



## One 97 Communications Limited

### Taxation Policy

#### Version 1.0

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Policy Version	Date of Board approval	Effective Date
Version 1.0	October 20, 2023	October 20, 2023

## One97 Communications Limited - Group Tax Strategy

### **Company overview:**

One 97 Communications Limited, its subsidiaries and group companies (“the Company”) are in the business of providing

(a) *Payment services to Consumers and Merchants:* Paytm app has pioneered consumer mobile payments using UPI, Wallet, Postpaid and Cards. Paytm also enables micro to large merchants to accept payments on their app or in-store, or Paytm app. Merchants leverage the reach of Paytm consumer app to enable mobile commerce and sell to Paytm consumers.

(b) *Financial services:* Paytm offers small ticket mobile credit to customers and merchants, in partnership with our lending partners. Fully owned subsidiaries of Paytm - Paytm Money and Paytm insurance broking offer platform for investing in mutual funds and stock trading, and insurance respectively.

(b) *Commerce and Cloud:* Paytm sells travel, movies and event ticketing and deals, gift vouchers to customers and also offers advertising, marketing loyalty services to various enterprises and distribute co- branded credit cards.

This tax strategy document sets out the Company's approach to manage its tax affairs and risks associated with them. It is guided by our governance philosophy of upholding the highest standards of responsible corporate citizenship in the communities and countries that we operate in, while serving the interests of our customers, employees, partners, and other stakeholders and to protect our reputation and brand.

### **Group tax strategy:**

The tax strategy charter comprises the following:

1. Governance
2. Compliance
3. Tax planning
4. Transfer pricing
5. Risk management and certainty
6. Engagement with tax authorities

#### **1. Governance**

This tax strategy is monitored by the group tax team and Group Tax Head within the overall control and governance framework of the Company. The Company's code of conduct also expresses our commitment to conducting business ethically and with integrity and transparency in everything we do.

Tax Policy is approved by the Audit Committee of the Board which in turn updates the Board of Directors. Any amendment in the Tax Policy recommended by the Audit Committee is incorporated after due evaluation.

#### **2. Compliance**

As regulatory compliance is a key objective for the Company, tax compliance is a priority in each and every jurisdiction where the Company operates. The Company seeks to comply with tax filing, tax reporting, tax payment obligations and relevant disclosure globally for all taxes. External tax advisor support is also sought to verify discharge of material obligations under the tax regulations as well as to verify the stand of the company with respect to tax interpretations.

### **3. Tax planning**

The Company recognizes that it has a responsibility to pay appropriate tax in each of the jurisdictions in which it operates. The Company may avail applicable tax incentives provided by laws and regulations of a jurisdiction provided they are aligned with its business or operational objectives. Tax losses incurred by a company or its subsidiaries in the past are available for set off from taxable income in current / future years in line with provisions of Tax. The company endeavors to operate in an efficient and legally compliant manner and may seek external advice in relation to tax matters or areas of complexity or uncertainty to support the Company in complying with its tax strategy. As a policy, the Company does not undertake aggressive tax planning, has a zero tolerance for any tax evasion, nor does it tolerate the facilitation of tax evasion by any person(s) acting on the behalf of the Company.

### **4. Transfer pricing**

The Company's transfer pricing policies and disclosures complies with the tax laws with respect to transfer pricing laws and regulation of each as applicable in each country where it operates and the Company maintains contemporaneous documentation of all its international related party transactions, as required by transfer pricing. Tax laws of each country. All related party transactions including the international related party transactions are done at arm's length basis. The company also takes help from external consultants to verify benchmarking which forms basis of commercial arrangements from time to time.

### **5. Risk management and certainty**

The Company is exposed to a variety of tax risks and has a low tolerance for tax risk. All transactions undertaken by the Company are driven by commercial rationale and the Company's economic activity. The Company does not use any tax havens or artificial tax avoidance schemes for the purpose of gaining a tax advantage. The Audit committee is apprised of all material tax risks and tax litigations at regular intervals.

Where there is significant uncertainty or complexity in relation to a risk of interpretation of tax law on taxation of new business models, external advice is sought.

### **6. Engagement with tax authorities**

The Company is committed to build open and collaborative relationships with tax authorities globally and engages with tax authorities with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. The Company's leadership is committed to prompt disclosure and transparency in all tax matters with respective tax authorities.