Private Limited, Maypri Foods Private Limited, Micro Hotels Private Limited, Mookh Salons and Academy Private Limited, Mughal Darbar Restaurants Private Limited, Paris Baker Private Limited, Pathway Hospitalities Private Limited, Paulsons Hospitality Private Limited, Pine Tree Hospitality Private Limited, Royal Almond Hospitality Private Limited.		Amount Merchant - individually receivables and as aggregate are below rounding off norms adopted by the Group

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, 2023 & March 31, 2022	Relationship with the struck off company
A K Hotels Private Limited, A K M Enterprises Private Limited, Aarav Hospitality Services Private Limited, Acrotech (India) Private Limited, Ahoy Foods Private Limited, Ak Enterprises Private Limited, Akshaya Pathra Private Limited, Alive Day Spa Private Limited, Amarnath Enterprises Private Limited, Anji Foods Private Limited, Aries Marcom Private Limited, Asthavinaayak Cuisines Private Limited, Aten Foods Private Limited , Athithi Inn Private Limited, Balaji Hospitality Services Private Limited, Barcelos India Private Limited, Aek Healthy Routes Private Limited, Aroundu Labs Private Limited, De Miami Cocoa Private Limited, Di Hair Salon Private Limited, Dietshala Private Limited, Fs Dining Private Limited, Fruition Hotels Private Limited, Gourmet Trails Private Limited, Hkk Foods Private Limited, Jackpot Ventures Private Limited, Kari Virunthu Restaurant Private Limited, King Mithaiwala Private Limited, La Pizzaiolo Foods Private Limited, Maruti Retail Private Limited, Metatron Hospitality India Private Limited, One World Cuisine Private Limited, Ora Dent Clinic Private Limited, Ora Dent Clinic Private Limited, Penguin Resorts Private Limited, R T Deshmukh Hotels (Pune) Private Limited, Simplify Gastronomy Private Limited, Sky Spa Private Limited, Solar Heights Developers Private Limited, Star Gourmet Private Limited, Thanco Natural Foods Private Limited, Triage Infrastructures (India) Private Limited, Two Aar's Health & Fitness Private Limited, Urban Mingle Hospitality India Private Limited, Vip Pizza International Private Limited, Zi Foods Private Limited. Magic Meals Private Limited, Marina Enterprises Private Limited, Matrix Foods Private Limited, Mini Foods Private Limited, Msd Enterprises Private Limited, N.V. Foods Private Limited, Navrang Private Limited, New Town Restaurants Private Limited, Nishim	Amount individually and as aggregate are below rounding off norms adopted by the Group	Merchant - payables

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, 2023 & March 31, 2022	Relationship with the struck off company
Wellness Private Limited, Nishim Wellness Private Limited, N P S Foods Private Limited, Om Industries Private Limited, Omega Marketing Private Limited, Paradise Spa Limited, Paras Enterprises Private Limited, R & G Foods Private Limited, Rainbow Enterprises Private Limited, Apple Health-Care Limited, Roots De Salon Cafe Private Limited, S.M. Ventures Private Limited, San Enterprises Private Limited, Shine Hospitality Private Limited, A S A Enterprises Private Limited, Shri Khatushyamji Fuels Private Limited, Signature Sweets Private Limited, Skillet And Griddle Private Limited, Soham Enterprises Limited, S R K Enterprises Private Limited, Sunita Private Limited, Avighna Enterprises Private Limited, Vidhi Enterprises Private Limited, Virat Foods Private Limited, Chunilal Private Limited, Deepak Private Limited, Delites Services Private Limited, Dharika Enterprises Private Limited, Frontline Builders PrivateLimited, Front Line Builders Private Limited, G T S Enterprises Private Limited, Hifirooms Private Limited, Hospitality Zone Private Limited, Hotel Amir Private Limited, Hotel Lavina Private Limited, Hotel Blue Bird Private Limited, Hotel City Centre Private Limited, Hotel Crown Private Limited, Akshara Communications Private Limited, Hotel Grace Private Limited, Hotel Mallikai Private Limited, Hotel M.G.Residency Private Limited, Hotel Salty Private Limited, Hotel Tourist Private Limited, Hotel Vinayak Private Limited, H.S. Foods Private Limited, Indian Bites Private Limited, Infinity Enterprises Private Limited, Infinity Hospitality Private Limited, Alternate Etail Private Limited, Jubin Media Private Limited, Kamakshi Enterprises Private Limited, Krishna Marketing Private Limited, American Bites Private Limited, Leyan Beauty Lounge Private Limited, Berkowits Hair And Skin Clinic Private Limited, Better Foods Private	Amount individually and as aggregate are below rounding off norms adopted by the Group	Merchant - payables

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, 2023 & March 31, 2022	Relationship with the struck off company
Limited, Big Barter Marketing Private Limited, Bluestone Hospitality Private Limited, Boudoir Lounge Private Limited, Bridgelink Wellness Private Limited, Bss Enterprises Private Limited, Celebrity Fitness India Private Limited, Celestial Hotels Private Limited, Club House Private Limited, D Lite Frankies And Foods Private Limited, D Lite Frankies and Foods Private limited, Food Fanatics Private Limited, G K Culinary Private Limited, Grand Enterprises Private Limited, Gravy Train Hospitality Private Limited, Hospitality Plus Private Limited, Hotel Rajmahal Private Limited, Hotel Sanjay Private Limited, Hsl Gourmet House Private Limited, I Square Hospitality Private Limited, Impressions Food and Hospitality Private Limited, Indus Builders PrivateLimited, Indus Builders Pvt.ltd., J.S.K. Foods Private Limited, Jbs Ventures Private Limited, Kitchen Stories Retail Private Limited, League Concepts Limited, M M Enterprises Private Limited, M S Enterprises Private Limited, M.a.hospitality Private Limited, M.M. Associates Private Limited, Mahadev Com Limited, Malt and Leaf Hospitality Private Limited, Manna Hospitality Private Limited, Mass Blurb Private Limited, Metro Dhaba Private Limited, Narang Associates Private Limited, Nfm Studios Private Limited, Ninety5 Hotels Private Limited, Nisha Associates Private Limited, Oleander Hospitality Private Limited, Om Sai Enterprises Private Limited, Pan Club Hotels Private Limited, Pandora Hospitality Private Limited, Potheads Food Private Limited, Pragati ways Food Tech Private Limited, Prav Hospitality Private Limited, Purple Projects Private Limited, R.M. Associates Private Limited, Rajina Private Limited, Rembrandt Fashion Hospitality Private Limited, Reviera Beauty Private Limited, Royal Communications Private Limited.	Amount individually and as aggregate are below rounding off norms adopted by the Group	Merchant - payables

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(d) Nearbuy India Private Limited (Subsidiary)

Name of struck off companies	Balance outstanding as at March 31, 2023 & March 31, 2022	Relationship with the struck off company
AKM Enterprises Private Limited, Andiviaa Entertainments Private Limited, Compere Hotels Private Limited, GK Motel Private Limited, Madras Ventures Private Limited, Next Level Food & Beverages Private Limited, Piccadily Holiday Resorts Limited, Prakruthi Ayurveda And Wellness, Red Ninja Hospitality Private Limited, Shivmitar Food links Private Limited, T & D Ventures Private Limited, Uzhavan Foods Private Limited, Vroom Technologies Private Limited, Zam Zam Caterers Private Limited., Skinsense Private Limited, Oasis restaurants Private Limited, S M enterprises Private Limited, International canends Private Limited, Yuvi entertainment Private Limited, Baan spa Private Limited, Charisma spa Private Limited, S M enterprises Private Limited, V.S. enterprises Private Limited, J.M.D. enterprises Private Limited, White lotus spa Private Limited, Barcelos India Private Limited, Infinity Hospitality Private Limited, Eminent Entertainment Private Limited, Om Sai Enterprises Private Limited, S P Enterprises Private Limited, Meuse Hotels And Hospitality Private limited, K.V.S.Enterprises Private Limited, Rainbow Enterprises Pvt Ltd, A K M Enterprises Private Limited, Sun Systems Pvt Ltd, Navrang Pvt Ltd, Vishal Electronics Private Limited, Anu Foods Limited, Aquarius Private Limited, Marvel Foods Pvt Ltd, Mahanirvana Hospitality Private Limited, Comrades Cafe Private Limited, Club House Private Limited, Solaris Corporate Services Private Limited, Birla Ayurveda Private Limited, Kavya Enterprises Private Limited, A S A Enterprises Pvt Ltd, Prakriti Enterprises Private Limited, Royal Baker Private Ltd, Piccadily Holiday Resorts Ltd, Invictus Hospitality Private Limited, Surya Communications Pvt Ltd, Shiva Foods Pvt Ltd, M. G. Hospitality Private Limited, Bhole HR Solutions Private	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, 2023 & March 31, 2022	Relationship with the struck off company
Limited, Black Salt Restaurants Private Limited, Entertainment Nine Private Limited, Harry's Kitchens Private Limited, International Recreation & Amusement Limited, J One Entertainment Private Limited, Meuse hotels and Hospitality Private Limited, Mina Enterprises Private Limited, Mud Flap Technologies Private Limited, S. R. G. Foods Private Limited, Shri Krishna Hitech Private Limited, Smart Kar Kare Services Private Limited, Star Events Private Limited, Staypure Private Limited, Sukhija Hospitality Private Limited.	Amount individually and as aggregate are below rounding off norms adopted by the Group	Merchant – receivables
Leyan beauty lounge Private Limited, RU's beauty care Private Limited, Duet India hotels (Nagpur) Private Limited, Lucky enterprises Private Limited, Trend creators Private Limited, Infinity enterprises Private Limited, Prakruthi ayurveda and wellness private limited, Sunshine services Private Limited, Aishwarya enterprises Private Limited, Oasis day spa Private Limited, Rohan enterprises Private Limited, Suruchi foods Private Limited, SNR enterprises Private Limited, Sri Mookambigai foods Private Limited, Paras infotech Private Limited, Bharati Private Limited, S P enterprises Private Limited, A.R. associates Private Limited, Swarna Enterprises Private Limited, A G Enterprises Pvt Ltd, A V Hospitality Private Limited, Alive Day Spa Private Limited, BTS hospitality Private Limited,	Amount individually and as aggregate are below rounding off norms adopted by the Group	Merchant – payables

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, 2023 & March 31, 2022	Relationship with the struck off company
D.M. Enterprises Private Limited, Elite enterprises Private Limited, G.R.International Private Limited, Greenpark Hotels & Resorts Limited, Headlines makeover studio privatelimited, International Recreation & Amusement Limited, Khan And Sirohi Electro Mechanical Private Limited, Mag leisures Private Limited, Mantra solutions Private Limited, Meera Samuh Hospitality Services 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, Sahara Hospitality Limited, Sairam enterprises Private Limited, Suruchi foods Private Limited, Tease Salon Private Limited, Thai Orchid Hospitality Private Limited, Tif digital Private Limited, V S realestate Private Limited, YoYo Club Private Limited, Yuga enterprises Private Limited	Amount individually and as aggregate are below rounding off norms adopted by the Group	Merchant – payables

Name of struck off companies	Balance outstanding as at March 31, 2023 & March 31, 2022	Relationship with the struck off company
Ambica Enterprises Private Limited, Elegant Hospitality Private Limited, Studio Kraft Pvt Ltd, M Studio Private Limited, Divyam Enterprises Private Limited, Springfield Process Private Limited, Divine Spa Private Limited, Impact Marketing Private Limited, Laxmi Enterprises Private Limited, Dew Wellness Private Limited, Millenium Services Private Limited, Kumar Enterprises Private Limited, Rajdeep Enterprises Private Limited, Devour Skin Care Private Limited, Shivam Enterprises Pvt Ltd, Gulia Enterprises Private Limited, J.D.Hotels Private Limited, Lata Enterprises Private Limited, Crudex Lng Petroleum Private Limited, Footcare Private Limited	Nil	Merchant

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(e) Paytm Payments Services Limited (Subsidiary)

Name of struck off companies	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022	Relationship with the struck off company
Immune Mantra Private Limited	5	-	Merchant
Genblue Hitech Private Limited	2	-	Merchant
Light Catcher Information Technology Private Limited	1	-	Merchant
Bombardin Tech Private Limited	1	-	Merchant

Name of struck off companies	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022	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	2	Amount individually and as aggregate are below rounding off norms adopted by the Group	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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(xiii) Utilisation of borrowings availed from banks and financial institutions.

The Group has utilised the borrowing for the purpose it was obtained.

45. Company Secretary

Mr. Amit Khera, Company Secretary of the Holding Company has resigned from the Holding Company with effect from March 14, 2023. The Holding Company is in the process of identifying the replacement and shall make the appointment at the earliest and in any event within the applicable statutory time limit.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/ N500016

Amitesh Dutta | Partner

Membership No: 058507

Place: Gurugram | Date: May 5, 2023

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 5, 2023

Madhur Deora | Executive Director,

President & Group Chief Financial Officer

DIN No. 07720350

Place: Mumbai | Date: May 5, 2023

Notes



Registered Office
One 97 Communications Limited
First Floor, Devika Tower Nehru Place
New Delhi – 110019, India

Corporate Office
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