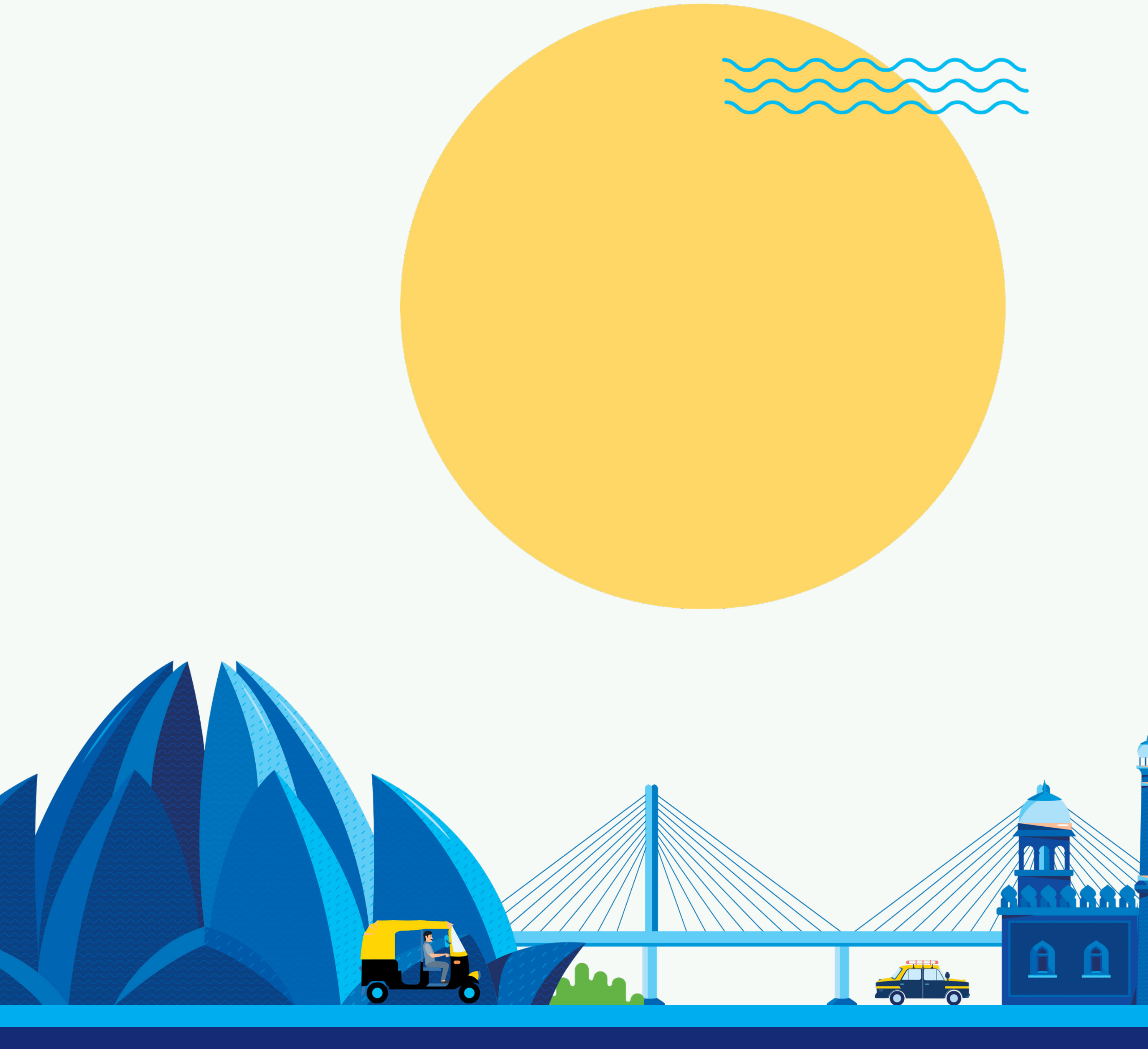
Paytm

Annual Report FY'22



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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 Director

Mr. Neeraj Arora
Non-Executive Independent Director

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

Mr. Douglas Feagin
Non-Executive Director

Mr. Ashit Ranjit Lilani
Non-Executive Independent Director

Mr. Mark Schwartz
Non-Executive Independent Director

Mrs. Pallavi Shardul Shroff
Non-Executive Independent Director

Mr. Amit Khera
Company Secretary & Compliance officer

Statutory Auditors
Price Waterhouse Chartered Accountants LLP

Secretarial Auditor
PI & Associates
Company Secretaries

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

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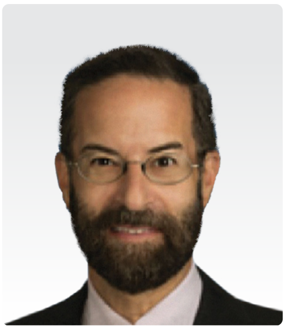


Mr. Mark Schwartz
Non-Executive Independent Director

Mrs. Pallavi Shardul Shroff
Non-Executive Independent Director

Audit Committee		Nomination & Remuneration Committee		Stakeholders' Relationship Committee		Risk Management Committee		Corporate Social Responsibility Committee	
Chairman	□	Chairman	□	Chairman	□	Chairman	□	Chairman	□
Member	●	Member	●	Member	●	Member	●	Member	●

Note: Non-Executive Directors in alphabetical order, by last name

Letter to Shareholders

Dear Shareholders,

It gives me great pleasure to present Paytm's annual report for FY 2021-22, our first as a publicly listed company. I am proud of what Paytm has achieved in the last year with rapid growth in payments, and a huge scale-up in lending and payments devices businesses. We remain committed to building a large, profitable company and creating long-term shareholder value.

India is in the midst of a technology revolution, as consumers and small businesses are adopting technology at a rapid pace. The network effect of this adoption across use cases is visible and is having a profound impact. Payments has been at the forefront of this revolution and now consumers and merchants are increasingly using, and indeed demanding, digital financial services. We are proud to say that our businesses are leveraging this opportunity and contributing in further accelerating the pace of technology adoption. I believe, in the days to come, India will become an exemplar market, especially in payments, leading to financial services.

The core of Paytm's business model is to acquire consumers and merchants for payments services, and upselling them financial services, by leveraging our distribution, collections and our transactional and behavioural insights. We have sharpened our focus on Payments and distribution of Lending products and have prioritised these businesses in our resource allocation.

Paytm app now has more and more users coming on to our platform for their everyday usage without requiring any incentive from us. We are focused on further expanding our payments network by acquiring quality customers and merchants with high activity rate and transaction frequency. UPI has emerged as one of the key customers and merchant acquisition channels for us. UPI merchant payments, which are free for the merchant, have now also become economically viable because the government is encouraging digital payments through incentives on UPI P2M transactions. We have been able to monetise our platform by upselling financial services to our customers and merchants, and also upselling payment devices to our merchants.

Our team is focused on expanding the payments offerings available to our consumers - on Paytm app, in-store, online, using FASTag affixed on cars, among many other everyday habits. Our focus is also on showing how creditors can leverage this mobile payments relationship for lending. BNPL, which allows our partner financial institutions to issue credit to consumers at the point of sale, has become a consumer favourite. Our attention is on helping our financial institution partners issue less and less risky loans to more and more people. Aligned to the Government and Regulator expectations of expanding financial services inclusion and digital disbursement of lending, Paytm's business model expands the creditworthiness of consumers and enables greater access.

We see that merchants intuitively understand the value of digital payments; and increasingly, they are ready to pay for technology that makes digital payments easier and trusted. We are increasingly seeing merchants opt for devices, whether Paytm card machines or Soundbox, on their counter, and this adoption of devices by merchants is almost certainly going to further accelerate. Once merchants start accepting payments through us, they start to become eligible for lending from the lenders that we have partnered with, who are able to rely on our distribution and merchant insights, otherwise unavailable to them. This presents us with a great opportunity to enable financial inclusion for a large number of merchants. This journey means that the relationship we have with our merchants expands over time from QR payments to devices to credit.

Paytm pioneered mobile payments in India, serving customers as well as small and large merchants. Paytm's technology platform is focused on delivering newer ways for payment solutions, including GPS based payment etc. Our offering to the ecosystem is innovative technology and the ultimate business solution that has become mainstream for the industry and the country. We strive to continue delivering innovative funding sources and payment methods, which is also encouraged by Regulators.

I believe that over the past year, our team has done a great job in massively improving our revenues and contribution profits, which allows for investments in our payments and credit businesses while at the same time reducing our EBITDA losses. We are seeing excellent momentum in our businesses and are on track to achieve operating profitability (EBITDA before ESOP cost) by the quarter ending September 2023.

Yours sincerely,
Vijay

Management Discussion and Analysis

Macroeconomic overview

India is a country with hundreds of millions of consumers who are fast adopting smartphones, and aspiring to a world class experience in payments and financial services. Similarly, there are millions of small businesses who would benefit from having increased access to affordable software, technology and financial services. We believe these consumers and small businesses can be served through world-class, technology-led, digital-first payment and financial services.

Despite the impact due to COVID-19 pandemic on global economies, India continues to be the fastest growing major economy globally and is expected to grow at a CAGR of 9% over next five years, according to RedSeer. The key aspects of economic growth in India are (i) rising consumption, (ii) favourable demographics with a large working population, and (iii) growing urbanization.

Industry overview and Outlook

India's payment landscape has transformed over the last decade driven by the innovations in mobile payments and payments infrastructure, the government's vision to transform India into a cashless society, high consumer and merchant acceptance, and regulatory support. Digital payments continue to scale rapidly due to the increasing user preference of transacting through their mobile phones for bill payments, in-store payments and for money-transfer, combined with growth of digital commerce and services. As a result of these factors, 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 *(Source: The Digital Transformation of Payments and Financial Services in India dated October 23, 2021, prepared by RedSeer)*.

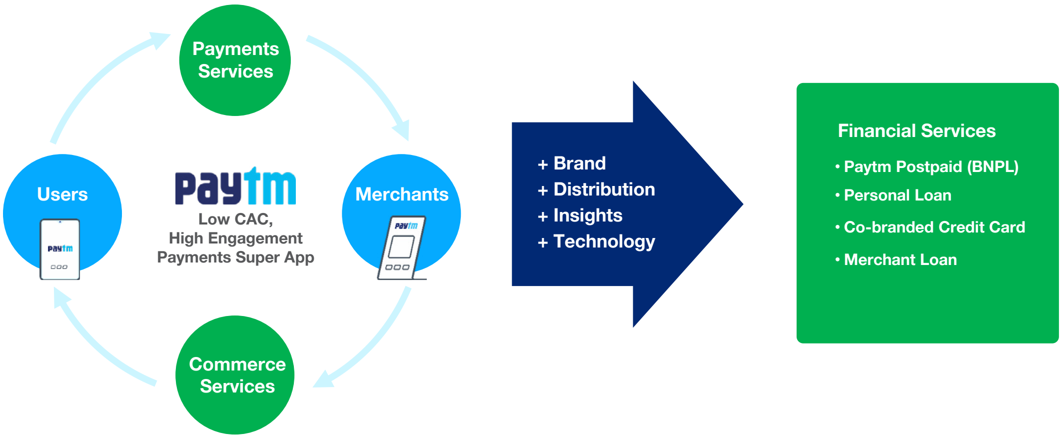
We provide payment services to consumers and merchants, allow merchants to grow their business using Paytm's consumer traffic, and provide financial services, particularly lending (through our financial institution partners) to both consumers and merchants. In these areas, India has lower levels of online penetration vs other markets. Compared to other countries, India's value of card transactions (credit card + debit card) as a % of GDP, at 7% in CY21E, is one of the lowest. Including mobile payments, this ratio is 14%, still lower than just card payment transactions in other countries *(Source: broker research)*. Over the next 8 years, broker research expects digital payments' share in GDP to more than double to 32%, similar to current card payment penetration levels in countries such as the UK and the US, but still lower than penetration levels in China and South Korea.

As per estimates from brokers, most of Paytm's TAMs are expected to grow at 20%+ CAGR over the next 5 years. Broker research estimates the digital payments TAM in India to be US$436 billion in FY22E (merchant payments only; cards + UPI), having grown at a 38% CAGR since FY17. They forecast India's digital payments TAM to grow at a 23% FY22E-30E CAGR to reach US$2.3 tn by FY30E.

By FY 2026, retail lending is expected to be a US$1 trillion market, and MSME lending is expected to be a US$600 billion 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 billion in FY21, of which US$2 billion was through online channels, while remaining US$1 billion was through offline channels. They forecast the BNPL industry to grow at 65% FY21-26E CAGR to reach US$35 billion (14% of credit spends) by FY26E. Of the US$35 billion, they estimate online channels to constitute US$24 billion and the remainder US$11 billion from offline medium.

Our Business Model

Our business is to offer a comprehensive suite of payments services to acquire consumers and merchants, as well as leverage our two-sided, consumer and merchant ecosystem and rich insights from our platform to cross-sell high-margin financial services and merchant services (commerce and cloud).



Consumers come to our platform for a variety of payment use cases as well as the comprehensiveness of available payment instruments. High consumer adoption encourages merchants to join our platform, and also use our commerce offerings to leverage our consumer traffic to grow their business. At the same time, more merchants on our platform leads to a more diverse array of use cases on offer for consumers. This creates a self-reinforcing loop, which demonstrates high frequency, high repeat rates, and leads to powerful consumer stickiness and retention.

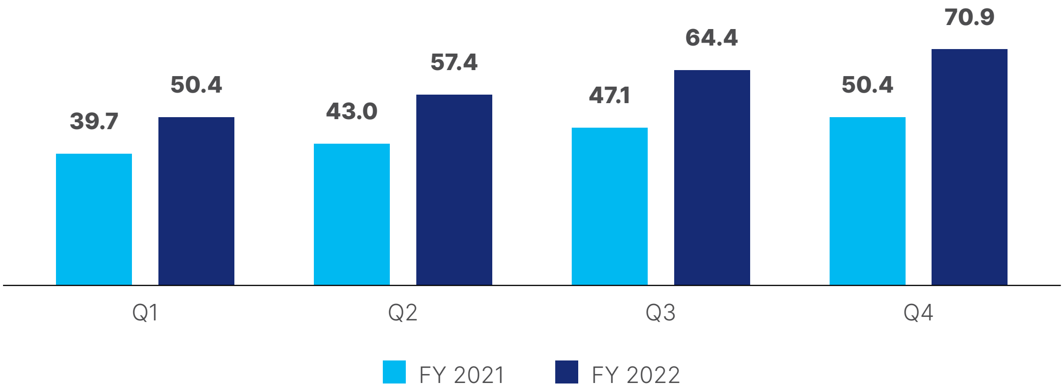
Our large distribution, and insights from our payment and commerce services, enables us to upsell high margin and low CAC financial services to our consumers and merchants. For consumers and merchants, we offer various lending products, with our financial institution partners, such as Paytm Postpaid (BNPL), Personal Loans and Merchant Loans.

Payment Services

On our platform, consumers can use a wide selection of instruments, both third party like cards, net banking and Paytm Payment Instruments like Wallet, Paytm Postpaid (BNPL) to make online payments for Mobile Recharge, Utility Bills, Rent, Education, Wallet top-ups and money transfers using the Paytm app. Consumers can also make online payments on third party apps and in-store payments through QR codes and devices.

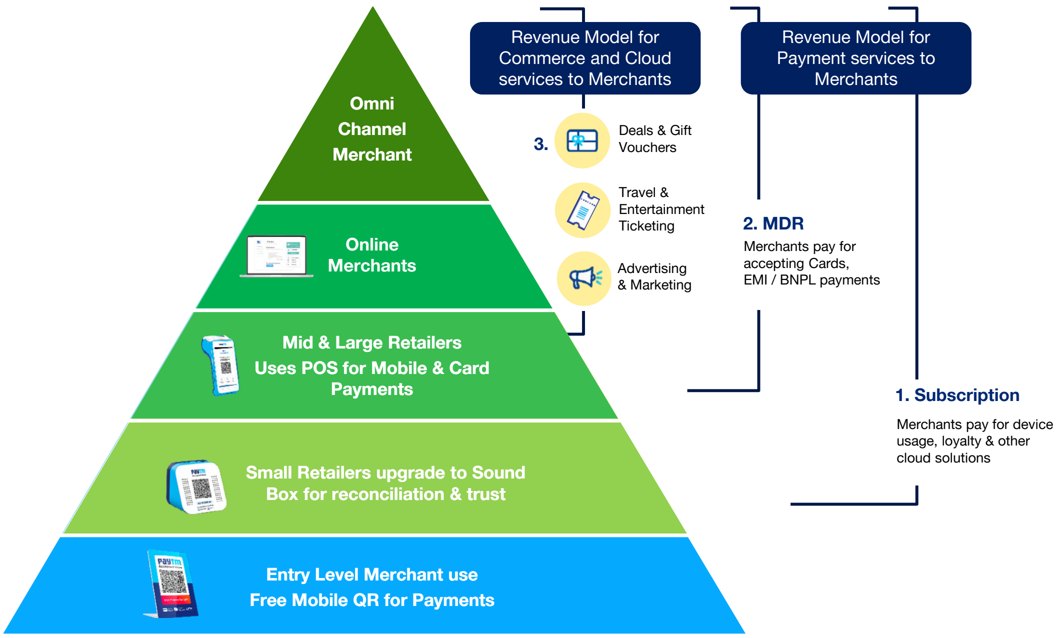
The increased adoption of payments use-cases on our platform has resulted in our Monthly Transacting Users (MTU) growing 41% Y-o-Y to surpass 70 million during Q4 FY 2022.

Average Monthly Transacting Users
(in Mn)



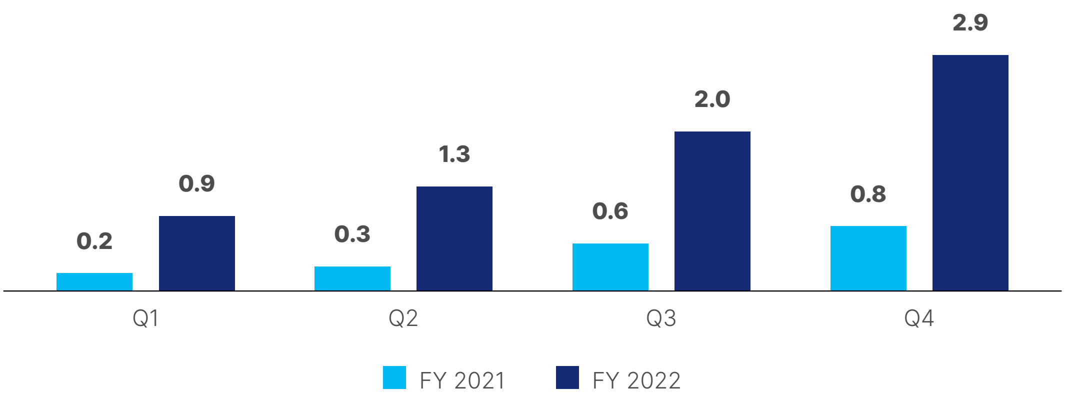
On the merchant side of our platform, we help our partners grow their businesses by providing solutions that allow them to accept payments through a wide variety of instruments and by deploying devices that help with reconciliations.

Entry level merchants can use a free Mobile QR to accept payments, typically using Paytm Payment Instruments or UPI. Government incentives on UPI person-to-merchant ("P2M") payments have created a multiplier effect - the offering is free for merchants and hence encourages high usage, whereas it is economically viable for payment providers such as Paytm because of government incentives, and upsell opportunities. Small retailers can upgrade to Soundbox devices which allow better reconciliation for merchants, hence enhancing their trust in digital payments, and generating subscription revenues for us. Our mid-sized and large retailers also use our POS devices which enables them to accept mobile and card payments, thus generating both MDR as well as subscription revenues for us. For Online and Omni channel merchants we offer a robust payment gateway product allowing merchants to reliably accept payments across all channels, thus generating MDR revenue and platform fees.



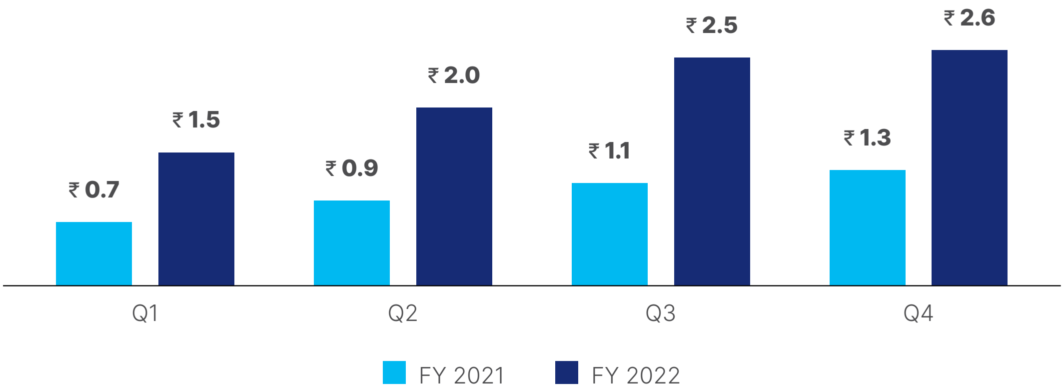
As of March 2022, our merchant base has grown to 26.7 million, with deployed payment devices increasing to 2.9 million from 0.8 million in FY 2021, thus accelerating our subscription revenues.

Total Payment Devices Deployed by the end of the quarter
(in Mn)



Driven by increased user and merchant engagement, we witnessed a massive growth in our GMV, which for the full year FY 2022 at ₹8.5 Lakh Cr, has more than doubled from ₹4.0 Lakh Cr in FY 2021.

Gross Merchandise Value
(in ₹ Lakh Cr)



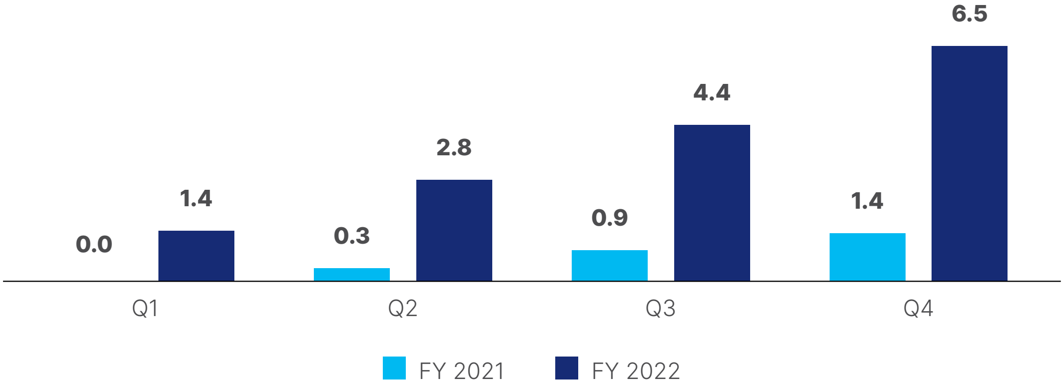
Financial Services

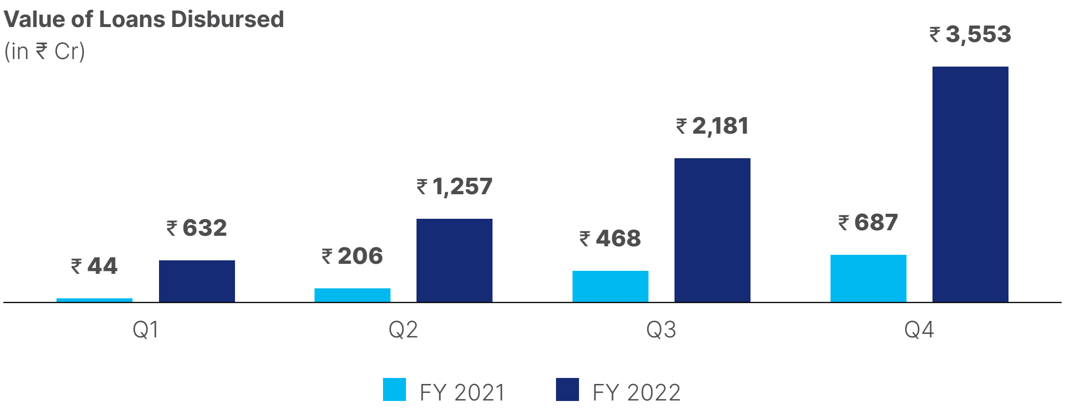
Insights from our Payments and Commerce services creates the foundation for our Financial services offerings to consumers and merchants, which consist of innovative financial inclusion offerings like mobile banking, lending, insurance, and wealth management for consumers and merchants.

As part of our Lending business, we operate a technology platform with capabilities across the entire loan lifecycle including origination, assisting in augmenting lending partners risk models, loan management and collection to provide seamless credit access to our consumers and merchants through our financial institution partners. Our financial institution partners are the ones who enter into bilateral agreements with the customers, underwrite the loans and own the loan book and are also responsible for a customer's KYC, credit bureau reporting. We work with our financial institution partners in improving their distribution, underwriting and collections, and aim to drive the increase of credit access in India.

Our lending business continues to scale providing attractive upsell revenues. Our lending partners disbursed over 15.2 million loans through our platform in FY2022, a 478% growth over FY2021. The value of loans grew 441% to ₹7,623 cr in FY2022, from ₹1,409 cr in FY2021.

Number of Loans Disbursed
(in Mn)





Merchant (Commerce and Cloud) Services

To help our merchant partners grow their business by leveraging Paytm's consumer traffic, we offer them merchant services like ability to sell tickets to customers, advertising, loyalty solutions like deals and gift vouchers. We also provide software and cloud services to enterprises, telecom companies, and digital and fintech platforms to track and enhance customer engagement, build payment systems, and unlock customer insights.

Our commerce offerings provide a lifestyle destination for consumers to avail services such as travel and entertainment ticketing, gaming and more. Easy access to such services within the Paytm App environment plays an important role in user engagement and retention.

Business Update and Outlook

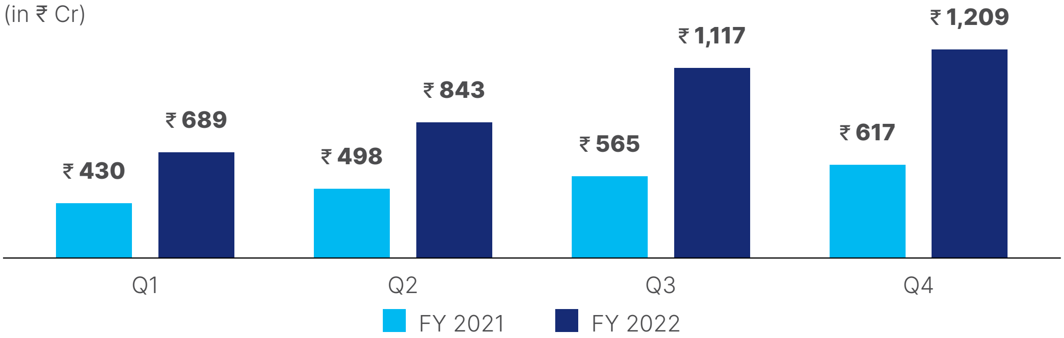
We ended the fiscal year with strong growth across our businesses and reductions in EBITDA losses (before ESOP cost) which puts us well on track to achieve operating profitability by the quarter ending September 2023. Our platform growth continues to be impressive, represented by our average Monthly Transacting Users (MTU) and registered merchant base. We have also seen increased monetization of payments, in the form of both MDR and subscription revenues. Our platform presents immense opportunities to our merchants to attract customers at a large scale, and we leverage our distribution network to offer lending products to our consumers and merchants in partnership with financial institutions.

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

Payment and Financial Services:

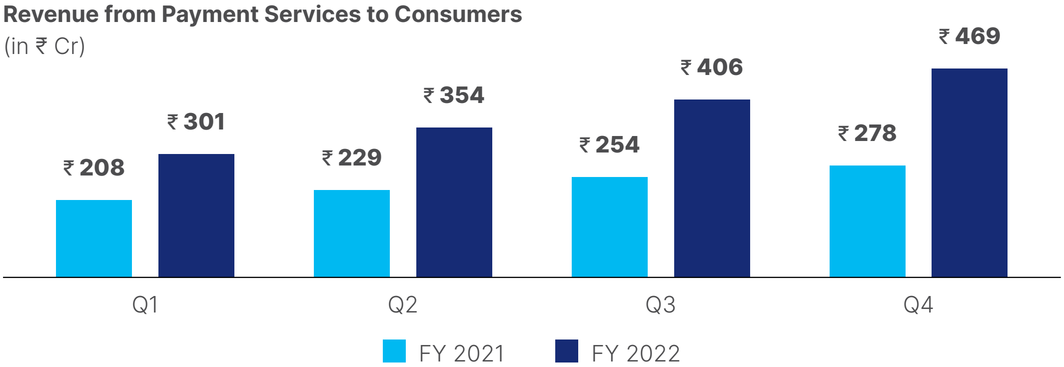
Our revenue from Payment and Financial services grew 83% to ₹3,858 Cr in FY2022 from ₹2,109 Cr in FY2021. We further split our Payment and Financial Services revenues into the following lines, (i) Payment Services to Consumers, (ii) Payment Services to Merchants, and (iii) Financial Services and Others.

Revenue from Payment and Financial Services
(in ₹ Cr)



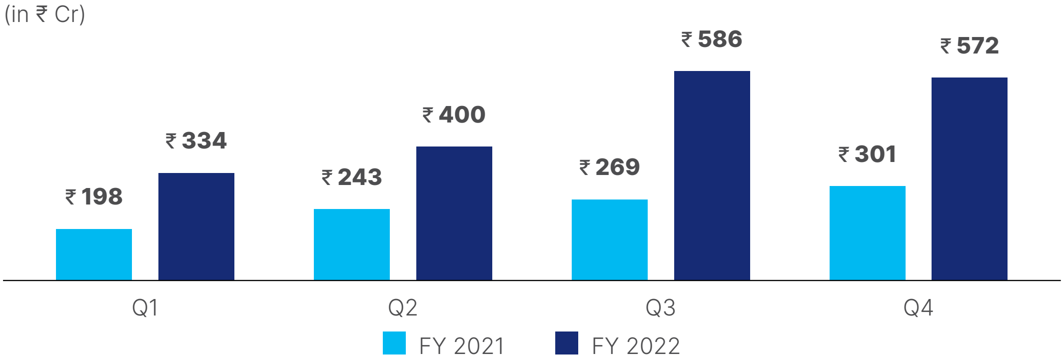
Payment Services to Consumers includes revenues from the use cases such as bill payments and top-ups on the Paytm platform. These revenues are primarily from, (i) the transaction fee that we charge our merchants based on a percentage of GMV, and (ii) consumer convenience fees that we charge our consumers for certain types of transactions. Revenue from payment services to consumers grew 58% to ₹1,529 Cr in FY2022 from ₹969 Cr in FY2021, primarily due to a growth in the user base, increasing usage of the Paytm app and Paytm Payment instruments.

Revenue from Payment Services to Consumers
(in ₹ Cr)



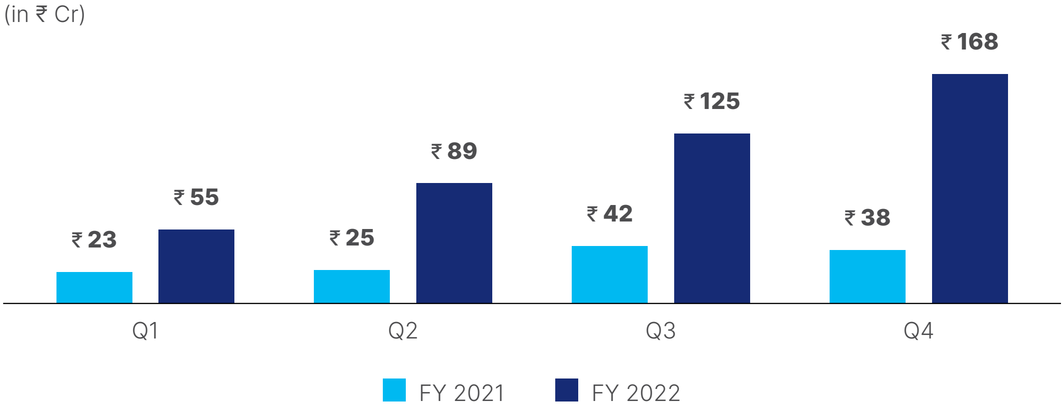
Payment Services to Merchants includes revenues from our comprehensive offerings of online and in-store payment acceptance services such as Payment Gateway, All-in-one and Dynamic-QR, POS, and Soundbox. These revenues are primarily from, (i) the transaction fee that we charge our merchants based on a percentage of GMV and (ii) recurring subscription fees from merchants for certain products and services, such as Paytm Soundbox and POS. Revenue from payment services to merchants grew 87% to ₹1,892 Cr in FY2022 from ₹1,012 Cr in FY2021, primarily due to new large partnerships in payment gateway and an increase in our device merchant base.

Revenue from Payment Services to Merchants
(in ₹ Cr)



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 240% to ₹437 Cr in FY2022 from ₹128 Cr in FY2021, primarily driven by 441% Y-o-Y growth in the value of loans disbursed in FY 2022 to ₹7,623 Cr, from ₹1,409 Cr in FY2021.

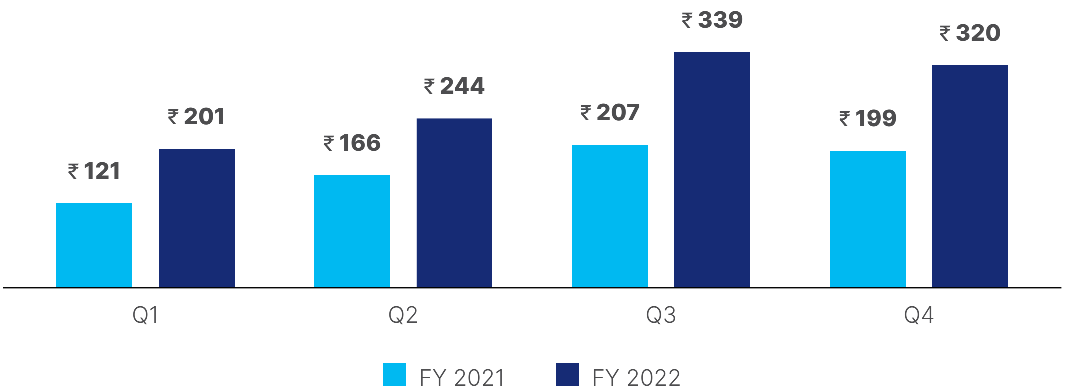
Revenue from Financial Services and Others
(in ₹ Cr)



Commerce and Cloud Services:

Our revenue from Commerce and Cloud Services grew 59% to ₹1,105 Cr in FY2022 from ₹693 Cr in FY2021. We further split our Commerce and Cloud Services revenues into the following lines, (i) Commerce Services and (ii) Cloud Services.

Revenue from Commerce and Cloud Services
(in ₹ Cr)



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 and entertainment and deals. The revenues grew 52% to ₹374 Cr in FY2022 from ₹245 Cr in FY2021, primarily due to gradual ease in COVID-19 restrictions on transport, travel, and social distancing.

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. The revenue from cloud services grew 63% to ₹731 Cr in FY2022 from ₹448 Cr in FY2021, primarily due to an increase in Advertising and PAI cloud.

Discussion on financial performance with respect to operational performance

in ₹ crores, except percentages

Particulars	FY 2022	FY 2021	Y-o-Y Δ
Revenue from Operations	**4,974**	**2,802**	**77%**
Payments & Financial Services	3,858	2,109	83%
Payment Services to Consumers	1,529	969	58%
Payment Services to Merchants	1,892	1,012	87%
Financial Services and Others	437	128	240%
Commerce & Cloud Services	1,105	693	59%
Commerce	374	245	52%
Cloud	731	448	63%
Other Operating Revenue	12	0	nm
Total Direct Expenses	**3,476**	**2,440**	**42%**
Contribution Profit	**1,498**	**363**	**313%**
Margin %	30.1%	12.9%	1,718 bps
Indirect Expenses (excluding ESOP cost)	**3,016**	**2,017**	**49%**
% of Revenue	60.6%	72.0%	(1,136) bps
EBITDA (before ESOP cost)	**(1,518)**	**(1,655)**	**(8%)**
Margin %	(30.5%)	(59.0%)	2,854 bps

Details of Key Consolidated Financial Ratios

Particulars	FY 2022	FY 2021	Y-o-Y Δ
Debtors Turnover Ratio	8.17	5.81	40.6%
Current Ratio	3.22	3.43	(6.1)%
Debt-Equity Ratio	0.02	0.09	(83.3)%
Operating Profit Margin (%)	(52.0)%	(69.4)%	25.1%
Net Profit Margin (%)	(48.2)%	(60.7)%	20.6%
Return on Equity Ratio (%)	(23.2)%	(23.3)%	0.3%

* 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: As India's leading digital ecosystem for consumers and merchants, we have built the largest payments platform in number of consumers and merchants. Customers use various payment services on our platform, and merchants use us to accept payments and grow their business. We also provide financial services through our financial institution partners, particularly 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 insights of Indian consumers and merchants: We have developed unparalleled insights into the way Indian consumers spend and save, and the way merchants operate their businesses. Being in the middle of payments flows between consumers and merchants, and transacting the largest peer to merchant payments volumes in India, gives us a large amount of transactional insights on our consumers and merchants which helps us design and show customized Paytm products, including some in partnership with financial institution partners.

Our network effect creates sustainable advantages for us: We believe that our brand, distribution, insights, technology skills, and the scope of our ecosystem (i) give us an advantage to grow our business through, 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

Covid-19 and economic environment: While Covid-19 and the economic downturn did impact businesses this fiscal, we managed it effectively and recorded a robust revenue growth of 77%. While we are doing all that is necessary and in our control, COVID-19 and any adversity in economic conditions can impact our business activities and revenue.

Financial: Growing engagement on our platform gives us monetization opportunities across payment, lending and commerce. We ended this fiscal year with strong growth. However, our operating expenses could increase as we hire additional personnel, broaden our marketing and promotional activities, enhance our platforms and offerings, expand our products and services, and develop our interface.

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

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 2022, we had an average of 17,964 on-roll and 2,086 off-roll employees worldwide. 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 33% in FY2022 from 38% in FY2021. However, our Employee costs (excluding ESOP cost) at ₹1,623 Cr in FY 2022 grew 51% from ₹1,072 Cr, as we strengthened our sales channel to drive penetration of our high margin use cases such as devices. We are also investing in our product and technology team to help scale our platform to support the next leg of users and transactions, and scaled up new services such as lending.

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.

Financial Inclusion

We, at Paytm, firmly believe that technology when combined with a positive intent can create a huge impact. We are constantly working on innovative solutions that can make everyday life simpler: full-stack digital banking to underserved Indians, institutional financial services such as loans and bookkeeping and invoicing to micro, small and medium enterprises, and democratizing access to the formal credit and wealth management system.

As pioneers of India's QR and mobile payments revolution, we continue to empower the grassroots of the country with robust digital payment solutions. We offer a series of smart devices to accelerate India's digital payment penetration. Products such as the Paytm Soundbox have ensured that our country's small shopkeepers never miss a digital payment and confidently complete transactions.

We are partners for the BC (Banking Correspondent) Sakhi program, which aims to improve the quality of life of women and to empower them. BC Sakhis are the fellow women members of respective SHGs (Self-help group), which in-turn has helped us to reach out to ever larger underserved groups.

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.

COVID-19 Response

As an organized response to COVID-19, and to be prepared to serve our nation in the future, we set up the Paytm Foundation, as a Public Charitable Trust in India formed exclusively for philanthropic purposes in the areas of providing relief in times of natural calamities and disasters, supplementing need-based medical infrastructure, welfare of persons with disabilities, education and financial literacy, and advancement of general public utilities.

We joined the Government of India's PM-CARES fund collection efforts, with support from our consumers and merchants. We launched the India Fights Corona campaign to help prevent, and manage the spread of, COVID-19 in communities with the greatest need, by allowing users to donate for distribution of hygiene products among vulnerable sections of the society.

As a company, a special task force with employees stepped up across the country, to coordinate COVID-19 assistance in different cities in India. We also led a large-scale relief effort for the nation, by launching an OxygenforLife crowdfunding initiative for sourcing oxygen concentrators for donating to government hospitals, foundations and non-governmental organizations. Further, as a long-term solution to meet oxygen demand, Paytm Foundation supported partner organizations to set up oxygen plants in selected government hospitals throughout the country. These helped produce medical oxygen from ambient air while simultaneously supplying the gas to multiple beds. So far, 17 such plants have been donated by partner organizations and Paytm Foundation has facilitated the setting up of these oxygen plants and 1 oxygen plant has been set up by Paytm Foundation, making a total of 18 oxygen plants which have been setup and facilitated by Paytm Foundation.

We have introduced a dedicated section on our app, with a COVID-19 self-assessment scanning tool, which utilizes contract tracing to identify if one is potentially at risk of suffering from the virus. We have also leveraged our access to consumers and distribution, to help users find and book slots for COVID-19 vaccination, via a Vaccine Finder feature launched on our app.

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. Our Founder is also on the Advisory Board of the Green Digital Finance Alliance. The Alliance was set up by Ant Financial Services and UNEP 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.

UNEP AQAF "(Air Quality Action Forum)" Project

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.

Board’s Report

Board's Report

Dear Members,

The Board of Directors ("Board") are pleased to present the Twenty Second (22nd) Annual Report on the business and operations of One 97 Communications Limited ("Company" or "Paytm") together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2022.

COMPANY PERFORMANCE AND STATE OF AFFAIRS

Financial Performance

Key highlights of the financial results of the Company prepared as per the Indian Accounting Standards for the financial year ended March 31, 2022 are as under:

(Amounts in ₹ Million, except Earning Per Share)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue from operations	49,742	28,024	38,924	26,671
Other income	2,901	3,844	2,830	3,749
Total income	**52,643**	**31,868**	**41,754**	**30,420**
Total expenses	**76,011**	**47,830**	**64,561**	**45,369**
Loss before share of profit / (loss) of associates / joint ventures, exceptional items and tax	**(23,368)**	**(15,962)**	**(22,807)**	**(14,949)**
Share of profit/ (loss) of associates / joint ventures	(459)	(740)	-	-
Loss before exceptional items and tax	**(23,827)**	**(16,702)**	**(22,807)**	**(14,949)**
Exceptional items	(24)	(281)	(441)	(650)
Loss before tax	**(23,851)**	**(16,983)**	**(23,248)**	**(15,599)**
Income Tax expense	113	27	3	2
Loss for the year	**(23,964)**	**(17,010)**	**(23,251)**	**(15,601)**
Other comprehensive income/ (loss)	9,549	(30)	(18)	(15)
Total Comprehensive Income/ (Loss) for the year	**(14,415)**	**(17,040)**	**(23,269)**	**(15,616)**
Earnings per share (Amount in ₹)				
Basic	(38)	(28)	(37)	(26)
Diluted	(38)	(28)	(37)	(26)

State of Company's Affairs

The Company serves as a digital ecosystem for consumers and merchants. The Company offers a digital payments platform for use cases such as money transfers, online and in-store merchant payments and bill payments. It offers commerce and cloud services, such as ticketing and advertising. It also offers technology led financial services such as loans, insurance and wealth management, offered through financial partners.

Information on the operational and financial performance, among others, is provided in the Management Discussion and Analysis Report which forms part of the Annual Report and is in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Dividend

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Company has adopted the Dividend Distribution Policy on July 10, 2021, 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 www.paytm.com/investor-relations/policies-and-guidelines.

The Board do not recommend any dividend for the financial year 2021-2022 ("FY 2021-22").

Transfer to Reserves

During FY 2021-22, the Company has not transferred any amount to Statutory Reserves. Further, the details of amount transferred to other reserves (including ESOP Reserve), if any, form part of Note no. 11(b) of the standalone financial statements and Note no. 10(b) of the consolidated financial statements provided in the annual report.

Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 ("Act") forms part of the Note Nos. 5, 6 and 7 of the Standalone Financial Statements and Note Nos. 5 and 6 of the Consolidated Financial Statements provided in the Annual Report.

MATERIAL EVENTS DURING FY 2021-22 UNDER REVIEW

Initial Public Offer of Equity Shares

The equity shares of the Company got listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") with effect from November 18, 2021, pursuant to Initial Public Offering ("IPO") of the Company by way of a Fresh Issue of shares and an Offer for Sale.

During FY 2021-22, Company made an IPO of 85,116,278 equity shares of face value of ₹ 1 each of the Company for cash at a price of ₹ 2,150/- per equity share, including a premium of ₹ 2,149/- per equity share aggregating to ₹ 183,000 millions, comprising of a fresh issue of 38,604,651 equity shares aggregating to ₹ 83,000 millions and an offer for sale of 46,511,627 equity shares aggregating to ₹ 100,000 millions. IPO was opened on November 8, 2021 and closed on November 10, 2021.

Pursuant to the SEBI Listing Regulations & SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the net proceeds of IPO have been partially utilized during FY 2021-22, in line with the objects of the offer. Detailed Monitoring Agency Report for such utilization are received by the Company from its Monitoring Agency on quarterly basis affirming no deviation in utilisation of the issue proceeds from the object stated in offer documents and submitted to Stock Exchanges in compliance with the aforesaid regulations.

The Company confirms that it has paid the Annual Listing Fees for FY 2021-22 to NSE and BSE.

Transfer of Online Payment Aggregation Business to Wholly Owned Subsidiary

In compliance with the requirements of Reserve Bank of India ("RBI") guidelines on regulation of Payment Aggregators and Payment Gateways dated March 17, 2020 ("Guidelines"), and pursuant to the resolution(s) passed by the Board and members of the Company on August 30, 2021 and September 23, 2021, respectively, the Company has transferred its Online Payment Aggregation Business to its wholly owned subsidiary company viz. Paytm Payments Services Limited, which has applied to the RBI for authorization for acting as a payment aggregator under the Payment and Settlement Systems Act, 2007 read with the aforesaid Guidelines.

SHARE CAPITAL

Authorized Share Capital

During FY 2021-22, the face value of Company's equity shares were sub-divided from ₹ 10/- per share to ₹ 1/- per share pursuant to the approval granted by the members of the Company in its Twenty First (21st) Annual General Meeting ("AGM") held on June 30, 2021. The authorized share capital of the Company, as on March 31, 2022, was ₹ 1,041,066,000/- comprising of 1,041,066,000 equity shares of ₹ 1/- each.

Issued, Subscribed, Paid-up Share Capital

During FY 2021-22, the Company has issued and allotted following equity shares:

a) On April 22, 2021, 9,081 equity shares of ₹ 10/- each were allotted to employees under the Employees Stock Option Scheme;

b) On May 28, 2021, 47,042 equity shares of ₹ 10/- each were allotted to employees under the Employees Stock Option Scheme;

c) On July 5, 2021, 544,870 equity shares of ₹ 1/- each were allotted to employees under the Employees Stock Option Scheme;

d) On August 13, 2021, 1,011,582 equity shares of ₹ 1/- each were allotted to employees under the Employees Stock Option Scheme;

e) On September 4, 2021, 332,360 equity shares of ₹ 1/- each were allotted to employees under the Employees Stock Option Scheme;

f) On September 14, 2021, 545,735 equity shares of ₹ 1/- each were allotted to employees under the Employees Stock Option Scheme;

g) On September 30, 2021, 1,849,191 equity shares of ₹ 1/- each were allotted to employees under the Employees Stock Option Scheme;

h) On November 15, 2021, 38,604,651 equity shares of ₹ 1/- each were allotted to public pursuant to IPO;

i) On February 4, 2022, 250,531 equity shares of ₹ 1/- each were allotted to employees under the Employees Stock Option Scheme; and

j) On March 21, 2022, 37,224 equity shares of ₹ 1/- each were allotted to employees under the Employees Stock Option Scheme.

At the 21st AGM held on June 30, 2021, equity shares of the Company were sub-divided from ₹ 10/- per share to ₹ 1/- per share.

The issued and paid-up share capital of the Company as on March 31, 2022 was ₹ 648,561,414/- comprising of 648,561,414 equity shares of ₹ 1/- each.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

During FY 2021-22:

- no company ceased to be subsidiary, joint venture or associate of the Company; and
- no new company became the subsidiary, joint venture or associate of the Company except Admirable Software Limited which was incorporated on August 17, 2021, as a wholly owned subsidiary of Paytm Financial Services Limited (Associate Company of Paytm).

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of each subsidiary, joint venture and associate in the prescribed Form AOC-1 is annexed as **Annexure-I** to this report.

BOARD AND ITS COMMITTEES

Board met nineteen (19) times during FY 2021-22. The composition of the Board and its Committees including details regarding meetings of the Board and Committees of the Board are set out in the Corporate Governance Report, which forms part of the Annual Report. The intervening gap between the two consecutive Board meetings was within the period prescribed under the provisions of Section 173 of the Act and SEBI Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, (as amended) the Board has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report, which forms part of the Annual Report.

The Company has adopted a CSR Policy, which is available on the website of the Company at www.paytm.com/investor-relations/policies-and-guidelines.

In view of the losses incurred by the Company during the previous financial years, the Company has no obligation for spending CSR during the FY 2021-22.

Annual Report on CSR activities, in the prescribed format, for FY 2021-22 as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and Rule 9 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-II** to this report.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Act and SEBI Listing Regulations. A separate section on corporate governance, along with a certificate from the practicing company secretary confirming Corporate Governance compliance is annexed and forms part of the Corporate Governance Report forming part of the Annual Report.

TRANSACTIONS WITH RELATED PARTIES

In line with the requirements of the Act and SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions, which is available on the website of the Company at www.paytm.com/investor-relations/policies-and-guidelines.

All the transactions with related parties entered into by the Company during the FY 2021-22 were on an arm's length basis and in the ordinary course of business and adhere to the applicable provisions of the Act and the SEBI Listing Regulations.

All transactions with related parties are presented to the Audit Committee. None of the transactions with any of the related parties were in conflict with the interest of the Company rather, these were synchronized and synergized with the Company's operations.

As required under the Act, particulars of material contracts/ arrangements with related partys during FY 2021-22, in the prescribed Form AOC-2, is annexed as **Annexure-III** to this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Inductions

Directors

During the FY 2021-22, in terms of the provisions of the Act and based on the recommendation of Nomination and Remuneration Committee ("NRC"), the Board has appointed:

- Mr. Douglas Feagin as an Additional Director with effect from July 5, 2021. Thereafter, members of the Company in the Extraordinary General Meeting ("EGM") held on September 2, 2021 appointed Mr. Douglas Feagin as Non-executive Director of the Company;
- Mr. Ashit Ranjit Lilani as an Additional and Non-executive Independent Director of the Company with effect from July 5, 2021, for a term of five (5) consecutive years, which was subsequently approved by the members of the Company in the EGM held on September 2, 2021;

- Mr. Vikas Agnihotri as an Alternate Director to Mr. Munish Ravinder Varma with effect from July 5, 2021;
- Mr. Neeraj Arora as an Additional and Non-executive Independent Director of the Company with effect from July 11, 2021, for a term of five (5) consecutive years, which was subsequently approved by the members of the Company in the EGM held on September 2, 2021; and
- Mr. Vivek Kumar Mathur as an Alternate Director to Mr. Ravi Chandra Adusumalli with effect from July 11, 2021.

The Board has appointed Mr. Madhur Deora as an Additional Director with effect from May 20, 2022 to hold the office till the ensuing 22nd AGM of the Company. Further, the Board also appointed Mr. Madhur Deora as Whole-time Director designated as 'Executive Director, President and Group Chief Financial Officer' with effect from May 20, 2022 for a term of five (5) years, subject to approval of members at the ensuing 22nd AGM. Brief profile of Mr. Madhur Deora is provided in the Notice of ensuing 22nd AGM.

Key Managerial Personnel

During FY 2021-22, in terms of the provisions of the Act and based on the recommendation of NRC, the Board has appointed:

- Mr. Amit Khera as Company Secretary and Compliance Officer of the Company with effect from May 28, 2021; and
- Mr. Madhur Deora as Chief Financial Officer of the Company with effect from January 1, 2022.

Re-appointments

During FY 2021-22, in terms of the provisions of the Act and based on the recommendation of NRC and the Board, the members of the Company at 21st AGM held on June 30, 2021 has re-appointed Mrs. Pallavi Shardul Shroff as an Non-executive Independent Director for a second term of five (5) consecutive years i.e. till February 8, 2026.

Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive Officer will be completing his present term as Managing Director of the Company on December 18, 2022. The Board in its meeting held on May 20, 2022, based on the recommendation of NRC and subject to the approval of members at the ensuing 22nd AGM, has re-appointed Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive officer of the Company for a further term of five (5) consecutive years with effect from December 19, 2022 till December 18, 2027. Brief profile of Mr. Vijay Shekhar Sharma is provided in the Notice of ensuing 22nd AGM.

Director liable to retire by rotation

As per the provisions of the Act, Mr. Ravi Chandra Adusumalli, Non-executive Director of the Company, who is liable to retire by rotation at the ensuing 22nd AGM, being eligible, seeks re-appointment. Based on performance evaluation and the recommendation of NRC, the Board recommends his re-appointment. Brief profile of Mr. Ravi Chandra Adusumalli is provided in the Notice of ensuing 22nd AGM.

Cessation

Directors

During FY 2021-22, following persons ceased to be Director of the Company:

- Mr. Todd Anthony Combs, being retiring Director, did not offer himself for re-appointment at the 21st AGM. Consequently, Mr. Todd Anthony Combs ceased to be the Director of the Company with effect from June 30, 2021;
- Mr. Michael Yuen Jen Yao, being retiring Director, did not offer himself for re-appointment at the 21st AGM. Consequently, Mr. Michael Yuen Jen Yao ceased to be the Director of the Company with effect from June 30, 2021;
- Consequent to the cessation of Mr. Michael Yuen Jen Yao, Mr. Ting Hong Kenny Ho, being alternate to Mr. Michael Yuen Jen Yao, also ceased to be the Director with effect from June 30, 2021;
- Mr. Jing Xiandong ceased to be the Director of the Company with effect from July 5, 2021;
- Consequent to the cessation of Mr. Jing Xiandong, Mr. Guoming Cheng, being alternate to Mr. Jing Xiandong, also ceased to be the Director with effect from July 5, 2021;
- Mr. Mukul Arora, Alternate Director to Mr. Ravi Chandra Adusumalli, ceased to be as Director of the Company with effect from July 7, 2021;
- Mr. Munish Ravinder Varma ceased to be as Director of the Company with effect from March 14, 2022; and
- Consequent to the cessation of Mr. Munish Ravinder Varma, Mr. Vikas Agnihotri, being alternate to Mr. Munish Ravinder Varma, also ceased to be Director with effect from March 14, 2022.

Key Managerial Personnel

During FY 2021-22, following persons ceased to be Key Managerial Personnel of the Company:

- Mr. Arvind Kumar ceased to be Company Secretary of the Company with effect from May 28, 2021; and
- Mr. Vikas Garg ceased to be Chief Financial Officer of the Company with effect from December 31, 2021.

Pursuant to the provisions of Section 203 of the Act, Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive Officer, Mr. Madhur Deora, Chief Financial Officer and Mr. Amit Khera, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2022.

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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the FY 2021-22 and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting 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.

Independent Directors

The Independent Directors have submitted their declaration of Independence, stating that:

(i) they continue to fulfil the criteria of independence as required pursuant to Section 149 read with Schedule IV of the Act and Regulation 16 and 25 of the SEBI Listing Regulations;

(ii) they are not debarred from holding the office of Director pursuant to any SEBI order or order of any such authority; and

(iii) there has been no change in the circumstances affecting their status as Independent Director of the Company.

All Independent Directors have affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV to the Act. In the Board's opinion, the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. Independent Directors have also confirmed that they have registered their names in the Independent Directors' databank with the Indian Institute of Corporate Affairs.

Policy on Appointment and Remuneration

The Board has framed and adopted a Nomination, Remuneration and Board Diversity Policy in terms of the Section 178 of the Act. The policy, *inter-alia*, lays down the principles relating to appointment, cessation, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Nomination, Remuneration and Board Diversity Policy of the Company is available on the website of the Company at www.paytm.com/investor-relations/policies-and-guidelines.

Board Evaluation and Familiarisation Programme

The NRC has put in place a robust framework for evaluation of the Board, Board Committees and individual Directors, including Chairman. During FY 2021-22, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the Committees. A detailed disclosure on the framework of Board evaluation has been provided in Corporate Governance Report, which forms a part of the Annual Report.

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Act and the SEBI Listing Regulations is provided in the Corporate Governance Report, which forms part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report for FY 2021-22, as stipulated under the SEBI Listing Regulations, forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for FY 2021-22, as stipulated under the SEBI Listing Regulations, forms part of the Annual Report.

ANNUAL RETURN

The Annual Return of the Company in form MGT-7 as required under Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at www.paytm.com/investor-relations/annual-returns.

INTERNAL AUDITORS AND INTERNAL FINANCIAL CONTROLS

The Company has appointed KPMG Assurance and Consulting Services LLP (KPMG) as an Independent Internal Auditors under Section 138 (1) of the Act for the FY 2021-22. Internal Audit is governed by the Internal Audit Charter approved by the Audit Committee and outcome of Internal Audits are submitted and presented in the Audit Committee meeting 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

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 Employee 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 Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI SBEB Regulations 2021 is available on the website of the Company at www.paytm.com/investor-relations/agm.

The Company has obtained certificate(s) from Secretarial Auditors confirming that ESOP 2008 and ESOP 2019 have been implemented in accordance with the SEBI SBEB Regulations 2021 and resolution(s) passed by the members of the Company. The said certificates will be made available for inspection by the members electronically during business hours.

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 Internal Complaints Committee as per the requirements under POSH Act. A detailed disclosure on POSH has been provided in the Corporate Governance Report which forms part of the Annual Report.

There were no pending POSH complaints during the year and no new complaints have been received during FY 2021-22.

Particulars of Employees

As required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial Personnel to the median of employees' remuneration is annexed as **Annexure-IV** to this report.

The information required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Further, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the members excluding the said annexure. 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 Board at its meeting held on July 5, 2021, had constituted the Risk Management Committee. The composition of Risk Management Committee and number of meetings held are given in the Corporate Governance Report, forming part of the Annual Report.

Further, pursuant to Section 134(3)(n) of the Act and Regulation 17(9) of SEBI Listing Regulations, the Company has formulated and adopted the Risk Assessment and Management Policy ("Risk Assessment Policy").

The aforesaid Risk Assessment Policy establishes the philosophy of the Company towards risk identification, analysis and prioritization of risks, development of risk mitigation plans and reporting on the risk environment of the Company. This Risk Assessment Policy is applicable to all the functions, departments and geographical locations of the Company. The purpose of this Risk Assessment Policy is to define, design and implement a risk management framework across the Company to identify, assess, manage and monitor risks. Aligned to this, purpose is also to identify potential events that may affect the Company and manage the risk within the risk appetite and provide reasonable assurance regarding the achievement of the Company's objectives. This will present a wide approach to ensure that key aspects of risk that have a wide impact are considered in its conduct of business.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a robust Vigil/ Whistle Blower Mechanism and adopted Vigil Mechanism/Whistle Blower Mechanism Policy ("WB Policy") with protective clauses for the whistle blowers. The WB Policy is available on the website of the Company at www.paytm.com/investor-relations/policies-and-guidelines.

A brief note on the highlights of Vigil/ Whistle Blower Mechanism Framework forms part of Corporate Governance Report, which forms part of the Annual Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo by the Company during the FY 2021-22, under review is as follows:

(Amounts in ₹ Million)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	416.75	155.48
Foreign Exchange Outgo	5,149.44	3,850.33

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company has taken following initiatives:

(i) Energy Conservation:

1. **Steps taken or impact on Conservation of Energy:**

   The operations of the Company are not energy intensive. The Company has implemented various energy conservation measures at its corporate office, such as:

   (a) Installation of LED lights which almost emit no heat & UV emissions, across all floors.

   (b) All meeting rooms are equipped with lighting sensors. In case rooms are not occupied, lights go off automatically.

   (c) VRV/VRF air-conditioned systems are installed that are second generation energy efficient products of companies such as Daikin and Blue Star.

   (d) Installation of VAV controllers in all meeting rooms & floor due to which the required cooling as per floor occupancy is maintained throughout the floor, ultimately reducing the overall load of air handling unit and chiller.

   (e) Heat resistant facade glasses are installed all across the building that restricts the heat & maintains the temperature on the floor, which also facilitates the natural light throughout the day.

   (f) All electrical appliances that we are sourcing for the office are 5* (star) rated for higher energy efficiency.

2. **Steps taken by the Company for Utilising Alternate Source of Energy:**

   The business operations of the Company are not energy-intensive, hence apart from steps mentioned above to conserve energy, the management would also explore feasible alternate sources of energy.

3. **The Capital Investment on Energy Conservation Equipment:**

   There is no capital investment on energy conservation equipment during the FY 2021-22.

(ii) Technology Absorption:

1. Efforts made towards technology absorption: NIL

2. Benefits derived like product improvement, cost reduction, product development or import substitution: NIL

3. In case of imported technology (imported during the last three years reckoned from the beginning of the FY 2021-22)-

   (a) the details of technology imported: NIL

   (b) the year of import: NIL

   (c) whether the technology been fully absorbed: NIL

   (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

4. Expenditure incurred on Research and Development: NIL

Specific areas in which R&D carried out by the Company: The Company has not carried out R&D in any specific area

(a) Benefits derived as a result of above R&D: Not applicable

(b) Future plan of action: The management of the company has not yet decided to carry out any R&D.

(c) Expenditure on R&D: Not applicable

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors

The members of the Company, at their 18th AGM held on September 28, 2018, had appointed Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as Statutory Auditors of the Company to hold office from the conclusion of 18th AGM till the conclusion of the 23rd AGM of the Company.

The Statutory Auditors have confirmed that they satisfy the independence criteria required under the Act and the Code of Ethics issued by the Institute of Chartered Accountants of India.

Secretarial Auditors

PI & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for FY 2021-22, as required under Section 204 of the Act and Rules made thereunder.

Audit Reports

The Independent Auditors have given unmodified opinion on the Company's Financial Statements for FY 2021-22. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements.

The Secretarial Auditors' Report for FY 2021-22 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure-V** to this report.

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.

GENERAL

No disclosure or reporting is made with respect to the following items, as there were no transactions during FY 2021-22:

- The issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of 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, 2022;
- 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 onetime settlement with any Bank or Financial Institution;
- Managing Director and Chief Executive Officer has 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;
- 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 future operations;
- Company is not required to maintain cost records under Section 148 of the Act;

- The Company has not made any downstream investments during FY 2021-22 and hence certificate under FEMA is not required; and
- There was no material subsidiary during the FY 2021-22.

CAUTION STATEMENT

Statement 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 wish to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors, members during FY 2021-22.

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

For and on behalf of the Board
One 97 Communications Limited

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

Date: May 20, 2022
Place: New Delhi

Annexure I

AOC-1

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

Part A: Subsidiaries

(₹ in million)

S. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency/ Exchange rate	Share capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments*	Turnover#	Profit before Taxation	Provision for Taxation	Profit After Taxation	% shareholding
1	One 97 Communications India Limited	April to March	INR	831.50	63.21	916.09	21.39	812.12	7.04	0.20	-	0.20	100.00%
2	Paytm Entertainment Limited	April to March	INR	788.74	1,478.39	2,269.37	2.24	1,397.52	60.08	34.27	8.80	25.48	100.00%
3	Paytm Money Limited	April to March	INR	2,588.70	(2,146.19)	2,826.24	2,383.73	-	687.83	(107.29)	-	(107.29)	100.00%
4	Mobiquest Mobile Technologies Private Limited	April to March	INR	3.61	48.70	135.58	83.27	-	208.88	(17.19)	-	(17.19)	66.34%
5	Wasteland Entertainment Private Limited	April to March	INR	0.52	87.91	710.61	622.19	-	485.74	(260.87)	-	(260.87)	100.00%
6	Urja Money Private Limited	April to March	INR	31.16	(49.96)	49.69	68.49	1.00	42.17	(39.07)	-	(39.07)	83.34%
7	Little Internet Private Limited	April to March	INR	223.83	(365.70)	6.60	148.47	-	12.03	(13.93)	-	(13.93)	62.53%
8	Orbgen Technologies Private Limited	April to March	INR	9.75	106.24	232.07	116.08	-	141.07	(20.50)	-	(20.50)	100.00%
9	Paytm Payment Services Limited	April to March	INR	500.00	(643.44)	15,268.03	14,124.59	-	20,622.01	389.12	43.78	345.34	100.00%
10	Paytm Insurance Broking Private Limited	April to March	INR	750.00	(418.13)	360.56	28.69	-	68.01	(78.64)	-	(78.64)	100.00%
11	Paytm Services Private Limited	April to March	INR	30.00	48.37	528.23	449.86	-	2,779.01	68.00	25.90	42.11	100.00%
12	Xceed IT Solutions Private Limited	April to March	INR	0.50	0.02	0.65	0.13	-	0.03	(0.08)	-	(0.08)	66.34%

(₹ in million)

S. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency/ Exchange rate	Share capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments*	Turnover#	Profit before Taxation	Provision for Taxation	Profit After Taxation	% shareholding
13	Nearbuy India Private Limited	April to March	INR	9.00	(170.36)	61.50	222.86	-	100.68	(35.47)	-	(35.47)	62.53%
14	Fincollect Services Private Limited	April to March	INR	1.00	(25.34)	32.66	57.00	-	76.72	(5.02)	-	(5.02)	83.34%
15	One97 Communications Nigeria Limited	April to March	NGN / 0.18141	2.96	(145.84)	60.44	203.31	-	6.47	(13.23)	0.24	(13.48)	100.00%
16	One97 Communications FZ-LLC	April to March	AED / 20.5542	20.85	70.92	230.52	138.75	0.02	160.25	6.70	-	6.70	100.00%
17	One97 Communications Rwanda Private Limited	April to March	RWF / 0.07354	10.74	(8.57)	2.50	0.33	-	0.04	0.13	-	0.13	100.00%
18	One97 Communications Tanzania Private. Limited	April to March	TZS / 0.03244	53.97	6.75	105.40	44.68	-	56.19	5.45	6.91	(1.47)	100.00%
19	One 97 Communications Bangladesh Private Limited	July to June	BDT / 0.86059	4.77	112.54	156.52	39.21	-	20.52	12.17	-	12.17	70.00%
20	One 97 Ivory Coast SA	January to December	XOF / 0.12819	1.28	(4.76)	0.49	3.97	-	(1.75)	(1.84)	-	(1.84)	100.00%
21	One 97 Benin SA	January to December	XOF / 0.12819	1.28	(17.51)	27.53	43.76	-	(1.32)	(6.57)	-	(6.57)	100.00%
22	One97 Uganda Limited	April to March	UGX / 0.02093	27.88	(25.78)	9.16	7.06	-	(0.81)	(0.99)	-	(0.99)	100.00%
23	One97 Communications Singapore Private Limited	April to March	SGD / 55.7754	549.73	9,618.35	10,173.12	5.04	10,099.62	36.80	2.36	0.22	2.15	100.00%
24	Paytm Labs Inc.	April to March	CAD / 60.4971	367.95	580.35	1,197.60	249.30	-	1,673.34	(247.01)	21.42	(268.43)	100.00%

(₹ in million)

S. No.	Name of Subsidiary Company	Reporting Period	Reporting Currency/ Exchange rate	Share capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments*	Turnover#	Profit before Taxation	Provision for Taxation	Profit After Taxation	% shareholding
25	One97 USA Inc.	January to December	USD / 75.51	34.76	(21.58)	36.35	23.17	-	181.51	10.07	2.60	7.47	100.00%
26	One97 Communications Malaysia Sdn. Bhd.	April to March	MYR / 17.9398	1.79	24.96	143.70	116.95	-	104.80	4.10	2.35	1.75	100.00%
27	One Nine Seven Communication Nepal Private Limited	Shrawan to Ashad (16 July to 15 July)	NPR / 0.61371	3.07	6.89	102.53	92.58	-	27.28	1.80	0.54	1.27	100.00%
28	One Nine Seven Digital Solutions Ltd	January to December	KES / 0.65241	3.26	1.13	4.83	0.44	-	2.37	1.85	0.16	1.69	100.00%
29	One Nine Seven Communications Saudi Arabia For Communication and Information Technology	January to December	SAR / 20.1079	11.06	(7.34)	11.03	7.31	-	0.01	(4.33)	-	(4.33)	100.00%

** 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**	Paytm First Games Private Limited	Admirable Software Limited
1	Latest audited / (unaudited) Balance Sheet Date	31-03-2022 Audited	31-03-2022 Audited	31-03-2022 Audited	31-03-2022 Audited	31-03-2022 Audited	31-03-2022 Audited
2	Shares of Associate/Joint Ventures held by the company on the year end						
	No.	195,904,900	2,000,000	980,000	49,000	68,233,850	Not Applicable[#]
	Amount of Investment in Associates/Joint Venture*	₹ 1,959 million	₹ 20 million	₹ 10 million	₹ 0.5 million	₹ 1,398 million	Not Applicable[#]
	Extend of Holding%	49.00%	48.78%	49.00%	49.00%	55.00%	48.78%
3	Description of how there is significant influence	Holding >20% of shareholding	Holding >20% of shareholding	Holding >20% of shareholding	Holding >20% of shareholding	Joint Control	Holding >20% of shareholding
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
5	Networth attributable to Shareholding as per latest audited/unaudited Balance Sheet	₹ 1,956 million	₹ 24 million	Nil	₹ 0.3 million	Nil	₹ 14.25 million
6	Profit/(Loss) for the year (Share of Group)						
	(i). Considered in Consolidation	₹ (50) million	₹ (15) million	Nil	₹ (0.06) million	₹ (374) million	₹ (4.85) million
	(ii). Not Considered in Consolidation	Not Applicable	Not Applicable	₹ (3) million	Not Applicable	₹ (589) million	Not Applicable

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	Paytm First Games Singapore Pte. Ltd.**	Paytm Technology (Beijing) Co, Ltd	Socomo Technologies Private Limited
1	Latest audited / (unaudited) Balance Sheet Date	31-03-2022 Audited	31-03-2022 Audited	31-03-2022 Unaudited	31-03-2022 Unaudited	31-03-2022 Audited	31-03-2022 Unaudited	31-03-2022 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
	Amount of Investment in Associates/ Joint Venture*	Nil	Not Applicable^	₹ 100 million	₹ 242 million	Not Applicable^^	Not Applicable	Nil
	Extend of Holding%	32.45%	48.80%	26.57%	23.24%	55.00%	55.00%	12.75%
3	Description of how there is significant influence	Holding >20% of shareholding	Holding >20% of shareholding	Holding >20% of shareholding	Holding >20% of shareholding	Holding >20% of shareholding	Holding >20% of shareholding	Representation on the board of directors or equivalent governing body of the investee;
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

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	Paytm First Games Singapore Pte. Ltd.**	Paytm Technology (Beijing) Co, Ltd	Socomo Technologies Private Limited
5	Net worth attributable to Shareholding as per latest audited/unaudited Balance Sheet	₹ 15 million	₹ 255 million	₹ 28 million	₹ 6 million	₹ 2.74 million	₹ 20.93 million	Nil
6	Profit/Loss for the year (Share of Group)							
	(i). Considered in Consolidation	Nil	₹ 10.52 million	₹ (7.42) million	₹ (11.47) million	₹ (8.39) million	₹ 19.81 million	Nil
	(ii). Not Considered in Consolidation	₹ (0.24) million	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. Paytm First Games Private Limited

For and on behalf of the Board
One 97 Communications Limited

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

Date: May 20, 2022
Place: New Delhi

Annexure II

Annual Report on Corporate Social Responsibility Activities for the Financial Year 2021-22

1. **Brief outline on CSR Policy of the Company**

   At One 97 Communications Limited (Paytm) we believe that Corporate Social Responsibility ("CSR") is strongly connected with the principles of sustainability and as an organization we should make our decisions based not only on financial factors, but also on the social and environmental consequences.

   The Board of Directors ("Board") of the Company has adopted a revised CSR policy by circulation w.e.f. July 10, 2021, the same is also available at the website of the Company www.paytm.com/investor-relations/policies-and-guidelines.

2. **Composition of CSR Committee:**

Sl. 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 and Chief Executive Officer)	1	1
2.	Mr. Ravi Chandra Adusumalli	Member (Non-executive Director)	1	1
3.	Mr. Mark Schwartz	Member (Non-executive Independent Director)	1	1

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.**

   Web-link of composition of CSR Committee:
   www.paytm.com/investor-relations/directors-and-committees

   Web-link of CSR Policy:
   www.paytm.com/investor-relations/policies-and-guidelines

   During FY 2021-22, no CSR projects have been approved by the Board of the Company.

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 for FY 2021-22.

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**

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

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

   Not Applicable since the average net profit of 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					

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)
S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number
NIL												

(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	
				State	District			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**

Sl. 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 (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

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

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

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

(a) **Date of creation or acquisition of the capital asset(s):** Not Applicable

(b) **Amount of CSR spent for creation or acquisition of capital asset:** Not Applicable

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

For and on behalf of the Board
One 97 Communications Limited

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

Vijay Shekhar Sharma
Chairman
CSR Committee
DIN: 00466521
Place: New Delhi

Date: May 20, 2022

Annexure III

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, Advertising and Promotion services, VAS services, sale/lease/exchange of assets/ equipment, reimbursement of expenses, other services including providing any guarantee, in the ordinary course of business.

   (c) Duration of the contracts/arrangements/transactions

   Generally, these are long-term contracts 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 adequate systems to safeguard data and information; and

   iv) Both parties shall comply with the requirements of local laws and Regulations.

   For value of the transactions refer Related Party Disclosure in the financial statements, which are part of this annual report.

   (e) Date(s) of approval by the Board, if any: The aforesaid transactions 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. 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 are part of this annual report.

For and on behalf of the Board
One 97 Communications Limited

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

Date: May 20, 2022
Place: New Delhi

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 Financial Officer, Chief Executive Officer and Company Secretary during FY 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2021-22 are as under:**

Sl. No.	Name of Director	Percentage increase in remuneration in FY 2021-22	Rate of remuneration of each Director to median remuneration of the employees of the Company
Executive Directors			
1.	Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive Officer	Nil[5]	32.27
2.	Mr. Madhur Deora, Whole-time Director and Chief Financial Officer[6]	N.A.	N.A.
Non-executive Directors			
3.	Mr. Ravi Chandra Adusumalli	N.A.	N.A.
4.	Mr. Todd Anthony Combs[7]	N.A.	N.A.
5.	Mr. Douglas Feagin[8]	N.A.	N.A.
6.	Mr. Munish Ravinder Varma[9]	N.A.	N.A.
7.	Mr. Jing Xiandong[10]	N.A.	N.A.
8.	Mr. Michael Yuen Jen Yao[11]	N.A.	N.A.
Independent Directors			
9.	Mr. Neeraj Arora[12]	N.A.	11.94
10.	Mr. Ashit Ranjit Lilani[13]	N.A.	11.94
11.	Mr. Mark Schwartz	N.A.	14.92
12.	Mrs. Pallavi Shardul Shroff	N.A.	14.92
Key Managerial Personnel other than Executive Directors			
13.	Mr. Madhur Deora, Chief Financial Officer[14]	21%	29.28
14.	Mr. Vikas Garg, Chief Financial Officer[15]	33%	16.13
15.	Mr. Amit Khera, Company Secretary[16]	N.A.	11.29
16.	Mr. Arvind Kumar, Company Secretary[17]	13%	2.50

Notes:

1. *The value of performance linked incentive (PLI) / Long Term Incentive Plan (LTIP) in remuneration of Key Managerial Personnel (KMP) represents incentive @ 100% performance level. For effective comparison, the PLI component of their remuneration for FY 2020-21 has also been considered @ 100% performance level.*
2. *The percentage increase and ratio of the remuneration to the median remuneration of the employees remuneration for executive director and KMP's is computed basis the remuneration excluding perquisite value of stock options exercised during FY 2021-22, value of Gratuity and leave encashment.*
3. *No remuneration was paid to Non-executive Directors for the financial year 2020-21 and 2021-22. Therefore, the percentage increase in the remuneration w.r.t. Non-executive Directors is not applicable.*
4. *No remuneration was paid to Non-executive Independent Directors for the financial year 2020-21 and hence, the percentage increase in the remuneration in financial year 2021-22 w.r.t. Non-executive Independent Directors is not provided in the table above.*
5. *There has been no change in the remuneration of Mr. Vijay Shekhar Sharma since November 01, 2020 which was approved by the members of the Company at their extraordinary general meeting held on March 26, 2021.*
6. *Mr. Madhur Deora was appointed as Whole-time Director with effect from May 20, 2022 designated as 'Executive Director, President and Group Chief Financial Officer' of the Company and hence, the details as director are not provided in the table above. Further, the requisite disclosure has been provided as KMP.*
7. *Mr. Todd Anthony Combs ceased to be Director of the Company with effect from June 30, 2021.*
8. *Mr. Douglas Feagin was appointed as Non-executive Director with effect from July 5, 2021.*
9. *Mr. Munish Ravinder Varma ceased to be Director of the Company with effect from March 14, 2022.*
10. *Mr. Jing Xiandong ceased to be Director of the Company with effect from July 5, 2021.*

11. Mr. Michael Yuen Jen Yao ceased to be Director of the Company with effect from June 30, 2021.

12. Mr. Neeraj Arora was appointed as Non-executive Independent Director with effect from July 11, 2021. Accordingly, the details mentioned above pertains to the period from July 11, 2021 to March 31, 2022.

13. Mr. Ashit Ranjit Lilani was appointed as Non-executive Independent Director with effect from July 05, 2021. Accordingly, the details mentioned above pertains to the period from July 05, 2021 to March 31, 2022.

14. Mr. Madhur Deora had joined the Company w.e.f. October 03, 2016 and was designated as Chief Financial Officer with effect from January 01, 2022. The details above for Mr. Madhur Deora pertains to the financial year 2021-22.

15. Mr. Vikas Garg ceased to be Chief Financial Officer of the Company with effect from December 31, 2021 and ceased to be employee of the Company with effect from March 01, 2022. The details above for Mr. Vikas Garg pertains to the period from April 1, 2021 to March 01, 2022.

16. Mr. Amit Khera had joined the Company w.e.f. April 22, 2021 and was designated as Company Secretary with effect from May 28, 2021. The details above for Mr. Amit Khera pertains to the period from April 22, 2021 to March 31, 2022 and includes joining bonus etc.

17. Mr. Arvind Kumar ceased to be Company Secretary of the Company with effect from May 28, 2021 and ceased to be employee of the Company with effect from April 01, 2022. The details above for Mr. Arvind Kumar pertains to the financial year 2021-22.

ii. **The percentage increase in the median remuneration of the employees in the financial year:** The percentage increase in the median remuneration of employees in FY 2021-22 is 18%.

iii. **The number of permanent employees on the rolls of the Company:** There were 7,278 employees (excluding subsidiary Companies employees) on the rolls of the Company as on March 31, 2022.

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 2021-22 was 14% and there has been no change in the remuneration of Mr. Vijay Shekhar Sharma since November 01, 2020 which was approved by the members of the Company at their extraordinary general meeting held on March 26, 2021. Further, no remuneration was paid to Non-executive Directors for the financial year 2021-22 and the remuneration paid to Non-executive Independent Directors for the financial year 2021-22 is within the overall limits as approved by the members of the Company at their extraordinary general meeting held on September 02, 2021.

v. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The remuneration of Directors was as per the policy on Nomination, Remuneration and Board Diversity of the Company.

Note: *During the financial year 2021-22, approx. 3,500 employees (Field Sales Executives) were transferred from Paytm Services Private Limited ('PSPL'), a Wholly Owned Subsidiary company to the rolls of the Company. For effective comparison, the above mentioned disclosures have been made without considering the employees transferred from PSPL.*

For and on behalf of the Board
One 97 Communications Limited

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

Date: May 20, 2022
Place: New Delhi

Annexure V

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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"). 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.

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 covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 ('period under review') according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; *(not applicable to the Company during the period under review)*

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 period under review)*

h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; *(not applicable to the Company during the period under review) 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 Institute of Company Secretaries of India wherein the Company is generally regular in 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 is duly constituted with proper balance of Executive Director(s), Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meetings and Committee Meetings which were held on shorter notice in compliance with the applicable laws 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 expressing any dissenting views.

We further report that as informed to us, 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.

Matters of emphasis

i. We further noted that the Company has certain foreign currency receivables and payables which have been outstanding for a period more than required under Master Directions issued by the Reserve Bank of India **(RBI)** in relation to export and import of goods and services (amended from time to time). In this regard, the Company has made respective applications to the RBI and the same are pending for approval.

Our report in respect of the abovementioned matters shall not be considered as modified or qualified.

We further report that during the audit period the following events have occurred in the Company:

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

ii. That the members in their Annual General Meeting ('AGM') held on June 30, 2021 approved the sub-division of equity shares of the Company of ₹ 10 each into 10 equity shares of ₹ 1 each.

iii. That the members in their Extra-ordinary General Meeting ('EGM') held on July 12, 2021 approved the declassification of Mr. Vijay Shekhar Sharma from his status as 'promoter' of the Company, for any purpose, regulatory, statutory, commercial or otherwise, under any applicable law.

iv. That the members in their EGM held on September 2, 2021 adopted amendments to One97 Employee Stock Option Scheme 2019 in order to give effect to increase in existing ESOP Pool from 2,40,94,280 equity options to 6,10,94,280 equity options.

v. That the members, in their EGM of the Company held on September 23, 2021 approved the transfer of Payment Aggregator business to Paytm Payments Services Limited, wholly owned subsidiary of the Company, as a going concern on slump sale basis, at an indicative book value of approx. ₹ 275 crores-₹ 350 crores (US $ 39 million-US $ 50 million), in order to comply with Guidelines on Regulation of Payment Aggregators and Payment Gateways issued by RBI via circular dated March 17, 2020.

vi. That the members in their EGM held on October 4, 2021 approved the grant of 2,10,00,000 stock options under One 97 Employees Stock Option Scheme 2019 to Mr. Vijay Shekhar Sharma, Managing Director and CEO of the Company.

vii. That the members by way of Postal Ballot dated February 19, 2022, granted approval to extend the benefits under One 97 Employees Stock Option Scheme 2019 to the employees of the subsidiary companies and group companies of the Company respectively.

viii. That the Company had voluntarily filed a compounding application under Section 441 read with Section 62(1)(b) and Section 450 of the Act read with the Rules, before the Office of the Regional Director (Northern Region), Ministry of Corporate Affairs ('RD') on December 25, 2021. On March 15, 2022, RD has issued an order whereby RD has compounded the offence and levied compounding fees which has been duly paid and aforesaid matter is closed.

For **PI & Associates**,
Company Secretaries

Nitesh Latwal
Partner
ACS No.: 32109
CP No.: 16276
PR: 1498/2021
UDIN: A032109D000357038

Date: May 20, 2022
Place: New Delhi

Disclaimer:

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

Annexure-A

To,
The Members,
One 97 Communications Limited

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

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 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 is 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

Nitesh Latwal
Partner
ACS No.: 32109
CP No.: 16276
PR: 1498/2021
UDIN: A032109D000357038

Date: May 20, 2022
Place: New Delhi

Corporate Governance Report

Corporate Governance Report

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

One 97 Communications Limited ("Company") believes that effective Corporate Governance is 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 and focus 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 its stakeholders by practicing requisite levels of disclosure and transparency, as per applicable laws and its policy(ies).

The Company is committed in following highest level of Corporate Governance 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 Board is the primary direct stakeholder of the Company, influencing its Corporate Governance.

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 www.paytm.com/investor-relations/directors-and-committees.

Board Composition, Board Meetings and Board Attendance

The Board comprises of an optimum combination of Executive, Non-executive, Non-executive Independent and Woman Director as required under the Companies Act, 2013 ("Act") and SEBI Listing Regulations. As on date of this report, the Board comprises of eight (8) Directors, out of which four (4) are Non-executive Independent Directors, two (2) are Non-executive Directors and two (2) are Executive Directors.

During the Financial Year 2021-22 ("FY 2021-22"), the Board met Nineteen (19) times i.e. on April 24, 2021, May 28, 2021, June 14, 2021, July 5, 2021, July 11, 2021, July 14, 2021, August 13, 2021, August 30, 2021, September 9, 2021, September 14, 2021, October 24, 2021, October 26, 2021, November 11, 2021, November 15, 2021, November 27, 2021, December 30, 2021, February 4, 2022, March 3, 2022 and March 30, 2022. The intervening gap between the two consecutive Board meetings was within the period prescribed under the provisions of the Act and SEBI Listing Regulations.

During FY 2021-22, the composition and categories of the Directors on the Board, their attendance at Board meetings and at the last Annual General Meeting ("AGM") held during FY 2021-22, and their Directorship(s), Committee Membership(s) or Chairpersonship(s) in other companies is provided below:

Name of the Director	Director Identification Number	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	Number of other Directorships	Committees Membership(s)/ Chairmanship(s)	
							Chairman	Member
Mr. Vijay Shekhar Sharma (Chairman)	00466521	Executive Director (Managing Director and Chief Executive Director)	19(19)	Yes	-	3	-	-
Mr. Ravi Chandra Adusumalli*	00253613	Non-executive Director	18(19)	No	-	2	-	2

Name of the Director	Director Identification Number	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	Number of other Directorships	Committees Membership(s)/ Chairmanship(s)	
							Chairman	Member
Mr. Neeraj Arora	07221836	Non-executive Independent Director	12(14)	No	-	-	-	-
Mr. Todd Anthony Combs	08343520	Non-executive Director	3(3)	NA	-	-	-	-
Mr. Madhur Deora	07720350	Executive Director	NA	NA	NA	8	1	1
Mr. Douglas Feagin	07868696	Non-executive Director	13(15)	No	Zomato Limited - Nominee Director	1	-	-
Mr. Ashit Ranjit Lilani	00766821	Non-executive Independent Director	14(15)	No	-	-	-	-
Mrs. Pallavi Shardul Shroff	00013580	Non-executive Independent Director	15(19)	Yes	Asian Paints Limited - Independent Director Apollo Tyres Limited - Independent Director Interglobe Aviation Limited - Independent Director PVR Limited - Independent Director	4	-	4
Mr. Mark Schwartz	07634689	Non-executive Independent Director	18(19)	No	-	-	-	-
Mr. Munish Ravinder Varma**	02442753	Non-executive Director	13(18)	No	-	1	-	-
Mr. Jing Xiandong@	07155397	Non-executive Director	3(3)	No	-	-	-	-
Mr. Michael Yuen Jen Yao@@	08451050	Non-executive Director	3(3)	NA	-	-	-	-

Notes:

1. *The Directorships, held by Directors, as mentioned above, do not include the Directorships held in private companies, foreign body corporates and the Company.*
2. *The Chairmanship 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 Chairmanships of Committees as the same has been provided separately.*
3. *The details with respect to appointment and cessation of Directors, during FY 2021-22 is as follows:*
    - *Mr. Todd Anthony Combs, Non-executive Director ceased to be a Director w.e.f. June 30, 2021;*
    - *Mr. Michael Yuen Jen Yao, Non-executive Director and Mr. Ting Hong Kenny Ho, Alternate Director to Mr. Yao ceased to be a Director w.e.f. June 30, 2021;*
    - *Mr. Jing Xiandong, Non-executive Director and Mr. Guoming Cheng, Alternate Director to Mr. Xiandong ceased to be a Director w.e.f. July 5, 2021;*
    - *Mr. Ashit Ranjit Lilani, was appointed as Non-executive Independent Director w.e.f. July 5, 2021;*
    - *Mr. Douglas Feagin was appointed as Non-executive Director w.e.f. July 5, 2021;*
    - *Mr. Vikas Agnihotri was appointed as an Alternate Director to Mr. Munish Ravinder Varma w.e.f. July 5, 2021;*

- *Mr. Mukul Arora Alternate Director to Mr. Ravi Chandra Adusumalli ceased to be Director w.e.f. July 7, 2021;*
- *Mr. Neeraj Arora was appointed as Non-executive Independent Director w.e.f. July 11, 2021;*
- *Mr. Vivek Kumar Mathur was appointed as an Alternate Director to Mr. Ravi Chandra Adusumalli w.e.f. July 11, 2021; and*
- *Mr. Munish Ravinder Varma Non-executive Director and Mr. Vikas Agnihotri, Alternate Director to Mr. Varma ceased to be Directors w.e.f. March 14, 2022.*

4. *As on March 31, 2022, apart from the following Directors, no other Director of the Company holds shares in the Company:*
   - *Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive Officer holds 57,673,032 equity shares;*
   - *Mr. Mark Schwartz, Non-executive Independent Director holds 935,970 equity shares; and*
   - *Mr. Neeraj Arora, Non-executive Independent Director holds 75,000 equity shares.*

   Further, none of the Non-executive Director of the Company including Non-executive Independent Directors holds any convertible instruments in the Company.
5. *Mr. Madhur Deora has been appointed as Additional Director and Whole-time Director designated as 'Executive Director, President and Group Chief Financial Officer ' w.e.f. May 20, 2022.*
6. *None of the Directors are relatives of any other Director and each one of them are Independent to each other.*

* *Nine meetings were attended by Mr. Vivek Kumar Mathur as an Alternate Director to Mr. Ravi Chandra Adusumalli.*

** *Nine meetings were attended by Mr. Vikas Agnihotri as an Alternate Director to Mr. Munish Ravinder Varma.*

@ *Two meetings were attended by Mr. Guoming Cheng as an Alternate Director to Mr. Jing Xiandong.*

@@ *One meeting was attended by Mr. Ting Hong Kenny Ho as an Alternate Director to Mr. Michael Yuen Jen Yao.*

Key Board Skills, Expertise and Competencies

The Board has identified the following core skills, expertise and competencies which are required for Board members to function effectively:

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.
Leadership	Strong leadership experience, practical understanding of organizations, processes, strategic thinking and vision, decision making and risk management. Demonstrated strengths in developing talent, succession planning, driving change and long-term growth.
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.
Diversity	Appreciation of varied cultures, ethnicity, geography, gender, age, philosophies, life experiences and other diversity perspectives that expand the Board's understanding of the needs of diverse stakeholders and a better ability to respond to changes.
Strategic Planning and Analysis	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Marketing and Innovation	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.

The skills as possessed by each director are given below:

Skills	Mr. Vijay Shekhar Sharma	Mr. Ravi Chandra Adusumalli	Mr. Neeraj Arora	Mr. Madhur Deora	Mr. Douglas Feagin	Mr. Ashit Ranjit Lilani	Mr. Mark Schwartz	Mrs. Pallavi Shardul Shroff
Business and Management	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓
Technology and digital expertise	✓	✓	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Financial	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Planning and Analysis	✓	✓	✓	✓	✓	✓	✓	✓
Marketing and Innovation	✓	✓	✓	✓	✓	✓	✓	✓

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 Board 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. Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- Details of any acquisition, joint venture or collaboration agreement;
- Human resource updates and strategies;
- Quarterly treasury reports;
- Quarterly compliance certificates with the 'Exceptions Reports and Material Litigations' , which includes non-compliance of any regulatory, statutory nature or 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 last Board meeting decisions.

Independent Directors

The Board of the Company consists of Four (4) Non-executive Independent Directors. In the opinion of Board, all the Non-executive Independent Directors fulfil the conditions as specified in the Act and SEBI Listing Regulations, and are Independent of the management.

Familiarisation Programmes for Independent Directors

The familiarisation programmes include periodic presentations at the Board and Committee meetings on business and performance updates of the Company, business strategy, nature of the industry in which the Company operates, business model and risk involved including their roles, rights, responsibility in the Company etc.

The details of familiarisation programmes imparted to Non-executive Independent Directors are available on the website of the Company at www.paytm.com/investor-relations/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.

Performance Evaluation

In compliance with the provisions of the Act, 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 the Board Committees.

The Nomination and Remuneration Committee, in its meeting held on February 4, 2022, 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 Chairman, 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 2021-22. The results of evaluation were discussed in the Nomination and Remuneration Committee meeting and Board meeting held on May 20, 2022.

Directors' Remuneration

In terms of the provisions of the Act and SEBI Listing Regulations, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, Key Managerial Personnel and other Senior Management Personnel and 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 www.paytm.com/investor-relations/policies-and-guidelines. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy.

The details of remuneration paid to Directors during FY 2021-22 are given below:

(Amount ₹ in Million)

Directors	Sitting Fees	Remuneration	Commission	Perquisites	Allowances	Variable Bonus	Total
Executive Directors							
Mr. Vijay Shekhar Sharma	-	37.14	-	2.86	-	-	**40.00**
Mr. Madhur Deora	-	-	-	-	-	-	**-**
Non-executive Directors							
Mr. Ravi Chandra Adusumalli	-	-	-	-	-	-	**-**
Mr. Todd Anthony Combs	-	-	-	-	-	-	**-**
Mr. Douglas Feagin	-	-	-	-	-	-	**-**
Mr. Vivek Kumar Mathur	-	-	-	-	-	-	**-**
Mr. Munish Ravinder Varma	-	-	-	-	-	-	**-**
Mr. Jing Xiandong	-	-	-	-	-	-	**-**
Mr. Michael Yuen Jen Yao	-	-	-	-	-	-	**-**
Non-executive Independent Directors							
Mr. Neeraj Arora	-	10.70	-	-	-	-	**10.70**
Mr. Ashit Ranjit Lilani	-	10.94	-	-	-	-	**10.94**
Mrs. Pallavi Shardul Shroff	-	18.50	-	-	-	-	**18.50**
Mr. Mark Schwartz	-	18.50	-	-	-	-	**18.50**
Total	**-**	**95.78**	**-**	**2.86**	**-**	**-**	**98.64**

Notes:

1. *As per the Nomination, Remuneration and Board Diversity policy, the Non-executive Independent Directors are entitled to such remuneration as approved by the Board within the overall limits approved by the members and permissible under the applicable provisions of the Act. No remuneration was paid to the Non-executive Directors for FY 2021-22.*

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 and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the Executive Directors is not ascertainable and, therefore, not included.
4. During FY 2021-22, Mr. Vijay Shekhar Sharma and Mr. Madhur Deora were granted 21,000,000 stock options and 222,222 stock options, respectively, on September 9, 2021 under ESOP Scheme 2019 of the Company, at an exercise price of ₹ 9 per option, with a vesting period as mentioned in their respective ESOP grant letters. None of other Director have been granted any stock options during FY 2021-22.
5. The Board on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Vijay Shekhar Sharma, as 'Managing Director and Chief Executive Officer' of the Company at its meeting held on May 20, 2022, for a further period of five years w.e.f. December 19, 2022 to December 18, 2027. The detailed terms of his appointment covering remuneration is subject to approval of the members and forms part of the Notice of the ensuing 22nd AGM.
6. The Board of Directors on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Madhur Deora, as an Additional Director in the capacity of Whole-time Director designated as 'Executive Director, President and Group Chief Financial Officer' of the Company at its meeting held on May 20, 2022, for a period of five years w.e.f. May 20, 2022 to May 19, 2027. The detailed terms of his appointment covering remuneration is subject to approval of the members and forms part of the Notice of the ensuing 22nd AGM. Further, no remuneration in FY 2021-22 has been paid to him in the capacity of Director.
7. 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 Joint-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.
8. 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.

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 the FY 2021-22, the Board has accepted all the recommendations of its Committees.

AUDIT COMMITTEE

Composition, Meetings and Attendance

As on March 31, 2022, Audit Committee comprised three (3) Directors out of whom two (2) are Non-executive Independent Directors. Mr. Mark Schwartz, Non-executive Independent Director and Chairman of the Committee holds a Master's degree in Business Administration from the Harvard University and possesses expert financial knowledge. All the members of the Committee are financially literate and have necessary accounting and financial management expertise/background.

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

During FY 2021-22, the Committee met thirteen (13) times i.e. on April 21, 2021, May 27, 2021, July 5, 2021, July 14, 2021, August 12, 2021, August 30, 2021, September 9, 2021, September 14, 2021, October 24, 2021, November 27, 2021, December 30, 2021, February 4, 2022 and March 30, 2022.

The composition of the Committee and attendance of members at the Committee meetings held during FY 2021-22, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Mark Schwartz, Chairman*	Non-executive Independent Director	12(13)
Mr. Ravi Chandra Adusumalli	Non-executive Director	12(13)**
Mrs. Pallavi Shardul Shroff	Non-executive Independent Director	11(13)

** Designated as Chairman of Audit Committee with effect from July 5, 2021.*

*** Two meetings were attended by Mr. Vivek Kumar Mathur as an Alternate Director to Mr. Ravi Chandra Adusumalli.*

Terms of Reference

During FY 2021-22, the following terms of reference of the Audit Committee were approved by the Board on July 5, 2021:

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

(i) Investigate any activity within its terms of reference;

(ii) Seek information from any employee;

(iii) Obtain outside legal or other professional advice; and

(iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

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

(1) 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;

(2) Recommendation to the Board of Directors of the Company for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) 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 Companies Act, 2013;

(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.

(5) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(6) 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;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) 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 Companies Act, 2013*.

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the Company, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) 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;

(14) Discussion with internal auditors of any significant findings and follow-up thereon;

(15) 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;

(16) 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;

(17) 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;

(18) Reviewing the functioning of the whistle blower mechanism;

(19) 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;

(20) 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;

(21) 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;

(22) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

(23) 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 Companies Act, 2013, 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, 2022, Nomination and Remuneration Committee comprised three (3) Non-executive Directors out of whom two (2) are Non-executive Independent Directors. Mr. Ashit Ranjit Lilani, Non-executive Independent Director is Chairman of the Committee.

During FY 2021-22, the following changes occurred in the composition of the Committee:

a) Mr. Jing Xiandong, Non-executive Director ceased to be the member of the Committee with effect from July 5, 2021;

b) Mr. Mark Schwartz and Mrs. Pallavi Shardul Shroff, Non-executive Independent Directors ceased to be the members of the Committee with effect from July 11, 2021;

c) Mr. Ashit Ranjit Lilani, Non-executive Independent Director was inducted as Chairman of the Committee, and Mr. Neeraj Arora, Non-executive Independent Director and Mr. Douglas Feagin, Non-executive Director were inducted members of the Committee with effect from July 11, 2021; and

d) Mr. Ravi Chandra Adusumalli ceased to be the member of the Committee with effect from January 1, 2022.

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

During FY 2021-22, the Committee met Eleven (11) times i.e. on May 28, 2021, July 5, 2021, July 11, 2021, July 14, 2021, August 2, 2021, August 13, 2021, September 9, 2021, October 24, 2021, November 27, 2021, December 30, 2021 and February 4, 2022.

The composition of the Committee and attendance of members at the Committee meetings held during FY 2021-22, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Ashit Ranjit Lilani, Chairman*	Non-executive Independent Director	8(8)
Mr. Neeraj Arora	Non-executive Independent Director	7(8)
Mr. Ravi Chandra Adusumalli	Non-executive Director	9(10)**
Mr. Douglas Feagin	Non-executive Director	7(8)
Mr. Mark Schwartz	Non-executive Independent Director	3(3)
Mrs. Pallavi Shardul Shroff	Non-executive Independent Director	3(3)
Mr. Jing Xiandong	Non-executive Director	1(1)

** Designated as Chairman of Nomination and Remuneration Committee with effect from July 5, 2021.*

*** Three meetings were attended by Mr. Vivek Kumar Mathur as an Alternate director to Mr. Ravi Chandra Adusumalli.*

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

Terms of Reference

During FY 2021-22, the following terms of reference of the Nomination and Remuneration Committee were approved by the Board on July 11, 2021 and further revised on February 4, 2022 respectively:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company a 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 Companies Act, 2013, 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, 2022, the Stakeholders Relationship Committee comprised three (3) members out of whom two (2) are Non-executive Independent Directors. Mrs. Pallavi Shardul Shroff, Non-executive Independent Director is Chairperson of the Committee.

During FY 2021-22, the following changes occurred in the composition of the Committee:

a) Mr. Mark Schwartz, Non-executive Independent Director, Mr. Ravi Chandra Adusumalli, Mr. Munish Ravinder Varma and Mr. Jing Xiandong, Non-executive Directors, ceased to be the members of the Committee with effect from July 5, 2021; and

b) Mrs. Pallavi Shardul Shroff, Non-executive Independent Director was inducted as Chairperson of the Committee, Mr. Ashit Ranjit Lilani, Non-executive Independent

Director and Mr. Douglas Feagin, Non-executive Director were inducted as members of the Committee, with effect from July 5, 2021.

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

During FY 2021-22, the Committee met once on March 3, 2022. The composition of the Committee and attendance of members at the Committee meeting held during FY 2021-22, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mrs. Pallavi Shardul Shroff, Chairperson*	Non-executive Independent Director	1(1)
Mr. Douglas Feagin	Non-executive Director	1(1)
Mr. Ashit Ranjit Lilani	Non-executive Independent Director	1(1)

** Designated as Chairperson of Stakeholders Relationship Committee with effect from July 5, 2021.*

Terms of Reference

During FY 2021-22, the following terms of reference of the Stakeholders Relationship Committee were approved by the Board on July 5, 2021:

- 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 SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Compliance Officer

In terms of the requirement of SEBI Listing Regulations, Mr. Amit Khera, Company Secretary, is Compliance Officer of the Company.

Nature of Complaints and Redressal Status

During FY 2021-22, the complaints and queries received by the Company were general in nature, which included issues relating to non-receipt of refunds in the Initial Public Offer ("IPO"), IPO shares, annual reports and others, which were resolved by the Company to the satisfaction of the investors.

The details of investors complaints received after the listing of equity shares of the Company and redressed, are as follows:

Status of Investor Complaints*	
Pending at the beginning of the financial year	Nil
Received during the financial year	40
Disposed off during the financial year	38
Pending at the end of the financial year*	2
Complaints not resolved to the satisfaction of investor	Nil

** The 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.*

RISK MANAGEMENT COMMITTEE

Composition, Meetings and Attendance

In compliance with the requirements of SEBI Listing Regulations, the Risk Management Committee was constituted by the Board on July 5, 2021 and as on March 31, 2022, the Risk Management Committee comprised five (5) members out of whom three (3) are Non-executive Independent Directors. Mr. Mark Schwartz, Non-executive Independent Director is Chairman of the Committee.

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

During FY 2021-22, the Committee met once on March 3, 2022. The composition of the Committee and attendance of members at the Committee meeting held during FY 2021-22, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Mark Schwartz, Chairman*	Non-executive Independent Director	1(1)
Mr. Vijay Shekhar Sharma	Executive Director	1(1)

Name	Category	Number of meetings attended (total held during tenure)
Mrs. Pallavi Shardul Shroff	Non-executive Independent Director	0(1)
Mr. Ashit Ranjit Lilani	Non-executive Independent Director	1(1)
Mr. Deepankar Sanwalka	President	1(1)

** Designated as Chairman of Risk Management Committee with effect from July 5, 2021.*

Subsequent to the financial year ended March 31, 2022, Mr. Deepankar Sanwalka ceased to be the member of the Committee with effect from May 20, 2022.

Terms of Reference

During FY 2021-22, the following roles and responsibility of the Risk Management Committee were approved by the Board on July 5, 2021:

- 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
  - c) 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 of directors of the Company 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Social Responsibility Committee

Composition, Meetings and Attendance

As on March 31, 2022, Corporate Social Responsibility ("CSR") Committee comprised three (3) members out of whom one (1) is Non-executive Independent Director. Mr. Vijay Shekhar Sharma, Managing Director and Chief Executive Officer of the Company is Chairman of the CSR Committee.

The Company Secretary of the Company is the Secretary to the CSR Committee. The composition of the CSR Committee meets the requirements of Section 135 of the Act.

During FY 2021-22, the Committee met once on March 3, 2022. The composition of the CSR Committee and attendance of members at the CSR Committee meeting held during FY 2021-22, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Vijay Shekhar Sharma, Chairman*	Executive Director	1(1)
Mr. Ravi Chandra Adusumalli	Non-executive Director	1(1)**
Mr. Mark Schwartz	Non-executive Independent Director	1(1)

** Designated as Chairman of CSR Committee with effect from July 5, 2021.*

*** Attended by Mr. Vivek Kumar Mathur as an Alternate director to Mr. Ravi Chandra Adusumalli.*

Key Responsibilities of the CSR Committee

During FY 2021-22, the CSR Committee was authorised to perform the following functions, as approved by the Board on July 5, 2021:

a) 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;

b) Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

c) Monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

d) 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.

D. General Body Meetings

Annual General Meetings

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

Financial Year	Location	Date	Time	Special Resolutions Passed
2020-21	Through Video Conference	June 30, 2021	11:00 A.M. (IST)	1. Re-appointment of Mrs. Pallavi Shardul Shroff, as an Independent and Non-executive 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)	None
2018-19	First Floor, Devika Tower, Nehru Place, New Delhi-110019	September 30, 2019	9:00 A.M. (IST)	1. Increase in ESOP Pool for grant options and amendment in One 97 Employees Stock Option Scheme, 2008. 2. Creation and adoption of new One 97 Employees Stock Option Scheme 2019. 3. Remuneration of Mr. Vijay Shekhar Sharma, Managing Director for Financial Year 2019 - 20.

Postal Ballot

During FY 2021-22, two (2) Postal Ballots were conducted by the Company for obtaining the approvals of the members. The details of the Postal Ballots conducted are mentioned below:

Postal Ballot 1:

Date of Postal Ballot Notice: December 30, 2021

Voting period: January 21, 2022 at 9:00 A.M. (IST) to February 19, 2022 at 5:00 P.M. (IST).

Date of Declaration of Results: February 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.	Amendment and Ratification of One 97 Employees Stock Option Scheme 2019	Special Resolution	567,108,164	526,788,300	92.89	40,319,864	7.11
2.	Approval to extend the benefits under One 97 Employees Stock Option Scheme 2019 to the employees of subsidiary companies of the Company	Special Resolution	567,108,171	526,550,547	92.85	40,557,624	7.15
3.	Approval to extend the benefits under One 97 Employees Stock Option Scheme 2019 to the employees of group companies of the Company	Special Resolution	567,108,164	526,550,289	92.85	40,557,875	7.15

Postal Ballot 2:

Date of Postal Ballot Notice: February 23, 2022

Voting period: February 25, 2022 at 9:00 A.M. (IST) to March 26, 2022 at 5:00 P.M. (IST)

Date of Declaration of Results: March 29, 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 of Material Related Party Transactions with Paytm Payments Bank Limited	Ordinary Resolution	126,940,519	91,310,862	71.93	35,629,657	28.07
2.	Approval for right to nominate Directors as required under Article 113 of Article of Association of the Company	Special Resolution	506,736,800	492,509,821	97.19	14,226,979	2.81

Procedure for Postal Ballot

In compliance with Regulation 44 of 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 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI, 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 Postal Ballot Form and pre-paid 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 an 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 Singhi (C.P No 16274), Company Secretary in Practice and Partner of PI & Associates, 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 www.paytm.com/investor-relations/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.

E. CODES, POLICIES AND FRAMEWORKS

Code of Conduct

In compliance with the provisions of the Act and Regulation 17 of 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 Managing Director and Chief Executive Officer, regarding affirmation of the compliance with the Code by Board members and Senior Management for FY 2021-22, is provided in **Annexure A** to this report.

The Code is available on website of the Company at www.paytm.com/investor-relations/policies-and-guidelines.

Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has formulated the 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.

Risk Management

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

F. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company believe 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 www.paytm.com/investor-relations/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 www.paytm.com/investor-relations/stock-exchange-submissions.

c) **Earning Calls & Presentations to Institutional Investors/ Analysts**

The Company organises earnings conference call with analysts and investors after the announcement of financial results. The transcript and audio of quarterly earnings call 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 www.paytm.com/investor-relations 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 a designated e-mail ID compliance.officer@paytm.com exclusively for investor services.

G. General Shareholder Information

Date, Time and Venue of the AGM	Friday, August 19, 2022 at 04:30 P.M. (IST) through Video Conferencing/Other Audio Visual Means facility
CIN	L72200DL2000PLC108985
ISIN	INE982J01020
Registered office Address	First Floor, Devika Tower, Nehru Place, New Delhi 110019, India
Financial Calendar	April 1 to March 31
Adoption of Financial Results (Tentative Schedule, subject to change)	
For the quarter ending June 30, 2022	August 5, 2022
For the quarter and half year ending September 30, 2022	November 4, 2022
For the quarter and nine months ending December 31, 2022	February 3, 2023

For the fourth quarter and financial year ending March 31, 2023	May 19, 2023
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 2021-22
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai - 400001	PAYTM	Yes
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	543396	Yes

Registrar and Share Transfer Agent

All the functions related to share registry, both in physical and electronic form, are handled by the Company's Registrar and Share Transfer Agent ("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 2021-22, 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 / it's 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.

Stock Market Data of the Company for the period from November 18, 2021 to March 31, 2022

Month	BSE			NSE		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Nov-21	1,961.1	1,271.3	7,831,604	1,955.0	1,271.0	109,875,308
Dec-21	1,724.0	1,290.1	2,566,521	1,725.0	1,290.0	39,936,992
Jan-22	1,349.0	875.5	6,634,753	1,350.0	875.0	94,014,585
Feb-22	994.0	771.2	3,798,470	994.0	771.2	41,340,898
Mar-22	816.5	520.0	12,803,860	817.5	521.0	199,112,158

Performance of Company's share price in comparison to BSE Sensex and NSE Nifty for the period from November 18, 2021 to March 31, 2022

Month	Paytm - BSE	Paytm - NSE	BSE SENSEX	NSE Nifty
	Average Closing	Average Closing	Average Closing	Average Closing
Nov-21	1,648.2	1,648.1	58,166.9	17,337.5
Dec-21	1,448.3	1,448.4	57,663.1	17,174.3
Jan-22	1,079.5	1,079.4	59,586.8	17,770.6
Feb-22	878.6	878.6	57,697.5	17,225.9
Mar-22	645.4	645.4	56,404.4	16,864.7

Distribution of Shareholding by number of shares held as on March 31, 2022

No. of Equity Shares held	No. of Shareholders	% to holders	No. of Shares	% of total shares
1 - 5,000	1,280,595	99.94	44,484,962	6.86
5,001 - 10,000	376	0.03	2,668,788	0.41
10,001 - 20,000	184	0.01	2,546,808	0.39
20,001 - 30,000	54	0.00	1,387,565	0.21
30,001 - 40,000	23	0.00	805,904	0.12
40,001 - 50,000	21	0.00	961,719	0.15
50,001 - 1,00,000	37	0.00	2,617,308	0.40
100,001 & above	101	0.01	593,088,360	91.45
Total	**12,81,391**	**100.00**	**648,561,414**	**100.00**

Shareholding Pattern as on March 31, 2022

Category	Total Shares	Total Percent
Promoter and Promoter Group		
Indian	0.00	0.00
Foreign	0.00	0.00
Total Promoter Shareholding	**0.00**	**0.00**
Public Shareholding		
Institutional Investor		
Mutual Funds	6,819,790	1.05
Insurance Companies	95,216	0.01
Alternate Investment Funds - III	23,500	0.00
Foreign Portfolio Investors (Corporate)	28,680,948	4.42
Non-Institutional Investor		
Clearing Members	1,758,477	0.27
Other Bodies Corporate	33,320,337	5.14
Foreign Company	461,513,275	71.16
Hindu Undivided Family	1,015,392	0.16
Foreign Nationals	1,201,660	0.19
Non-Resident Indians	1,081,790	0.17
Non-Resident (Non Repatriable)	1,802,791	0.28
Public	110,128,944	16.98
Trusts	717,382	0.11
Body Corporate - Ltd Liability Partnership	384,782	0.06
NBFCs registered with RBI	17,130	0.00
Total	**648,561,414**	**100.00**

Dematerialisation of Shares and Liquidity

The break-up of shares held in physical and dematerialised mode as on March 31, 2022 is as follows:

Shareholding	No. of Shares	% of Total
Physical Mode	2,500,937	0.39
Dematerialised Mode	646,060,477	99.61
Total	**648,561,414**	**100.00**

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, 2022, 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 circular dated November 15, 2018, 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 2021-22, the Company did not undertake any derivative hedging activity and managed its foreign exchange risk through a mix of close monitoring, management review and natural hedge.

Plant Locations

Being a service provider company, the Company has no plant locations.

Credit Rating

The company has not issued any non convertible securities and hence, no credit ratings were required to be obtained during FY 2021-22.

Communications Details

Particulars	Contact	Email	Address
For all Investor related matters	Mr. Amit Khera Company Secretary and Compliance Officer	compliance.officer@paytm.com	One Skymark, Tower D, Plot No. H-10B, Sector-98, Noida-201304
For queries relating to Financial Statements	Mr. Anuj Mittal Vice President - 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 Pvt 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 2021-22, the Company has entered into material Related Party Transactions, with Paytm Payments Bank Limited ("PPBL") for which prior Audit Committee and members approval 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 shall not, in any manner, be detrimental to the interest of minority members and is 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 www.paytm.com/investor-relations/policies-and-guidelines.

Details of Non-compliance with regard to Capital Markets during the Last Three Years

The Equity shares of the Company are listed and traded on National Stock Exchange of India Limited and BSE Limited w.e.f. November 18, 2021. 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 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 a 'Vigil Mechanism/ Whistle Blower Mechanism Policy' ("WB Policy"). The WB Policy provides a framework for responsible and secure whistle blowing/vigil mechanism. The 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 in the workplace without 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 Policy to protect any director(s) and employee(s) who are availing of this against any kind of victimisation and also provides for direct access to the Chairman of the Audit Committee in appropriate cases.

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 provided in **Annexure B** to this report.

During FY 2021-22, a total of 18 Whistle Blower complaints were received and taken up for investigation, of which 17 complaints were resolved as on March 31, 2022. One complaint is pending/under the process of investigation by the Company. None of the Whistle Blowers has been denied access to the Audit Committee.

Prevention of Sexual Harassment of Women 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. 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.

There were no pending POSH complaints at the beginning of the year and no new complaints have been received during FY 2021-22.

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

During FY 2021-22, the Company has not raised funds through preferential allotment or qualified institutional placement.

No Disqualification Certificate from Practicing Company Secretary

A certificate from PI & Associates, Practicing Company Secretaries, pursuant to Schedule V of the 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 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, 2022, is provided in **Annexure C** to this report.

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

A certificate from PI & Associates, Practising Company Secretaries, pursuant to Schedule V of the Listing Regulations, affirming compliance of Corporate Governance during FY 2021-22, 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 Auditor

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*	10.40
IPO related Certifications and Reports*#	46.85
Other Services*	8.40
Total	**65.65**

**Includes out-of-pocket expenses*

#Includes recoverable from selling shareholders pursuant to agreement with selling shareholders for sharing of IPO 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.

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 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*	10	83
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	9	77
Number of shareholders to whom shares were transferred from suspense account during the year	9	77
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1	6

**represents the numbers as on the date of listing of shares of the Company.*

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

Compliance with the Mandatory Requirements of SEBI Listing Regulations

The Board periodically reviews the compliance of all applicable laws. The Company has complied with all the mandatory requirements of 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 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 make it available on its website as well as report 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 Company's website.

b) Unmodified Audit Opinion

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

c) Reporting of Internal Auditor

The Company has appointed KPMG Assurance and Consulting Services LLP (KPMG) as independent Internal Auditor under Section 138 of the Act for FY 2021-22. The Company has also appointed an employee of the Company as Vice President - Internal Audit who reports directly to the Audit Committee.

Internal audit is governed by the Internal Audit Charter approved by the Audit Committee, and outcome of Internal Audits are submitted and presented in the Audit Committee meetings every quarter.

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, 2022, that they are in compliance with the Company's Code of Conduct

For One 97 Communication Limited

Date: May 20, 2022
Place: New Delhi

Vijay Shekhar Sharma
Managing Director & Chief Executive Officer

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 policies are available on the website of the Company under investor section and the weblinks of key policies are given below for ease of reference:

Name of the Policy	Weblink
Corporate Social Responsibility Policy	Click here
Vigil Mechanism/Whistle Blower Mechanism Policy	Click here
Policy for Determination of Materiality of Events or Information	Click here
Code of Conduct for Directors and Senior Management Team	Click here
Policy on Dealing with Related Party Transactions	Click here
Nomination, Remuneration and Board Diversity Policy	Click here
Policy for Determining Material Subsidiaries	Click here
Dividend Distribution Policy	Click here
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Click here
Risk Assessment and Management Policy	Click here
Policy for Preservation of Documents	Click here
Web Archival Policy	Click here
Policy for Prevention of Sexual Harassment at Workplace	Click here
Anti-Bribery and Anti-Corruption Policy	Click here
Policy on Familiarization of Independent Director	Click here

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, India (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 on March 31, 2022 as stated below, 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
1.	00466521	Mr. Vijay Shekhar Sharma	December 22, 2000	December 19, 2017
2.	00013580	Mrs. Pallavi Shardul Shroff	February 9, 2018	February 9, 2021
3.	00253613	Mr. Ravi Chandra Adusumalli	February 16, 2012	February 16, 2012
4.	00766821	Mr. Ashit Ranjit Lilani	July 5, 2021	July 5, 2021
5.	03581311	Mr. Vivek Kumar Mathur	July 11, 2021	July 11, 2021
6.	07221836	Mr. Neeraj Arora	July 11, 2021	July 11, 2021
7.	07634689	Mr. Mark Schwartz	October 21, 2016	August 31, 2017
8.	07868696	Mr. Douglas Feagin	July 5, 2021	July 5, 2021

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
C P No.: 16276
PR: 1498/2021
UDIN: A032109D000357082

Date: May 20, 2022
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, 2022, 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 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, 2022.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

Nitesh Latwal
Partner
ACS No.: A32109
C P No.: 16276
PR: 1498/2021
UDIN: A032109D000357126

Date: May 20, 2022
Place: New Delhi

Annexure E

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

We, Vijay Shekhar Sharma, Managing Director and CEO and Madhur Deora, 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, 2022 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.

Date: May 20, 2022

Vijay Shekhar Sharma
Managing Director and
Chief Executive Officer
Place: New Delhi

Madhur Deora
Executive Director, President and
Group Chief Financial Officer
Place: Mumbai

Business Responsibility Report

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L72200DL2000PLC108985
2. **Name of the Company:** One 97 Communications Limited
3. **Registered Office Address:** First Floor, Devika Tower, Nehru Place, New Delhi – 110019
4. **Website:** www.paytm.com
5. **E-mail id:** compliance.officer@paytm.com
6. **Financial Year reported:** 2021-22.
7. **Sector(s) that the Company is engaged in (Industrial activity code-wise):** Other information service activities n.e.c. (Code- 63999)
8. **List three key products/ services that the Company manufactures/ provides (as in balance sheet):** Key services offered by the company include recharge and bill payment on the Paytm app; payment gateway services; and, EDC payment devices
9. **Total number of locations where business activity is undertaken by the Company:**
   i. Number of International Locations (provide details of major 5): Dubai, Singapore, Nepal, Malaysia, Tanzania
   ii. Number of National Locations (number of offices – services are offered on pan India basis): Number of offices of our Company are 19. The Company provides services in all states of India
10. **Markets served by the Company- Local/State/ National/International:** National and certain International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid-up Capital (₹):** ₹ 648,561,414 (as on 31 March 2022)
2. **Total Turnover (₹):** ₹ 38,924 million on a standalone basis.
3. **Total profit after taxes (₹):** (23,251) million on a standalone basis.
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Not Applicable since the average net profit of last three financial years is Negative.
5. **List of activities in which expenditure in 4 above has been incurred:** N.A.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company has 32[1] (thirty-two) subsidiaries as on 31st March 2022.
2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).–** No, the subsidiary companies do not participate in the BR initiatives of the Company.
3. **Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]** Yes, less than 30%

SECTION D: BR INFORMATION

1. **Details of Director/ Directors responsible for BR**

   a) Details of the Director responsible for implementation of the BR policy/ policies:
   1. **DIN Number:** 00466521
   2. **Name:** Mr. Vijay Shekhar Sharma
   3. **Designation:** Managing Director, CEO and Chairman

[1] Paytm First Games Private Limited, Paytm First Games Singapore Pte. Ltd and Paytm Technology Beijing) Co., Ltd have been identified as joint ventures of our Company in its financial statements, in accordance with applicable accounting standards. However, pursuant to the definition of "subsidiaries" under the Companies Act, Paytm First Games Private Limited, Paytm First Games Singapore Pte. Ltd and Paytm Technology (Beijing) Co., Ltd have each been identified as a subsidiary of our Company, as our Company controls more than one-half of the total voting power of Paytm First Games Private Limited, and Paytm First Games Singapore Pte. Ltd and Paytm Technology (Beijing) Co., Ltd are wholly-owned subsidiaries of Paytm First Games Private Limited.

b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Ms. Urvashi Sahai
3.	Designation	Senior Vice President and General Counsel
4.	Telephone Number	+91 120 4770770
5.	Email id	BR-GRM@paytm.com

2. Principle-wise (as per NVGs) BR Policy/ policies

a) Details of compliance (Reply in Y/ N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?[2]	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)[3]	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?[4]	www.paytm.com/investor-relations/policies-and-guidelines								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

[2]While there may not be formal consultation with all stakeholders, the relevant policies have been drafted after taking inputs from concerned internal stakeholders.

[3]The content of the policies as articulated by the Company are in compliance with the applicable regulatory requirements and standards.

[4]Code of Conduct of the Company is available on intranet.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)– N.A.

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: 3-6 months

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? No

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others? No, the Code of Conduct of the Company extends to group companies, joint ventures, suppliers and contractors as well.

1. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.** The Company received 18 complaints via its whistleblowing platform from 1st April, 2021 till 31st March, 2022. 17 complaints i.e. 94% (approx.) have been closed and 1 complaint i.e. 6% (approx.) of the total complaints is open and still under investigation. The Company has not received any complaints related to anti money laundering and prevention of sexual harassment in the past financial year. Post listing, the Company has received 40 investor complaints until March 31, 2022, out of which, 2 complaints were pending as at end of financial year which got resolved subsequently in compliance with Listing Regulations and in accordance with Investor Grievance Policy of the Company.

Principle 2- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   a) **Paytm Soundbox:** The Company has come up with a unique feature in its EDCs devices (a kind of Point-of-Sale terminals) wherein it plays a sound notification for transaction confirmation. Every time a transaction is processed, the EDC device (called Sound-box) confirms the transactions through sound notification, thus annulling the need for paper slips for transaction confirmation.

   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. In the last financial year (April 2021- March 2022), a total of 5045 Million Sound-box-based transactions have been completed through Paytm-enabled sound boxes. This has enabled saving paper slips worth 4.43 million pounds in the last one year (considering each paper slip 5.7cm*10 cm, having 70 GSM paper).

   b) **Paytm QR Code:** The Company has pioneered the use of QR codes initially through 'Paytm Wallet' and extended the same QR for UPI across India. This has helped in progressing towards the Government of India's vision of making India a cashless economy. Many customers make their daily transactions through Paytm wallet and UPI by scanning the QR code, thus obliviating the need to go to ATM machines to withdraw and carry cash. The QR code stickers provided by Paytm to all its merchants are recyclable in its nature. The Company is also helping in deepening the 'financial inclusion agenda' by onboarding street vendors under 'Pradhan Mantri Street Vendor's AtmaNirbhar

Nidhi Scheme' (SVANidhi) and helping them to accept digital payments. In financial year 2021-22, the company has onboarded more than 35000 Street vendors under PM SVANidhi scheme.

c) The Company also engages in paperless merchant onboarding with completely digital KYC, thus saving in paper-based document exchange.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

(a) **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? QR Code:** The QR code sticker and standee provided by the Company to all its merchants are recyclable in its nature

(b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

(i) Soundbox

In the last financial year, a total of 5045 Million sound-box-based transactions have been completed through Paytm-enabled sound boxes. This has enabled saving paper slips worth 4.43 million pounds in last one year. Also, we scrap non-usable/non-repairable sound-boxes and POS devices by handing these over to the CPCB-authorized eWaste vendor.

(ii) Digital Inclusion of Street Vendors

Under the PM SVANidhi Scheme, QR code have been provided to 35,553 street venders in the past financial year. This had enabled them to accept the payments digitally.

Does the Company have procedures in place for sustainable sourcing (including transportation)?

a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, as a responsible corporate, the Company endeavours to reduce the environmental impact of its operations. The Company uses only CNG cabs to provide office pickup and drop facility to its employees. The Company has mandated that all such vehicles procure pollution check certificate as per government norms.

(c) **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?** Yes,

a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?** To support various initiatives by NGO's working with the underprivileged section of the society, we regularly procure various goods from such NGOs. One such example is that the Company procures gift items for employees from NGO Svatanya (on occasion such as Women's day, Diwali etc.) to support the local and small vendors.

(d) **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or s**o.

Yes, as an environmentally responsible company, we aim to constantly reduce the utilization of paper and dynamic measures are being implemented across different processes, as detailed below:

a) All waste that is generated on our premises is disposed of to the state government authorized agencies who have sorting/processing units of their own.

b) We have already restricted the usage of single use plastic in our offices like plastic spoons, disposable plates, stirrers etc. and they are replaced with eco-friendly material.

c) We also strictly follow our scrap policy for e-waste generated through our business activities.

The link for scrap policy is available on the intranet of the Company. We dispose our e-waste through Central Pollution Control Board (CPCB) listed e-waste vendors.

Principle 3- Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees:** There were 7,278 employees (excluding subsidiary Companies) on the rolls of the Company as on March 31, 2022

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:** 1114 as on March 31, 2022

3. **Please indicate the Number of permanent women employees:** 1,283 as on March 31, 2022

4. **Please indicate the Number of permanent employees with disabilities:** NA

5. **Do you have an employee association that is recognized by management:** NA

6. **What percentage of your permanent employees is members of this recognized employee association?** NA

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No. of complaints filed during the financial year 2021-22	No. of complaints pending as on end of the financial year (31 March 2022)
1.	Child labour/ forced labour/ involuntary labour	NA	NA
2.	Sexual harassment	NA	NA
3.	Discriminatory employment	NA	NA

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

    a) Permanent Employees: 70%

    b) Permanent Women Employees – 100%

    c) Casual/ Temporary/ Contractual Employees – 90%

    d) Employees with Disabilities- NA

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders? Yes/ No -** Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?** Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. –** The Company has undertaken initiatives as mandated by law.

Principle 5- Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?** Company's Code of Conduct extends to group, joint ventures, suppliers and contractors.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?** No legal complaints regarding Human Rights have been received in the past financial year.

Principle 6- Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.** Company's Code of Conduct extends to group, joint ventures, suppliers and contractors.

    Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/ N. If yes, please give hyperlink for webpage etc. Yes

    Clean air has been our focus area and we have collaborated with UNEP for AQAF (Air Quality Action forum) Project. It aims to establish an air pollution 'Solutions Centre' to provide direct support to Indian policy and decision makers. Also, we are striving to incorporate sustainable ways of operations, including helping our users and merchants access the paperless PoS devices and recyclable QR code. This has reduced the dependence on paper-based activities:

    The hyperlink to the webpage is Paytm Foundation Web

2. **Does the Company identify and assess potential environmental risks? Y/ N** Yes

3. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?** We have collaborated with UNEP to set up Air Quality Action Forum which aims to work towards mitigating the impact of air pollution in India and offer solutions. It will identify the needs, gaps, and solutions to the problem of air quality and will ensure project implementation in a structured manner with a yearly action plan. Our Managing Director, Mr. Vijay Shekhar Sharma, has been named as a patron for Clean Air by UNEP.

4. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/ N. If yes, please give hyperlink for web page etc.** Yes, the Company has undertaken initiatives on these issues.

5. **Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?** Yes

6. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.** None

Principle 7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:** We forge partnerships with industry bodies and consortiums at the local, national and international levels, including with:

   a) Associated Chambers of Commerce and Industry of India (ASSOCHAM)

   b) International Chamber of Commerce (ICC)

   c) National Association of Software and Services Companies (NASSCOM)

   d) Internet & Mobile Association of Indi (IAMAI)

   e) Confederation of Indian Industry (CII)

   f) Payments Council of India (PCI)

   g) Federation of Indian Chambers of Commerce and Industry (FICCI)

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No: If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)** Yes. The Company has advocated for public good through various industry associations and in various forums in related to the following areas:

   a) Governnance and administration,

   b) Economic reforms, and

   c) Inclusive development policies.

Principle 8- Businesses should support inclusive growth and equitable development

3. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?** If yes details thereof.

   The Company's vision is to bring half a billion Indians to the mainstream economy through payments, commerce, banking, investments, and financial services.

4. **Are the programmes/ projects undertaken through in-house team/ own foundation / external NGO/ government structures/ any other organization?**

   The clean air project (AQAF-Air Quality Action Forum) is being executed in collaboration with UNEP.

   Have you done any impact assessment of your initiative? No

5. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

   The details of the community development projects are as follows:

   a) For UNEP AQAF (Air Quality Action Forum) project- ₹ 33.75 lakhs

   b) COVID Relief: 230 OCs (amounting to ₹ 1 Crore) donated to government hospitals.

6. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The oxygen concentrators were deployed in the government hospitals and utilised by NGOs as part of their Covid-19 relief measures in the last financial year.

Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year**. Out of the complaints received during the year, 0.01% cases were pending as on the end of the financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)** The Company displays product information as mandated by applicable law.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?** Yes

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, 2022, 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, 2022, 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.

Emphasis of Matter

4. We draw your attention to the following matters:

    a) Note 2.1 to the Standalone Financial Statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

    b) Note 35 to the Standalone Financial Statements relating to

        i. non-realisation of foreign currency receivable balances as at March 31, 2022 aggregating to ₹ 349 million outstanding beyond the stipulated time period permitted under the RBI Master Direction on Export of Goods and Services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI). The Company has made the necessary application with the Authorised Dealer (AD) banker/RBI seeking extension of time limit for remittance of certain balances and write-off the remaining balances.

        ii. non-settlement of foreign currency payables as at March 31, 2022 amounting to ₹ 1.33 million, due for more than three years, being the time permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated January 1, 2016 (as amended) issued by the RBI. The Company has filed an application to the RBI for permission to write-back the aforesaid payable balances.

    Our opinion is not modified in respect of the above matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying value of investment in subsidiaries, and associates carried at cost **(Refer accompanying notes 2.2(j), 2.2(n), 2.2 (u), 5, 6 and 21 to the Standalone Financial Statements)** 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). 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. The accounting for investments is a key audit matter as the determination of recoverable value for impairment assessment involves significant management judgement. 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: i) Forecast cash flows including assumptions on growth rates ii) Discount rates iii) Terminal growth rate	Our procedures to assess the carrying value of investment (including impairment) in subsidiaries, and associates included the following: • 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. Based on the above audit procedures performed, the Management's assessment of the carrying value of the investments was considered to be reasonable.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, Corporate Governance Report, The Management Discussion and Analysis Report, Business Responsibility Report and Shareholder's information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or

to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. 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.

10. As part of an audit in accordance with SAs, we exercise professional judgment 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.

    - 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.

11. 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.

12. 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.

13. 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

14. 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.

15. 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.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 (d) to the Standalone Financial Statements;

ii. The Company had long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.

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, 2022.

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 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.

16. 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: 22058507AJHXDC5928

Place: Gurugram
Date: May 20, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(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, 2022

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, 2022 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.

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, 2022, 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. Also refer paragraph 4 (a) of our main audit report.

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

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 22058507AJHXDC5928

Place: Gurugram
Date: May 20, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 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, 2022

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 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 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 been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, where applicable, which are in agreement with the unaudited/audited books of account, as applicable (Also refer Note 41 (ii) to the Standalone Financial Statements).

iii. (a) The Company has made investments in 4 companies by way of subscribing to Optionally Convertible Debentures and granted unsecured loans to 5 companies during the year. The aggregate amount of loans granted during the year, and balance outstanding at the balance sheet date with respect to such loans to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

	Guarantees	Security	Loans (₹ million)	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	319	-
- Joint Ventures	-	-	1,613	-
- Associates	-	-	-	-
- Others	-	-	40	-
Balance outstanding as at balance sheet date in respect of above cases *				
- Subsidiaries	-	-	299	-
- Joint Ventures	-	-	1,613	-
- Associates	-	-	-	-
- Others	-	-	40	-

* Above balances do not include accrued interest

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans, 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) (₹ million)	Due Date	Extent of delay	Remarks (if any)
Little Internet Private Limited	87	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
Paytm Financial Services Limited	471	Refer Note 3 below	Refer Note 3 below	Refer Note 3 below
Urja Money Private Limited	11	Refer Note 4 below	Refer Note 4 below	Refer Note 4 below
Robust Infocom Private Limited	265	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 issued a support letter to LIPL allowing it further time for repayment till the time it has surplus funds or March 31, 2023, whichever is earlier.

Note 2: The Company had given loan of ₹ 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 ₹ 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 ₹ 237 million to December 31, 2021.

Note 3: The loan was given in two tranches – ₹ 250 million on February 24, 2021 and ₹ 200 million on March 25, 2021. As per the terms the loan was to be repaid at the earlier of, at the end of 12 months from execution date or 30 days of day on which lender demand the repayment. The loan has been repaid subsequent to the year end.

Note 4: The Company had given loan of ₹ 10 million 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 5: 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.

(d) In respect of the following loans, the total amount overdue for more than ninety days as at March 31, 2022 is ₹ 353 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 (₹ million)	Interest Overdue (₹ million)	Total Overdue (₹ million)	Remarks (if any)
2	288	65	353	

(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 (₹ million)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Arthimpact Finserve Private Limited	234	12%
Urja Money Private Limited	11	1%
Little Internet Private Limited	87	4%

(f) Following 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.

Name of the parties	All Parties (₹ million) (Refer Note below)	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand	313	-	313
- Agreement does not specify any terms or period of repayment	-	-	-
Percentage of loans/advances in nature of loan to the total loans	16%		16%

Note: In respect of the aforesaid loans, the schedule for repayment of principal and payment of interest has been stipulated however the Company has right to demand payment before specified period.

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.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of 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 services 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, though there has been a slight delay in a few cases and the Company is regular in depositing undisputed statutory dues, including, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 28 (d)(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, labour welfare fund, sales tax, service tax, duty of excise, value added tax, cess, goods and services tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Non-deduction of tax deducted at source	3.62	AY 2013-14	Commissioner of Income-tax (Appeals)
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	3.16	AY 2019-20	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Interest allowable on TDS refund	17.63	AY 2016-17 and 2017-18	Commissioner of Income-tax (Appeals)
The Customs Act, 1962	Custom duty on Sound box	32.92	August 5, 2019 to July 6, 2021	Deputy commissioner of Customs
The Gujarat Tax on Entry of Specified Goods into Local Area Act, 2001	Entry Tax	17.21*	April 2016 to December 2016	Joint Commissioner of State Tax (Appeal)
Income Tax Act, 1961	Reassessment proceedings	624.9	AY 2013-14 to AY 2017-18	Hon'ble Delhi High Court.

*excluding ₹ 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.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(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 Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(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, 2022 amounted to ₹ 71,636 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 the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(xi) (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.

xii. As 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 are 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 under Clause 3(xv) of the Order are 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.

(xvii) The Company has incurred cash losses of ₹ 12,500 million in the financial year and of ₹ 13,067 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: 22058507AJHXDC5928

Place: Gurugram
Date: May 20, 2022

Standalone Balance Sheet

(Amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	5,431	2,750
Right-of-use-assets	3(b)	2,786	1,065
Capital work-in-progress	3(c)	97	202
Intangible assets	4	83	90
Intangible assets under development	3(d)	15	25
Financial assets			
Investment in subsidiaries	5	10,695	9,439
Investment in associates	6	1,932	1,962
Other investments	7(b)	426	120
Loans	7(c)	1,681	-
Other financial assets	7(d)	41,778	3,325
Current tax assets		3,838	2,854
Other non-current assets	9	3,031	2,784
Total Non-Current Assets		**71,793**	**24,616**
Current assets			
Financial assets			
Other investments	7(a)	-	1,472
Trade receivables	8	7,059	4,915
Cash and cash equivalents	10(a)	10,664	2,948
Bank balances other than cash and cash equivalents	10(b)	37,690	22,778
Loans	7(c)	514	872
Other financial assets	7(d)	22,339	23,229
Other current assets	9	13,507	13,966
Total Current Assets		**91,773**	**70,180**
TOTAL ASSETS		**163,566**	**94,796**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11(a)	649	605
Other equity	11(b)	136,476	69,240
Total Equity		**137,125**	**69,845**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	3(b)	1,724	261
Contract Liabilities	14(b)	3,165	4,119
Provisions	12	235	205
Total Non-Current Liabilities		**5,124**	**4,585**
Current liabilities			
Financial liabilities			
Borrowings	13(a)	-	5,444
Lease liabilities	3(b)	318	179
Trade payables			
(a) Total Outstanding dues of micro and small enterprises	13(b)	193	51
(b) Total Outstanding dues other than (a) above	13(b)	6,914	6,086
Other financial liabilities	13(c)	7,308	4,161
Contract Liabilities	14(b)	2,001	1,539
Other current liabilities	14(a)	3,865	2,539
Provisions	12	718	367
Total Current Liabilities		**21,317**	**20,366**
Total Liabilities		**26,441**	**24,951**
TOTAL EQUITY AND LIABILITIES		**163,566**	**94,796**

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 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

Standalone Statement of Profit and Loss

(Amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	15	38,924	26,671
Other income	16	2,830	3,749
Total income		**41,754**	**30,420**
Expenses			
Payment processing charges		19,855	19,131
Marketing and promotional expenses		7,907	5,209
Employee benefits expense	17	19,072	8,339
Software, cloud and data centre expenses		4,516	3,207
Depreciation and amortization expense	18	2,282	1,568
Finance costs	19	381	337
Other expenses	20	10,548	7,578
Total expenses		**64,561**	**45,369**
Loss before exceptional items and tax		**(22,807)**	**(14,949)**
Exceptional items	21	(441)	(650)
Loss before tax		**(23,248)**	**(15,599)**
Income Tax expense			
Current tax	27	3	2
Total Tax expense		**3**	**2**
Loss for the year		(23,251)	(15,601)
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	(18)	(15)
Total Other Comprehensive Income/(Loss) for the year		**(18)**	**(15)**
Total Comprehensive Income/ (Loss) for the year		**(23,269)**	**(15,616)**
Earnings per share (₹ per share of ₹ 1 each)			
Basic	22	(37)	(26)
Diluted	22	(37)	(26)

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 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

Standalone Statement of Changes in Equity

(Amounts in ₹ Million, unless otherwise stated)

a) Equity Share Capital

Equity shares - issued, subscribed and fully paid	No. of Shares	Amount
At April 1, 2020#	**60,187,655**	**604**
Shares issued during the year##	29,979	*
Shares issued during the year - ESOP	42,379	*
At March 31, 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 on derecognition of trust	1,809,840	-
At March 31, 2022	**648,561,414**	**649**

Net of treasury shares, March 31, 2021: 222,391 and April 1, 2020: 247,370 of face value of ₹ 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year includes 41,407 (March 31, 2021 : 24,979) shares of face value of ₹ 10 each 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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from record date, i.e., June 30,2021.

b) Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus			Other reserves	Total Other Equity
		Securities Premium	Retained earnings	ESOP Reserve	FVTOCI	
As at April 1, 2020	*****	**188,957**	**(108,451)**	**3,030**	**(26)**	**83,510**
Loss for the year	-	-	(15,601)	-	-	(15,601)
Other Comprehensive income	-	-	(15)	-	-	(15)
Total comprehensive income/ (loss)	**-**	**-**	**(15,616)**	**-**	**-**	**(15,616)**
Adjustment on forfeiture of ESOP	-	-	148	(148)	-	-
Amount transferred to security premium on exercise of ESOPs	-	192	-	(192)	-	-
Share based payment expenses (Refer note 24)	-	-	-	867	-	867
Share based payment for employees of group companies (Refer note 24)	-	-	-	265	-	265
Share application money received (pending allotment)	2	-	-	-	-	2
Amount received on issue of shares	-	107	-	-	-	107
Other adjustments (Refer note 11(b))	-	-	105	-	-	105
As at March 31, 2021	**2**	**189,256**	**(123,814)**	**3,822**	**(26)**	**69,240**

Standalone Statement of Changes in Equity

(Amounts in ₹ 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	FVTOCI	
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 securities 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 group companies (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**

* 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

For and on behalf of Board of Directors of
One 97 Communications Limited

Amitesh Dutta
Partner
Membership No: 058507

Place: Gurugram
Date: May 20, 2022

Vijay Shekhar Sharma
Chairman, Managing Director and CEO
DIN No. 00466521

Place: New Delhi
Date: May 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

Standalone Statement of Cash Flows

(Amounts in ₹ Million, unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities:			
Loss before tax		**(23,248)**	**(15,599)**
Depreciation and amortization expense	18	2,282	1,568
Interest income	16	(2,388)	(2,176)
Interest Income on unwinding of discount - financial assets measured at amortized cost	16	(182)	(212)
Interest on borrowing at amortized cost	19	293	225
Interest and finance charges on lease liabilities	19	75	103
Gain on leases termination		(3)	(38)
Trade receivables / advance written off	20	201	60
Provision for advances	20	40	4
Loss allowance for financial assets	20	697	471
Provision for impairment of investments in associates and subsidiaries	21	441	650
Liabilities no longer required written back	16	(7)	-
Property, plant and equipment and intangible assets written off	20	10	3
Share based payment expenses	17	7,498	867
Provision for employee incentive		15	67
Fair value gain on financial instruments measured at FVTPL (net)	16	(223)	(891)
Profit on sale of property, plant and equipment (net)	16	(7)	(18)
Operating loss before working capital changes		**(14,506)**	**(14,916)**
Working capital adjustments:			
Increase/(decrease) in trade payables		977	403
Increase/(decrease) in provisions		379	(82)
Increase /(decrease) in other current liabilities and contract liabilities		860	(344)
Increase/(decrease) in other financial liabilities		8,236	2,021
(Increase)/decrease in trade receivables		(2,805)	(504)
(Increase)/decrease in other financial assets		(5,707)	(5,664)
(Increase)/decrease in other current and non-current assets		373	(2,922)
Cash used in operations		**(12,193)**	**(22,008)**
Tax paid, net of refunds		(987)	1,986
Net cash inflow/ (outflow) from operating activities (A)		**(13,180)**	**(20,022)**
Cash flow from investing activities:			
Purchase of property, plant and equipment and intangible assets		(5,043)	(1,779)
Proceeds from sale of property, plant and equipment		13	47
Investment in fixed and other deposits with banks		(93,951)	(20,661)
Maturity of bank deposits		42,339	10,223
Proceeds from repayment of inter corporate loans		117	5
Inter corporate loans given		(1,972)	(790)
Proceeds from sale of non-current investments		13	1,036
Investments in subsidiaries and associates		-	(3,450)
Payment for purchase of non-current investments		(421)	(46)
Proceeds from sale of current investments		85,696	99,114
Payment for purchase of current investments		(84,204)	(67,422)
Interest received		2,694	903
Net cash inflow / (outflow) from investing activities (B)		**(54,719)**	**17,180**

Standalone Statement of Cash Flows

(Amounts in ₹ Million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from financing activities:		
Proceeds from issue of shares (including security premium)	83,067	107
Share issue expenses	(1,401)	-
Share application money received during the year (pending allotment)	*	2
Repayment of term loan	-	(729)
Net change in working capital demand loan	(435)	(847)
Interest paid	(368)	(328)
Principal elements of lease payments	(239)	(280)
Net cash inflow / (outflow) from financing activities (C)	**80,624**	**(2,075)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**12,725**	**(4,917)**
Cash and cash equivalent at the beginning of the year	(2,061)	2,856
Cash and cash equivalent at the end of the year	**10,664**	**(2,061)**

Cash and cash equivalents as per above comprises of following		March 31, 2022	March 31, 2021
Cash on hand		*	1
Balance with banks			
- On current accounts		10,664	1,129
- Deposits with original maturity of less than 3 months		-	1,818
Total cash and cash equivalents	10(a)	**10,664**	**2,948**
Bank overdraft	13(a)	-	(5,009)
Cash and cash equivalents for the purpose of statement of cash flows		**10,664**	**(2,061)**

* 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) and 13(a).

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 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

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 20, 2022.

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 Company has applied the following amendments for the first time for year commencing from April 1, 2021:

- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases
- Extension of COVID-19 related concessions – amendments to Ind AS 116

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting year beginning on or after April 1, 2021. Pursuant to these amendment, the comparative figures as disclosed in these financial statements have been regrouped/ reclassified, wherever necessary, to make them comparable to current year figures. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (Restated)
Loans (non-current)	1,227	(1,227)	-
Loans (current)	1,779	(907)	872
Other financial assets (non-current)	2,098	1,227	3,325
Other financial assets (current)	23,509	(280)	23,229
Trade Receivables	3,728	1,187	4,915

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 form April 1, 2022. Below is a summary of such amendments:

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

Title	Key requirements
Ind AS 16, Property, Plant and Equipment	Proceeds before intended use of property, plant and equipment: The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).
Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts – Cost of fulfilling a contract: The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.
Ind AS 103, Business combinations	References to the conceptual framework: The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
Ind AS 109, Financial Instruments	Fees included in the 10% test for derecognition of financial liabilities: The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
Ind AS 101, First time adoption	Subsidiary as a first-time adopter: Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
Ind AS 41, Agriculture	Taxation in fair value measurements: The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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

COVID-19 continues to spread across globe and India. This has impact on all local and global economic activities. Government of India has taken series of measures to contain spread of virus and limit economic impact on corporates and individuals.

The Company has considered the possible effects that may result from COVID-19, on the carrying amount of the receivables, investments, goodwill etc. While making the assessment, the Company has taken cognizance of internal and external information up to the date of approval of these Financial Statements. The Company based on current estimates expects the carrying amount of the above assets will be recovered.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to the future economic conditions.

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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

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

b. Foreign currencies

Functional and presentation currency

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

Transactions and balances

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

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

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

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

c. Fair value measurement

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

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

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

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

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

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Company provides incentives to its users in various forms including cashbacks. Incentives which are consideration payable to the customer that are not in exchange for a distinct good or service are generally recognized as a reduction of revenue.

Where the Company acts as an agent for selling goods or services, only the commission income is included within revenue. The specific revenue recognition criteria described below must also be met before revenue is recognized. Typically, the Company has a right to payment before or at the point that services are delivered. Cash received before the services are delivered is recognised as a contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

Sale of services

Revenue from services is recognized when the control in services is transferred as per the terms of the agreement with customer i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services. In terms of the contract, excess of revenue over the billed at the year-end is carried in the balance sheet as trade receivables where the amount is recoverable from the customer without any future performance obligation and the Company has unconditional right over such consideration (i.e. if only the passage of time is required before payment of such consideration is due). Cash received before the services are delivered is recognised as a contract liability.

Commission

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

Service fees from merchants

The Company earns service fee from merchants and recognizes such revenue when the control in services have been transferred by the Company i.e. as and when services have been provided by the Company. Such service fee is generally determined as a percentage of transaction value executed by the merchants. Amount received by the Company pending settlement are disclosed as payable to the merchants under other financial liabilities.

Government Grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to revenue are recognized on a systematic basis in the Standalone Statement of Profit and Loss as other operating revenue over the periods necessary to match them with the related costs, if any, which they are intended to compensate.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

e. Taxes

Current income tax

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

Current income tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

Minimum alternate tax

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

Taxes paid on acquisition of assets or on incurring expenses

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

current/ non- current assets or other current liabilities in the balance sheet.

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

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal 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 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.

g. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment, if any. Property, plant and equipment is depreciated on a written down value basis to its residual value over its estimated useful life.

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

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

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

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

Depreciation is provided using the written down value method and charged to statement of profit and loss, unless such expenditure forms part of carrying value of another asset, as per the rates prescribed under schedule II of the Companies Act, 2013, except for technical evaluation done by the management's expert for plant and machinery, given below:

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

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.

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

h. Intangible assets

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

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

The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Research and development costs

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to five years. Amortization is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in 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.

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j. Impairment of non-financial assets

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

The recoverable amount for an asset or CGU is the higher of its value in use and fair value less costs of disposal. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the asset 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 determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

k. Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

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

l. Retirement and other employee benefits

For defined benefit plans (gratuity), 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.

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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 statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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

The Company provides for liability at year end on account of un-availed earned leave 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.

m. 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. 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

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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 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.

n. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considered this to be more relevant.

Equity investments in subsidiaries, associates and joint ventures are measured at cost. The investments are reviewed at each reporting date 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.

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

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

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

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include borrowings, lease liabilities, trade and other payables.

Subsequent measurement

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

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that 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

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derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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

o. 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.

p. 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.

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

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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.

q. 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 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 year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

r. Treasury shares

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

s. Segment reporting

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. Refer note 33 for segment information presented.

t. Use of estimates

The Company is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgements about carrying values of assets and liabilities.

u. 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.

v. 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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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, 2020	3,230	72	269	15	309	1,256	5,151
Additions	296	3	1	8	43	1,358	1,709
Disposals	44	33	198	11	83	2	371
As at March 31, 2021	**3,482**	**42**	**72**	**12**	**269**	**2,612**	**6,489**
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**
Accumulated depreciation							
As at April 1, 2020	2,024	45	137	10	167	338	2,721
For the year	531	5	107	2	37	675	1,357
Disposals	39	22	198	9	70	1	339
As at March 31, 2021	**2,516**	**28**	**46**	**3**	**134**	**1,012**	**3,739**
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**
Net carrying amount							
As at March 31, 2022	**1,072**	**12**	**26**	**7**	**133**	**4,181**	**5,431**
As at March 31, 2021	**966**	**14**	**26**	**9**	**135**	**1,600**	**2,750**

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 ₹ 40 (March 31, 2021: ₹ 41) relating to expenses incurred on construction of office premises.

(ii) Refer to note 28 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

^ Plant and machinery includes Gross carrying amount ₹ 4,678 (March 31, 2021: ₹ 1,831), Accumulated depreciation ₹ 1,875 (March 31, 2021: ₹ 780), Net carrying amount ₹ 2,803 (March 31, 2021: ₹ 1,051) of point-of-sale machines and sound boxes installed at customer premise.

*Amount below rounding off norms adopted by the Company

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, 2020	844	1,999	2,843
Additions	-	41	41
Disposals (refer note below)	-	1,321	1,321
As at March 31, 2021	**844**	**719**	**1,563**
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**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

Particulars	Right-of-use Leasehold Land	Right-of-use Office Premises	Total
Accumulated Depreciation			
As at April 1, 2020	10	304	314
Charge for the Year	10	174	184
Disposals	-	-	-
As at March 31, 2021	**20**	**478**	**498**
As at April 1, 2021	20	478	498
Charge for the Year	10	191	201
Disposals	-	-	-
As at March 31, 2022	**30**	**669**	**699**
Net Carrying Amount			
As at March 31, 2022	**814**	**1,972**	**2,786**
As at March 31, 2021	**824**	**241**	**1,065**

B. Lease Liabilities

Particulars	March 31, 2022	March 31, 2021
Lease Liability on Land- Current	58	114
Lease Liability on Land- Non-Current	-	62
Lease Liability on Office Premises- Current	260	65
Lease Liability on Office Premises- Non-Current	1,724	199
Total	**2,042**	**440**
Total lease liability - Current	318	179
Total lease liability - Non-Current	1,724	261

C. Amounts recognised in Statement of profit and loss

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation charge of Right-of-use assets			
Land		10	10
Office Premises*		191	174
Total	18	**201**	**184**

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense (included in finance cost)	19	75	103
Expense relating to short-term lease (included in other expenses)	20	42	9

* This amount is including cross charge of ₹ 7 (March 31, 2021: 24). Net depreciation charge of Right-of-use assets in profit & loss is ₹ 194 (March 31, 2021: 160).

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. During the year ended March 31, 2022, 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 ₹ 9

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

(March 31, 2021: 1,360) with corresponding adjustment to Right of Use assets amounting to ₹ 6 (March 31, 2021: 1,321) 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 ₹ 314 (March 31, 2021: 383)

Extension and termination options:

Extension and termination options are included in ceratin 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.

3 (c). Capital-work-in progress aging schedule

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

Capital-work-in progress (CWIP) for the year ended March 31, 2021

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	152	8	39	3	202

3 (d). Intangible assets under development aging schedule

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

Intangible assets under development aging schedule for the year ended March 31, 2021

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	23	1	-	1	25

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

4. Intangible assets

Particulars	Software	Internally Generated Software	Total
Gross carrying amount			
As at April 1, 2020	407	1	408
Additions	22	-	22
Disposals	-	-	-
As at March 31, 2021	**429**	**1**	**430**
As at April 1, 2021	429	1	430
Additions	41	-	41
Disposals	191	-	191
As at March 31, 2022	**279**	**1**	**280**
Accumulated amortisation			
As at April 1, 2020	288	1	289
For the year	51	-	51
Disposals	-	-	-
As at March 31, 2021	**339**	**1**	**340**
As at April 1, 2021	339	1	340
For the year	47	*	47
Disposals	190	-	190
As at March 31, 2022	**196**	**1**	**197**
Net carrying amount			
As at March 31, 2022	**83**	**-**	**83**
As at March 31, 2021	**90**	*****	**90**

*Amount below rounding off norms adopted by the Company

5. Investment in subsidiaries - Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments		
Unquoted equity shares (Fully paid up)		
One97 Communications Nigeria Limited	3	3
10,000,000 (March 31 2021 : 10,000,000) equity shares of NGN 1 each		
One97 Communications FZ LLC	21	21
1,500 (March 31 2021 : 1,500) equity shares of AED 1000 each		
One 97 Communications India Limited	832	832
83,150,000 (March 31 2021 : 83,150,000) equity shares of INR10 each		
One97 Communications Singapore Private Limited	940	620
3,356,100 (March 31 2021 : 3,356,100) equity shares of SGD 1 each		
One97 USA Inc	33	33
532,000 (March 31 2021 : 532,000) equity shares of USD 1 each		
Paytm Entertainment Limited	2,691	2,317
78,873,755 (March 31 2021 : 78,873,755) equity shares of face value of ₹ 10 each		
Paytm Money Limited	2,701	2,641
258,870,000 (March 31 2021 : 258,870,000) equity shares of face value of ₹ 10 each		
Wasteland Entertainment Private Limited (Refer note (iii) below)	735	831

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

5. Investment in subsidiaries - Non Current (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
51,673 (March 31 2021 : 51,673) equity shares of ₹ 10 each		
Orbgen Technologies Private Limited (Refer note (ii) below)	309	400
974,880 (March 31 2021 : 974,880) equity shares of ₹ 10 each		
Urja Money Private Limited	227	220
2,102,245 (March 31 2021 : 2,102,245) equity shares of ₹ 10 each		
Mobiquest Mobile Technologies Private Limited	180	173
201,634 (March 31 2021 : 201,634) equity shares of ₹ 10 each		
Little Internet Private Limited (Refer note (i) below)	-	-
13,997,263 (March 31 2021 : 13,997,263) equity shares of face value of ₹ 10 each		
Paytm Services Private Limited (Formerly known as Balance Technology Private Limited)	52	50
3,000,000 (March 31 2021 : 3,000,000) equity shares of face value of ₹ 10 each		
Paytm Insurance Broking Private Limited	774	776
75,000,000 (March 31 2021 : 75,000,000) equity shares of face value of ₹ 10 each		
Paytm Payments Services Limited	1,175	500
50,000,000 (March 31 2021 : 50,000,000) equity shares of face value of ₹ 10 each		
Total (A)	**10,673**	**9,417**
Unquoted compulsorily convertible preference shares (Fully paid up)		
Mobiquest Mobile Technologies Private Limited	22	22
35,710 (March 31 2021 : 35,710) compulsory convertible preference shares of ₹ 10 each		
Total (B)	**22**	**22**
Grand Total [A+B]	**10,695**	**9,439**
Aggregate amount of unquoted investments	**10,695**	**9,439**
Aggregate amount of impairment in the value of investment	**4,880**	**4,548**

(i) Net of provision for impairment amounting to ₹ 2,713 (March 31, 2021: 2,713).

(ii) Net of provision for impairment amounting to ₹ 1,317 (March 31, 2021 : 1,185). Also Refer note 21.

(iii) Net of provision for impairment amounting to ₹ 850 (March 31, 2021: 650). Also Refer note 21.

6. Investment in associates - Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted equity shares (Fully paid up)		
Paytm Payments Bank Limited	1,560	1,560
156,003,900 (March 31 2021 : 156,003,900) equity shares of ₹ 10 each		
Paytm General Insurance Limited	10	10
980,000 (March 31, 2021 : 980,000) equity shares of ₹ 10 each		
Paytm Life Insurance Limited	*	*
49,000 (March 31, 2021 : 49,000) equity shares of ₹ 10 each		
Paytm Financial Services Limited	20	20

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

6. Investment in associates - Non Current (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
2,000,000 (March 31, 2021 : 2,000,000) equity shares of ₹ 10 each		
Paytm Insuretech Private Limited (Formerly known as QorQl Private Limited) (refer note (i) below)	-	-
2,560,938 (March 31, 2021 : 2,560,938) equity shares of ₹ 10 each		
Eatgood Technologies Private Limited (refer note (i) below)	-	-
2,879 (March 31, 2021 : 2,879) equity shares of ₹ 10 each		
Total (A)	**1,590**	**1,590**
Unquoted compulsorily convertible preference shares (Fully paid up)		
Socomo Technologies Private Limited (refer note (i) below)	-	-
28,800 (March 31, 2021 : 28,800) Compulsorily Convertible Preference share of face value of ₹ 1 each		
Infinity Transoft Solutions Private Limited	100	100
3,618 (March 31, 2021 : 3,618) Compulsorily Convertible Preference share of face value of ₹ 10 each		
Eatgood Technologies Private Limited (refer note (i) below)	242	272
72,373 (March 31, 2021 : 72,373) Compulsorily Convertible Preference share of face value of ₹ 100 each		
Total (B)	**342**	**372**
Grand Total [A+B]	**1,932**	**1,962**
Aggregate amount of unquoted investments	**1,932**	**1,962**
Aggregate amount of impairment in the value of investment	**784**	**754**

(i) Net of provision for impairment amounting to ₹ 26 (March 31, 2021: 26), ₹ 428 (March 31, 2021 : 428) and ₹ 330 (March 31, 2021 : 300) for Paytm Insuretech Private Limited, Socomo Technologies Private Limited and Eatgood Technologies Private Limited, respectively.

* Amount below rounding off norms adopted by the Company

7(a) Other investments - Current

Particulars	As at March 31, 2022	As at March 31, 2021
Investments at amortised cost		
Debt instruments (quoted)		
LIC Housing Finance Limited 7.03% 28 Dec 2021	-	500
Nil (March 31, 2021 : 500) Redeemable Non Convertible Debentures of ₹ 1,000,000 each		
HDFC Series W-001 7.15% 16 Sep 2021	-	251
Nil (March 31, 2021 : 250) Redeemable Non Convertible Debentures of ₹ 1,003,676 each		
LIC Housing Finance Limited 7.03% 28 Dec 2021	-	500
Nil (March 31, 2021 : 500) Redeemable Non Convertible Debentures of ₹ 999,978 each		
Kotak Mahindra Investments Ltd 0% 28 Oct 2021	-	221
Nil (March 31, 2021 : 250) Redeemable Non Convertible Debentures of ₹ 883,748 each		
Total Current investments	**-**	**1,472**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(b) Other investments - Non-Current

Particulars	As at March 31, 2022	As at March 31, 2021
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, 2021 : 3,458) Equity shares of face value ₹ 10 each		
Red Pixels Ventures Limited (Refer note (iii) below)	-	4
Nil (March 31, 2021 : 1,093) Equity shares of face value ₹ 10 each		
Total (A)	**23**	**27**
Investments at fair value through Profit and loss		
Unquoted Compulsorily Convertible Preference shares (Fully paid up)		
Raining Clouds Tech Private Limited (Refer note (i) below)	-	-
3,620 (March 31, 2021 : 3,620) Redeemable Convertible Preference Shares of ₹ 10 each		
Avenues Payments India Private Limited (Refer note (i) below)	-	-
11,379 (March 31, 2021 : 11,379) Compulsorily Convertible Preference share of face value of ₹ 100 each		
Loginext Solutions Private Limited (refer note (i) below)	-	-
279,443 (March 31, 2021 : 279,443) Compulsorily Convertible Preference share of face value of ₹ 10 each		
Rooter Sports Technologies Private Limited	40	40
1,160 (March 31, 2021 : 1,160) Compulsorily Convertible Preference share of face value ₹ 10 each		
	40	**40**
Unquoted equity shares (Fully paid up)		
Paytm E-commerce Private Limited	-	53
Nil (March 31, 2021 : 4,837) Equity shares of face value ₹ 10 each held by Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)		
	-	**53**
Unquoted optionally convertible debentures (Fully paid up)		
Eatgood Technologies Private Limited	32	-
29,998,620 (March 31, 2021 : Nil) 10% Debentures of face value ₹ 10 each		
Admirable Software Limited	241	-
23,109,232 (March 31, 2021 : Nil) 10% Debentures of face value ₹ 10 each		
Nearbuy India Private Limited	58	-
13,000,000 (March 31, 2021 : Nil) 10% Debentures of face value ₹ 10 each		
Urja Money Private Limited	32	-
3,000,000 (March 31, 2021 : Nil) 10% Debentures of face value ₹ 10 each		
	363	**-**
Total (B)	**403**	**93**
Total Non-Current investments [A+B]	**426**	**120**
Total Current Investments	-	1,472
Total Non-Current Investments	426	120
	426	1,592
Aggregate book value of unquoted investments	**426**	**120**
Aggregate book value of quoted investments	**-**	**1,472**
Aggregate market value of quoted investments	**-**	**1,472**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(b) Other investments - Non-Current (Contd..)

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) Investment disposed off during the year.

7(c) Loans

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Inter Corporate Loans#				
with related parties (refer note 25)##	1,681	-	551	541
Others	-	-	500	554
Less: Loss allowance for inter corporate loans	-	-	(537)	(223)
	1,681	**-**	**514**	**872**

Break-up of security details

Particulars	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Secured, considered good	-		-	-
Unsecured, considered good	1,681	-	514	872
Loans which have significant increase in credit risk	-	-	537	223
Loans Credit Impaired	-	-	-	-
	1,681	**-**	**1,051**	**1,095**
Less: Loss allowance for inter corporate loans	-	-	(537)	(223)
Total Loans	**1,681**	**-**	**514**	**872**

#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 5.10% to 12% (March 31, 2021 : 5.10% to 12%).

Loan of ₹ 803, ₹ 402 and ₹ 408 has been given to 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 Paytm First Games Private Limited (Joint venture of Paytm Entertainment Limited, wholly owned subsidiary) at fair market value and with mutual consent, during the tenure of loan. The interest is payable at the end of the repayment period. The loan has been fair valued through profit and loss (FVTPL) since it does not meet the SPPI test.

The same is presented in the non-current Inter Corporate Loans as follows:

Particulars	Amount
Face value of loan given	1,613
Fair value of loan on inception	1,317
Deemed investment in Paytm First Games Private Limited	**296**

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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(c) Loans (Contd..)

The details of such loans given to related parties are as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Amount of loan or advance in the nature of loan outstanding as specified above	870	541
Percentage to the total Loans and Advances in the nature of loans	32%	49%

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Paytm First Games Private Limited #	8.00%	1,679	-	1,679	-
Paytm Financial Services Limited ##	5.10%	471	451	471	451
Wasteland Entertainment Private Limited	12.00%	293	-	293	-
Little Internet Private Limited	12.00%	80	80	80	80
Urja Money Private Limited	12.00%	26	10	26	10
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 ₹ 317 (March 31, 2021: Nil)

Loan has been repaid subsequent to the year end.

7(d) Other financial assets

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Security deposits	705	1,228	1,410	908
Less: Loss allowance for security deposits	(37)	(1)	-	-
A	**668**	**1,227**	**1,410**	**908**
Bank balances				
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 10(a))	38,700	2,000	-	-
Others				
Other advances recoverable in cash	-	-	116	61
Interest accrued on Debt Instruments measured at amortised cost	-	-	-	46
Interest accrued but not due on fixed deposits	630	98	502	1,377
Interest accrued on security deposit	-	-	138	87
Other receivable from other parties (Refer note 34)	-	-	-	6,251
B	**39,330**	**2,098**	**756**	**7,822**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(d) Other financial assets (Contd..)

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Amount recoverable from Payment Gateway banks*				
Unsecured, considered good				
Amount recoverable from other parties	-	-	1,109	5,050
Amount recoverable from related parties (Refer note 25)	-	-	17,342	8,546
Unsecured, considered doubtful				
Amount recoverable from other parties	-	-	132	21
	-	**-**	**18,583**	**13,617**
Less : Loss allowance	-	-	(132)	(21)
C	**-**	**-**	**18,451**	**13,596**
Unsecured, considered good				
Amount recoverable from related parties (Refer note 25)#	1,780	-	1,361	704
Amount recoverable from other parties (Refer note 34)	-	-	13	199
Amount recoverable from other parties	-	-	348	-
Unsecured, considered doubtful				
Amount recoverable from related parties (Refer note 25)	-	-	37	37
	1,780	-	1,759	940
Less: Loss allowance for recoverable from related parties	-	-	(37)	(37)
D	**1,780**	**-**	**1,722**	**903**
Total [A+B+C+D]	**41,778**	**3,325**	**22,339**	**23,229**

#Includes an amount of ₹ 10 (March 31, 2021 : ₹ 2,278) which has been set off against payable balance of ₹ 4 (March 31, 2021 : ₹ 2,111) 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.

Break up of financial assets

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
At cost				
Investment in subsidiaries (Refer note 5)	10,695	9,439	-	-
Investment in associates (Refer note 6)	1,932	1,962	-	-
	12,627	**11,401**	**-**	**-**
At amortised cost				
Trade receivables (Refer note 8)	**-**	**-**	**7,059**	**4,915**
Cash and cash equivalents (Refer note 10(a))	-	-	10,664	2,948
Bank balances other than cash and cash equivalents (Refer note 10(b))	-	-	37,690	22,778
Inter corporate loans (Refer note 7(c))	319	-	514	872
Other investments (Refer note 7(a))	-	-	-	1,472
Others (Refer note7(d))	41,778	3,325	22,339	16,978
	42,097	**3,325**	**78,266**	**49,963**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

7(d) Other financial assets (Contd..)

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
At fair value				
Other investments at fair value through OCI (Refer note 7(b))	23	27	-	-
Inter corporate loans at fair value through Profit and loss (Refer note 7(c))	1,362	-	-	-
Investments at fair value through Profit and loss (Refer note 7(b))	403	93	-	-
Other receivable from other parties- Receivable at FVTPL (Rerfer Note 7(d))	-	-	-	6,251
	1,788	**120**	**-**	**6,251**

8. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	6,231	5,293
Receivables from related parties (Refer Notes (i) & (ii) below)	2,506	1,077
Receivables from other parties (Refer note 34)	30	77
Less: Loss allowance	(1,708)	(1,532)
	7,059	**4,915**
Current	7,059	4,915
Non-current	-	-

Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	7,918	5,741
Trade receivable which have significant increase in credit risk	-	-
Trade receivable Credit Impaired	849	706
	8,767	**6,447**
Impairment allowance on trade receivables		
Less: Loss allowance	(1,708)	(1,532)
Total Trade receivables	**7,059**	**4,915**

(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.

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							
	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	-	-	-	-	-	-	-	-
(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**

Trade Receivables ageing schedule for year ended March 31, 2021

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	1,445	1,354	1,920	419	290	126	187	5,741
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	3	-	18	117	568	706
Total	**1,445**	**1,354**	**1,923**	**419**	**308**	**243**	**755**	**6,447**

* Amount below rounding off norms adopted by the Company

#The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because the Company has an unconditional right to consideration.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

9. Other assets

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Capital advances				
Unsecured, considered good	762	179	-	-
Doubtful	1	1	-	-
	763	**180**	**-**	**-**
Less: Provision for doubtful advances	(1)	(1)	-	-
A	**762**	**179**	**-**	**-**
Advances other than capital advances				
Advances to vendors				
Unsecured, considered good	1,636	1,776	3,500	4,645
Doubtful	-	-	92	52
	1,636	1,776	3,592	4,697
Less: Provision for doubtful advances	-	-	(92)	(52)
B	**1,636**	**1,776**	**3,500**	**4,645**
Others				
Balances with government authorities :				
Goods and services tax input credit	500	627	7,363	5,467
Prepayments	133	202	1,215	735
Advances to related parties* (Refer note 25)	-	-	1,429	3,119
C	**633**	**829**	**10,007**	**9,321**
Total (A+B+C)	**3,031**	**2,784**	**13,507**	**13,966**

*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

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	*	1
Balance with banks		
- On current accounts	10,664	1,129
- Deposits with original maturity for less than 3 months	-	1,818
	10,664	**2,948**

* 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 ₹ 32 (March 31, 2021: ₹ 9,609) 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 ₹ 736 (March 31, 2021: Nil) which will be utilised as stated in the prospectus for IPO.

(d) Fixed deposits amounting to ₹ 70,900 (March 31, 2021: Nil) 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

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than 3 months but less than 12 months (Refer footnote (b) and (d) to note 10(a))	16,901	5,622
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 10(a))	15,341	17,156
Other deposits with banks#	5,448	-
	37,690	**22,778**

#Deposits with banks amounting to ₹ 5,448 (March 31, 2021 : Nil) are held by banks as security against bank guarantees.

11 (a). Share Capital

Particulars	Number of Shares	Amount
Authorised equity share capital		
As at April 1, 2020	**104,106,600**	**1,041**
Increase/ (decrease) during the year	-	
As at March 31, 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**

Terms/ rights attached to equity shares

All the equity shares issued shall rank pari passu and have a par value of ₹ 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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from the record date, i.e., June 30, 2021.

Issued, subscribed and fully paid up shares

Particulars	As at March 31, 2022	As at March 31, 2021
648,561,414 equity shares of ₹ 1 each fully paid up (March 31, 2021 : 60,482,404 equity shares of ₹ 10 each fully paid up)	649	605
Total issued, subscribed and fully paid-up share capital	**649**	**605**

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

Equity shares	March 31, 2022		March 31, 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year#	60,260,013	605	60,187,655	604
Shares issued during the year##	38,646,058	39	29,979	*
Shares issued during the year – ESOP	4,627,616	5	42,379	*
Adjustment for Sub-Division of Equity Shares	543,217,887	-	-	-
Impact on derecognition of trust	1,809,840	-	-	-
Shares outstanding at the end of the year#	**648,561,414**	**649**	**60,260,013**	**605**

*Amount below rounding off norms adopted by the company

Net of treasury shares Nil (March 31, 2021: 222,391 and April 1, 2020: 247,370) of face value of ₹ 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year includes 41,407 (March 31, 2021 : 24,979) of face value of ₹ 10 each out of treasury shares

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (a). Share Capital (Contd..)

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

Name of shareholder	March 31, 2022		March 31, 2021	
	Number of Shares held#	% holding	Number of Shares held	% holding
Antfin (Netherlands) Holding B.V.	161,420,141	24.89%	18,330,122	30.31%
SVF India Holding (Cayman) Limited	113,262,230	17.46%	11,326,223	18.73%
Mr. Vijay Shekhar Sharma	57,673,032	8.89%	9,051,624	14.97%
SAIF III Mauritius Company Limited	68,735,489	10.60%	7,491,061	12.39%
Alibaba.com Singapore E-Commerce Private Limited	40,631,822	6.26%	4,428,214	7.32%
SAIF Partners India IV Limited	-	-	3,180,202	5.26%

#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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from the record date, i.e., June 30, 2021.

c. Shares reserved for issue under options

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

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

The Company has not issued any shares for consideration other than cash during the current year (March 31, 2021: Nil shares; March 31, 2020: Nil shares; March 31, 2019: 333,035 shares; March 31, 2018: Nil shares; March 31, 2017: Nil shares). The Company has not issued bonus shares and has not bought back 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, 2022 and March 31, 2021, 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

Particulars	As at March 31, 2022	As at March 31, 2021
1. Reserve and Surplus		
Securities premium	273,170	189,256
Employee stock options outstanding account (ESOP Reserve)	9,585	3,822
Retained earnings	(146,253)	(123,814)
Total reserve and surplus (A)	**136,502**	**69,264**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (b). Other equity (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Securities premium		
Opening balance	189,256	188,957
Add: transferred from ESOP Reserve on exercise of stock options	2,290	192
Add: amount received on issue of shares	83,023	107
Add: exercise of share options	2	-
Less: amount utilised for share issue expenses	(1,401)	-
Balance at the end of the year	**273,170**	**189,256**
(ii) Employee stock options outstanding account (ESOP Reserve)		
Opening balance	3,822	3,030
Add: share based payment expense	7,498	867
Add: share based payment for employees of group companies	674	265
Less: amount transferred to securities premium on exercise of stock options	(2,290)	(192)
Less: reversal on forfeiture of stock options	(17)	(148)
Less: adjustment on cancellation of ESOP	(102)	-
Balance at the end of the year	**9,585**	**3,822**
(iii) Retained earnings		
Opening balance	(123,814)	(108,451)
Loss for the year	(23,251)	(15,601)
Less: remeasurement of post-employee benefit obligation	(18)	(15)
Add: transfer from employee stock options outstanding account	17	148
Add: adjustment on cancellation of ESOP	102	-
Add: other adjustments#	711	105
Balance at the end of the year	**(146,253)**	**(123,814)**
2. Share application money pending allotment		
Opening balance	2	*
Less: exercise of share options	(2)	-
Receipt of share application money (pending allotment)	*	2
Balance at the end of the year (B)	*****	**2**
3. Other reserves- FVTOCI		
Opening balance	(26)	(26)
Balance at the end of the year (C)	**(26)**	**(26)**
Total other equity (A+B+C)	**136,476**	**69,240**

* Amount below rounding off norms adopted by the Company

Adjustment 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 Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

11 (b). Other equity (Contd..)

(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.

12. Provisions

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for employee benefits				
Provision for gratuity (Refer note 26)	235	205	-	-
Provision for leave benefits*	-	-	718	367
	235	**205**	**718**	**367**

*The entire amount of the provision of ₹ 718 (March 31, 2021 : ₹ 367) 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 ₹ 545 (March 31, 2021 : ₹ 282).

13(a) Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured from banks		
Loan repayable on demand- bank overdraft (refer note (i) below)	-	5,009
Working capital demand loan (refer note (ii) below)	-	435
Total borrowings	**-**	**5,444**

Note:

(i) As on March 31, 2021, Fixed Deposits backed Overdraft working capital limits (borrowing in INR) carry interest in the range of 4.2% p.a. to 6.3% p.a.. The security for the same is in the form of lien on fixed deposits amounting to ₹ 5,170.

(ii) Working capital demand loan (borrowing in INR) carry interest at I-MCLR and "spread" per annum. As on March 31, 2021 MCLR is 7.25% p.a. and spread is 1% p.a. As on March 31, 2021, this was secured by way of hypothecation on the entire current assets (excluding Mutual Funds, FD & Bonds), lien on Fixed Deposits amounting to ₹ 1,400 and backed by irrevocable and personal guarantee of Mr. Vijay Shekhar Sharma, Chairman, Managing Director and CEO.

Changes in liabilities arising from financing activities

Name of shareholder	March 31, 2022		March 31, 2021	
	Lease Liabilities	Current borrowings	Lease Liabilities	Current borrowings
Opening debt	440	5,444	2,040	2,011
Non cash adjustments*	1,841	-	(1,320)	-
Cash flows/ assets acquired	(239)	(5,444)	(280)	3,433
Interest expense	75	293	103	225
Interest paid	(75)	(293)	(103)	(225)
Closing debt	**2,042**	**-**	**440**	**5,444**

*includes termination of leases

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

13(b) Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade payables#	6,602	5,010
Trade payables to related parties (Refer note 25)	426	925
Trade payables to other parties (Refer note 34)	79	202
	7,107	**6,137**

Refer note 29 for MSMED disclosure.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Total Outstanding dues of micro and small enterprises	193	51
(ii) Total Outstanding dues other than (i) above	6,914	6,086
	7,107	**6,137**

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**

Trade Payables ageing schedule for the year ended March 31, 2021

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	-	9	*	11	1	1	22
(ii) Undisputed - Others	3,816	472	1,315	200	124	36	5,963
(iii) Disputed dues – MSME	-	-	*	27	2	*	29
(iv) Disputed dues - Others	-	-	13	63	24	23	123
Total	**3,816**	**481**	**1,328**	**301**	**151**	**60**	**6,137**

* Amount below rounding off norms adopted by the company

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

13(c) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Payable to merchants*	3,523	308
Payable on purchase of fixed assets	412	218
Payable on purchase of fixed assets- related parties (Refer note 25)	12	3
Employee benefits payable	1,104	1,262
Other amount received from customers	1,697	2,064
Other amount received from customers- related parties (Refer note 25)	1	1
Others	435	223
Others- related parties (Refer note 25)	124	82
	7,308	**4,161**

*The Company uses a Nodal Account to receive money through debit/credit card and net banking transactions towards all transactions happening on its portal, as well as to settle the respective merchants. The amounts collected but yet to be transferred to merchants are netted off with nodal account having balance of ₹ 9,942 (March 31, 2021 : ₹ 8,455). Gross payable to merchant includes payable to related parties (Refer note 25) ₹ 1,591 (March 31, 2021 : ₹ 730) and to other parties (Refer note 34) ₹ Nil (March 31, 2021 : ₹ 58).

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

14 (a) Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Other payable - related parties (Refer note 25)	30	81
Statutory dues payable:		
Tax deducted at source payable	1,014	499
GST Payable	2,620	1,810
Tax collected at source payable	98	68
Provident fund payable	51	30
Other statutory dues	52	51
	3,865	**2,539**

14 (b) Contract liabilities

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Contract liabilities	3,165	4,119	2,001	1,539
	3,165	**4,119**	**2,001**	**1,539**

(i) For related party and other party balances, Refer note 25 and 34, respectively.

Revenue recognized in relation to carried forward contract liabilities

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contract liabilities recognized as revenue during the year	1,053	1,117
	1,053	**1,117**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

15. Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers		
Sale of services	38,807	26,671
Other operating revenue		
Incentive income#	117	-
	38,924	**26,671**

#There are no unfulfilled conditions or other contingencies attached to these grants.

Disaggregated details of revenue:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Nature of services		
Payment and financial services	29,297	21,002
Commerce and cloud services	9,510	5,669
	38,807	**26,671**
(ii) Timing of revenue recognition		
Services provided at a point in time	36,567	25,716
Services provided over a period of time	2,240	955
	38,807	**26,671**

16. Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
- on bank deposits	2,170	1,619
- Interest on Income tax refund	-	248
- Interest on Inter corporate loans - measured at amortized cost	63	11
- Interest Income on unwinding of discount - financial assets measured at amortized cost	182	212
- Interest Income on debentures -measured at amortized cost	70	459
- Interest income on security deposit	85	87
Fair value gain on financial instruments measured at FVTPL (net)	223	891
Profit on sale of property, plant and equipment (net)	7	18
Liabilities no longer required written back	7	-
Exchange differences (net)	-	19
Miscellanous Income	23	185
	2,830	**3,749**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

17. Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, bonus and incentives	10,575	7,238
Contribution to provident and other funds	240	148
Share based payment expenses (Refer note 24)	7,498	867
Leave Encashment Expense	476	(58)
Gratuity expenses (Refer note 26)	124	95
Staff welfare expenses	159	49
	19,072	**8,339**

18. Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (Refer note 3(a))	2,041	1,357
Depreciation on right-of-use-assets# (Refer note 3(b))	194	160
Amortization of intangible assets (Refer note 4)	47	51
	2,282	**1,568**

#This amount is net of cross charge of ₹ 7 (March 31, 2021 : ₹ 24) (Refer note 3(b))

19. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest		
- Interest and finance charges on lease liabilities (Refer note 3(b))	75	103
- on borrowings at amortised cost	293	225
- Interest on late deposit of statutory dues	*	*
- on others	13	9
	381	**337**

* 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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Connectivity and content fees	2,126	1,682
Legal and professional fees	1,656	1,984
Subcontract expenses	3,856	1,725
Contest, ticketing and FASTag expenses	364	620
Logistic, deployment & collection cost	656	362
Provision for advances	40	4
Loss allowance for financial assets	697	471
Trade receivables / advance written off	201	60
Repair and maintenance	325	222
Insurance	83	61
Rates and taxes	103	51
Travelling and conveyance	88	38
Bank charges	19	27
Communication costs	19	21
Payment to auditors (Refer details below)	32	11
Rent(Refer note 28)	42	9
Goods and services tax expense off	17	11
Property, plant and equipment and intangible assets written off	10	3
Corporate Social Responsibility (CSR) expenditure (Refer note 37)	14	4
Exchange differences (net)	6	-
Miscellaneous expenses	194	212
	10,548	**7,578**
(i) Payment to Auditors		
As auditors		
- Audit fee	8	7
- Tax audit fee	*	*
- Limited Review	3	3
In other capacity		
- Other Services (IPO related)	40	-
- Reimbursement of expenses	2	*
- Other Services (Certification fees)	2	1
Other adjustments**	(23)	-
	32	**11**

* Amount below rounding off norms adopted by the Company

**Other adjustment include amount of ₹ 23 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 ₹ 59 (March 31, 2021 : ₹ Nil) as remuneration to non-executive and independent directors.

b) an amount of ₹ 49 (March 31, 2021 : ₹ 68) as payment to a Law firm in which one of the non-executive and independent director is interested. Further, payment of ₹ 1 (March 31, 2021: ₹ Nil) to the said firm which is in the nature of share issue expenses has been adjusted with securities premium account.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

21. Exceptional items

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provision for impairment of investments in associates and subsidiaries	(441)	(650)
	(441)	**(650)**

a) The Company basis its assessment of future business projections of its subsidiaries i.e. Orbgen Technologies Private Limited and Wasteland Entertainment Private Limited has recognized provision for impairment in the carrying value of its investments of ₹ 132 and ₹ 200 (March 31, 2021 : ₹ 350 and ₹ Nil), respectively, which has been shown as exceptional item in the Standalone Statement of Profit and Loss for the year ended March 31, 2022. During current and previous year, the impairment loss for Orbgen Technologies Private Limited and Wasteland Entertainment 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. The management has computed equity value of Orbgen Technologies Private Limited and Wasteland Entertainment Private Limited based on discount rate of 22.5% and terminal growth rate used in extrapolating cash flows beyond the planning period of 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 ₹ 30 (March 31, 2021: 300) for impairment in the carrying value of its investment. During current and previous year, the management has computed equity value of Eatgood Technologies Private Limited based on discount rate of 17.24% and terminal growth rate used in extrapolating cash flows is 3.8%.

c) The Company has 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 ₹ 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 ₹ 79 (March 31, 2021: Nil) during the year.

22. Earnings per shares (EPS)

Basic EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) 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:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss attributable to equity holders for basic and diluted earnings	**(23,251)**	**(15,601)**
Weighted average number of equity shares for basic and diluted EPS#	621,763,714	601, 971,990
Earnings per share (₹ per share of ₹ 1 each)		
Basic	(37)	(26)
Diluted*	(37)	(26)

* 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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from record date, i.e., June 30, 2021. Consequently, the basic and diluted earnings per share have been computed for current year and previous year on the basis of the new number of equity shares in accordance with Ind AS 33, Earning per share.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months, are described below.

Deferred taxes

Deferred tax assets can be recognised for deductible temporary differences (including unused tax losses) only to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. As the Company is yet to generate operating profits, Management has assessed that as at March 31, 2022 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 has transferred its shareholding to its group company (both entities being 100% subsidiaries of the same ultimate parent entity). Based on advice from the Company's tax experts, Management has assessed that a mere change in shareholding within the same group will not be an affirmative position to say that the shareholding has been changed. Further, since the shares of the Company carrying not less than fifty-one percent of the voting power were beneficially held by persons, i.e. ultimate holding company of the aforesaid entities, who beneficially held shares of the company carrying not less than fifty-one percent of the voting power on the last day of the year or years in which the loss was incurred, the Company shall be entitled to carry forward and set off these losses against the taxable income of future years in accordance with the provisions of Section 79 of the Income Tax Act, 1961. (refer note 27)

Defined benefit plans (gratuity benefits)

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

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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Significant accounting judgements, estimates and assumptions (Contd..)

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 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 04th September 2019 and by shareholders in the Annual General Meeting held on 30th September 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. 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.

Significant changes/modifications in the ESOP 2019 Scheme during FY 2020-21 & FY 2021-22

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 ₹ 10 each was sub divided into ten equity shares of face value of ₹ 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) During the year ended March 31, 2021, the Company had amended vesting percentage of ESOPs over 5 years of vesting schedule vide a resolution passed by the members of the Company in an Extra-Ordinary General Meeting dated March 26, 2021. All other terms and conditions remains the same as the original ESOP 2019 Scheme.

Year of Vesting	Old Vesting Schedule	Revised Vesting Schedule
Year 1	10%	10%
Year 2	15%	20%
Year 3	20%	20%
Year 4	25%	25%
Year 5	30%	25%
Total	**100%**	**100%**

*After considering impact of share sub division

(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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

(C) Details about employee stock options granted, outstanding and other information:

1) During the year ended March 31, 2022, the Company has granted 27,428,285 (March 31, 2021- 3,868,310) Employee Stock Options under ESOP 2019 Scheme to Eligible Employees.

The above grant 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.

2) The total options outstanding as at March 31, 2022 under ESOP 2008 Scheme are 585,450 and ESOP 2019 Scheme are 29,317,167 (March 31, 2021 under ESOP 2008 Scheme – 5,362,100 and ESOP 2019 Scheme – 4,669,180). Scheme-wise options outstanding are as under:

ESOP 2008 Scheme

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2022	March 31, 2021	
December 31, 2008	-	102,970	1
December 31, 2008	6,425	25,900	5
September 3, 2010	-	2,500	18
December 29, 2012	-	1,272,940	18
April 1, 2014	-	24,670	9
April 1, 2015	-	49,010	9
October 1, 2015	-	64,680	9
April 1, 2016	31,331	561,790	9
October 1, 2016	1,453	537,550	9
April 1, 2017	3,084	995,340	9
October 1, 2017	21,260	166,680	9
April 1, 2018	363,677	1,087,240	9
July 1, 2018	136,530	409,580	9
October 1, 2018	12,387	33,350	9
January 1, 2019	-	-	9
April 1, 2019	9,303	27,900	9
Total	**585,450**	**5,362,100**	

*After considering impact of share sub division

ESOP 2019 Scheme

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2022	March 31, 2021	
April 1, 2019	268,031	465,420	9
April 1, 2019	-	43,750	9
October 1, 2019	179,728	637,600	9
April 1, 2020	218,797	385,420	9
July 1, 2020	127,428	166,490	9
October 1, 2020	2,194,862	2,970,500	9
April 1, 2021	586,210	-	9
October 1, 2021	4,206,273	-	9
October 1, 2021	21,000,000	-	9
October 1, 2021	385,838	-	1900
October 8, 2021	150,000	-	9
Total	**29,317,167**	**4,669,180**	

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

3) Movement during the year ended March 31, 2022 and March 31, 2021:

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, 2022*		Year ended March 31, 2021*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2008 Scheme				
Outstanding at the beginning	5,362,100	10.97	7,292,570	10.19
Granted during the year	-	-	-	-
Exercised during the year	4,343,960	11.43	613,860	8.91
Forfeited during the year	350,020	8.99	1,316,610	9.00
Cancelled during the year	82,670	9.00	-	-
Outstanding at the end of the year	585,450	8.96	5,362,100	10.97
Vested options outstanding at the end of the year (exercisable)	434,923	8.96	4,514,930	10.97

*After considering impact of share sub division

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2019 Scheme				
Outstanding at the beginning	4,669,180	9	1,478,130	9
Granted during the year	27,428,285	35.60	3,868,310	9
Exercised during the year	576,261	9	23,380	9
Forfeited during the year	2,150,327	9	653,880	9
Cancelled during the year	53,710	9	-	-
Outstanding at the end of the year	29,317,167	33.89	4,669,180	9
Vested options outstanding at the end of the year (exercisable)	291,732	9	240,250	9

*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, 2022		March 31, 2021	
	ESOP 2019 Plan	ESOP 2008 Plan	ESOP 2019 Plan	ESOP 2008 Plan
Weighted Avg. share price of options exercised on the date of exercise (₹ per share)	1,411.82	1,646.04	1,067.01	1,070.83

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, 2022		March 31, 2021	
	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)	3.14	0.16	7.48	3.93

6) **Expense recognized for employee services received during the year are as below:**

Particulars	March 31, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions (refer note 17)	7,498	867
Investment (ESOP issued to employees of subsidiary companies)	674	265
Total expense arising from share-based payment transactions	**8,172**	**1,132**

During the year ended March 31, 2022, the Company has 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 ₹ 39 (included in above charge) in the Standalone Statement of Profit and Loss for the year ended March 31, 2022.

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 (₹ per share)	1,657	1,891	1,891	1,891	1,891	1,891
Fair Value of Options Granted (₹ per option)	1,651	1,883	1,027	1,884	1,883	1,882
Weighted Avg. Exercise Price (₹ 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

Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2021 (computed using Discounted Cash Flow & Black-Scholes model) are as under:

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

24. Employee Stock Option Schemes (ESOP) (Contd..)

Particulars	Grant Date			
	April 1, 2020	July 1, 2020	July 1, 2020	October 1,2020
Share Price (₹ per share)*	1,127	1,067	1,067	1,067
Fair Value of Options Granted (₹ per option)*	1,121	1,059	1,059	1,059
Weighted Avg. Exercise Price (₹ per share)*	9	9	9	9
Vesting Period (in years)	5	5	1	5
Dividend Yield (%)	-	-	-	-
Expected Life (in years)	3.50 - 7.50	3.00 - 5.00	3.00	3.00 - 5.00
Risk free interest rate (%)	5.60 - 6.80	4.40 - 5.20	4.40	4.90 - 5.30
Annualized Volatility (%)	37.10 - 53.00	43.20 - 46.80	43.20	42.40 - 46.90

*After considering impact of share sub division

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, 2022	As at March 31, 2021
Indian Subsidiaries			
One 97 Communications India Limited	India	100.00%	100.00%
Paytm Financial Services Limited (till February 22, 2021)*	India	-	-
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%	65.71%
Urja Money Private Limited##	India	83.34%	67.47%
Little Internet Private Limited	India	62.53%	62.53%
Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) (till June 17, 2020)*	India	-	-
Orbgen Technologies Private Limited	India	100.00%	100.00%
Paytm Services Private Limited (Formerly known as Balance Technology Private Limited)	India	100.00%	100.00%
Paytm Payments Services Limited (w.e.f October 10, 2020)	India	100.00%	100.00%
Paytm Insurance Broking Private Limited	India	100.00%	100.00%

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

Name	Country of incorporation	Ownership interest held	
		As at March 31, 2022	As at March 31, 2021
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%
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%	65.71%
One Nine Seven Communication Nepal Private Limited	Nepal	100.00%	100.00%
One Nine Seven Digital Solutions Ltd	Kenya	100.00%	100.00%
Fincollect Services Private Limited	India	83.34%	67.47%
One Nine Seven Communications Saudi Arabia For Communication and Information Technology (w.e.f. December 25, 2019)	Saudi	100.00%	100.00%
Trust (till June 30, 2021)			
Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)**	India	-	-

*The Company lost its control over the entity on dilution of interest, however, the Company still exercises significant influence over the same.

** Consolidated in these standalone financial statements of the Company till June 30, 2021.

including 43.75% (March 31, 2021: 43.75%) held through One 97 Communications India Limited.

including 15.87% (March 31, 2021: Nil) held through Admirable Software Limited.

including 0.63% (March 31, 2021: Nil) held through Admirable Software Limited

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, 2022	As at March 31, 2021
Paytm First Games Private Limited*	India	55.00%	55.00%
Paytm First Games Singapore Pte. Ltd. (wholly owned subsidiary of Paytm First Games Private Limited)	Singapore	55.00%	55.00%
Paytm Technology (Beijing) Co., Ltd. (w.e.f. October 13, 2020) (wholly owned subsidiary of 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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

C. Entities over which company exercise significant influence

Particulars	Country of incorporation	Ownership interest held	
		As at March 31, 2022	As at March 31, 2021
Paytm Payments Bank Limited#	India	49.00%	49.00%
Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) (w.e.f June 18, 2020)*	India	32.45%	48.98%
Foster Payment Networks Private Limited (w.e.f March 26, 2021)**	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 (w.e.f February 23, 2021)*	India	48.78%	48.78%
Admirable Software Limited (w.e.f. August 17, 2021) **	India	48.78%	-
Infinity Transoft Solution Private Limited	India	26.57%	26.57%
Eatgood Technologies Private Limited	India	23.24%	22.20%
Socomo Technologies Private Limited	India	12.75%	11.32%
Loginext Solutions Private Limited (till January 1, 2021)***	India	-	-

including 10% (March 31, 2021: 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.

*The Company lost its control over the entity on dilution of interest, however, the Company still exercises significant influence over the same.

** Subsidiary of Paytm Financials Services Limited.

*** During the previous year, the Company ceased to have significant influence over the entity.

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) and Chief Financial Officer (w.e.f January 1, 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 (Formerly known as SAIF India V FII Holdings Limited)

ANTFIN (Netherlands) Holding B.V.

Alipay Labs (Singapore) Pte Limited

SVF India Holdings (Cayman) Limited

SVF Panther (Cayman) Limited

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 (ESOP) (Contd..)

Details of transactions with related parties during the year ended March 31, 2022 and March 31, 2021:-

Particulars	March 31, 2022	March 31, 2021
Rendering of services to related parties		
One97 Communications FZ-LLC	64	7
Mobiquest Mobile Technologies Private Limited	3	8
Paytm Payments Bank Limited	6,379	8,628
Paytm Payments Services Limited	1,716	-
Wasteland Entertainment Private Limited	4	8
Nearbuy India Private Limited	46	74
Little Internet Private Limited	*	*
Urja Money Private Limited	1	*
Paytm Entertainment Limited	21	-
Orbgen Technologies Private Limited	10	3
Paytm Services Private Limited	1	18
Paytm Insurance Broking Private Limited	2	2
One97 Communications Tanzania Private Limited	37	1
Paytm Money Limited	95	25
Paytm First Games Private Limited	233	203
Infinity Transoft Solution Private Limited	3	4
Eatgood Technologies Private Limited	*	*
One97 Communications Malaysia Sdn. Bdn	60	225
One97 Communications Singapore Private Limited	1	1
One97 Communications Bangladesh Private Limited	-	*
One Nine Seven Communication Nepal Private Limited	22	27
	8,698	**9,235**
Reimbursement of expenses incurred on behalf of related parties		
Paytm Payments Bank Limited	751	617
Mobiquest Mobile Technologies Private Limited	1	1
Paytm Money Limited	33	28
Wasteland Entertainment Private Limited	8	7
Urja Money Private Limited	*	*
Nearbuy India Private Limited	6	5
Orbgen Technologies Private Limited	5	5
Paytm Entertainment Limited	*	*
Paytm First Games Private Limited	156	238
Paytm General Insurance Limited	*	*
Paytm Labs Inc.	17	22
Paytm Services Private Limited	3	3
Paytm Payments Services Limited	753	2
One97 Communications Singapore Private Limited	24	24
Paytm Insurance Broking Private Limited	7	5
	1,764	**956**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Expenses reimbursed to related party		
Paytm First Games Private Limited	2	87
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	20
	28	**107**
Interest income earned from related parties		
Paytm Payments Bank Limited	2	14
Urja Money Private Limited	3	*
Paytm Financial Services Limited	21	1
Paytm First Games Private Limited	74	-
Nearbuy India Private Limited	*	-
Wasteland Entertainment Private Limited	10	-
Little Internet Private Limited	1	8
	111	**24**
Other income earned from related parties		
Paytm Payments Bank Limited	-	122
	-	**122**
Interest income earned on Optionally Convertible Debentures ("OCD") from related parties		
Urja Money Private Limited	2	-
Admirable Software Limited	11	-
Nearbuy India Private Limited	7	-
Eatgood Technologies Private Limited	2	-
	22	**-**
Sale of Business (Refer note 38)		
Paytm Payments Services Limited	2,838	-
	2,838	**-**
Purchase of property, plant & equipment from related parties		
Paytm Money Limited	4	-
Alibaba.com Singapore E-Commerce Private Limited	124	-
Nearbuy India Private Limited	*	-
Paytm Insurance Broking Private Limited	12	-
	140	**-**
Sale of property, plant & equipment to related parties		
Orbgen Technologies Private Limited	*	-
Urja Money Private Limited	1	-
Paytm Insurance Broking Private Limited	*	-
Paytm Payments Bank Limited	*	1
	1	**1**

* Amount below rounding off norms adopted by the Company

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(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Services received from related parties		
- **Payment processing charges**		
Paytm Payments Bank Limited	9,709	9,468
Paytm Payments Services Limited	2,751	-
	12,460	**9,468**
- **Legal and professional fees**		
Paytm Labs Inc.	765	1,395
	765	**1,395**
- **General expenses**		
Paytm Payments Bank Limited	198	374
Alipay Labs (Singapore) Pte Limited (Refer note (i) below)	1,459	1,057
One97 Communications Bangladesh Private Limited	*	-
Orbgen Technologies Private Limited (Refer note (ii) below)	101	63
Wasteland Entertainment Private Limited	259	143
Urja Money Private Limited	24	5
Paytm Entertainment Limited	2	2
Paytm First Games Private Limited	3	-
Paytm Money Limited (Refer note (iv) below)	47	9
Fincollect Services Private Limited	36	15
Paytm Services Private Limited	2,903	1,170
Little Internet Private Limited	2	1
Nearbuy India Private Limited	5	11
Mobiquest Mobile Technologies Private Limited (Refer note (iii) below)	49	6
Eatgood Technologies Private Limited	9	20
Paytm Insuretech Private Limited	16	2
Paytm General Insurance Limited	21	-
One 97 Communications India Limited	*	-
	5,134	**2,878**
(i) includes ₹ 1,451 (March 31, 2021: ₹ 1,057) pertaining to Software, cloud and data centre expenses.		
(ii) includes ₹ 76 (March 31, 2021:₹ 47) pertaining to Software, cloud and data centre expenses.		
(iii) includes ₹ 26 (March 31, 2021: ₹ *) pertaining to Software, cloud and data centre expenses.		
(iv) includes ₹ 3 (March 31, 2021: ₹ Nil) pertaining to Software, cloud and data centre expenses.		
Inter corporate loan given		
Paytm First Games Private Limited	1,613	-
Wasteland Entertainment Private Limited	284	-
Nearbuy India Private Limited	20	-
Paytm Financial Services Limited	-	450
Urja Money Private Limited	15	10
	1,932	**460**
Repayment of Inter Corporate Loan		
Nearbuy India Private Limited	20	-
	20	**-**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Investment in Optionally Convertible Debentures		
Eatgood Technologies Private Limited	30	-
Urja Money Private Limited	30	-
Admirable Software Limited	231	-
Nearbuy India Private Limited	130	-
	421	**-**
Investment in subsidiaries		
Paytm Entertainment Limited	296	821
Wasteland Entertainment Private Limited	-	219
Paytm Money Limited	-	1,000
Mobiquest Mobile Technologies Private Limited	-	93
Paytm Services Private Limited	-	30
Paytm Payments Services Limited	617	500
Paytm Insurance Broking Private Limited	-	700
	913	**3,363**
Stock Options granted to employees of Group Companies		
Paytm Entertainment Limited	78	20
One97 Communications Singapore Private Limited	320	91
Paytm Money Limited	60	(19)
Mobiquest Mobile Technologies Private Limited	7	-
Urja Money Private Limited	7	-
Paytm Payments Services Limited	58	-
Orbgen Technologies Private Limited	41	84
Paytm Insurance Broking Private Limited	(2)	21
Paytm Services Private Limited	2	3
One 97 Communications India Limited	*	*
Wasteland Entertainment Private Limited	104	66
	674	**265**
Investment in associates		
Paytm General Insurance Limited	-	5
Eatgood Technologies Private Limited	-	82
	-	**87**

* Amount below rounding off norms adopted by the Company

Details of balances outstanding with related parties as at March 31, 2022 and March 31, 2021:-

Particulars	March 31, 2022	March 31, 2021
Other financial assets (Other receivable for expenditure incurred)		
One97 Benin SA	5	5
One97 Communications FZ-LLC	*	1
One97 Communications Nigeria Limited	13	12
One97 Communications Tanzania Private Limited	26	-
One97 Ivory Coast SA	2	2
One97 Communications Bangladesh Private Limited	21	20
Paytm Money Limited	27	34
Paytm First Games Private Limited	223	146

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Mobiquest Mobile Technologies Private Limited	*	*
Alibaba.com Singapore E-Commerce Private Limited	-	1
Paytm Payments Bank Limited	138	18
Paytm Payments Services Limited	264	-
Paytm Insuretech Private Limited	*	-
One 97 Communications India Limited	-	*
Paytm Insurance Broking Private Limited	3	9
One Nine Seven Communication Nepal Private Limited	6	5
One97 Communications Malaysia Sdn. Bdn	-	7
Orbgen Technologies Private Limited	3	5
Paytm Financial Services Limited	-	*
Urja Money Private Limited	*	*
Paytm General Insurance Limited	12	*
Nearbuy India Private Limited	1	3
Wasteland Entertainment Private Limited	5	3
Paytm Services Private Limited	51	3
Paytm Entertainment Limited	*	*
Infinity Transoft Solution Private Limited	*	*
	800	**277**
Loss allowance for other receivable for expenditure incurred		
One97 Communications Nigeria Limited	10	10
One97 Communications Bangladesh Private Limited	20	20
One97 Ivory Coast SA	2	2
One97 Benin SA	5	5
	37	**37**
Amount receivable for sale of business (Other financial assets)		
Paytm Payments Bank Limited	-	139
Paytm Payments Services Limited (Including accrued interest. Refer Note 7(d))	2,346	-
	2,346	**139**
Other current assets		
Paytm Payments Bank Limited	1,206	2,785
Wasteland Entertainment Private Limited	63	83
Paytm Services Private Limited	106	203
Little Internet Private Limited	2	2
Fincollect Services Private Limited	-	19
Paytm Payments Services Limited	-	9
Mobiquest Mobile Technologies Private Limited	19	-
One 97 Communications India Limited	*	-
Paytm General Insurance Limited	31	17
Paytm Money Limited	1	1
	1,429	**3,119**
Inter corporate loan receivable (including accrued interest)		
Little Internet Private Limited	80	80
Paytm Financial Services Limited	471	451
Wasteland Entertainment Private Limited	293	-
Paytm First Games Private Limited#	1,679	-
Urja Money Private Limited	26	10
	2,549	**541**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Allowance on Inter Corporate Loans		
Little Internet Private Limited	80	-
Investments Optionally Convertible Debentures (including accrued interest)		
Admirable Software Limited	241	-
Nearbuy India Private Limited**	137	-
Eatgood Technologies Private Limited	32	-
Urja Money Private Limited	32	-
	442	**-**
Amount receivable from payment gateway		
Paytm Payments Bank Limited	15,334	8,546
Paytm Payments Services Limited	2,008	-
	17,342	**8,546**
Trade receivables		
One97 Communications Nigeria Limited	174	169
One97 Benin SA	*	*
One97 Communications Bangladesh Private Limited	1	1
Mobiquest Mobile Technologies Private Limited	*	*
Paytm Money Limited	25	12
Paytm Payments Bank Limited	1,201	188
Paytm Payments Services Limited	671	2
Little Internet Private Limited	*	-
Urja Money Private Limited	1	-
Orbgen Technologies Private Limited	5	2
Nearbuy India Private Limited	5	63
Paytm Services Private Limited	*	*
Fincollect Services Private Limited	*	*
One Nine Seven Communication Nepal Private Limited	79	61
One97 Communications Malaysia Sdn. Bdn	115	329
Paytm First Games Private Limited	147	171
Wasteland Entertainment Private Limited	14	48
Paytm Entertainment Limited	*	-
Paytm Insurance Broking Private Limited	1	*
One97 Communications FZ-LLC	59	5
One97 Communications Tanzania Private Limited	6	1
One97 Communications Singapore Private Limited	2	25
Infinity Transoft Solution Private Limited	-	*
	2,506	**1,077**

Excluding Fair Value impact amounting to ₹ 317 (March 31, 2021: Nil)

** Excluding Fair Value impact amounting to ₹ 79 (March 31, 2021: 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 (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Loss allowance for Trade receivables		
One97 Communications Bangladesh Private Limited	1	1
One97 Benin SA	*	*
One97 Communications Nigeria Limited	174	169
One Nine Seven Communication Nepal	33	-
One 97 Communication Malaysia Sdn. Bdn.	3	-
	211	**170**
Other financial assets		
Paytm Payments Bank Limited	32	323
Orbgen Technologies Private Limited	-	*
Mobiquest Mobile Technologies Private Limited	-	*
Little Internet Private Limited	*	*
Infinity Transoft Solution Private Limited	-	*
Nearbuy India Private Limited	-	2
Paytm Insurance Broking Private Limited	-	*
Paytm Services Private Limited	-	*
One97 Communications Nigeria Limited	-	*
One97 Benin SA	-	*
One97 Communications Bangladesh Private Limited	-	*
	32	**325**
Trade payables (including accrued expenses)		
Alipay Labs (Singapore) Pte Limited	77	337
One 97 Communications India Limited	*	-
Paytm Payments Bank Limited	51	124
Orbgen Technologies Private Limited	7	3
Wasteland Entertainment Private Limited	76	57
Paytm First Games Private Limited	3	1
Paytm Services Private Limited	*	244
Urja Money Private Limited	4	5
Paytm Financial Services Limited	1	-
Fincollect Services Private Limited	5	10
Paytm Insurance Broking Private Limited	1	*
Paytm Insuretech Private Limited	3	2
Mobiquest Mobile Technologies Private Limited	33	1
Eatgood Technologies Private Limited	*	1
Paytm General Insurance Limited	22	*
Paytm Entertainment Limited	1	2
Nearbuy India Private Limited	1	1
Little Internet Private Limited	2	2
Paytm Labs Inc.	114	109
Paytm Money Limited	24	25
	426	**925**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Related party transactions (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Other financial liabilities		
- **Payable to merchants**		
Socomo Technologies Private Limited	*	*
Little Internet Private Limited	*	*
Paytm Payments Bank Limited	1,591	722
Nearbuy India Private Limited	*	5
Orbgen Technologies Private Limited	*	*
Wasteland Entertainment Private Limited	*	*
Urja Money Private Limited	-	*
Mobiquest Mobile Technologies Private Limited	*	*
Eatgood Technologies Private Limited	*	*
Paytm Services Private Limited	*	2
Infinity Transoft Solution Private Limited	*	*
Fincollect Services Private Limited	-	*
	1,591	**730**
- **Payable on purchase of fixed assets**		
Orbgen Technologies Private Limited	12	3
Paytm Money Limited	-	*
	12	**3**
- **Others**		
Little Internet Private Limited	*	*
Paytm Payments Bank Limited	31	83
Nearbuy India Private Limited	*	*
Paytm First Games Private Limited	92	-
Orbgen Technologies Private Limited	*	-
Eatgood Technologies Private Limited	*	-
Mobiquest Mobile Technologies Private Limited	1	*
Urja Money Private Limited	-	*
Socomo Technologies Private Limited	*	*
Wasteland Entertainment Private Limited	1	*
	125	**83**

* Amount below rounding off norms adopted by the Company

Particulars	March 31, 2022	March 31, 2021
Contract Liabilities		
Infinity Transoft Solution Private Limited	1	*
Little Internet Private Limited	*	-
Eatgood Technologies Private Limited	*	*
Nearbuy India Private Limited	*	-
Paytm Services Private Limited	26	3
	27	**3**
Other Current Liabilities		
Paytm First Games Private Limited	30	81
	30	**81**

* 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 (ESOP) (Contd..)

Remuneration to KMP & Relative of Key Management Personnel

Particulars	March 31, 2022	March 31, 2021
Salaries, bonus and incentives	103	72
ESOP Expenses	5,670	112
Total compensation paid	**5,773**	**184**

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 and leave benefits 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-excecutive and independent directors and payment to a law firm in which one of the non-executive and independent director is interested.

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. 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, 2022:

		Defined benefit obligation	Fair value of plan assets #	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**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

		Defined benefit obligation	Fair value of plan assets #	Benefit liability (Net)
	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**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

		Defined benefit obligation	Fair value of plan assets #	Benefit liability (Net)
	As at April 01, 2020	266	(99)	167
Gratuity cost charged to Statement of Profit or Loss	Current Service cost	84	-	-
	Net interest expense/ (income)	18	-	-
	Return on plan assets (excluding amounts included in net interest expense)	-	(7)	-
	Sub-total included in Statement of Profit or Loss	**102**	**(7)**	**95**
Remeasurement (gains)/ losses in Other Comprehensive Income	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	6	-	-
	Experience adjustments	11	(2)	-
	Sub-total included in OCI	**17**	**(2)**	**15**
	Net liability acquired on transfer of employees	17	-	17
	Benefits paid	(28)	29	1
	Contributions by employer	-	(90)	(90)
	As at March 31, 2021	**374**	**(169)**	**205**

Fair value of the total plan assets are 100% in funds managed by Insurer.

The net liability disclosed above relates to funded plans are as follows:

Particulars	March 31, 2022	March 31, 2021
Present value of the obligations at end	484	374
Fair value of plan assets	(249)	(169)
Deficit of funded plan/gratuity plan	**235**	**205**

The principal assumptions used in determining defined benefit obligations are shown below:

(i) Economic Assumptions

Particulars	March 31, 2022	March 31, 2021
	%	%
Discount rate	7.26	6.76
Future salary increases	10%	10%

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

(ii) Demographic Assumptions

Particulars	March 31, 2022	March 31, 2021
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, 2022 is as shown below:

Assumptions	March 31, 2022		March 31, 2022	
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity Level				
Impact on defined benefit obligation	(8)	8	7	(7)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

Assumptions	March 31, 2021		March 31, 2021	
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity Level				
Impact on defined benefit obligation	(6)	7	6	(6)

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 sensivity analysis did not change compared to the prior year.

Expected contributions to post-employment benefit plans for the period ending March 31, 2023 are ₹ 162 (March 31, 2022 - ₹ 113).

The weighted average duration of the defined benefit obligation is 2.78 years (March 31, 2021- 2.76 years).

The average remaining working life of members of the defined benefit obligation as at March 31, 2022 is 29.91 years (as at March 31, 2021- 29.06 years)

The expected maturity analysis of gratuity is as follows:

Particulars	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	93	67
Between 1-2 years	96	74
Between 2 and 5 years	169	135
Beyond 5 years	125	98
Total expected payments	**484**	**374**

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

26. Gratuity (Contd..)

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, 2022		March 31, 2021	
	Amount	In %	Amount	In %
Government securities	(101)	40.42	(67)	39.39
Non convertible debentures/ Corporate bonds	(119)	47.10	(85)	50.37
Others	(29)	11.48	(17)	11.24
Total	**(249)**	**100.00**	**(169)**	**100.00**

27. Income Tax

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

Standalone Statement of Profit and Loss:

Particulars	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	3	2
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**	**2**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

Particulars	March 31, 2022	March 31, 2021
Accounting profit before income tax	(23,248)	(15,599)
Tax at India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%)	(5,851)	(3,926)
Tax expense during the year for Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)	3	2
Other non-deductible expenses	14	225
Losses on which deferred taxes not recognised*	4,887	3,193
Unabsorbed depreciation on which deferred taxes not recognised*	406	333
Other temporary differences on which deferred taxes not recognised*	544	175
Income tax expense reported in the statement of profit and loss	3	2

* As at the year ended on March 31, 2022 and March 31, 2021, 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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Income Tax (Contd..)

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, 2022	As of March 31, 2022 Tax impact @ 25.17%	As of March 31, 2021	As of March 31, 2021 Tax impact @ 25.17%
Tax Losses	2023	3,316	835	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	19,417	4,887	-	-
Total tax losses		**129,961**	**32,709**	**110,544**	**27,822**
Unabsorbed depreciation	No expiry period	5,741	1,445	4,131	1,040
Other temporary differences		11,592	2,917	9,477	2,385
Total		**147,294**	**37,071**	**124,152**	**31,247**

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, 2022 amount to ₹ 42 (March 31, 2021: ₹ 9).

b. Lease not yet commenced

During the previous year, the Company has entered into a lease agreement for 9 years having lock-in period of 5 years, for which lease is not yet commenced as on March 31, 2022. The Company is committed to pay lease rentals of ₹ 293 over the period of 5 years.

c. Capital commitments

Estimated amount of contracts towards property, plant & equipment remaining to be executed on capital account and not provided for is ₹ 3,057 (Net of capital advance of ₹ 763) [March 31, 2021: ₹ 3,719 (Net of capital advances of ₹ 180)].

d. Contingent liabilities

i)

Particulars	March 31, 2022	March 31, 2021
Claims against the Company not acknowledged as debts	494	460
Income tax related matters	19	16
Total	**513**	**476**

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

28. Commitments and contingencies (Contd..)

ii) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952 and deal with it accordingly. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Standalone Financial Statements.

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.

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

Particulars	March 31, 2022	March 31, 2021
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	159	29
- Interest due on above	2	1
	161	**30**
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.	11	9
The amount of interest accrued and remaining unpaid at the end of each accounting year, for payment already made	32	21
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	1,219	649

Total Oustanding dues of micro and small enterprises is ₹ 193 (March 31, 2021: ₹ 51).

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, 2022

Particulars	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
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 following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021

Particulars	As of March 31, 2021	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	27	-	-	27
Investments at fair value through Profit and loss				
Investment in Compulsorily Convertible Preference Shares	40	-	-	40
Investment in Equity Shares	53	-	-	53
Other financial assets at fair value through Profit and loss				
Other receivable from other parties*	6,251	-	-	6,251

*The Company has an option to covert into equity shares of counter party.

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, investments, trade payables, lease liabilities, borrowings and other financial liabilities, approximate their carrying amounts.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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.

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

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

As at	March 31, 2022	March 31, 2021
Effect on loss before tax:		
Decrease by 50 bps	Nil	(27)
Increase by 50 bps	Nil	27

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

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

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

(ii) Price risk

The Company invests its surplus funds in various debt instruments, fixed deposits and debt mutual funds. These comprise of primarily debt based mutual funds (liquid investments), debentures and fixed deposits. As on March 31, 2021, all mutual fund investments were in liquid scheme 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 Company's loss before tax:

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

31. Financial risk management objectives and policies (Contd..)

Particulars	Change in NAV	Effect on loss before tax
March 31, 2022	0.25%	Nil
	-0.25%	Nil
March 31, 2021	0.25%	(4)
	-0.25%	4

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:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in USD Millions	7	1	4	3
Amount in CAD Millions	-	2	-	3
Amount in MYR Millions	3	-	18	-

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.

Particulars	Change in USD rate	Effect on loss before tax
March 31, 2022	10% strengthening of USD against INR	(47)
	10% weakening of USD against INR	38
March 31, 2021	10% strengthening of USD against INR	(5)
	10% weakening of USD against INR	4

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.

Particulars	Change in CAD rate	Effect on loss before tax
March 31, 2022	10% strengthening of CAD against INR	13
	10% weakening of CAD against INR	(10)
March 31, 2021	10% strengthening of CAD against INR	17
	10% weakening of CAD against INR	(14)

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 MYR and exchange rates, with all other variables held constant.

Particulars	Change in MYR rate	Effect on loss before tax
March 31, 2022	10% strengthening of MYR against INR	(6)
	10% weakening of MYR against INR	5
March 31, 2021	10% strengthening of MYR against INR	(36)
	10% weakening of MYR against INR	29

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.

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.

(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, 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 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

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2021

Ageing in years	Unbilled Dues	Not due	0-1 year	1-2 year	2-3 year	>3 year	Credit impaired	Total
Gross carrying amount	1,445	1,354	2,339	290	126	187	706	6,447
Expected credit losses (Loss allowance provision)	258	38	64	173	116	177	706	1,532
Carrying amount (net of loss allowance)	1,187	1,316	2,275	117	10	10	-	4,915

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, 2020	**1,278**
Creation during the year	254
Loss Allowance as on March 31, 2021	**1,532**
Creation during the period	236
Transferred pursuant to BTA (refer note 38)	(60)
Loss Allowance as on March 31, 2022	**1,708**

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 financial assets

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as disclosed in Note 7.

Reconciliation of loss allowance	Loss allowance measured at 12 month expected loss
Loss allowance as on April 1, 2020	**65**
Creation during the year	217
Loss allowance as on March 31, 2021	**282**
Creation during the period	460
Loss Allowance as on March 31, 2022	**742**

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, 2022					
Borrowings	-	-	-	-	-
Lease liabilities	266	212	374	2107	2,959
Trade payables	7,107	-	-	-	7,107
Other financial liabilities	7,308	-	-	-	7,308
Total	**14,681**	**212**	**374**	**2107**	**17,374**
As at March 31, 2021					
Borrowings	5,444	-	-	-	5,444
Lease liabilities	97	100	126	419	742
Trade payables	6,137	-	-	-	6,137
Other financial liabilities	4,161	-	-	-	4,161
Total	**15,839**	**100**	**126**	**419**	**16,484**

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, 2022 and March 31, 2021.

33. Segment Reporting

During the previous year ended March 31, 2021, the Company reassessed the basis of segment reporting. This reassessment was necessitated by the change in business strategy over the period, increased interdependency between various service lines, increased fungibility of resources/common cost, change in the way Board of Directors (Chief Operating Decision Maker "CODM") review Company performance etc. Earlier, the Company disclosed four reportable segments that were Payment, Commerce, Cloud and others.

In line with the above shift in business strategy and the consequent change in the way the CODM reviews the performance, management of the Company has aligned segment disclosure to the above change. Further, it has been concluded that though there are different business units of the Company, including Payment and Financial services, Commerce and cloud services, information reviewed by the CODM is at the revenue level and the Company 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.

Accordingly, it has been assessed that Company operates in a single Operating as well as Reportable Segment.

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 ₹ 6,379 are derived from one external customer (March 31, 2021: ₹ 8,628 from one external customers).

34. Details of Transactions and outstanding balances of Paytm E-Commerce Private Limited (PEPL)

Details of transactions entered during the year

As at	March 31, 2022	March 31, 2021
Rendering of services to PEPL	1,194	1,344
Reimbursement of expenses incurred on behalf of PEPL	122	314
Interest Income on unwinding of Discount	-	110
Services received from PEPL	189	242

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) (Contd..)

Details of outstanding balances

As at	March 31, 2022	March 31, 2021
Other Financial Assets*	13	6,394
Trade payables	79	202
Other Financial Liability	-	58
Contract liabilities	4176	5,206
Trade Receivable	30	77

*Other receivable from other parties given in Note 7 (d) of the Standalone financial Statements includes derivative assets of ₹ Nil (March 31, 2021 : ₹ 56). The same is not included in the above reported balances.

35. Overdue outstanding foreign currency receivable and payable

As of March 31, 2022, the Company has certain foreign currency receivable balances aggregating to ₹ 24, ₹ 64 and ₹ 261 which are outstanding for more than nine months, fifteen months (extended from nine months via RBI circular- RBI/2019-20/206 A. P. (DIR Series) Circular No. 27 dated April 1, 2020, for the exports made up to or on July 31, 2020) and three years, respectively. The Company has applied to the AD Bank seeking permission for extension of time for realisation for receivables amounting to ₹ 63 and write-off of receivables amounting to ₹ 1. Further, an application has been made to the RBI vide the letter dated December 17, 2020 for seeking approval for extension of time-limit of outstanding receivable balances amounting to ₹ 191 and write off of receivable balances amounting to ₹ 94 and approval is currently awaited.

As of March 31, 2022, the Company also has certain foreign currency payable balances aggregating to ₹ 1.33* which are outstanding for more than three years. The Company has also filed an application to Reserve Bank of India (RBI) vide letters dated July 29, 2021 and August 9, 2021 for ₹ 1.33* for permission to write-back payable balances and approval is currently awaited.

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

* Amount disclosed up to two decimal places.

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, 2021 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 ₹ 14 (March 31, 2021: ₹ 4) as CSR expenditure.

38. The Company has transferred online Payment Aggregator business to Paytm Payments Services Limited, a wholly owned subsidiary of the Company, to comply with Guidelines on Regulation of Payment Aggregators And Payment Gateways' issued by RBI via circular dated March 17, 2020. This business transfer agreement has been approved by Board and Shareholders on August 30, 2021 and September 23, 2021 respectively. The consideration of ₹ 2,838 million 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

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

38. (Contd..)

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 ₹ 601 million 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 presented are not comparable with the figures for the year ended March 31, 2022.

39. During the year ended March 31, 2022, the Company has completed its initial public offer (IPO) of 85,116,278 equity shares of face value of ₹ 1 each at an issue price of ₹ 2,150 per share, comprising fresh issue of 38,604,651 shares and offer for sale of 46,511,627 shares by selling shareholders. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 18, 2021.

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

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

(₹ in Crores)

S. No	Objects of the issue	Amount as proposed in Offer Document	Amount utilised up to March 31, 2022	Amount un-utilised as on March 31, 2022
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	1,552	35,530
	ii) Expanding our merchant base and deepening our partnership with our merchants		3,318	
	iii) Strengthening and expanding our technology powered payments platform		2,600	
	Total (A)	**43,000**	**7,470**	**35,530**
2	Investing in new business initiatives, acquisitions and strategic partnerships			
	i) Investments in new business initiatives			
	a) Payment Services		-	
	b) Commerce and cloud services	20,000	-	20,000
	c) Financial Services		-	
	ii) Investments in acquisitions and strategic partnerships		-	
	Total (B)	**20,000**	**-**	**20,000**
3	General corporate purposes	18,134	2,028	16,106
	Total (C)	**18,134**	**2,028**	**16,106**
	Total (A+B+C)	**81,134**	**9,498**	**71,636**

Net IPO proceeds which were un-utilised as at March 31, 2022 were temporarily invested in fixed deposits with scheduled commercial banks and in monitoring agency account.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

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

During the quarter ended December 31, 2021, the ROC vide its order dated November 30, 2021, had directed the Company to move an appropriate application for composition of offence under the relevant provision of the Act. Consequently, the Company has filed a compounding application under section 441 read with section 62(1)(b) and Section 450 of the Act read with the Rules, before the Office of the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi ('RD') on December 25, 2021. On March 15, 2022 RD has issued an order whereby RD has compounded the offence and levied compounding fees which has been duly paid and aforesaid matter is closed.

Notes to the Standalone Financial Statements for the year ended March 31, 2022

(Amounts in ₹ Million, unless otherwise stated)

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 are as follows:

Name of Intermediary	CIN	Relation with Company	Type	Date	Amount	Name of Ultimate beneficiary	Relation with Intermediary	Type	Date	Amount
Admirable Software Limited	U72900DL2021PLC385287	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	U72900DL2021PLC385287	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	U93000MH2012PTC237284	Subsidiary Company	Loan	June 30, 2021	15	Fincollect Services Private Limited	Subsidiary of the intermediary	Loan	July 15, 2021	5
Urja Money Private Limited	U93000MH2012PTC237284	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	*
Paytm First Games Private Limited	U74999DL2017PTC325912	Joint Venture	Loan	June 7, 2021	803	Paytm First Games Singapore Pte Limited	Subsidiary of the intermediary	Equity Investment	June 30, 2021	28
						Paytm First Games Singapore Pte Limited	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

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2022

(Amounts in ₹ Million, unless otherwise stated)

41. Additional disclosures required by Schedule III (Contd..)

(ii) The Company has availed loan from a bank on the basis of security of current assets as disclosed under note 13(a) of the financial statements. There is no borrowing outstanding as on March 31, 2022. The Company files 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 Company with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:

Name of the struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	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	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 for the year ended March 31, 2022

(Amounts in ₹ 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021		
(a) Current Ratio = Current Assets / Current Liabilities	91,773	70,181	21,317	20,366	4.31	3.45	24.93%	N/A
(b) Debt-Equity Ratio = Total Debt / Shareholder's Equity	2,042	5,884	137,125	69,845	0.01	0.08	(82.32%)	The Company has raised share capital during the year resulting in change in the ratio.
(c) Debt Service Coverage Ratio = Earnings available for debt service / Debt Service	(20,585)	(13,711)	607	1,337	N/A	N/A	N/A	N/A, refer note (i)
(d) Return on Equity Ratio = Net Profit / Average Shareholder's Equity	(23,251)	(15,601)	103,485	76,980	(22.47%)	(20.27%)	10.86%	N/A
(e) Trade Receivables turnover ratio = Total Sales / Average Accounts Receivable	38,924	26,671	5,987	4,820	6.50	5.53	17.49%	N/A
(f) Trade payables turnover ratio = Total Purchase / Average Accounts Payable	41,855	34,576	6,622	6,127	6.32	5.64	11.99%	N/A
(g) Net capital turnover ratio = Total Sales / Working Capital	38,924	26,671	70,456	49,814	0.55	0.54	3.18%	N/A
(h) Net profit ratio = Net profit / Total Sales	(23,251)	(15,601)	38,924	26,671	(59.73%)	(58.49%)	2.12%	N/A
(i) Return on Capital employed = EBIT / Capital employed	(25,256)	(18,361)	139,069	75,614	(18.16%)	(24.28%)	(25.21%)	Capital employed has increased during the year on account of issue of shares by the Company resulting in change in the ratio.
(j) Return on investment = Net Profit / Total Assets	(23,251)	(15,601)	163,566	94,796	(14.22%)	(16.46%)	(13.62%)	N/A

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

41. Additional disclosures required by Schedule III (Contd..)

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 - 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.

(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.

Notes to the Standalone Financial Statements

(Amounts in INR Million, unless otherwise stated)

41. Additional disclosures required by Schedule III (Contd..)

(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 utilised the borrowing for the purpose it was obtainded.

42. Previous year figures, wherever necessary, have been regrouped/reclassified to conform to current period classification.

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

Amitesh Dutta
Partner
Membership No: 058507

Place: Gurugram
Date: May 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

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, 2022, 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, 2022, 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 17 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 18 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 the following matters:

   a) Note 2.1 to the Consolidated Financial Statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Group. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

   b) Note 39 to the Consolidated Financial Statements which describes:

      i. non-realisation of foreign currency receivables as at March 31, 2022 aggregating to ₹ 355 million outstanding beyond the stipulated time period permitted under the RBI Master Direction on Export of Goods and Services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 (as amended), issued by the Reserve Bank of India (RBI). The Group has made the necessary application with the Authorised Dealer (AD) banker/RBI seeking extension of time limit for remittance for certain balances and write-off of the remaining balances.

      ii. non-settlement of foreign currency payables as at March 31, 2022 amounting to ₹ 1.33 million due for More than three years being the time permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 dated January 1, 2016 (as amended) issued by the RBI. The Parent Company has filed an application to the RBI for permission to write-back the aforesaid payable balances.

   c) Note 42(c) to the Consolidated Financial Statements, which indicates that one of the Subsidiary Company's financial assets as at March 31, 2021 were more than 50% of its total assets and its income from financial assets was more than 50% of the total income for FY 20-21. As per the press release dated April 8, 1999 issued by Reserve Bank of India (RBI) the Subsidiary Company fulfils the principal business criteria for being classified as a Non-Banking Financial Company (NBFC) as at March 31, 2021 and accordingly is required to obtain registration as such. However, the Subsidiary Company's Management has stated that this position is temporary in nature and the Subsidiary Company has no intention of conducting the business as an NBFC, and accordingly it had filed an application with the RBI seeking dispensation from registration as NBFC.

d) Note 42(d) to the Consolidated Financial Statements, relating to one of the Joint venture companies which describes:

   i. Non-settlement of foreign currency payables as at March 31, 2022 amounting to ₹ 219 million, due for more than six months. This is beyond the time permitted under the RBI Master Direction on Import of Goods and Services vide FED Master Direction No. 17/2016-17 (as amended). The Company has made the necessary application with the Authorised Dealer (AD) banker on April 27, 2022 seeking extension of time limit for remittance of the same.

   ii. Non-realisation of foreign currency receivables as at March 31, 2022 amounting to ₹ 0.4 million, outstanding for more than nine months. This is beyond the time period permitted under the RBI Master Direction on Export of Goods and Services vide FED Master Direction No. 16/2015-16 (as amended), issued by the Reserve Bank of India (RBI). The Company has made the necessary application with the AD banker on April 8, 2022 seeking extension of time limit for realization of the same.

Our opinion is not modified in respect of the above matters.

5. The following emphasis of matter paragraph has been included in the independent auditor's report dated May 4, 2022 issued by independent firm of chartered accountants on the audit of the Standalone Financial Statements of Nearbuy India Private Limited which has been reported as under:

   "Emphasis of Matter – Effects of COVID-19

   We draw attention to Note 1(a) of the accompanying Ind AS financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at March 31, 2022 and the operations of the Company. Our opinion is not modified in respect of this matter."

   Note 1(a) referred above corresponds to Note 42(a) to the Consolidated Financial Statements.

6. The following emphasis of matter paragraph has been included in the independent auditor's report dated May 5, 2022 issued by independent firm of chartered accountants on the audit of the Standalone Financial Statements of Wasteland Entertainment Private Limited which has been reported as under:

   "Emphasis of Matter

   We draw attention to Note 2.1 to the accompanying Ind AS financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and it consequential effects on the carrying value of its assets as at March 31, 2022 and the operations of the Company. Our opinion is not modified in respect of this matter."

   Note 2.1 referred above corresponds to Note 42(b) to the Consolidated Financial Statements.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill relating to acquisition of subsidiaries and assessment of appropriateness of the carrying value of investments in associates **(Refer accompanying notes 2.2, 2.4, 2.5(j), 2.5(n), 2.5(u), 4, 5(b), 20 and 36 to the Consolidated Financial Statements)** 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.	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: • 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.
The management has estimated future cash flows for a 5 year period and a terminal growth rate is applied in determining the terminal value. Further, there are certain investments in associates which are carried at cost (subject to impairment assessment). 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).	• 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. 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.

Other Information

8. 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, Business Responsibility Report and Shareholder's information but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether 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. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 17 below), we

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

9. 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 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

10. 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.

11. 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

12. 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.

13. As part of an audit in accordance with SAs, we exercise professional judgment 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 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.

14. 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.

15. 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.

16. 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

17. We did not audit the financial statements/financial information of 13 subsidiaries whose financial statements/ financial information reflect total assets of ₹ 15,950 million and net assets of ₹ 11,869 million as at March 31, 2022, total revenue of ₹ 3,277 million, total comprehensive income (comprising of loss and other comprehensive income) of ₹ 8,591 million and net cash outflows amounting to ₹ 316 million for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ 65 million for the year ended March 31, 2022 as considered in the Consolidated Financial Statements, in respect of 4 associate companies and 1 joint venture respectively, 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.

18. We did not audit the financial statements/financial information of 10 subsidiaries whose financial statements/ financial information reflect total assets of ₹ 356 million and net assets of ₹ (-) 67 million as at March 31, 2022, total revenue of ₹ 268 million, total comprehensive income (comprising of loss and other comprehensive income) of ₹ 18 million and net cash inflows amounting to ₹ 113 million for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ 20 million for the year ended March 31, 2022 as considered in the Consolidated Financial Statements, in respect of 3 associate companies and 1 joint venture respectively, 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

19. 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.

20. 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) The following matter has been included under paragraph 2(e) of the 'Report on Other Legal and Regulatory Requirements' section in the independent's auditors report dated May 5, 2022 issued by independent firm of chartered accountants on the audit of the financial statements of Wasteland Entertainment Private Limited which has been reported as under:

 The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company "

 (f) The following matter has been included under paragraph 2(e) of the 'Report on Other Legal and Regulatory Requirements' section in the independent's auditors report dated May 4, 2022 issued by independent firm of chartered accountants on the audit of the financial statements of Nearbuy India Private Limited which has been reported as under:

 " Emphasis of Matter – Effect of COVID-19 paragraph above, in our opinion, may have an adverse effect on the functioning of the Company "

 (g) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

 (h) 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.

 (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 24 and 29(d) to the Consolidated Financial Statements.

  ii. The Group, its associate companies and joint ventures had long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.

  iii. During the year ended March 31, 2022, 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.

  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 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.

21. 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: 22058507AJHXIU4207

Place: Gurugram
Date: May 20, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 20(h) 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, 2022

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, 2022, 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 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.

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, 2022, 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. Also refer paragraph 4 (a), 5 and 6 of our main audit report.

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 8 subsidiary companies and 4 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: 22058507AJHXIU4207

Place: Gurugram
Date: May 20, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 19 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, 2022

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:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Paytm Entertainment Limited	U74999DL2017PLC321165	Subsidiary	May 9, 2022	Paragraph no. xvi (a) The Company was required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-banking Financial Company (NBFC) as the Company met the Principal Business Criteria specified in the Press Release 1998-99/1269 dated April 8, 1999 issued by the Reserve Bank of India (RBI) based on its financial statements as at and for year ended March 31, 2021. However, management has stated that this position is temporary in nature and the Company has no intention of conducting the business as an NBFC, and accordingly it has filed an application with the RBI seeking dispensation from the requirement of registration as an NBFC. (Refer note 36 to the Financial Statements and paragraph 4 of our main audit report). Paragraph no. xvi (b) Other than the loan transaction as described in Note 36 to the financial statements, which the Company has explained to have been undertaken not with any intention to carry on the business as an NBFC, the Company has not conducted any 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. Also refer our comment under clause (xvi)(a) above.

2. Orbgen Technologies Limited (CIN U72200TN2007PTC065476) (Subsidiary) vide auditor's report dated May 13, 2022 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 generally regular in depositing undisputed statutory dues, in respect of employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, 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, 2022, 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 Lakhs)	Period to which the amount relates	Due date	Date of Payment/ Remarks
The Employee's Provident Funds and Miscellaneous Provisions Act,1956	Provident Fund	6.89	March 2019 to August 2021	15th of subsequent month	₹ 6.61 lakhs paid on May 12, 2022. Balance yet to be paid
The Employee's Provident Funds and Miscellaneous Provisions Act,1956	Interest and damages on Provident Fund	4.21	March 2019 to August 2021	15th of subsequent month	Not yet paid

Also, refer note 5.9(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

3. Paytm Services Private Limited (CIN U74110KA2016PTC094535) (Subsidiary) vide auditor's report dated May 12, 2022 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 generally regular in depositing undisputed statutory dues, in respect of employees' state insurance and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, cess, 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, 2022, 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 Lakhs)*	Period to which the amount relates	Due date	Date of payment
The Employee's Provident Funds and Miscellaneous Provisions Act, 1956	Provident Fund	6.24	September 2019	October 15, 2019	
		1.47	October 2019	November 15, 2019	
		1.24	November 2019	December 15, 2019	
		0.43	December 2019	January 15, 2020	
		0.38	January 2020	February 15, 2020	
		0.70	February 2020	March 15, 2020	
		0.11	March 2020	April 15, 2020	
		0.12	April 2020	May 15, 2020	
		0.06	May 2020	June 15, 2020	
		0.01	June 2020	July 15, 2020	
		1.12	February 2021	March 15, 2021	
		0.94	April 2021	May 15, 2021	
		0.41	May 2021	June 15, 2021	
		0.45	June 2021	July 15, 2021	
		8.85	July 2021	August 15, 2021	
		15.14	August 2021	September 15, 2021	
		8.12	September 2021	October 15, 2021	

*Also refer note 15 to the financial statements.

4. One 97 Communications Limited (CIN L72200DL2000PLC108985) (Holding company) vide our report dated May 20, 2022 which is reproduced as under:

iii (c) In respect of the loans, 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) (₹ million)	Due Date	Extent of delay	Remarks (if any)
Little Internet Private Limited	87	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
Paytm Financial Services Limited	471	Refer Note 3 below	Refer Note 3 below	Refer Note 3 below
Urja Money Private Limited	11	Refer Note 4 below	Refer Note 4 below	Refer Note 4 below
Robust Infocom Private Limited	265	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 issued a support letter to LIPL allowing it further time for repayment till the time it has surplus funds or March 31, 2023, whichever is earlier.

Note 2: The Company had given loan of ₹ 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 ₹ 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 ₹ 237 million to December 31, 2021.

Note 3: The loan was given in two tranches – ₹ 250 million on February 24, 2021 and ₹ 200 million on March 25, 2021. As per the terms the loan was to be repaid at the earlier of, at the end of 12 months from execution date or 30 days of day on which lender demand the repayment. The loan has been repaid subsequent to the year end.

Note 4: The Company had given loan of ₹ 10 million 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 5: 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.

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 (₹ million)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Arthimpact Finserve Private Limited	234	12%
Urja Money Private Limited	11	1%
Little Internet Private Limited	87	4%

II. The statutory audit report on the financial statements for the year ended March 31, 2022 of Eatgood Technologies Private Limited (CIN U74900KA2015PTC080961), an associate company of the Holding Company 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.

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

Amitesh Dutta
Partner
Membership Number: 058507
UDIN: 22058507AJHXIU4207

Place: Gurugram
Date: May 20, 2022

Consolidated Balance Sheet

(Amounts in ₹ Million, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	5,616	2,992
Right-of-use-assets	3(b)	2,945	1,283
Capital work-in-progress	3(c)	102	208
Goodwill	4	443	467
Other intangible assets	4	135	171
Intangible assets under development	3(d)	18	28
Financial assets			
Investment in joint ventures	5(a)	-	-
Investment in associates	5(b)	2,233	2,317
Other investments	6(b)	10,062	341
Loans	6(c)	1,362	-
Other financial assets	6(d)	42,131	3,871
Current tax assets		4,317	3,016
Deferred tax assets	28	70	35
Other non-current assets	8	3,032	2,786
Total Non-Current Assets		**72,466**	**17,515**
Current assets			
Financial assets			
Other investments	6(a), 6(b)	-	1,472
Trade receivables	7	7,464	4,713
Cash and cash equivalents	9(a)	13,790	5,468
Bank balances other than cash and cash equivalents	9(b)	38,230	23,296
Loans	6(c)	514	1,611
Other financial assets	6(d)	32,295	23,386
Other current assets	8	15,157	14,052
Total Current Assets		**107,450**	**73,998**
TOTAL ASSETS		**179,916**	**91,513**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10(a)	649	605
Other equity	10(b)	140,867	64,743
Equity attributable to owners of the parent		**141,516**	**65,348**
Non-controlling interests		(221)	(186)
Total Equity		**141,295**	**65,162**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	3(b)	1,822	427
Deferred tax liabilities	28	2	6
Contract Liabilities	13(b)	3,165	4,119
Provisions	11	307	247
Total Non-Current Liabilities		**5,296**	**4,799**
Current liabilities			
Financial liabilities			
Borrowings	12(a)	1	5,449
Lease liabilities	3(b)	392	244
Trade payables			
(a) Total Outstanding dues of micro and small enterprises	12(b)	229	56
(b) Total Outstanding dues other than (a) above	12(b)	7,285	5,996
Other financial liabilities	12(c)	18,005	5,153
Contract Liabilities	13(b)	2,076	1,581
Other current liabilities	13(a)	4,514	2,643
Provisions	11	823	430
Total Current Liabilities		**33,325**	**21,552**
Total Liabilities		**38,621**	**26,351**
TOTAL EQUITY AND LIABILITIES		**179,916**	**91,513**

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 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

Consolidated Statement of Profit and Loss

(Amounts in ₹ Million, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	14	49,742	28,024
Other income	15	2,901	3,844
Total income		**52,643**	**31,868**
Expenses			
Payment processing charges		27,538	19,168
Marketing and promotional expenses		8,554	5,325
Employee benefits expense	16	24,319	11,849
Software, cloud and data centre expenses		4,999	3,498
Depreciation and amortization expense	17	2,473	1,785
Finance costs	18	394	348
Other expenses	19	7,734	5,857
Total expenses		**76,011**	**47,830**
Loss before share of profit / (loss) of associates / joint ventures, exceptional items and tax		**(23,368)**	**(15,962)**
Share of profit/ (loss) of associates / joint ventures	24	(459)	(740)
Loss before exceptional items and tax		**(23,827)**	**(16,702)**
Exceptional items	20	(24)	(281)
Loss before tax		**(23,851)**	**(16,983)**
Income Tax expense			
Current tax	28	151	34
Deferred tax expense/(credit)	28	(38)	(7)
Total Tax expense		**113**	**27**
Loss for the year		**(23,964)**	**(17,010)**
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	(21)	(17)
Changes in fair value of equity instruments at FVTOCI		9,376	(53)
Items that may be reclassified to profit or loss in subsequent years			
Exchange differences on translation of foreign operations		194	40
Total Other Comprehensive Income/(Loss) for the year		**9,549**	**(30)**
Total Comprehensive Income/ (Loss) for the year		**(14,415)**	**(17,040)**
Loss for the year			
Attributable to:			
Owners of the parent		(23,929)	(16,961)
Non-controlling interests		(35)	(49)
		23,964	**(17,010)**
Other comprehensive income for the year			
Attributable to:			
Owners of the parent		9,549	(30)
Non-controlling interests		*	*
		9,549	**(30)**
Total comprehensive income/(loss) for the year			
Attributable to:			
Owners of the parent		(14,380)	(16,991)
Non-controlling interests		(35)	(49)
		(14,415)	**(17,040)**
Earnings per share (₹ per share of ₹ 1 each)			
Basic	21	(38)	(28)
Diluted	21	(38)	(28)

*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 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

Consolidated Statement of Changes in Other Equity

(Amounts in ₹ Million, unless otherwise stated)

a) Equity Share Capital

Equity shares - issued, subscribed and fully paid	No. of Shares	Amount
At April 1, 2020#	**60,187,655**	**604**
Shares issued during the year##	29,979	*
Shares issued during the year - ESOP	42,379	*
At March 31, 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 on derecognition of trust	1,809,840	-
At March 31, 2022	**648,561,414**	**649**

Net of treasury shares, March 31, 2021: 222,391 and April 1, 2020: 247,370 of face value of ₹ 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year includes 41,407 (March 31, 2021 : 24,979) shares of face value of ₹ 10 each 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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from record date, i.e., June 30, 2021.

b) Other equity

Particulars	Attributable to owners of the parent							Non-controlling interests	Total Other Equity
	Share application money pending allotment	Reserves and Surplus			Other reserves		Total		
		Securities Premium	Retained Earnings	ESOP Reserve	FVTOCI	FCTR#			
As at April 1, 2020	*	**188,953**	**(112,012)**	**3,552**	**20**	**(65)**	**80,448**	**(140)**	**80,308**
Loss for the year	-	-	(16,961)	-	-	-	(16,961)	(49)	(17,010)
Other comprehensive income	-	-	(17)	-	(53)	40	(30)	*	(30)
Total comprehensive income/(loss)	**-**	**-**	**(16,978)**	**-**	**(53)**	**40**	**(16,991)**	**(49)**	**(17,040)**
Adjustment on forfeiture of ESOP	-	-	206	(206)	-	-	-	-	-
Amount transferred to securities premium on exercise of ESOPs	-	192	15	(219)	-	-	(12)	12	-
Share based payment expenses	-	-	-	1,118	-	-	1,118	-	1,118
Share based payment reserve on account of joint ventures	-	-	-	19	-	-	19	-	19
Share application money received (pending allotment)	2	-	-	-	-	-	2	-	2
Amount received on issue of shares	-	107	-	-	-	-	107	-	107
Acquisition of Non-controlling interest	-	-	(54)	-	-	-	(54)	(9)	(63)
Other adjustments (Refer note 10(b))	-	-	106	-	-	-	106	-	106
As at March 31, 2021	**2**	**189,252**	**(128,717)**	**4,264**	**(33)**	**(25)**	**64,743**	**(186)**	**64,557**

Consolidated Statement of Changes in Other Equity

(Amounts in ₹ Million, unless otherwise stated)

Particulars	Attributable to owners of the parent							Non-controlling interests	Total Other Equity
	Share application money pending allotment	Reserves and Surplus			Other reserves		Total		
		Securities Premium	Retained Earnings	ESOP Reserve	FVTOCI	FCTR#			
Loss for the year	-	-	(23,929)	-	-	-	(23,929)	(35)	(23,964)
Other comprehensive income	-	-	(21)	-	9,376	194	9,549	*	9,549
Total comprehensive income/(loss)	**-**	**-**	**(23,950)**	**-**	**9,376**	**194**	**(14,380)**	**(35)**	**(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	-	83,023
Amount utilised for share issue expenses	-	(1,401)	-	-	-	-	(1,401)	-	(1,401)
Other adjustments (Refer note 10(b))	-	-	711	-	-	-	711	-	711
As at March 31, 2022	*	**273,166**	**(151,833)**	**10,022**	**9,343**	**169**	**140,867**	**(221)**	**140,646**

*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/ N500016

Amitesh Dutta
Partner
Membership No: 058507

Place: Gurugram
Date: May 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

Consolidated Statement of Cash Flows

(Amounts in ₹ Million, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities:			
Loss before tax		**(23,851)**	**(16,983)**
Depreciation and amortization expense	17	2,473	1,785
Interest income	15	(2,518)	(2,229)
Interest Income on unwinding of discount - financial assets measured at amortized cost	15	(92)	(218)
Interest on borrowing at amortized cost	18	294	216
Interest and finance charges on lease liabilities	18	86	123
Gain on lease termination		(3)	(50)
Stock acquisition rights (PayPay Corporation)		-	(221)
Trade receivables / advances written off	19	391	67
Provision for advances	19	62	19
Loss allowance for financial assets	19	432	428
(Gain) / loss on sale of investment in associates and subsidiaries	20	-	(19)
Liabilities no longer required written back	15	(19)	(30)
Provision for impairment of investments in associates	20	-	300
Property, plant and equipment and intangible assets written off	19	11	3
Impairment of goodwill	20	24	-
Share based payment expenses	16	8,093	1,125
Provision for employee incentive		15	67
Share of result of associates/ joint ventures	24	459	740
Fair value gain on financial instruments measured at FVTPL (net)	15	(215)	(899)
Profit on sale of property, plant and equipment (net)	15	(7)	(18)
Operating loss before working capital changes		**(14,365)**	**(15,794)**
Working capital adjustments:			
Increase/(decrease) in trade payables		1,481	(33)
Increase/(decrease) in provisions		434	(85)
Increase /(decrease) in other current liabilities and contract liabilities		1,412	(273)
Increase/(decrease) in other financial liabilities		13,338	2,669
(Increase)/decrease in trade receivables		(3,192)	(67)
(Increase)/decrease in other financial assets		(9,187)	(6,384)
(Increase)/decrease in other current and non-current assets		(805)	(2,729)
Cash generated from/(used in) operations		**(10,884)**	**(22,696)**
Tax paid, net of refunds		(1,479)	1,871
Net cash inflow / (outflow) from operating activities (A)		**(12,363)**	**(20,825)**
Cash flow from/(used in) investing activities			
Purchase of property, plant and equipment and intangible assets		(5,071)	(1,927)
Proceeds from sale of property, plant and equipment		27	56
Investment in fixed and other deposits with banks		(96,322)	(21,534)
Maturity of bank deposits		43,206	10,419
Proceeds from repayment of inter corporate loans		908	5
Inter corporate loans given		(1,653)	(1,608)
Investments in joint ventures and associates		-	(87)
Proceeds from sale of non-current investments		13	1,036
Payment for purchase of non-current investments		(261)	-
Proceeds from sale of current investments		85,696	99,456
Payment for purchase of current investments		(84,204)	(67,468)
Interest received		2,775	950
Net cash inflow / (outflow) from investing activities (B)		**(54,886)**	**19,298**

Consolidated Statement of Cash Flows

(Amounts in ₹ Million, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from/(used in) financing activities			
Proceeds from issue of shares (including security premium)		83,067	107
Share issue expenses		(1,401)	-
Share application money received during the year (pending allotment)		*	2
Acquisition of non controlling interests	37	-	(63)
Repayment of term loan		-	(729)
Repayment of other borrowings		-	(6)
Net change in working capital demand loan		(435)	(847)
Interest paid		(380)	(339)
Principal elements of lease payments		(316)	(346)
Net cash inflow / (outflow) from financing activities (C)		**80,535**	**(2,221)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**13,286**	**(3,748)**
Cash and cash equivalent at the beginning of the year		454	4,162
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		49	40
Cash and cash equivalent at the end of the year		**13,789**	**454**

Cash and cash equivalents as per above comprises of following	March 31, 2022	March 31, 2021
Cash on hand	*	1
Balance with banks		
- On current accounts	12,742	2,606
- Deposits with original maturity of less than 3 months	1,048	2,861
Cash and cash equivalents	**13,790**	**5,468**
Bank overdraft#	(1)	(5,014)
Cash and cash equivalents for the purpose of statement of cash flows	**13,789**	**454**

*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 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

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, 2022.

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 20, 2022.

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 Group has applied the following amendments for the first time for year commencing from April 1, 2021:

- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases
- Extension of COVID-19 related concessions – amendments to Ind AS 116

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting year beginning on or after April 1, 2021. Pursuant to these amendment, the comparative figures as disclosed in these Consolidated Financial Statements have been regrouped/reclassified, wherever necessary, to make them comparable to current year figures. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (Restated)
Loans (non-current)	1,258	(1,258)	-
Loans (current)	2,564	(953)	1,611
Other financial assets (non-current)	2,613	1,258	3,871
Other financial assets (current)	23,753	(367)	23,386
Trade Receivables	3,393	1,320	4,713

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 form April 1, 2022. Below is a summary of such amendments:

Title	Key requirements
Ind AS 16, Property, Plant and Equipment	Proceeds before intended use of property, plant and equipment: The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).
Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts – Cost of fulfilling a contract: The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.
Ind AS 103, Business combinations	References to the conceptual framework: The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
Ind AS 109, Financial Instruments	Fees included in the 10% test for derecognition of financial liabilities: The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
Ind AS 101, First time adoption	Subsidiary as a first-time adopter: Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
Ind AS 41, Agriculture	Taxation in fair value measurements: The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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 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

COVID-19 continues to spread across globe and India. This has impact on all local and global economic activities. Government of India has taken series of measures to contain spread of virus and limit economic impact on corporates and individuals.

The Group has considered the possible effects that may result from COVID-19, on the carrying amount of the receivables, investments, goodwill etc. While making the assessment the Group has taken cognizance of internal and external information up to the date of approval of these Consolidated Financial Statements. The Group based on current estimates expects the carrying amount of the above assets will be recovered.

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Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Consolidated Financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to the future economic conditions.

2.2 Business Combination and Goodwill

Business combinations (other than those under common control) are accounted for using the acquisition method under Ind AS 103. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- The assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 19 Employee Benefits.
- Deferred tax assets and liabilities are recognized and measured in accordance with Ind AS 12 Income Taxes.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the 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)

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

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the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in Fixed assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed 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.

If an entity's share of losses of an associate or joint venture equals or exceeds its interest in the associate or

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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.

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

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the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or consolidated statement of profit and loss, are also recognised in OCI or consolidated statement of profit and loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their consolidated statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

c. Fair value measurement

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

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

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

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

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

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

Level 1- Quoted (Unadjusted) marked prices in the active markets for identical assets or liabilities

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

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

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

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

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

d. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer 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

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within revenue. The specific revenue recognition criteria described below must also be met before revenue is recognized. Typically, the Group has a right to payment before or at the point that services are delivered. Cash received before the services are delivered is recognised as a contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

Sale of services

Revenue from services is recognized when the control in services is transferred as per the terms of the agreement with customer i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services. In terms of the contract, excess of revenue over the billed at the year-end is carried in the balance sheet as trade receivables where the amount is recoverable from the customer without any future performance obligation and the Group has unconditional right over such consideration (i.e. if only the passage of time is required before payment of such consideration is due). Cash received before the services are delivered is recognised as a contract liability.

Commission

The Group facilitates recharge of talk time, bill payments, availability of bus tickets and sale of deal coupons and earns commission for the respective services. Commission income is recognized when the control in services is transferred to the customer when the services have been provided by the Group.

Service fees from merchants

The Group earns service fee from merchants and recognizes such revenue when the control in services have been transferred by the Group i.e. as and when services have been provided by the Group. Such service fee is generally determined as a percentage of transaction value executed by the merchants. Amount received by the Group pending settlement are disclosed as payable to the merchants under other financial liabilities.

Revenue from broking activities

Revenue from broking activities, fees and delayed payment charges is recognized on the trade date of transaction (net of Goods & service 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. 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

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it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

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

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

Minimum alternate tax

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

Taxes paid on acquisition of assets or on incurring expenses

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.

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

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

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.

g. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment, if any. Property, plant and equipment is depreciated on a written down value basis to its residual value over its estimated useful life.

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

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repair and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

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

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.

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Depreciation is provided using the written down value method and charged to consolidated statement of profit and loss as per the rates prescribed under schedule II of the Companies Act, 2013 except for technical evaluation done by the management's expert for plant and machinery, given below:

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

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.

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

h. Intangible assets

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

Software and licenses acquired are amortized at the rate of 40% per annum on written down value method. Other intangibles i.e Customer relationship, right to use brand and non- compete right acquired in business combination are amortised over their useful life on straight line basis, which is taken to be 5 years.

The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Research and development costs

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of one to five years. Amortization is recognized in the consolidated statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in 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.

j. Impairment of non-financial assets

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

The recoverable amount for an asset or CGU is the higher of its value in use and fair value less costs of disposal. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount 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 countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

k. Provisions and contingencies

Provisions

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

Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that

Notes to the Consolidated Financial Statements

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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.

l. Retirement and other employee benefits

For defined benefit plans (gratuity), the liability or asset recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. 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 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.

m. 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 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.

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(Amounts in INR Million, unless otherwise stated)

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 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.

n. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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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.

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

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(Amounts in INR Million, unless otherwise stated)

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

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

Impairment of financial assets

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

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

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include borrowings, lease liabilities, trade and other payables.

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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.

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.

o. Cash and cash equivalents

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

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

p. Leases

The 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.

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At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the consolidated balance sheet and lease payments have been classified as financing cash flows.

q. 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 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 year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

r. Treasury shares

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

s. Segment reporting

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. Refer Note 34 for segment information presented.

t. 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.

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u. 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.

v. 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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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, 2020	3,453	100	349	15	354	1,265	5,536
Additions	360	6	92	8	45	1,359	1,870
Foreign Currency Translation Reserve	2	1	4	-	1	-	8
Disposals	76	38	198	12	90	2	416
As at March 31, 2021	**3,739**	**69**	**247**	**11**	**310**	**2,622**	**6,998**
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**
Accumulated depreciation							
As at April 1, 2020	2,168	58	157	10	183	344	2,920
For the year	597	9	129	2	42	679	1,458
Foreign Currency Translation Reserve	1	*	1	-	*	-	2
Disposals	58	26	204	9	76	1	374
As at March 31, 2021	**2,708**	**41**	**83**	**3**	**149**	**1,022**	**4,006**
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**
Net carrying amount							
As at March 31, 2022	**1,109**	**22**	**141**	**6**	**160**	**4,178**	**5,616**
As at March 31, 2021	**1,031**	**28**	**164**	**8**	**161**	**1,600**	**2,992**

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 ₹ 40 (March 31, 2021: ₹ 41) relating to expenses incurred on construction of office premises.

(ii) Refer to note 29 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

^ Plant and machinery includes Gross carrying amount ₹ 4,678 (March 31, 2021: ₹ 1,831), Accumulated depreciation ₹ 1,875 (March 31, 2021: ₹ 780), Net carrying amount ₹ 2,803 (March 31, 2021: ₹ 1,051) of point-of-sale machines and sound boxes installed at customer premises.

*Amount below rounding off norms adopted by the group.

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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, 2020	844	2,177	3,021
Additions	-	296	296
Disposals (refer note below)	-	1,426	1,426
As at March 31, 2021	**844**	**1,047**	**1,891**
As at April 1, 2021	844	1,047	1,891
Additions	-	1,941	1,941
Disposals (refer note below)	-	6	6
As at March 31, 2022	**844**	**2,982**	**3,826**
Accumulated Depreciation			
As at April 1, 2020	10	337	347
Charge for the Year	10	251	261
Disposals	-	-	-
As at March 31, 2021	**20**	**588**	**608**
As at April 1, 2021	20	588	608
Charge for the year	10	263	273
Disposals	-	-	-
As at March 31, 2022	**30**	**851**	**881**
Net Carrying Amount			
As at March 31, 2022	814	2,131	2,945
As at March 31, 2021	824	459	1,283

B. Lease Liabilities

Particulars	March 31, 2022	March 31, 2021
Lease Liability on Land- Current	58	114
Lease Liability on Land- Non-Current	-	62
Lease Liability on Office Premises- Current	334	130
Lease Liability on Office Premises- Non-Current	1,822	365
Total	**2,214**	**671**
Total lease liability - Current	**392**	**244**
Total lease liability - Non-Current	**1,822**	**427**

C. Amounts recognised in Statement of profit and loss

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation charge of Right-of-use-assets			
Land		10	10
Office Premises#		263	251
Total	17	**273**	**261**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (b). Leases (Contd..)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense (included in finance cost)	18	86	123
Expense relating to short-term lease (included in other expenses)	19	100	92

This amount is including cross charge of ₹ 2 (March 31, 2021: 5). Net depreciation charge of Right-of-use assets in profit & loss is ₹ 271 (March 31, 2021 ₹ 256).

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. During the year ended March 31, 2022, 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 ₹ 9 (March 31, 2021: 1,476) with corresponding adjustment to Right of Use assets amounting to ₹ 6 (March 31, 2021: 1,426) 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 ₹ 402 (March 31, 2021: 469)

Extension and termination options:

Extension and termination options are included in ceratin leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In certain cases, the extension and termination options held are exercisable only by the Group and not by the respective lessor.

3 (c) Capital work-in-progress aging schedule

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	5	2	39	102

Capital work-in-progress (CWIP) for the year ended March 31, 2021

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	157	8	39	4	208

3 (d) Intangible assets under development aging schedule

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	16	1	1	*	18

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

3 (d) Intangible assets under development aging schedule (Contd..)

Intangible assets under development aging schedule for the year ended March 31, 2021

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	25	2	-	1	28

4. Intangible assets

Particulars	Customer Relationship	Brand	Non-Compete	Software	Internally Generated Software	Total	Goodwill
Gross carrying amount							
As at April 1, 2020	251	448	39	527	104	1,369	4,129
Additions	-	-	-	65	-	65	-
Foreign Currency Translation Reserve	-	-	-	-	*	*	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	**251**	**448**	**39**	**592**	**103**	**1,433**	**4,129**
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**
Accumulated Amortization/ Impairment							
As at April 1, 2020	239	439	33	380	100	1,191	3,662
For the year	4	*	3	63	1	71	-
Foreign Currency Translation Reserve	-	-	-	-	*	*	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	**243**	**439**	**36**	**443**	**101**	**1,262**	**3,662**
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**
Net carrying amount							
As at March 31, 2022	**4**	**2**	**-**	**127**	**2**	**135**	**443**
As at March 31, 2021	**8**	**9**	**3**	**149**	**2**	**171**	**467**

*Amount below rounding off norms adopted by the group.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

5 (a) Investment in joint ventures - Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted equity shares (Fully paid up)		
Paytm First Games Private Limited (Refer note 24)	-	-
68,233,850 (March 31, 2021 : 68,233,850) equity shares of ₹ 10 each		
	-	-

5 (b) Investment in associates - Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted equity shares (Fully paid up)		
Paytm Payments Bank Limited	1,956	2,006
195,904,900 (March 31 2021 : 195,904,900) equity shares of ₹ 10 each		
Paytm General Insurance Limited	-	-
980,000 (March 31, 2021 : 980,000) equity shares of ₹ 10 each		
Paytm Life Insurance Limited	*	*
49,000 (March 31, 2021 : 49,000) equity shares of ₹ 10 each		
Paytm Financial Services Limited	4	19
2,000,000 (March 31, 2021 : 2,000,000) equity shares of ₹ 10 each		
Paytm Insuretech Private Limited (Formerly known as QorQI Private Limited) (refer note (i) below)	-	-
2,560,938 (March 31, 2021 : 2,560,938) equity shares of ₹ 10 each		
Eatgood Technologies Private Limited (Refer note (i) below)	-	-
2,879 (March 31, 2021 : 2,879) equity shares of ₹ 10 each		
Total (A)	**1,961**	**2,026**
Unquoted compulsorily convertible preference shares (Fully paid up)		
Socomo Technologies Private Limited (refer note (i) below)	-	-
28,800 (March 31, 2021 : 28,800) Compulsorily Convertible Preference share of face value of ₹ 1 each		
Infinity Transoft Solutions Private Limited	79	86
3,618 (March 31, 2021 : 3,618) Compulsorily Convertible Preference share of face value of ₹ 10 each		
Eatgood Technologies Private Limited (refer note (i) below)	193	205
72,373 (March 31, 2021 : 72,373) Compulsorily Convertible Preference share of face value of ₹ 100 each		
Total (B)	**272**	**291**
Grand Total [A+B]	**2,233**	**2,317**
Aggregate amount of unquoted investments	**2,233**	**2,317**
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 ₹ 26 (March 31, 2021: 26), ₹ 428 (March 31, 2021 : 428) and ₹ 300 (March 31, 2021 : 300) for Paytm Insuretech Private Limited, Socomo Technologies Private Limited and Eatgood Technologies Private Limited, respectively.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (a). Other Investments - Current

Particulars	As at March 31, 2022	As at March 31, 2021
Investments at amortised cost		
Debt instruments (quoted)		
LIC Housing Finance Limited 7.03% 28 Dec 2021	-	500
Nil (March 31, 2021 : 500) Redeemable Non Convertible Debentures of ₹ 1,000,000 each		
HDFC Series W-001 7.15% 16 Sep 2021	-	251
Nil (March 31, 2021 : 250) Redeemable Non Convertible Debentures of ₹ 1,003,676 each		
LIC Housing Finance Limited 7.03% 28 Dec 2021	-	500
Nil (March 31, 2021 : 500) Redeemable Non Convertible Debentures of ₹ 999,978 each		
Kotak Mahindra Investments Ltd 0% 28 Oct 2021	-	221
Nil (March 31, 2021 : 250) Redeemable Non Convertible Debentures of ₹ 883,748 each		
Total Current investments	**-**	**1,472**

6 (b). Other Investments - Non-Current

Particulars	As at March 31, 2022	As at March 31, 2021
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, 2021 : 3,458) Equity shares of face value ₹ 10 each		
Red Pixels Ventures Limited (Refer note (iv) below)	-	4
Nil (March 31, 2021 : 1,093) Equity shares of face value ₹ 10 each		
Plivo Inc. (Refer note (i) below)	-	-
793,696 (March 31, 2021 : 793,696) common stock of USD 0.00001 each.		
Software Is Correct INC (Refer note (i) below)	-	-
34,333 (March 31, 2021 : 34,333) common stock of USD 1 each		
Stock acquisition rights (PayPay Corporation) (Refer note (iii) below)	9,726	221
Total (A)	**9,749**	**248**
Investments at fair value through Profit and loss		
Unquoted Compulsorily Convertible Preference shares (Fully paid up)		
Raining Clouds Tech Private Limited (Refer note (i) below)	-	-
3,620 (March 31, 2021 : 3,620) Redeemable Convertible Preference Shares of ₹ 10 each		
Avenues Payments India Private Limited (Refer note (i) below)	-	-
11,379 (March 31, 2021 : 11,379) Compulsorily Convertible Preference share of face value of ₹ 100 each		
Loginext Solutions Private Limited (Refer note (i) below)	-	-
279,443 (March 31, 2021 : 279,443) Compulsorily Convertible Preference share of face value of ₹ 10 each		

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (b). Other Investments - Non-Current (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Rooter Sports Technologies Private Limited	40	40
1,160 (March 31, 2021 : 1,160) Compulsorily Convertible Preference share of face value ₹ 10 each		
	40	**40**
Unquoted equity shares (Fully paid up)		
Paytm E-commerce Private Limited		
Nil (March 31, 2021 : 4,837) Equity shares of face value ₹ 10 each held by Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)	-	53
	-	**53**
Unquoted optionally convertible debentures (Fully paid up)		
Eatgood Technologies Private Limited	32	-
29,998,620 (March 31, 2021 : Nil) 10% Debentures of face value ₹ 10 each		
Admirable Software Limited	241	-
23,109,232 (March 31, 2021 : Nil) 10% Debentures of face value ₹ 10 each		
	273	**-**
Total (B)	**313**	**93**
Total Non-Current investments [A+B]	**10,062**	**341**
Total Current Investments	**-**	**1,472**
Total Non-Current Investments	**10,062**	**341**
	10,062	**1,813**
Aggregate book value of unquoted investments	**10,062**	**341**
Aggregate book value of quoted investments	**-**	**1,472**
Aggregate market value of quoted investments	**-**	**1,472**

Notes to 6 (b)

(i) The Group holds these investments, however the fair value is Nil.

(ii) Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities. Refer note 31 for determination of their fair values.

(iii) Changes in fair value of equity instruments at FVTOCI represents the fair value gain for the year ended March 31, 2022.

(iv) Investment disposed off during the year.

6 (c). Loans

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Inter Corporate Loans#				
with related parties (Refer note 26)	1,362	-	471	1,279
Others	-	-	500	555
Less: Loss allowance for inter corporate loans	-	-	(457)	(223)
	1,362	**-**	**514**	**1,611**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (c). Loans (Contd..)

Particulars	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Break-up of security details				
Secured, considered good	-	-	-	-
Unsecured, considered good	1,362	-	514	1,611
Loans which have significant increase in credit risk	-	-	457	223
Loans Credit Impaired	-	-	-	-
	1,362	**-**	**971**	**1,834**
Less: Loss allowance for inter corporate loans	-	-	(457)	(223)
Total Loans	**1,362**	**-**	**514**	**1,611**

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 5.10% to 12% (March 31, 2021: 5.10% to 12%).

Loan of ₹ 803, ₹ 402 and ₹ 408 has been given to 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 Paytm First Games Private Limited (Joint venture of Paytm Entertainment Limited, wholly owned subsidiary) at fair market value and with mutual consent, during the tenure of loan. The interest is payable at the end of the repayment period. The loan has been fair valued through profit and loss (FVTPL) since it does not meet the SPPI test.

The same is presented in the non-current Loans as follows:

Particulars	Amount
Face value of loan given	1,613
Fair value of loan on inception	1,317
Deemed investment in Paytm First Games Private Limited	**296**

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, 2022	March 31, 2021
Amount of loan or advance in the nature of loan outstanding as specified above	470	1,279
Percentage to the total Loans and Advances in the nature of loans	20%	70%

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Paytm First Games Private Limited #	8.00%	1,679	828	1,679	828
Paytm Financial Services Limited ##	5.10%	471	451	471	451

Note:

(i) The above loans have been provided for general corporate purposes.

Excluding fair valuation impact amounting to ₹ 317 (March 31, 2021: Nil)

Loan has been repaid subsequent to the year end.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (d). Other financial assets

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Security deposits	755	1,259	1,423	954
Less: Loss allowance for security deposits	(37)	(1)	(2)	(1)
A	**718**	**1,258**	**1,421**	**953**
Bank balances				
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 9(a))	40,688	2,506	-	-
Others				
Loan to employees	-	-	3	1
Other advances recoverable in cash	-	-	122	77
Interest accrued on Debt Instruments measured at amortised cost	-	-	-	46
Interest accrued but not due on fixed deposits	708	107	514	1,382
Interest accrued on security deposit	-	-	138	87
Other receivable from other parties (Refer note 38)	-	-	-	6,251
B	**41,396**	**2,613**	**777**	**7,844**
Amount recoverable from Payment Gateway banks**				
Unsecured, considered good				
Amount recoverable from other parties	-	-	9,006	5,052
Amount recoverable from related parties (Refer note 26)	-	-	20,115	8,546
Unsecured, considered doubtful				
Amount recoverable from other parties	-	-	132	21
	-	**-**	**29,253**	**13,619**
Less : Loss allowance	-	-	(132)	(21)
C	**-**	**-**	**29,121**	**13,598**
Unsecured, considered good				
Amount recoverable from related parties (Refer note 26)#	-	-	411	627
Amount recoverable from other parties (Refer note 38)	-	-	13	199
Amount recoverable from exchange for margin money	-	-	75	165
Amount recoverable from other parties	17	-	477	-
D	**17**	**-**	**976**	**991**
Total [A+B+C+D]	**42,131**	**3,871**	**32,295**	**23,386**

#Includes payable of ₹ 2,944 (March 31, 2021: ₹ 2,111) with the advance of ₹ 2,260 (March 31, 2021: ₹ 2,278) as the Group has contractual right to offset the payable with the advance and also has the intention to settle the same on a net basis. The net payable of ₹ 684 (March 31, 2021: Nil) is grouped under Payable to merchants under Other financial liabilities shown in Note 13(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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

6 (d). Other financial assets (Contd..)

Break up of financial assets

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
At cost				
Investment in joint ventures (Refer note 5(a))	-	-	-	-
Investment in associates (Refer note 5(b))	2,233	2,317	-	-
	2,233	**2,317**	**-**	**-**
At amortised cost				
Trade receivables (Refer note 7)	-	-	7,464	4,713
Cash and cash equivalents (Refer note 9(a))	-	-	13,790	5,468
Bank balances other than cash and cash equivalents (Refer note 9(b))	-	-	38,230	23,296
Inter corporate loans (Refer note 6(c))	-	-	514	1,611
Other investments (Refer note 6(a))	-	-	-	1,472
Others (Refer note 6(d))	42,131	3,871	32,295	17,135
	42,131	**3,871**	**92,293**	**53,695**
At fair value				
Other investments at fair value through OCI (Refer note 6(b))	9,749	248	-	-
Inter corporate loans at fair value through Profit and loss (Refer note 6(c))	1,362	-	-	-
Investments at fair value through Profit and loss (Refer note 6(b))	313	93	-	-
Other receivable from other parties- Receivable at FVTPL (Refer Note 6(d))	-	-	-	6,251
	11,424	**341**	**-**	**6,251**

7. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	7,606	5,841
Receivables from related parties (Refer notes (i) & (ii) below)	1,444	365
Receivables from other parties (Refer notes 38)	30	77
Less: Loss allowance	(1,616)	(1,570)
	7,464	**4,713**
Current	7,464	4,713
Non-current	-	-

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

7. Trade receivables (Contd..)

Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	8,364	5,607
Trade receivable which have significant increase in credit risk	-	-
Trade receivable Credit Impaired	716	676
	9,080	**6,283**
Impairment allowance on trade receivables		
Less: Loss allowance	(1,616)	(1,570)
Total Trade receivables	**7,464**	**4,713**

(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, 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	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**

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, 2021

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	1,578	1,421	1,550	390	321	160	187	5,607
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	*	7	11	3	21
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	3	-	19	114	519	655
Total	**1,578**	**1,421**	**1,553**	**390**	**347**	**285**	**709**	**6,283**

*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.

8. Other assets

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Capital advances				
Unsecured, considered good	762	179	-	-
Doubtful	1	1	-	-
	763	**180**	-	-
Less: Provision for doubtful advances	(1)	(1)	-	-
A	**762**	**179**	**-**	**-**
Advances other than capital advances				
Advances to vendors				
Unsecured, considered good	1,636	1,776	4,535	4,850
Doubtful	-	-	202	140
	1,636	**1,776**	**4,737**	**4,990**
Less: Provision for doubtful advances	-	-	(202)	(140)
B	**1,636**	**1,776**	**4,535**	**4,850**
Others				
Balances with government authorities				
Goods and services tax input credit	500	627	7,987	5,623
Value Added Tax (VAT) credit receivable	-	-	3	5
Advance tax [net of provision]	-	-	29	4
Prepayments	134	204	1,366	768
Advances to related parties* (Refer note 26)	-	-	1,237	2,802
C	**634**	**831**	**10,622**	**9,202**
Total (A+B+C)	**3,032**	**2,786**	**15,157**	**14,052**

*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

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	*	1
Balance with banks		
- On current accounts	12,742	2,606
- Deposits with original maturity for less than 3 months	1,048	2,861
	13,790	**5,468**

*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 ₹ 1,998 (March 31, 2021: 10,121) included in note 6(d) and 9(b) are marked under lien by banks for providing bank overdraft, working capital demand loan, 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 ₹ 736 (March 31, 2021: Nil) which will be utilised as stated in the prospectus for IPO.

(d) Fixed deposits amounting to ₹ 70,900 (March 31, 2021: Nil) 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

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than 3 months but less than 12 months (Refer footnote (b) and (d) to note 9(a))	17,340	6,065
Deposits with original maturity for more than 12 months (Refer footnote (b) and (d) to note 9(a))	15,342	17,231
Other deposits with banks#	5,548	-
	38,230	**23,296**

#Deposits with banks amounting to ₹ 5,548 (March 31, 2021 : Nil) are held by banks as security against bank guarantees.

10 (a). Share Capital

Particulars	Number of Shares	Amount
Authorised equity share capital		
As at April 1, 2020	**104,106,600**	**1,041**
Increase/ (decrease) during the year	-	-
As at March 31, 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**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10 (a). Share Capital (Contd..)

Terms/ rights attached to equity shares

All the equity shares issued shall rank pari passu and have a par value of ₹ 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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from the record date, i.e., June 30, 2021.

Issued, subscribed and fully paid up shares

Particulars	As at March 31, 2022	As at March 31, 2021
648,561,414 equity shares of ₹ 1 each fully paid up (March 31, 2021 : 60,482,404 equity shares of ₹ 10 each fully paid up)	649	605
Total issued, subscribed and fully paid-up share capital	**649**	**605**

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

Equity shares	March 31, 2022		March 31, 2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year#	60,260,013	605	60,187,655	604
Shares issued during the year##	38,646,058	39	29,979	*
Shares issued during the year - ESOP	4,627,616	5	42,379	*
Adjustment for Sub-Division of Equity Shares	543,217,887	-	-	-
Impact on derecognition of trust	1,809,840	-	-	-
Shares outstanding at the end of the year#	**648,561,414**	**649**	**60,260,013**	**605**

*Amount below rounding off norms adopted by the Group

Net of treasury shares Nil (March 31, 2021: 222,391 and April 1, 2020: 247,370) of face value of ₹ 10 each, at nil cost through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Shares issued during the year includes 41,407 (March 31, 2021 : 24,979) of face value of ₹ 10 each out of treasury shares

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

Name of shareholder	March 31, 2022		March 31, 2021	
	Number of Shares held#	% holding	Number of Shares held	% holding
Antfin (Netherlands) Holding B.V.	161,420,141	24.89%	18,330,122	30.31%
SVF India Holding (Cayman) Limited	113,262,230	17.46%	11,326,223	18.73%
Mr. Vijay Shekhar Sharma	57,673,032	8.89%	9,051,624	14.97%
SAIF III Mauritius Company Limited	68,735,489	10.60%	7,491,061	12.39%
Alibaba.com Singapore E-Commerce Private Limited	40,631,822	6.26%	4,428,214	7.32%
SAIF Partners India IV Limited	-	-	3,180,202	5.26%

#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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from the record date, i.e., June 30, 2021.

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).

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10 (a). 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 Holding Company has not issued any shares for consideration other than cash during the current year (March 31, 2021: Nil shares; March 31, 2020: Nil shares; March 31, 2019: 333,035; March 31, 2018: Nil shares; March 31, 2017: Nil shares).

The Holding Company has not issued bonus shares and has not bought back 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, 2022 and March 31, 2021, the Holding Company does not have an identifiable promoter in terms of the Companies Act, 2013. The Holding Company is a professionaly managed Company. Accordingly, disclosures related to promoter shareholding is not applicable.

10 (b). Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
1. Reserve and Surplus		
Securities premium	273,166	189,252
Employee stock options outstanding account (ESOP Reserve)	10,022	4,264
Retained earnings	(151,833)	(128,717)
Total reserve and surplus (A)	**131,355**	**64,799**
1. Reserve and Surplus		
(i) Securities premium		
Opening balance	189,252	188,953
Add: transferred from ESOP Reserve on exercise of stock options	2,290	192
Add: amount received on issue of shares	83,023	107
Add: exercise of share options	2	-
Less: amount utilised for share issue expenses	(1,401)	-
Balance at the end of the year	**273,166**	**189,252**
(ii) Employee stock options outstanding account (ESOP Reserve)		
Opening balance	4,264	3,552
Add: share based payment expense	8,093	1,118
Add: share based payment reserve on account of joint venture	78	19
Less: amount transferred to securities premium on exercise of stock options (including for subsidiary amounting to Nil (March 31, 2021: ₹ 27)	(2,290)	(219)
Less: reversal on forfeiture of stock options	(17)	(206)
Less: adjustment on cancellation of ESOP	(106)	-
Balance at the end of the year	**10,022**	**4,264**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

10 (b). Other equity (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
(iii) Retained earnings		
Opening balance	(128,717)	(112,012)
Loss for the year	(23,929)	(16,961)
Less: acquisition of Non-controlling interest (Refer note 37)	-	(54)
Add: amount transferred from ESOP reserve on exercise of options of subsidiary companies	-	15
Less: remeasurement of post-employee benefit obligation	(21)	(17)
Add: transfer from employee stock options outstanding	17	206
Add: adjustment on cancellation of ESOP	106	-
Add: other adjustments#	711	106
Balance at the end of the year	**(151,833)**	**(128,717)**
2. Share application money pending allotment		
Opening balance	2	*
Less: exercise of share options	(2)	-
Receipt of share application money (pending allotment)	*	2
Balance at the end of the year (B)	*****	**2**
3. Other reserves- FVTOCI		
Opening balance	(33)	20
Net change in fair value of equity instruments at FVTOCI	9,376	(53)
Balance at the end of the year (C)	**9,343**	**(33)**
4. Other reserves- FCTR		
Opening balance	(25)	(65)
Net change during the year	194	40
Balance at the end of the year (D)	**169**	**(25)**
Total other equity (A+B+C+D)	**140,867**	**64,743**

*Amount below rounding off norms adopted by the Group

Adjustment on settlement of incentive liability through Paytm Associate Benefit Welfare Trust (formerly known as One97 Employee Welfare Trust)

Nature and purpose of reserves

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(ii) Employee stock options outstanding account (ESOP Reserve)

Employee stock options outstanding account is used to recognise the grant date fair value of options issued to employees under the One 97 Employee Stock Option Plan.

(iii) FVTOCI Reserve

The Holding Company has elected to recognise changes in the fair values of the certain investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity. The Holding Company transfers amounts from this reserve to retained earning when relevant equity securities are derecognised.

(iv) FCTR Reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

11. Provisions

Particulars	Non-Current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for employee benefits				
Provision for gratuity (Refer note 27)	285	237	8	7
Provision for leave benefits*	-	-	805	410
Other provisions				
Provision for income tax	-	-	6	8
Other provisions	22	10	4	5
	307	**247**	**823**	**430**

*The entire amount of the provision of ₹ 805 (March 31, 2021: ₹ 410) 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 ₹ 613 (March 31, 2021: ₹ 316).

12 (a) Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured from banks		
Loan repayable on demand- bank overdraft (refer note (i) below)	1	5,014
Working capital demand loan (refer note (ii) below)	-	435
Total borrowings	**1**	**5,449**

Note:

(i) In respect of one subsidiary, Bank Overdraft carries interest rate of 8.5% (March 31, 2021: 9.05% p.a.) and the same is secured against tangible/ intangible assets and movable/ immovable assets and personal guarantee of two directors. As on March 31, 2021, Fixed Deposits backed Bank Overdraft working capital limits (borrowing in INR) carried interest in the range of 4.2% p.a. to 6.3% p.a.. The security for the same is in the form of lien on fixed deposits amounting to ₹ 5,170.

(ii) Working capital demand loan (borrowing in INR) carry interest at I-MCLR and "spread" per annum. As on the March 31, 2021 MCLR is 7.25% p.a. and spread is 1% p.a. As on March 31, 2021, this was secured by way of hypothecation on the entire current assets (excluding Mutual Funds, FD & Bonds), lien on Fixed Deposits ₹ 1,400 and backed by irrevocable and personal guarantee of Mr. Vijay Shekhar Sharma, Chairman, Managing Director and CEO.

Changes in liabilities arising from financing activities

Particulars	March 31, 2022		March 31, 2021	
	Lease Liabilities	borrowings	Lease Liabilities	borrowings
Opening debt	671	5,449	2,194	2,087
Non cash adjustments#	1,859	-	(1,177)	-
Cash flows	(316)	(5,448)	(346)	3,362
Interest expense	86	294	123	216
Interest paid	(86)	(294)	(123)	(216)
Closing debt	**2,214**	**1**	**671**	**5,449**

#includes termination of leases

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

12 (b) Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade payables	7,277	5,384
Trade payables to related parties (Refer note 26)	158	466
Trade payables to other parties (Refer note 38)	79	202
	7,514	**6,052**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Total Outstanding dues of micro and small enterprises	229	56
(ii) Total Outstanding dues other than (i) above	7,285	5,996
	7,514	**6,052**

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**

Trade Payables ageing schedule for the year ended March 31, 2021

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	-	11	2	12	1	1	27
(ii) Undisputed - Others	3,543	508	1,390	266	134	32	5,873
(iii) Disputed dues – MSME	-	-	-	27	2	-	29
(iv) Disputed dues - Others	-	-	13	63	24	23	123
Total	**3,543**	**519**	**1,405**	**368**	**161**	**56**	**6,052**

*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

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Payable to merchants#	11,931	527
Payable on purchase of fixed assets	427	217
Employee benefits payable	1,256	1,369
Other amount received from customers	1,597	2,016
Other amount received from customers- related parties (Refer note 26)	-	*
Clients and Exchanges payables	2,172	693
Others	363	190
Others- related parties (Refer note 26)	133	83
Others- Other parties (Refer note 38)	**126**	**58**
	18,005	**5,153**

#The Group uses a Nodal Account to receive money through debit/credit card and net banking transactions towards all transactions happening on its portal, as well as to settle the respective merchants. The amounts collected but yet to be transferred to merchants are netted off with nodal account having balance of ₹ 11,013 (March 31, 2021: ₹ 8,455). Gross payable to merchant includes payable to related parties (refer note 26) ₹ 2,328 (March 31, 2021: ₹ 722).

*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

13 (a). Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable:		
Tax deducted at source payable	1,124	526
GST Payable	3,101	1,852
Tax collected at source payable	100	68
Provident fund payable	100	58
Other statutory dues	59	58
Other payable - related parties (Refer note 26)	30	81
	4,514	**2,643**

13(b). Contract liabilities

Particulars	Non-current		Current	
	As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Contract liabilities	3,165	4,119	2,076	1,581
	3,165	**4,119**	**2,076**	**1,581**

(i) For related party and other party balances, Refer note 26 and 38, respectively.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

13(b). Contract liabilities (contd..)

Revenue recognized in relation to carried forward contract liabilities

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contract liabilities recognized as revenue during the year	1,054	1,117
	1,054	**1,117**

14. Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers		
Sale of services	49,625	28,024
Other operating revenue		
Incentive income#	117	-
	49,742	**28,024**

#There are no unfulfilled conditions or other contingencies attached to these grants.

Disaggregated details of revenue:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Nature of services		
Payment and financial services	38,577	21,092
Commerce and cloud services	11,048	6,932
	49,625	**28,024**
(ii) Timing of revenue recognition		
Services provided at a point in time	46,862	27,069
Services provided over a period of time	2,763	955
	49,625	**28,024**

15. Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
-on bank deposits	2,297	1,660
-Interest on Income tax refund	3	251
-Interest on Inter corporate loans - measured at amortized cost	65	23
-Interest Income on unwinding of discount - financial assets measured at amortized cost	92	218
-Interest Income on debentures -measured at amortized cost	70	459
-Interest income on security deposit	86	87
Fair value gain on financial instruments measured at FVTPL (net)	215	899
Profit on sale of property, plant and equipment (net)	7	18
Liabilities no longer required written back	19	30
Miscellanous Income	47	199
	2,901	**3,844**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

16. Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, bonus and incentives	14,848	10,304
Contribution to provident and other funds	499	290
Share based payment expenses (Refer note 25)	8,093	1,125
Leave encashment expense	560	(19)
Gratuity expenses (Refer note 27)	146	106
Staff welfare expenses	173	43
	24,319	**11,849**

17. Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (Refer note 3(a))	2,116	1,458
Depreciation on right-of-use-assets# (Refer note 3(b))	271	256
Amortization of intangible assets (Refer note 4)	86	71
	2,473	**1,785**

#This amount is net of cross charge of ₹ 2 (March 31, 2021: ₹ 5) (Refer note 3(b)).

18. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest		
- Interest and finance charges on lease liabilities (Refer note 3(b))	86	123
- on borrowings at amortised cost	294	216
- Interest on late deposit of statutory dues	2	1
- on others	12	8
	394	**348**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

19. Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Connectivity and content fees	2,259	1,819
Legal and professional fees	1,279	818
Subcontract expenses	879	692
Contest, ticketing and FASTag expenses	516	681
Logistic, deployment & collection cost	667	374
Provision for advances	62	19
Loss allowance for financial assets	432	428
Trade receivables/advance written off	391	67
Repair and maintenance	347	198
Insurance	170	119
Rent (Refer note 29)	100	92
Communication costs	41	76
Rates and taxes	108	78
Travelling and conveyance	130	56
Exchange differences (net)	67	36
Bank Charges	25	30
Goods and services tax expense off	19	11
Corporate Social Responsibility (CSR) expenditure (Refer note 41)	14	4
Property, plant and equipment and intangible assets written off	11	3
Miscellaneous expenses	217	256
	7,734	**5,857**

(i) Legal and professional fees includes

a) an amount of ₹ 59 (March 31, 2021 : ₹ Nil) as remuneration to non-executive and independent directors.

b) an amount of ₹ 49 (March 31, 2021 : ₹ 68) as payment to a Law firm in which one of the non-executive and independent director is interested. Further, payment of ₹ 1 (March 31, 2021: ₹ Nil) to the said firm which is in the nature of share issue expenses has been adjusted with securities premium account.

20. Exceptional items

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gain on sale of investment in subsidiaries (Refer note (b) below)	-	19
Provision for impairment of investments in associates (Refer notes (c) below)	-	(300)
Impairment of Goodwill (Refer note (a) below and note 36)	(24)	-
	(24)	**(281)**

a) 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 ₹ 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).

b) During previous year, the Group has lost its control on its two subsidiaries i.e. Paytm Insuretech Private Limited (Formerly known as QorQl Private Limited) ('PIPL') and Paytm Financial Services Limited ('PFSL') on dilution of its interest in these entities. The Group has recognised the remaining interest held in these entities on fair value and recognised gain of ₹ 20 and loss of ₹ 1 for PIPL and PFSL, respectively.

c) During previous year, the Group basis its assessment of future business projections of its associate, Eatgood Technologies Private Limited, has recognized provision of ₹ 300 for impairment in the carrying value of its investment.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss attributable to equity holders for basic and diluted earnings	**(23,929)**	**(16,961)**
Weighted average number of equity shares for basic and diluted EPS#	621,763,714	601,971,990
Earnings per share (₹ per share of ₹ 1 each)		
Basic	(38)	(28)
Diluted*	(38)	(28)

* 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 ₹ 10 per share was sub-divided into ten equity shares of face value of ₹ 1 per share, with effect from record date, i.e., June 30,2021. Consequently, the basic and diluted earnings per share have been computed for current year and previous year on the basis of the new number of equity shares in accordance with Ind AS 33, Earning per share.

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, 2022 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 has transferred its shareholding to its group company (both entities being 100% subsidiaries of the same ultimate parent entity). Based on advice from the Holding Company's tax experts, Management has assessed that a mere change in shareholding within the same group will not be an affirmative position to say that the shareholding has been changed. Further, since

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

22. Significant accounting judgements, estimates and assumptions (Contd..)

the shares of the Group 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 Group 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 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Group information

A. Entities over which Group exercises control

The Group's subsidiaries as at March 31, 2022 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Indian subsidiaries					
One 97 Communications India Limited	India	100.00%	100.00%	-	-
Paytm Financial Services Limited (till February 22, 2021) (refer note (ii) below)	India	-	-	-	-
Wasteland Entertainment Private Limited	India	100.00%	100.00%	-	-
Mobiquest Mobile Technologies Private Limited ('MQ') (refer note (i) and (vii) below)	India	66.34%	65.71%	33.66%	34.29%
Urja Money Private Limited ('Urja') (refer note (vi) below)	India	83.34%	67.47%	16.66%	32.53%
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%	-	-
Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) (till June 17, 2020) (refer note (ii) below)	India	-	-	-	-
Orbgen Technologies Private Limited	India	100.00%	100.00%	-	-
Paytm Services Private Limited (Formerly known as Balance Technology Private Limited)	India	100.00%	100.00%	-	-
Paytm Payments Services Limited (w.e.f October 10, 2020)	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%	-	-

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
One97 Communications Singapore Private Limited ('OCSPL') (refer note (viii) below)	Singapore	100.00%	100.00%	-	-
One97 USA Inc.	USA	100.00%	100.00%	-	-
Subsidiaries of Subsidiaries					
One97 Communications Rwanda Private Limited (subsidiary of OCSPL)	Rwanda	100.00%	100.00%	-	-
One97 Communications Tanzania Private Limited (subsidiary of OCSPL)	Tanzania	100.00%	100.00%	-	-
One97 Communications Bangladesh Private Limited (subsidiary of OCSPL)	Bangladesh	70.00%	70.00%	30.00%	30.00%
One97 Uganda Limited (subsidiary of OCSPL)	Uganda	100.00%	100.00%	-	-
One97 Ivory Coast SA (subsidiary of OCSPL)	Ivory Coast	100.00%	100.00%	-	-
One97 Benin SA (subsidiary of OCSPL)	Benin	100.00%	100.00%	-	-
Paytm Labs Inc. (subsidiary of OCSPL)	Canada	100.00%	100.00%	-	-
One97 Communications Malaysia Sdn. Bhd. (subsidiary of OCSPL)	Malaysia	100.00%	100.00%	-	-
One Nine Seven Communication Nepal Private Limited (subsidiary of OCSPL)	Nepal	100.00%	100.00%	-	-
One Nine Seven Digital Solutions Limited (subsidiary of OCSPL)	Kenya	100.00%	100.00%	-	-
One Nine Seven Communications Saudi Arabia For Communication and Information Technology (subsidiary of OCSPL)	Saudi	100.00%	100.00%	-	-
Xceed IT Solution Private Limited (subsidiary of MQ)	India	66.34%	65.71%	33.66%	34.29%
Nearbuy India Private Limited (subsidiary of Little)	India	62.53%	62.53%	37.47%	37.47%
Fincollect Services Private Limited (subsidiary of Urja)	India	83.34%	67.47%	16.66%	32.53%

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, 2022 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, 2022	As at March 31, 2021	
Paytm Payments Bank Limited (refer note (iv) below)	India	49.00%	49.00%	Equity method
Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) (w.e.f June 18, 2020) (refer note (ii) below)	India	32.45%	48.98%	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 (w.e.f February 23, 2021) (refer note (ii) below)	India	48.78%	48.78%	Equity method
Foster Payment Networks Private Limited (w.e.f March 26, 2021) (subsidiary of Paytm Financial Services Limited)	India	48.80%	48.80%	Equity method
Admirable Software Limited (w.e.f. August 17, 2021) (subsidiary of Paytm Financial Services Limited)	India	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%	22.20%	Equity method
Loginext Solutions Private Limited (till January 1, 2021) (refer note (iii) below)	India	-	-	-
Socomo Technologies Private Limited (refer note (i) below)	India	12.75%	11.32%	Equity method

C. Joint Ventures of Paytm Entertainment Limited

Name	Country of incorporation/ Place of business	% equity interest		Accounting method
		As at March 31, 2022	As at March 31, 2021	
Paytm First Games Private Limited (refer note (v) below)	India	55.00%	55.00%	Equity method
Paytm First Games Singapore Pte. Ltd. (wholly owned subsidiary of Paytm First Games Private Limited)	Singapore	55.00%	55.00%	Equity method
Paytm Technology (Beijing) Co., Ltd. (w.e.f. October 13, 2020) (wholly owned subsidiary of Paytm First Games Private Limited)	China	55.00%	55.00%	Equity method

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

23. Group information (Contd)

D. Entities having significant influence over the Group :-

SAIF III Mauritius Company Limited

Elevation Capital V Limited (Formerly known as SAIF Partners India V Limited)

SAIF Partners India IV Limited

Elevation Capital V FII Holdings Limited (Formerly known as SAIF India V FII Holdings Limited)

ANTFIN (Netherlands) Holding B.V.

Alipay Labs (Singapore) Pte Limited

SVF India Holdings (Cayman) Limited

SVF Panther (Cayman) Limited

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) The Group lost its control over the entity on dilution of interest, however, the Holding Company still exercises significant influence over the same.

(iii) During the previous year, the Group ceased to have significant influence over the entity.

(iv) Including 10% (March 31, 2021: 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.

(v) The entity is into business of online gaming. It is a strategic investment which utilises group's knowledge and expertise in online space.

(vi) Including 15.87% (March 31, 2021: Nil) held through Admirable Software Limited.

(vii) Including 0.63% (March 31, 2021: Nil) held through Admirable Software Limited.

(viii) Including 43.75% (March 31, 2021: 43.75%) held through One 97 Communications India Limited.

Notes to the Consolidated Financial Statements

(Amounts in ₹ Million, unless otherwise stated)

24. Investment in Associates and Joint ventures

A. The following table illustrates the summarised financial information of the Group's investment in Associates.

As at March 31, 2022

Particulars	Paytm Payments Bank Limited	Paytm General Insurance Limited	Paytm Life Insurance Limited	Infinity Transoft 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)
Non-controlling interest	-	-	-	-	-	(52)	-	(52)
Equity	**3,982**	**(57)**	**1**	**(105)**	**21**	**48**	**46**	**3,936**
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	24	15	1,974
Goodwill/ (Capital Reserves)	-	-	-	107	487	(20)	(15)	559
Provision for impairment of investment	-	-	-	-	(300)	-	-	(300)
Total Carrying amount of the investment#	**1,956**	**-**	*****	**79**	**193**	**4**	**-**	**2,233**

For the year ended March 31, 2022

Particulars	Paytm Payments Bank Limited	Paytm General Insurance Limited	Paytm Life Insurance Limited	Infinity Transoft Private Limited	Eatgood Technologies Private Limited	Paytm Financials Services Limited	Paytm Insuretech Private Limited	Total
Revenue	22,179	-	-	45	458	29	16	22,728
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)**
Unrecognised share of losses	-	3	-	-	-	-	*	3
Contingent Liabilities, commitments and guarantees	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

(Amounts in ₹ Million, unless otherwise stated)

24. Investment in Associates and Joint ventures (Contd..)

As at March 31, 2021

Particulars	Paytm Payments Bank Limited	Paytm General Insurance Limited	Paytm Life Insurance Limited	Infinity Transoft Private Limited	Eatgood Technologies Private Limited	Paytm Financials Services Limited	Paytm Insuretech Private Limited	Total
Current assets	57,877	*	1	42	136	904	21	58,981
Non-current assets	5,838	-	-	25	44	*	*	5,907
Current liabilities	(33,101)	(59)	*	(23)	(92)	(813)	(1)	(34,089)
Non-current liabilities	(25,789)	(1)	-	(107)	(8)	-	-	(25,905)
Employee share based payment reserve	(738)	-	-	-	-	-	-	(738)
Non-controlling interest	-	-	-	-	-	(50)	-	(50)
Equity	**4,087**	**(60)**	**1**	**(63)**	**80**	**41**	**20**	**4,106**
Proportion of the Group's ownership	49.00%	49.00%	49.00%	26.57%	22.20%	48.78%	48.98%	
Group's share in equity	2,006	-	*	(17)	18	19	10	2,037
Goodwill/ (Capital Reserves)	-	-	-	103	487	-	(10)	580
Provision for impairment of investment	-	-	-	-	(300)	-	-	(300)
Total Carrying amount of the investment#	**2,006**	**-**	*****	**86**	**205**	**19**	**-**	**2,317**

For the year ended March 31, 2021

Particulars	Paytm Payments Bank Limited	Paytm General Insurance Limited	Paytm Life Insurance Limited	Infinity Transoft Private Limited	Eatgood Technologies Private Limited	Paytm Financials Services Limited	Paytm Insuretech Private Limited	Total
Revenue	19,875	-	-	45	548	1	3	20,472
Total comprehensive income for the year	188	(10)	*	(38)	(162)	(1)	-	(23)
Group's share of profit / (loss) for the year	**93**	**(5)**	*****	**(10)**	**(35)**	**(1)**	**-**	**42**
Unrecognised share of losses	-	59	-	-	-	-	2	60
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	Paytm First Games Private Limited (consolidated)	
	As at March 31, 2022	As at March 31, 2021
Current assets		
- Cash and cash equivalents	394	1,137
- Other assets	528	262
Total current assets	**922**	**1,399**
Total non-current assets	**720**	**552**
Current liabilities		
- Financial liabilities (excluding trade payables)	(91)	(1,509)
- Other liabilities	(1,032)	(855)
Total current liabilities	**(1,123)**	**(2,364)**
Non-current liabilities		
- Financial liabilities (excluding trade payables)	(2,212)	-
- Other liabilities	(10)	(9)
Total non-current liabilities	**(2,222)**	**(9)**
Fair value impact on borrowings (net of deferred tax impact)	(393)	-
Employee share based payment reserve	(395)	(317)
Net assets	**(2,490)**	**(739)**
Proportion of the Group's ownership	55.00%	55.00%
Carrying amount of the investment	(1,369)	(410)
Investment recognised for ESOP expenses	158	80
Deemed investment	296	-
Total Carrying amount of the investment #	**(915)**	**(330)**

Particulars	Paytm First Games Private Limited (consolidated)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	3,895	1,493
Interest Income	64	28
Depreciation and amortisation	70	27
Interest expense	178	30
Income tax expense	(119)	-
(Loss) for the year	(1,743)	(2,019)
Other comprehensive income	(7)	(2)
Total comprehensive income for the year	(1,750)	(2,021)
Group's share of profit / (loss) for the year #	**(374)**	**(782)**
Unrecognised share of losses	(589)	(330)
Contingent Liabilities, commitments and guarantees	-	-

The net worth of 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 Paytm First Games Private Limited (formerly known as Gamepind Entertainment 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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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 04th September 2019 and by shareholders in the Annual General Meeting held on 30th September 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. 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.

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 ₹ 10 each was sub divided into ten equity shares of face value of ₹ 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 Holding 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) During the year ended March 31, 2021, the Holding Company had amended vesting percentage of ESOPs over 5 years of vesting schedule vide a resolution passed by the members of the Holding Company in an Extra-Ordinary General Meeting dated March 26, 2021. All other terms and conditions remains the same as the original ESOP 2019 Scheme.

Year of Vesting	Old Vesting Schedule	Revised Vesting Schedule
Year 1	10%	10%
Year 2	15%	20%
Year 3	20%	20%
Year 4	25%	25%
Year 5	30%	25%
Total	**100%**	**100%**

*After considering impact of share sub division

(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.

(C) Details about employee stock options granted, outstanding and other information:

1) During the year ended March 31, 2022, the Holding Company has granted 27,428,285 (March 31, 2021- 3,868,310) Employee Stock Options under ESOP 2019 Scheme to Eligible Employees.

The above grant includes grant of 21,000,000 Employee Stock Options 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

2) The total options outstanding as at March 31, 2022 under ESOP 2008 Scheme are 585,450 and ESOP 2019 Scheme are 29,317,167 (March 31, 2021 under ESOP 2008 Scheme – 5,362,100 and ESOP 2019 Scheme – 4,669,180). Scheme-wise options outstanding are as under:

ESOP 2008 Scheme

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2022	March 31, 2021	
December 31, 2008	-	102,970	1
December 31, 2008	6,425	25,900	5
September 3, 2010	-	2,500	18
December 29, 2012	-	1,272,940	18
April 1, 2014	-	24,670	9
April 1, 2015	-	49,010	9
October 1, 2015	-	64,680	9
April 1, 2016	31,331	561,790	9
October 1, 2016	1,453	537,550	9
April 1, 2017	3,084	995,340	9
October 1, 2017	21,260	166,680	9
April 1, 2018	363,677	1,087,240	9
July 1, 2018	136,530	409,580	9
October 1, 2018	12,387	33,350	9
January 1, 2019	-	-	9
April 1, 2019	9,303	27,900	9
Total	**585,450**	**5,362,100**	

*After considering impact of share sub division

ESOP 2019 Scheme

Grant Date	Number of Options outstanding*	Number of Options outstanding*	Exercise Price*
	March 31, 2022	March 31, 2021	
April 1, 2019	268,031	465,420	9
April 1, 2019	-	43,750	9
October 1, 2019	179,728	637,600	9
April 1, 2020	218,797	385,420	9
July 1, 2020	127,428	166,490	9
October 1, 2020	2,194,862	2,970,500	9
April 1, 2021	586,210	-	9
October 1, 2021	4,206,273	-	9
October 1, 2021	21,000,000	-	9
October 1, 2021	385,838	-	1900
October 8, 2021	150,000	-	9
Total	**29,317,167**	**4,669,180**	

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

3) Movement during the year ended March 31, 2022 and March 31, 2021:

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, 2022*		Year ended March 31, 2021*	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2008 Scheme				
Outstanding at the beginning	5,362,100	10.97	7,292,570	10.19
Granted during the year	-	-	-	-
Exercised during the year	4,343,960	11.43	613,860	8.91
Forfeited during the year	350,020	8.99	1,316,610	9.00
Cancelled during the year	82,670	9.00	-	-
Outstanding at the end of the year	585,450	8.96	5,362,100	10.97
Vested options outstanding at the end of the year (exercisable)	434,923	8.96	4,514,930	10.97

*After considering impact of share sub division

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No of Options	Weighted Average exercise price	No of Options	Weighted Average exercise price
ESOP 2019 Scheme				
Outstanding at the beginning	4,669,180	9	1,478,130	9
Granted during the year	27,428,285	35.60	3,868,310	9
Exercised during the year	576,261	9	23,380	9
Forfeited during the year	2,150,327	9	653,880	9
Cancelled during the year	53,710	9	-	-
Outstanding at the end of the year	29,317,167	33.89	4,669,180	9
Vested options outstanding at the end of the year (exercisable)	291,732	9	240,250	9

*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, 2022		March 31, 2021	
	ESOP 2019 Plan	ESOP 2008 Plan	ESOP 2019 Plan	ESOP 2008 Plan
Weighted Avg. share price of options exercised on the date of exercise (₹ per share)	1,411.82	1,646.04	1,067.01	1,070.83

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. 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, 2022		March 31, 2021	
	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)	3.14	0.16	7.48	3.93

During the year ended March 31, 2022, the Holding Company has 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 ₹ 39 (included in above charge) in the Consolidated Statement of Profit and Loss for the year ended March 31, 2022.

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 (₹ per share)	1,657	1,891	1,891	1,891	1,891	1,891
Fair Value of Options Granted (₹ per option)	1,651	1,883	1,027	1,884	1,883	1,882
Weighted Avg. Exercise Price (₹ 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

Details of stock options granted under the One 97 ESOP 2019 Scheme during the year ended on March 31, 2021 (computed using Discounted Cash Flow & Black-Scholes model) are as under:

Particulars	Grant Date			
	April 1, 2020	July 1, 2020	July 1, 2020	October 1,2020
Share Price (₹ per share)*	1,127	1,067	1,067	1,067
Fair Value of Options Granted (₹ per option)*	1,121	1,059	1,059	1,059
Weighted Avg. Exercise Price (₹ per share)*	9	9	9	9
Vesting Period (in years)	5	5	1	5
Dividend Yield (%)	-	-	-	-
Expected Life (in years)	3.50 - 7.50	3.00 - 5.00	3.00	3.00 - 5.00
Risk free interest rate (%)	5.60 - 6.80	4.40 - 5.20	4.40	4.90 - 5.30
Annualized Volatility (%)	37.10 - 53.00	43.20 - 46.80	43.20	42.40 - 46.90

*After considering impact of share sub division

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. 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.

Little Internet Private Limited

Little Internet Private Limited has introduced Employee Stock Option Scheme 2017 ("ESOS 2017") with effect from December 21, 2017 to enable the employees of Little Internet Private Limited to participate in the future growth and success of Little Internet Private Limited. ESOS 2017 is operated at the discretion of the Board.

The options which confer a right but not an obligation on the employee to apply for equity shares of Little Internet Private Limited once the terms and conditions set forth in the Employee Stock Option Scheme 2017 ("ESOS 2017") and the option agreement have been met. Vesting of options would be subject to continued employment with Little Internet Private Limited and meeting the requisite performance parameters. The exercise price of the options is ₹ Nil. The other relevant terms of the grant are as below: -

Vesting period 1 to 4 years

Exercise period 10 years (including the vesting period)

The details of activity under the plans are summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOP	MSOP	ESOP	MSOP
Outstanding at the beginning of the year	7,821	1,362,162	16,745	1,505,386
Options granted	-	-	-	-
Options Exercised	-	-	-	-
Options forfeited	-	-	8,924	143,224
Outstanding at the end of the year	7,821	1,362,162	7,821	1,362,162
Options vested and exercisable	7,821	1,362,162	7,821	1,338,291

Weighted average exercise price for MSOPs and ESOPs is ₹ Nil

The weighted average fair value of options granted in March 31, 2021 and March 31, 2022 was ₹ 163.

The weighted average remaining contractual life for these options is given below: -

	As at March 31, 2022	As at March 31, 2021
MSOP	5.73	6.73
ESOP	6.00	7.00

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Little Internet Private Limited has adopted the fair value method using Black-Scholes Model in respect of stock options granted. The value of underlying shares has been determined by an independent valuer.

The valuation of the share options granted is based on the following assumptions:

Particulars	March 31, 2022	March 31, 2021
Risk-free interest rate (% p.a.)	7.50	7.50
Expected life of options (years)	4.41	4.41
Expected volatility (%)	42.41	42.41
Dividend yield (%)	-	-

As at March 31, 2021, Little Internet Private Limited had 1,362,261 (as at March 31, 2020: 1,505,386) outstanding Management Stock Options (MSOP's) under its MSOP plan, out of which 1,362,261 (as at March 31, 2020: 1,338,291) were vested and exercisable as on that date. During the year ended on March 31, 2022, Nil MSOP's (year ended March 31, 2021: 23,871 MSOP's) were vested and exercisable. Further, on account of resignation of remaining grantee's, Nil (for the year ended March 31, 2021: 143,224) unvested MSOP's were lapsed and ₹ Nil (for the year ended March 31, 2021: ₹ 16) pertaining to these unvested options was reversed from employee benefit expenses and ESOP reserve.

Wasteland Entertainment Private Limited

Employee Stock Options issued by Wasteland Entertainment Private Limited:

Wasteland Entertainment Private Limited has introduced Employee Stock Option Plan 2017 ("ESOP 2017") and Employee Stock Option Plan 2018 ("ESOP 2018") with effect from June 14, 2017 and October 01, 2018 respectively, to enable the employees of Wasteland Entertainment Private Limited to participate in the future growth and success of Wasteland Entertainment Private Limited. ESOP 2017 and ESOP 2018 is operated at the discretion of the Board.

The options which confer a right but not an obligation on the employee to apply for equity shares of Wasteland Entertainment Private Limited once the terms and conditions set forth in the ESOP 2017 and ESOP 2018 and the option agreement have been met. Vesting of options would be subject to continued employment with Wasteland Entertainment Private Limited and meeting the requisite performance parameters. The exercise price of the options is ₹ 10 and ₹ 100 in ESOP 2017 and ESOP 2018 respectively.

During the current year, Wasteland Entertainment Private Limited has terminated the Employee Stock Option Plan 2017. During the previous year, Wasteland Entertainment Private Limited had terminated the Employee Stock Option Plan 2018.

Vesting Period - 1 to 4 years

Exercise Period - 10 years for ESOP 2017 and 5 years for ESOP 2018 (excluding the vesting period)

The movement in the shares issued for the year ended March 31, 2022 and year ended March 31, 2021 are set out below:

Particulars	March 31, 2022	March 31, 2021
Options outstanding at the beginning of the year	397	5,459
Granted	-	-
Exercised	-	(2,105)
Cancelled	(397)	(2,957)
Outstanding at the end of the year	-	397
Exercisable at the end of the year	-	397

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Weighted average exercise price per option is ₹ 10 per option as at March 31, 2022 (March 31, 2021: ₹ 10 per option).

The weighted average fair value of options granted as at March 31, 2022 was ₹ Nil and March 31, 2021 was ₹ 11,415 per share.

The weighted average remaining contractual life for these options as at March 31, 2022 was Nil years and March 31, 2021 was 10.21 years.

Wasteland Entertainment Private Limited has adopted the fair value method using Black-Scholes Model in respect of stock options granted. The value of underlying shares has been determined by an independent valuer.

The total expense of share based payment expenses pertaining to ESOP plan 2017 for the year ended March 31, 2022 is ₹ Nil (March 31, 2021: ₹ 13.87) after necessary adjustments.

Note – The ESOP Plan for Urja Money Private Limited being not material to the group and hence no further information is disclosed.

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

Particulars	March 31, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions of Holding Company	8,094	1,113
Expense arising from equity-settled share-based payment transactions (Little Internet Private Limited)	-	(16)
Expense arising from equity-settled share-based payment transactions (Wasteland Entertainment Private Limited)	-	14
Expense arising from equity-settled share-based payment transactions (Urja Money Private Limited)	(1)	*
Other Adjustments	-	14
Total expense arising from share-based payment transactions#	8,093	1,125

#the above total consider foreign currency translation adjustment, as applicable for each year.

26. Related party transactions

A. Entities over which company exercise significant influence

Name	Country of incorporation
Paytm Payments Bank Limited	India
Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited) (w.e.f June 18, 2020)*	India
Foster Payment Networks Private Limited (w.e.f March 26, 2021) (subsidiary of Paytm Financial Services Limited)	India
Paytm General Insurance Limited	India
Paytm Life Insurance Limited	India
Paytm Financials Services Limited (w.e.f February 23, 2021)*	India
Admirable Software Limited (w.e.f. August 17, 2021) (subsidiary of Paytm Financial Services Limited)	India
Infinity Transoft Solution Private Limited	India
Eatgood Technologies Private Limited	India
Socomo Technologies Private Limited	India
Loginext Solutions Private Limited (till January 1, 2021)#	India

*The Group lost its control over the entity on dilution of interest, however, the Holding Company still exercises significant influence over the same.

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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

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) and Chief Financial Officer (w.e.f January 1, 2022)
Mr. Vikas Garg	Chief Financial Officer (till December 31, 2021)

C. Joint Venture of Paytm Entertainment Limited (Wholly owned Subsidiary of One 97 Communications Limited)

Name	Country of incorporation
Paytm First Games Private Limited*	India
Paytm First Games Singapore Pte. Ltd. (wholly owned subsidiary of Paytm First Games Private Limited)	Singapore
Paytm Technology (Beijing) Co., Ltd. (w.e.f. October 13, 2020) (wholly owned subsidiary of 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 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 (Formerly known as SAIF India V FII Holdings Limited)

ANTFIN (Netherlands) Holding B.V.

Alipay Labs (Singapore) Pte Limited

SVF India Holdings (Cayman) Limited

SVF Panther (Cayman) Limited

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)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Details of transactions with related parties during the year ended March 31, 2022 and March 31, 2021:-

Particulars	March 31, 2022	March 31, 2021
Rendering of services to related parties		
Paytm Payments Bank Limited	10,107	8,634
Paytm First Games Private Limited	283	204
Infinity Transoft Solution Private Limited	3	4
Eatgood Technologies Private Limited	*	*
Socomo Technologies Private Limited	*	-
	10,394	**8,842**
Reimbursement of expenses incurred on behalf of related parties		
Paytm Payments Bank Limited	751	617
Paytm First Games Private Limited	156	238
Paytm General Insurance Limited	*	*
	907	**855**
Expenses reimbursed to related party		
Paytm First Games Private Limited	2	87
Paytm Financial Services Limited	2	-
Admirable Software Limited	*	-
	4	**87**
Interest income earned from related parties		
Paytm Payments Bank Limited	2	14
Paytm Financial Services Limited	21	2
Paytm First Games Private Limited	89	20
	112	**36**
Other income earned from related parties		
Paytm Payments Bank Limited	-	122
	-	**122**
Interest income earned on Optionally Convertible Debentures ("OCD") from related parties		
Admirable Software Limited	11	-
Eatgood Technologies Private Limited	2	-
	13	**-**
Purchase of property, plant & equipment from related parties		
Alibaba.com Singapore E-Commerce Private Limited	124	-
	124	**-**
Sale of property, plant & equipment to related parties		
Paytm Payments Bank Limited	*	1
	*****	**1**
Services received from related parties		
-Payment processing charges		
Paytm Payments Bank Limited	12,888	9,468
	12,888	**9,468**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
-General expenses		
Paytm Payments Bank Limited	198	374
Alipay Labs (Singapore) Pte Limited (Refer note (i) below)	1,459	1,057
Paytm First Games Private Limited	3	-
Eatgood Technologies Private Limited	9	20
Paytm Insuretech Private Limited	16	2
Paytm General Insurance Limited	21	-
	1,707	**1,453**
(i) includes ₹ 1,451 (March 31, 2021: ₹ 1,057) pertaining to Software, cloud and data centre expenses.		
Inter corporate loan given		
Paytm First Games Private Limited	1,613	809
Paytm Financial Services Limited	-	450
	1,613	**1,259**
Repayment of Inter Corporate Loan		
Paytm First Games Private Limited	841	-
	841	**-**
Investment in Optionally Convertible Debentures		
Eatgood Technologies Private Limited	30	-
Admirable Software Limited	231	-
	261	**-**
Stock Options granted to employees of Joint Venture		
Paytm First Games Private Limited	78	19
	78	**19**
Investment in associates		
Paytm General Insurance Limited	-	5
Eatgood Technologies Private Limited	-	82
	-	87

* Amount below rounding off norms adopted by the Group

Details of balances outstanding with related parties as at March 31, 2022 and March 31, 2021:-

Particulars	March 31, 2022	March 31, 2021
Other financial assets (Other receivable for expenditure incurred)		
Paytm First Games Private Limited	223	146
Alibaba.com Singapore E-Commerce Private Limited	-	1
Paytm Payments Bank Limited	138	19
Paytm Insuretech Private Limited	*	-
Paytm Financial Services Limited	-	*
Paytm General Insurance Limited	12	*
Infinity Transoft Solution Private Limited	*	*
	373	**166**
Amount receivable for sale of business (Other financial assets)		
Paytm Payments Bank Limited	-	138
	-	138

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
Other current assets		
Paytm Payments Bank Limited	1,206	2,785
Paytm General Insurance Limited	31	17
	1,237	**2,802**
Inter corporate loan receivable (including accrued interest)		
Paytm Financial Services Limited	471	451
Paytm First Games Private Limited#	1,679	828
	2,150	**1,279**
Investments Optionally Convertible Debentures (including accrued interest)		
Admirable Software Limited	241	-
Eatgood Technologies Private Limited	32	-
	273	**-**
Amount receivable from payment gateway		
Paytm Payments Bank Limited	20,115	8,546
	20,115	**8,546**
Trade receivables		
Paytm Payments Bank Limited	1,297	193
Paytm First Games Private Limited	147	172
Infinity Transoft Solution Private Limited	-	*
	1,444	**365**
Other financial assets		
Paytm Payments Bank Limited	38	323
Infinity Transoft Solution Private Limited	-	*
	38	**323**
Trade payables (including accrued expenses)		
Alipay Labs (Singapore) Pte Limited	77	337
Paytm Payments Bank Limited	51	124
Paytm First Games Private Limited	3	1
Paytm Financial Services Limited	2	-
Admirable Software Limited	*	-
Paytm Insuretech Private Limited	3	2
Eatgood Technologies Private Limited	*	1
Paytm General Insurance Limited	22	*
	158	**466**
Other financial liabilities		
-**Payable to merchants**		
Socomo Technologies Private Limited	*	*
Paytm Payments Bank Limited	2,280	722
Paytm First Games Private Limited	48	-
Eatgood Technologies Private Limited	*	*
Infinity Transoft Solution Private Limited	*	*
	2,328	**722**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

25. Employee Stock Option Schemes (ESOP) (Contd..)

Particulars	March 31, 2022	March 31, 2021
-**Others**		
Paytm Payments Bank Limited	37	83
Paytm First Games Private Limited	96	-
Eatgood Technologies Private Limited	*	-
Socomo Technologies Private Limited	*	*
	133	**83**
Contract Liabilities		
Infinity Transoft Solution Private Limited	1	*
Eatgood Technologies Private Limited	*	*
	1	*
Other Current Liabilities		
Paytm First Games Private Limited	30	81
	30	**81**

Excluding Fair Value impact amounting to ₹ 317 (March 31, 2021: Nil)

* Amount below rounding off norms adopted by the Group

Remuneration to KMP & Relative of Key Management Personnel

Particulars	March 31, 2022	March 31, 2021
Salaries, bonus and incentives	103	72
ESOP Expenses	5,670	112
Total compensation paid	**5,773**	**184**

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 and leave benefits as they are determined on an actuarial basis for the Group 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-excecutive and independent directors and payment to a law firm in which one of the non-executive and independent director is interested.

27. Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

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, 2022:

		Defined benefit obligation	Fair value of plan assets #	Benefit liability (Net)
	As at April 01, 2021	413	(169)	244
Gratuity cost charged to Statement of Profit or Loss	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**
	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**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021:

		Defined benefit obligation	Fair value of plan assets #	Benefit liability (Net)
	As at April 01, 2020	309	(100)	209
Gratuity cost charged to Statement of Profit or Loss	Current Service cost	93	-	93
	Net interest expense/ (income)	20	-	20
	Return on plan assets (excluding amounts included in net interest expense)	-	(7)	(7)
	Sub-total included in Statement of Profit or loss	**113**	**(7)**	**106**
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	10	(1)	-
	Sub-total included in OCI	**18**	**(1)**	**17**
	Net liability acquired on transfer of employees	8	-	8
	Benefits paid	(35)	29	(6)
	Contributions by employer	-	(90)	(90)
	As at March 31, 2021	**413**	**(169)**	**244**

Fair value of the total plan assets are 100% in funds managed by Insurer.

* Amount below rounding off norms adopted by the group.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

The net liability disclosed above relates to funded plans are as follows:

Particulars	March 31, 2022	March 31, 2021
Present value of the obligations at end	542	413
Fair value of plan assets	(249)	(169)
Deficit of funded plan/gratuity plan	**293**	**244**

The principal assumptions used in determining defined benefit obligations are shown below:

(i) Economic Assumptions

Particulars	March 31, 2022	March 31, 2021
	%	%
Discount rate	7.13 - 7.30	6.76 - 6.80
Future salary increases	8 -12	8 -12

(i) Demographic Assumptions

Particulars	March 31, 2022	March 31, 2021
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, 2022 is as shown below:

Assumptions	March 31, 2022		March 31, 2022	
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity Level				
Impact on defined benefit obligation	(10)	12	12	(10)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

Assumptions	March 31, 2021		March 31, 2021	
	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity Level				
Impact on defined benefit obligation	(1)	14	13	*

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 year ending March 31, 2023 are ₹ 162 (March 31, 2022 - ₹ 113).

The weighted average duration of the defined benefit obligation is 2.78 years (March 31, 2021: 2.76 years).

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

27. Gratuity (Contd..)

The average remaining working life of members of the defined benefit obligation as at March 31, 2022 is 29.91 years (as at March 31, 2021- 29.06 years)

The expected maturity analysis of gratuity is as follows:

	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	102	74
Between 1-2 years	104	78
Between 2 and 5 years	188	150
Beyond 5 years	148	111
Total expected payments	**542**	**413**

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, 2022		March 31, 2021	
	Amount	In %	Amount	In %
Government securities	(101)	40.42	(67)	39.39
Non convertible debentures	(117)	47.10	(85)	50.37
Others	(31)	12.48	(17)	10.24
Total	**(249)**	**100.00**	**(169)**	**100.00**

28. Income Tax

The major components of income tax expense for the Year ended March 31, 2022 and March 31, 2021 are:

Consolidated Statement of profit and loss:

Particulars	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	151	34
Deferred tax:		
Relating to origination and reversal of temporary differences	(38)	(7)
Income tax expense reported in the Statement of profit or loss	**113**	**27**

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 31,2022 and March 31,2021:

Particulars	March 31, 2022	March 31, 2021
Accounting profit before income tax	(23,851)	(16,983)
At India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%)	(6,003)	(4,274)
Tax expense during the period for Paytm Associate Benefit Welfare Trust (formerly known as One 97 Employee Welfare Trust)	3	2
Share of results of associates	115	186
Tax in foreign jurisdiction	(6)	(18)
Effect of tax free rates in foreign jurisdiction	(5)	(29)
Other non-deductible expenses	143	72
Losses on which deferred taxes not recognised*	4,977	3,762
Unabsorbed depreciation on which deferred taxes not recognised*	476	250
Other temporary differences on which deferred taxes utilised	(36)	(7)
Other temporary differences on which deferred taxes not recognised*	449	83
	113	**27**
Income tax expense reported in the statement of profit and loss	113	27

Particulars	Consolidated Balance Sheet		Consolidated statement of profit and loss	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Deferred tax liabilities				
Accelerated depreciation for tax purposes	(2)	(6)	(2)	(6)
Unrealised gain on investments	-	-		(115)
Loss allowance on financial assets	-	-	*	-
Deferred tax assets				
Unabsorbed depreciation	-	-	-	115
Net deferred tax liabilities	**(2)**	**(6)**		
Deferred tax assets				
Accelerated depreciation for tax purposes	*	6	6	(1)
Loss allowance on financial assets	*	4	4	-
Losses available for offsetting against future taxable income	38	24	(14)	-
Employee Benefits	33	-	(33)	-
Preliminary Expense	(1)	-	1	-
Deferred tax liabilities				
Unrealised foreign exchange gain/loss	*	1	-	-
Net deferred tax assets	**70**	2		
Deferred tax expense/(income)			**(38)**	(7)

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

28. Income Tax (Contd..)

Reconciliation of deferred tax liabilities (net)

Particulars	Net deferred tax liabilities		Net deferred tax assets	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance as of 1 April	(6)	(11)	35	32
Tax income/(expense) during the year recognised in profit or loss	3	6	35	*
Impact of FCTR	1	(1)	-	3
Closing balance as at 31 March	**(2)**	**(6)**	**70**	**35**

* As at the year ended on March 31, 2022 and March 31, 2021, 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.

Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet:

Particulars	Expiry Date (Year ended March 31,)	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**	**34,149**
Unabsorbed depreciation	No expiry period	6,287	1,582
Other temporary differences		11,592	2,917
Total		**153,557**	**38,648**

Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet:

Particulars	Expiry Date (Year ended March 31,)	As of March 31, 2021	As of March 31, 2021 Tax impact @ 25.17%
Tax Losses	2023	3,316	835
	2024	14,943	3,761
	2025	7,545	1,807
	2026	14,098	3,508
	2027	38,927	9,626
	2028	22,792	5,717
	2029	14,174	3,762
Total tax losses		**115,795**	**29,016**
Unabsorbed depreciation	No expiry period	4,402	1,108
Other temporary differences		9,351	2,353
Total		**129,548**	**32,477**

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. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Rental expense towards leases for short term period charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2022 amounts to ₹ 100 (March 31, 2021: ₹ 92).

b. Lease not yet commenced

During the previous year, the Holding Company has entered into a lease agreement for 9 years having lock-in period of 5 years, for which lease is not yet commenced as on March 31, 2022. The Holding Company is committed to pay lease rentals of ₹ 293 over the period of 5 years.

c. Capital commitments

Estimated amount of contracts towards property, plant & equipment remaining to be executed on capital account and not provided for is ₹ 3,060 (Net of capital advance of ₹ 763) [March 31 2021: ₹ 3,724 (Net of capital advance of ₹ 180)].

d. Contingent liabilities

i)

Particulars	March 31, 2022	March 31, 2021
Claims against the Group not acknowledged as debts	498	476
Income Tax related matters	63	16
Total	**561**	**492**

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.

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

During the quarter ended December 31, 2021, the ROC vide its order dated November 30, 2021, had directed the Holding Company to move an appropriate application for composition of offence under the relevant provision of the Act. Consequently, the Holding Company has filed a compounding application under section 441 read with section 62(1)(b) and Section 450 of the Act read with the Rules, before the Office of the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi ('RD') on December 25, 2021.

On March 15, 2022 RD has issued an order whereby RD has compounded the offence and levied compounding fees which has been duly paid and aforesaid matter is closed.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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, 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	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	313	-	-	313
Inter corporate loans	1,362	-	-	1,362

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021

	As of March 31, 2021	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	248	-	-	248
Investments at fair value through Profit and loss				
Investment in Compulsorily Convertible Preference Shares	40	-	-	40
Investments in Equity Shares	53	-	-	53
Other financial assets at fair value through Profit and loss				
Other receivable from other parties*	6,251	-	-	6,251

*The Holding Company has an option to covert into equity shares of counter party.

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, investments, trade payables, lease liabilities, borrowings and other financial liabilities, approximate their carrying amounts.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies

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

a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. The Group has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Group ensures optimization of cash through fund planning and robust cash management practices.

(i) Interest Rate Risk

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

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

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, 2022	March 31, 2021
Effect on loss before tax:		
Decrease by 50 bps	(*)	(27)
Increase by 50 bps	*	27

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

(ii) Price risk

The Group invests its surplus funds in various debt instruments, fixed deposits and debt mutual funds. These comprise of primarily debt based mutual funds (liquid investments), debentures and fixed deposits. As on March 31, 2021, all mutual fund investments were in liquid scheme 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:

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

	Change in NAV	Effect on loss before tax
March 31, 2022	0.25%	Nil
	-0.25%	Nil
March 31, 2021	0.25%	(4)
	-0.25%	4

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, 2022		As at March 31, 2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Amount in USD Millions	2	1	1	3
Total	**2**	**1**	**1**	**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. 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, 2022	10% strengthening of USD against INR	(6)
	10% weakening of USD against INR	5
March 31, 2021	10% strengthening of USD against INR	20
	10% weakening of USD against INR	(16)

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

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

b. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its 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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

32. Financial risk management objectives and policies (Contd..)

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.

(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, 2022

Ageing	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 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

Expected credit loss for trade receivable under simplified approach- year ended March 31, 2021

Ageing	Unbilled Dues	Not due	0-1 year	1-2 year	2-3 year	>3 year	Credit impaired	Total
Gross carrying amount	1,578	1,421	1,940	321	160	187	676	6,283
Expected credit losses (Loss allowance provision)	258	45	62	204	148	177	676	1,570
Carrying amount (net of loss allowance)	1,320	1,376	1,878	117	12	10	-	4,713

Reconciliation of loss allowance	Loss allowance measured at simplified approach
Loss allowance as on April 1, 2020	**1,360**
Creation during the year#	210
Loss Allowance as on March 31, 2021	**1,570**
Creation during the year#	46
Loss Allowance as on March 31, 2022	**1,616**

#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 financial assets

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

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as illustrated in Note 6.

Notes to the Consolidated Financial Statements

(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, 2020	**31**
Creation during the year#	215
Loss Allowance as on March 31, 2021	**246**
Creation during the year#	382
Loss Allowance as on March 31, 2022	**628**

#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, 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**
As at March 31, 2021					
Borrowings	5,449	-	-	-	5,449
Lease liabilities	136	139	201	520	996
Trade payables	6,052	-	-	-	6,052
Other financial liabilities	5,153	-	-	-	5,153
Total	**16,790**	**139**	**201**	**520**	**17,650**

33. Capital Management

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

34. Segment Reporting

During the previous year, the Group reassessed the basis of segment reporting. This reassessment had been necessitated by the change in business strategy over the period, increased interdependency between various service lines, increased fungibility of resources/common cost, change in the way Board of Directors (Chief Operating Decision Maker "CODM") review Group's performance etc. Earlier, the Company disclosed four reportable segments that were Payment, Commerce, Cloud and others.

In line with the above shift in business strategy and the consequent change in the way the CODM reviews the performance, management of the Group has aligned segment disclosure to the above change. Further, it has been concluded that though there are different business units of the Group, including Payment and Financial services, Commerce and cloud services, information reviewed by the CODM is at the revenue level and the Group 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.

Accordingly, it has been assessed that Group operates in a single Operating as well as Reportable Segment.

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 ₹ 10,107 are derived from one external customer (March 31, 2021: ₹ 8,634 from one external customer).

Notes to the Consolidated Financial Statements

(Amounts in ₹ Million, unless otherwise stated)

35. Additional information

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)
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

Notes to the Consolidated Financial Statements

(Amounts in ₹ 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
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)
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 QoRQL Private Limited)	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Interest in Joint Venture (Investments as per equity method)								
Paytm First Games Private Limited	0.00 %	-	1.56 %	(374)	0.00 %	-	2.59 %	(374)
	100.00%	**141,295**	**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

(Amounts in ₹ Million, unless otherwise stated)

35. Additional information (Contd..)

For the year ended March 31, 2021

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	107.19 %	69,845	91.72 %	(15,602)	51.33 %	(15)	91.65 %	(15,617)
Adjustment due to consolidation	(22.89)%	(12,763)	(2.76)%	469	39.00 %	(12)	(2.68)%	458
Subsidiaries								
Indian								
One 97 Communications India Limited	1.27 %	826	(0.00)%	*	0.00 %	*	(0.00)%	*
Paytm Financial Services Limited	-	-	0.00 %	-	0.00 %	*	0.00 %	-
Paytm Entertainment Limited	3.44 %	2,242	(0.08)%	14	0.00 %	*	(0.08)%	14
Paytm Money Limited	0.75 %	490	4.82 %	(819)	6.33 %	(2)	4.82 %	(821)
Wasteland Entertainment Private Limited	0.38 %	246	1.43 %	(243)	6.00 %	(2)	1.44 %	(245)
Urja Money Private Limited (Including step down subsidiary)	(0.02)%	(12)	0.22 %	(37)	(2.00)%	1	0.21 %	(36)
Mobiquest Mobile Technologies Private Limited (Including step down subsidiary)	0.11 %	69	(0.01)%	2	1.67 %	(1)	(0.01)%	2
Little Internet Private Limited (Including step down subsidiary)	(0.45)%	(290)	0.46 %	(79)	(3.00)%	1	0.46 %	(78)
Orbgen Technologies Private Limited	0.15 %	98	0.75 %	(127)	(6.00)%	2	0.74 %	(125)
Paytm Payments Services Limited (w.e.f October 10, 2020)	0.76 %	494	0.04 %	(6)	0.00 %	-	0.04 %	(6)
Paytm Insurance Broking private limited	0.63 %	412	1.88 %	(320)	2.33 %	(1)	1.88 %	(321)
Paytm Services Private Limited (Formerly known as Balance Technology Private Limited)	0.04 %	26	0.09 %	(15)	(0.33)%	*	0.08 %	(15)

Notes to the Consolidated Financial Statements

(Amounts in ₹ 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
Foreign								
One97 Communications Singapore Private Limited (Including step down subsidiary)	2.14%	1,397	(2.82)%	480	0.00 %	-	(2.82)%	480
One97 Communications FZ-LLC	0.13%	82	(0.38)%	65	0.00 %	-	(0.38)%	65
One97 Communications Nigeria Limited	(0.21)%	(138)	0.03 %	(5)	0.00 %	-	0.03 %	(5)
One97 USA Inc.	0.01%	5	0.01 %	(2)	0.00 %	-	0.01 %	(2)
Non controlling interests in subsidiaries	(0.29)%	(186)	0.29 %	(49)	(1.67)%	1	0.29 %	(49)
Interest in Associate (Investments as per equity method)								
Indian								
Paytm Payments Bank Limited	7.40%	2,007	(0.55)%	94	6.00 %	(2)	(0.54)%	92
Paytm General Insurance Limited	(0.09)%	-	0.03 %	(5)	0.00 %	-	0.03 %	(5)
Paytm Life Insurance Limited	0.00%	-	0.00 %	*	0.00 %	-	0.00 %	-
Infinity Transoft Private Limited	(0.10)%	86	0.06 %	(10)	0.00 %	-	0.06 %	(10)
Eatgood Technologies Private Limited	0.12%	205	0.21 %	(35)	0.00 %	-	0.20 %	(35)
Paytm Financial Services Limited	0.14%	19	0.00 %	(1)	0.00 %	-	0.00 %	(1)
Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited)	0.03%	-	0.00 %	-	0.00 %	-	0.00 %	-
Interest in Joint Venture (Investments as per equity method)								
Paytm First Games Private Limited	(0.65)%	-	4.59 %	(782)	0.33 %	*	4.59 %	(782)
	100.00%	**65,162**	**100%**	**(17,010)**	**100.00%**	**(30.00)**	**100.00%**	**(17,040)**

* Amount below rounding off norms adopted by the Group

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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, 2022	As at March 31, 2021
Orbgen Technologies Private Limited	140	164
Wasteland Entertainment Private Limited	202	202
Mobiquest Mobile Technologies Private Limited	68	68
Urja Money Private Limited	33	33
Total	**443**	**467**

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, 2021 20% to 25%) which in the opinion of management are consistent with companies in similar business.

Growth rates: The terminal growth rates used are in the opinion of management in line with the long-term average growth rates of the respective industry in which the entity operates and are consistent with the internal/external sources of information. The terminal growth rates used in extrapolating cash flows beyond the planning period, range from 1.5 to 2.5 times (March 31, 2021 - 1.5 to 2.5 times) of revenue for the terminal year.

Goodwill Impairment

During the year ended March 31, 2022, the goodwill arising on account of consolidation has been impaired based on above mentioned analysis.

During the year ended March 31, 2021, no additional impairment is required based on above-mentioned analysis.

Below is the table showing the value of goodwill impaired for the subsidiaries.

Impairment of Goodwill

Particulars	March 31, 2022	March 31, 2021
Orbgen Technologies Private Limited	24	-
Total	**24**	**-**

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

37. Transactions with Non-controlling Interests

As on March 31, 2021 the Group holds 65.71% in Mobiquest Mobile Technologies Private Limited. During previous year, the Group acquired additional 10.81% stake for ₹ 93 in Mobiquest Mobile Technologies Private Limited. The Group had 54.90% stake in Mobiquest Mobile Technologies Private Limited immediately prior to purchase. The Group recognised a decrease in non-controlling interests of ₹ (3) and a decrease in equity attributable to owners of the parent of ₹ 3. The effect on the equity attributable to the owners of One 97 Communications Limited during previous year is summarised in the below table.

	31-March-22	31-Mar-21
Carrying amount of non-controlling interests acquired	-	(3)
Consideration paid to non-controlling interests	-	-
Excess of consideration paid recognised in retained earnings within equity	-	(3)

During previous year, the Group % of holding in Wasteland Entertainment Private Limited diluted on account of exercise of ESOP by employees by 4.07% stake. The Holding Company purchased these shares for ₹ 63 and shareholding as on March 31, 2021: 100%.

	31-March-22	31-Mar-21
Carrying amount of non-controlling interests acquired	-	12
Consideration paid to non-controlling interests	-	63
Excess of consideration paid recognised in retained earnings within equity	-	(51)

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Current assets	6	13	52	67
Current liabilities	44	46	115	214
Net current assets	**(38)**	**(33)**	**(62)**	**(147)**
Non-Current assets	1	2	9	13
Non-Current liabilities	105	97	108	28
Net non-current assets	**(104)**	**(95)**	**(100)**	**(15)**
Net assets	**(142)**	**(128)**	**(161)**	**(162)**
Accumulated NCI	**(180)**	**(164)**	**#**	**#**

Summarised statement of profit and loss	Little Internet Private Limited		Nearbuy Internet Private Limited	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue	-	-	86	79
Loss for the year	(14)	(83)	(35)	(108)
Other comprehensive income / (loss)	*	*	*	1
Total comprehensive income	**(14)**	**(83)**	**(35)**	**(107)**
Loss allocated to NCI	(16)	(47)	#	#

Accumulated NCI and Profit allocated to NCI of Little Internet Private Limited includes accumulated NCI and loss allocated for Nearbuy Internet Private Limited.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

37. Transactions with Non-controlling Interests (Contd..)

Summarised Balance Sheet	Little Internet Private Limited		Nearbuy Internet Private Limited	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Net cash used in operating activities	*	(1)	(144)	(49)
Net cash flows/used in investing activities	(7)	10	17	(12)
Net cash flows from financing activities	(1)	-	136	54
Net increase/ (decrease) in cash and cash equivalents	**(8)**	**9**	**9**	**(7)**

* 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, 2022	March 31, 2021
Rendering of services to PEPL	1,281	1,344
Reimbursement of expenses incurred on behalf of PEPL	122	314
Interest Income on unwinding of Discount	-	110
Services received from PEPL	189	242

Details of outstanding balances

	March 31, 2022	March 31, 2021
Other Financial Assets*	13	6,394
Trade payables	79	202
Other Financial Liability	126	58
Contract liabilities	4,176	5,206
Trade Receivable	30	77

*Other receivable from other parties given in Note 6 (d) of the Financial Statements includes derivative assets of ₹ Nil (March 31, 2021: ₹ 56). The same is not included in the above reported balances.

39. Overdue outstanding foreign currency receivable and payable

As of March 31, 2022, the Group has certain foreign currency receivable balances aggregating to ₹ 25, ₹ 65 and ₹ 265 which are outstanding for more than nine months, fifteen months (extended from nine months via RBI circular- RBI/2019-20/206 A. P. (DIR Series) Circular No. 27 dated April 1, 2020, for the exports made up to or on July 31, 2020) and three years, respectively. The Group has applied to the AD Bank seeking permission for extension of time for realisation for receivables amounting to ₹ 65 and write-off of receivables amounting to ₹ 5. Further, an application has been made by Holding Company to the RBI vide the letter dated December 17, 2020 for seeking approval for extension of time-limit of outstanding receivable balances amounting to ₹ 191 and write off of receivable balances amounting to ₹ 94 and approval is currently awaited.

As of March 31, 2022, the Group also has certain foreign currency payable balances aggregating to ₹ 1.33* which are outstanding for more than three years. The Group has also filed an application to Reserve Bank of India (RBI) vide letters dated July 29, 2021 and August 9, 2021 for ₹ 1.33* for permission to write-back payable balances and approval is currently awaited.

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

* Amount disclosed up to two decimal places.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

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, 2021 has been completed which did not result in any material adjustment.

41. Corporate Social Responsibilities (CSR) expenditure

The Holding Company has not earned net profit in three immediately preceding financial years, therefore, there was no amount as per section 135 of the Act which was required to be spent on CSR activities in the current financial period by the Holding Company. However, the Group has spent an amount of ₹ 14 (March 31, 2021: ₹ 4) as CSR expenditure.

42. Notes given by the subsidiaries and joint venture in their respective standalone financial statements

a) Nearbuy India Private Limited:

"The Company is primarily engaged in the business of developing local commerce marketplace that connects merchants to customers by offering services and goods of merchants. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

Due to partial/ complete lockdowns from time to time in various states in India, the Company's operations were also impacted and the Company has been taking measures to reduce cost and strategizing to enhance its service offering verticals and other measures to scale up it's business. The Company expects the operations to further normalize gradually. Further, the Company has considered the possible effects that may result from COVID 19 on the carrying amount of its current assets on the basis of available information. The impact of COVID-19 may impact the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements."

b) Wasteland India Private Limited:

"The Company is in the business of being a market place to sell tickets for live events through its portal www.insider.in and conduct partnership events. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

Due to lockdown in India, the operations of the Company have also been impacted. The Company is expecting lower volumes of business and expects the operations to normalize in near future. The Company is strategizing to enhance/ explore its service offering verticals other measures to scale up it's business. Although, there is revival in the economic activities and businesses across several sectors, there is limited business activity in relation Company's regular operations on account of sector specific restrictions continued by the Government.

Further, the Company has considered the possible effects that may result from COVID 19 on the carrying amount of it's current assets on the basis of available information. The impact of COVID 19 on the financial statements may differ from that estimated as at the date of approval of these financial statements."

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

40. Transfer pricing (Contd..)

c) Paytm Entertainment Limited:

The Company's financial assets as at March 31, 2021 were more than 50% of its total assets and its income from financial assets was more than 50% of the total income for FY 20-21. As per the press release dated April 8, 1999 issued by Reserve Bank of India (RBI) the Company fulfilled the principal business criteria for being classified as a Non-Banking Financial Company (NBFC) as at March 31, 2021 and accordingly required to obtain registration as such. However, management has stated that this position was temporary in nature and arose on account of interest income on short term loan amounting to ₹ 809,164 thousands as at March 31, 2021 given to its Joint Venture Company, Paytm First Games Private Limited (PFG) on account of a commercial exigency and sudden business needs owing to the ongoing pandemic and this loan was due for repayment in the month of September, 2021 ("One Time Short-Term Loan"). The loan was a one-off loan and is not a part of the ordinary course of business of the Company. It was not intended that this would be a systemic practice going forward. Out of the above said loan, ₹ 250,000 thousands was repaid back by the borrower on May 25, 2021 and remaining amount was repaid in full on September 24, 2021 along with the accrued interest. Accordingly, the Company has filed an application dated May 26, 2021 and other documents on December 14, 2021 with the RBI seeking dispensation from registration as an NBFC. Further communication from RBI is awaited in this regard.

d) Paytm First Games Private Limited:

As of March 31, 2022, the Company has certain foreign currency payable balances aggregating to ₹ 2,190 lakhs which are outstanding for more than six months. The Company has filed an application to Authorised Dealer (AD) Bank vide letter dated April 27, 2022 seeking permission for extension of time for payment and approval is currently awaited.

As of March 31, 2022, the Company also has certain foreign currency receivable balances aggregating to ₹ 4.29 lakhs which are outstanding for more than nine months. The Company has applied to the AD Bank vide letter dated April 8, 2022 seeking permission for extension of time for realisation of the amount and approval is currently awaited.

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

e) Paytm Insurance Broking Private Limited:

The Company has received a show-cause notice dated September 09, 2021 issued by the Insurance Regulatory Development Authority of India ("IRDAI"). The said notice alleges that the increases in the paid-up share capital of the Company as on September 30, 2020 and March 31, 2021, pursuant to investments by its Holding Company, One 97 Communications Limited ("OCL") are considered to be in violation of a circular issued by IRDAI dated May 18, 2020 on FDI norms and other applicable laws. The Company responded to the said notice on September 29, 2021, denying the allegations and confirming that it complied with all applicable laws, including, in relation to FDI norms, in relation to such investments by OCL as pursuant to these investments there has been no change in the beneficial ownership or shareholding of the Company. Further, IRDAI has, through correspondence dated October 20, 2021, asked the Company to furnish a certificate from a chartered accountant certifying, among others, the amount of OCL's internal accruals for FY 2021 and how much of it was invested in the Company, and whether OCL has received any equity or debt funding post March 2020 and details thereof. The Company has reverted to the said correspondence along with the required certificates on October 26, 2021. The Company has provided further clarifications and information to IRDAI through email dated November 30, 2021, December 17, 2021 and December 21, 2021. The Company has not received any further communication from IRDAI.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

43. During the year ended March 31, 2022, the Holding Company has completed its initial public offer (IPO) of 85,116,278 equity shares of face value of ₹ 1 each at an issue price of ₹ 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 ₹ 4,115 million as IPO related expenses and allocated such expenses between the Company ₹ 1,866 million and selling shareholders ₹ 2,249 million. 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 ₹ 1,866 million, ₹ 1,401 million has been adjusted to securities premium.

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

S. No	Objects of the issue	Amount as proposed in Offer Document	Amount Utilised up to March 31, 2022	Amount Un-utilised as on March 31, 2022
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	1,552	35,476
	ii) Expanding our merchant base and deepening our partnership with our merchants		3,372	
	iii) Strengthening and expanding our technology powered payments platform		2,600	
	Total (A)	**43,000**	**7,524**	**35,476**
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	1,974	16,160
	Total (C)	**18,134**	**1,977**	**16,157**
	Total (A+B+C)	**81,134**	**9,498**	**71,636**

Net IPO proceeds which were un-utilised as at March 31, 2022 were temporarily invested in fixed deposits with scheduled commercial banks and in monitoring agency account.

Notes to the Consolidated Financial Statements

(Amounts in ₹ Million, unless otherwise stated)

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:

One 97 Communications Limited

Name of Intermediary	CIN	Relation with Company	Type	Date	Amount	Name of Ultimate beneficiary	Relation with Intermediary	Type	Date	Amount
Admirable Software Limited	U72900DL2021PLC385287	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	U72900DL2021PLC385287	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	U93000MH2012PTC237284	Subsidiary Company	Loan	June 30, 2021	15	Fincollect Services Private Limited	Subsidiary of the intermediary	Loan	July 15, 2021	5
Urja Money Private Limited	U93000MH2012PTC237284	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	*
Paytm First Games Private Limited	U74999DL2017PTC325912	Joint Venture	Loan	June 7, 2021	803	Paytm First Games Singapore Pte Limited	Subsidiary of the intermediary	Equity Investment	June 30, 2021	28
						Paytm First Games Singapore Pte Limited	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

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

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

Paytm Financial Services Limited

" Utilsation 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 ₹ 1 and ₹ 450 to its Subsidiary Companies, Admirable Software Limited on August 17, 2021 and Foster Payment Networks Private Limited on March 26, 2021, respectively.

Utilsation 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 ₹ 175 to its Associate Company, Urja Money Private Limited on August 27, 2021 and invested an amount of ₹ 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"

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 ₹ 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 ₹ 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)."

Paytm First Games Private Limited

" One97 Communications Limited (""Parent of the Joint Venture Partner"") has provided a loan to its joint venture, Paytm First Games Private 'Limited (""The Intermediary"") of ₹ 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 Paytm First Games Singapore Pte Limited of ₹ 28 and ₹ 11 on June 30, 2021 and September 6, 2021, respectively aggregating to ₹ 39. Further, the Company also made investments in Paytm Technology Beijing Co., Limited of ₹ 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)."

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

Little Internet Private Limited

"On December 30, 2019 the Company had taken a Inter Corporate Loan (ICD) of ₹ 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 ₹ 7 (March 31, 2021: ₹ 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 the Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:

(a) One 97 Communications Limited (Holding Company)

Name of the struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	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	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

(b) Wasteland Entertainment Private Limited (Subsidiary)

Name of struck off company	Balance outstanding as at March 31, 2022	Relationship with the struck off company
Allstars United India Private Limited	Amount below rounding off norms adopted by the Group	Customer
Clay Station Art Studios Private Limited	Amount below rounding off norms adopted by the Group	Vendor

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, 2022 and March 31, 2021	Relationship with the struck off company
A. J. Beauty and Health Private Limited, A3 Health Food Ventures Private Limited, Bts Hospitality Private Limited, Bglam Services Private Limited, Blue Mango Hospitality Private Limited, C V Restaurant Private Limited, D L Holdings Private Limited, Dice Hospitality Private Limited, Disha International Private Limited, Foodindex Restaurants Private Limited, G-six Flavours Private Limited, Gui Technologies Private Limited, Hazzel Dairy Products Private Limited, Honrao Hotels Private Limited, Impresa Hospitality Management Private Limited, Infinite One Foods Private Limited, In Green Hotels Private Limited, Jk Amici Hotels Private Limited, Jarota Enterprises Private Limited, Kan - Ket Marketing (Opc) Private Limited, Mandakini Vacations Private Limited, Micro Hotels Private Limited, Mookh Salons and Academy Private Limited, Paulsons Hospitality Private Limited, Paris Baker Private Limited, Pathway Hospitalities Private Limited, Royal Almond Hospitality Private Limited, Sai Prerna Complete Care Private Limited, Sk Food and Entertainment Private Limited, South Connect Foods Private Limited, Saihome Hospitality Private Limited, Sai Prerna Complete Care Private Limited, Sukhija Restaurant Private Limited, Surreal Hospitality Private Limited, Tattva Leisure Private Limited, Thai Orchid Hospitality Private Limited, Tourniete Private Limited, Triaza Entertainment Private Limited, Village Kitchen Hospitality Services Private Limited, Yellow Diamond Hospitality Private Limited, 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.establishments 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 individually and in aggregate are below rounding off norms adopted by the Group	Vendor

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, 2022 and March 31, 2021	Relationship with the struck off company
A K Hotels Private Ltd, A K M Enterprises Private Limited, Asthavinaayak Cuisines Private Limited, Acrotech (India) Private Limited, Ahoy Foods Private Limited, Alive Day Spa Private Limited, Aries Marcom Private Limited, Aten Foods Private Limited, Better Foods Private Limited, Big Barter Marketing Private Limited, Boudoir Lounge Private Limited, Bridgelink Wellness Private Limited, Celebrity Fitness India Private Limited, D Lite Frankies and Foods Private Limited, G K Culinary Private Limited, Gravy Train Hospitality Private Limited, Hsl Gourmet House Private Limited, Hospitality Plus Private Limited, I Square Hospitality Private Limited, Impressions Food and Hospitality Private Limited, Indus Builders Pvt. ltd., League Concepts Limited, M.a.hospitality Private Limited, Malt and Leaf Hospitality Private Limited, Mass Blurb Private Limited, Ninety5 Hotels Private Limited, Oleander Hospitality Private Limited, Om Sai Enterprises Private Limited, Potheads Food Private Limited, Pan Club Hotels Private Limited, Pandora Hospitality Private Limited, Pragati ways Food Tech Private Limited, Prav Hospitality Private Limited, Reviera Beauty Private Limited, Rembrandt Fashion Hospitality Private Limited, Sun Cafe & Bar Private Limited, Shan Holiday Inn Private Limited, Sri Vari Ventures Private Limited, Stellar Nri Services Private Limited, Stream Food Works Private Limited, Sukhija Hospitality Private Limited, Sunray Hospitality Private Limited, Swarna Thai Spa Private Limited, T N Salt House Private Limited, T N Salt House Private Limited, Wudstay Travels 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.	Amount individually and in aggregate are below rounding off norms adopted by the Group	Customer

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, 2022 and March 31, 2021	Relationship with the struck off company
Bhole HR Solutions Private Limited, Harry's Kitchens Private Limited, J One Entertainment Private Limited, Meuse hotels and Hospitality Private Limited, Mud Flap Technologies Private Limited, Sukhija Hospitality Private Limited, International Recreation & Amusement Limited, 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 Foodlinks Private Limited, T & D Ventures Private Limited, Uzhavan Foods Private Limited, Vroom Technologies Private Limited, Zam Zam Caterers Private Limited.	Amount individually and in aggregate are below rounding off norms adopted by the Group	Vendor

Name of struck off companies	Balance outstanding as at March 31, 2022 and March 31, 2021	Relationship with the struck off company
Alive Day Spa Private Limited, BTS hospitality Private Limited, Greenpark Hotels & Resorts Limited, Meera Samuh Hospitality Services Private Limited, Sahara Hospitality Limited, Thai Orchid Hospitality Private Limited, Tease Salon Private Limited, YoYo Club Private Limited, International Recreation & Amusement Limited	Amount individually and in aggregate are below rounding off norms adopted by the Group	Customer

(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.

Notes to the Consolidated Financial Statements

(Amounts in INR Million, unless otherwise stated)

44. Additional disclosures required by Schedule III (Contd..)

(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 PP&E, intangible asset and investment property

The Group does not have any investment property during the current or previous year. The Group has chosen cost model for its Property, Plant and Equipment and intangible assets and hence no revaluation was carried out for these assets.

(xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties are held in the name of the Group during the current and previous year

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks and financial institutions.

The Group has utilised the borrowing for the purpose it was obtainded.

45. Previous year figures, wherever necessary, have been regrouped/reclassified to conform to current year classification.

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

Amitesh Dutta
Partner
Membership No: 058507

Place: Gurugram
Date: May 20, 2022

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 20, 2022

Madhur Deora
Chief Financial Officer

Place: Mumbai
Date: May 20, 2022

Amit Khera
Company Secretary

Place: Noida
Date: May 20, 2022

Notes

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Registered Office
One 97 Communications Limited
First Floor, Devika Tower Nehru Place
New Delhi – 110019, India

Corporate Office
One 97 Communications Limited
One Skymark, Tower-D, Plot No. H-10B,
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