



February 3, 2023

**BSE Limited**

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

**National Stock Exchange of India Limited**

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

Scrip Code: 543396

Symbol: PAYTM

**Sub.: Outcome of Board Meeting - Financial Results for the quarter and nine months ended December 31, 2022**

Dear Sir / Ma'am,

In continuation to our earlier letter dated January 24, 2023 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform you that the Board of Directors of the Company at their meeting held today i.e. February 3, 2023 have, *inter-alia*, considered and approved the unaudited standalone & consolidated financial results ("Financial Results") of the Company for the quarter and nine months ended December 31, 2022.

In compliance with Regulation 30 of the Listing Regulations, we are enclosing herewith following for the quarter and nine months ended December 31, 2022:

- Earnings Release
- Financial Results
- Limited Review Reports

The Board meeting commenced at 8:45 p.m. (IST) and concluded at 9:31 p.m. (IST).

The aforesaid details will also be hosted on the Company's website viz. [www.paytm.com](http://www.paytm.com).

Kindly take the same on record.

Thanking you

Yours Sincerely,  
For **One 97 Communications Limited**

**Amit Khara**  
**Company Secretary & Compliance Officer**

*Encl. As Above*



# Earnings Release

for quarter ending  
December 2022

3 February 2023

## Letter from our Founder & CEO

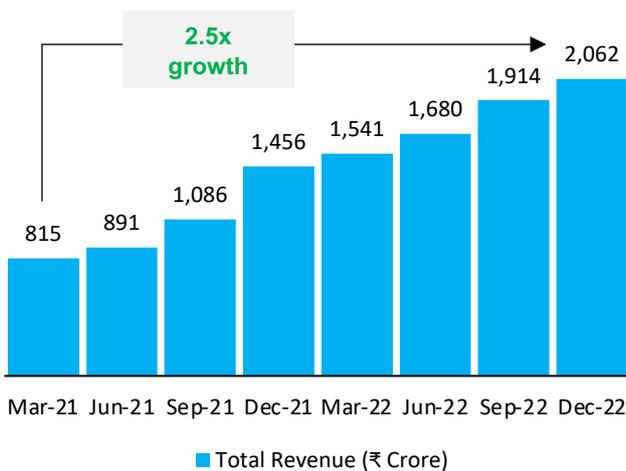
Dear Shareholders,

I wrote to you on April 6, 2022 and set a target for EBITDA before ESOP cost breakeven by the September 2023 quarter.

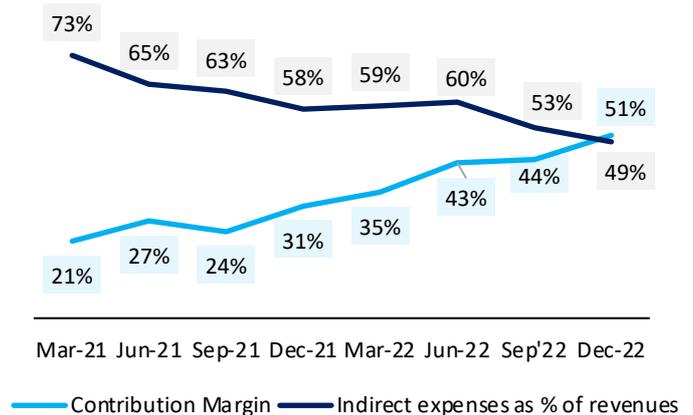
I am very happy to share that our company has achieved this milestone of EBITDA before ESOP cost profitability in the December 2022 quarter itself. This is three quarters ahead of our guidance.

This has been made possible due to the relentlessly focused execution by our team. The team was asked to focus on growth with quality revenues that contribute to the bottom line. We have achieved this milestone without losing sight on growth opportunities and keeping all compliances as well as risk factors under a strict watch. The charts below show the same.

**Sustained revenue growth**



**Higher Contribution Margins + Operating Leverage = Operating Profitability**



I believe the opportunity in our country for newer payment and credit disbursement solutions is huge, which gives us quality revenue and attractive profit pools to address.

With our focus on growth and keeping a tight vigil on operational risk and compliances, I am very confident that we will soon achieve our next milestone of becoming a free cash flow generating company.

We have also attached a summary of our Q3 results in line with our investor presentation on our business model provided in December 2022.

Thank you,

Vijay Shekhar Sharma

## Paytm achieves operating profitability three quarters ahead of guidance; Reports EBITDA before ESOP of ₹31 Cr in Q3 FY 2023

### Revenue from Operations

Growth driven by increase in merchant subscription revenues, growth in loan distribution and momentum in commerce business. YoY growth comparison was impacted by timing of festive season and UPI incentive recorded in Q3 FY 2022 (for three quarters) versus nil recorded in this quarter

## ₹2,062 Cr

▲ 42% YoY

No UPI incentive recorded in this quarter

### Contribution Profit

Improved to 51% of revenue in Q3 FY 2023 from 31% in Q3 FY 2022 and 44% in Q2 FY 2023, driven by improvement in payments profitability, and growth of high margin businesses, such as loan distribution

## ₹1,048 Cr

▲ 131% YoY

### EBITDA before ESOP

Achieved operating profitability significantly ahead of guidance. Margin improved to 2% of revenues from (27%) of revenues YoY, due to sustained improvement in contribution profit and strong operating leverage. This is despite continued investments for long-term growth

**Reported EBITDA improved by ₹452 Cr YoY**  
**Net Income improved by ₹386 Cr YoY**

## ₹31 Cr

▲ 424 Cr YoY

Profitability 3 quarters ahead of target of Sep 2023

### Merchant Subscriptions (Payment devices)

With a focus on creating additional payment monetization, we remain focused on subscription revenues. Number of merchant paying subscriptions increased by 1 mn QoQ

## 5.8 Mn

▲ 3.8 mn YoY

### Loans Disbursed through Paytm

Number of loans at 10.5 mn, up 137% YoY. As of December 2022, 8.1 mn borrowers have taken a loan on our platform, adding 1.4 mn new borrowers this quarter. Growing borrower base offers tremendous upsell & lifecycle benefits. Our payments consumer and merchant base offers a large addressable market, thereby providing a long runway for growth

## ₹9,958 Cr

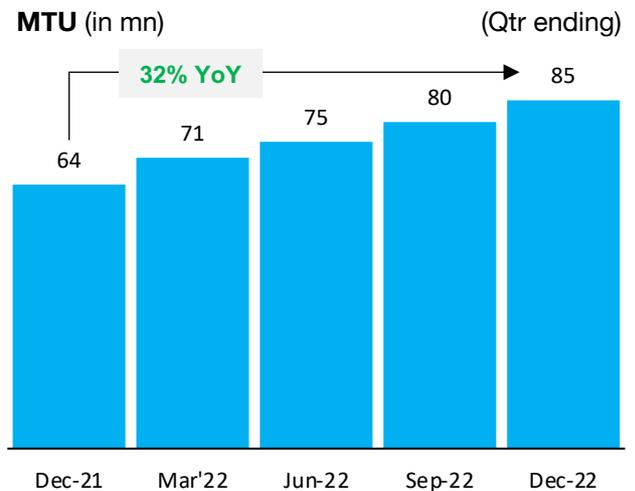
▲ 357% YoY

## Financial Update (Q3 FY 2023)

### We continue to expand our platform by acquiring Consumers & Merchants for Payments

Payment services are at the core of our business model and support the acquisition as well as retention of customers and merchants in a cost-efficient manner.

- Average Monthly Transacting Users (MTU) continued to grow and were 85 mn for the quarter, increasing 32% YoY driven by customer acquisition through UPI and multiple use cases on our platform
- With continued focus on expanding monetization in our payments business, merchants paying subscription for payment devices were 5.8 mn in the quarter, an increase of 3.8 mn YoY. We see sustained traction in device deployment with deployments of 0.9 - 1 mn devices every quarter



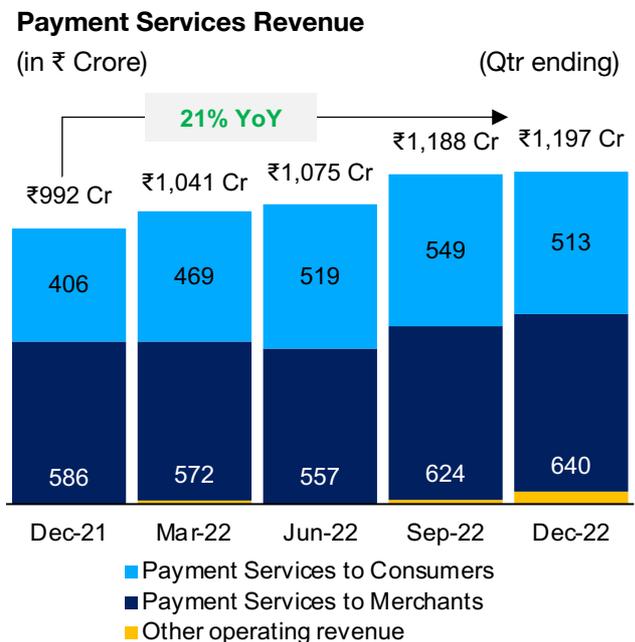
### Continued growth in Payments revenues

In Q3 FY 2023, reported revenue grew by 21% YoY to ₹1,197 Cr. On a like-for-like basis for UPI incentive, revenue growth would have been 34% YoY. Given the timing of accrual of UPI incentive, there was no UPI incentive recorded in this quarter. In FY 2022, we had recorded ₹68 Cr of incentives in Q3 FY 2022, for Q1 - Q3 FY 2022 (given the circular from the Government was issued in December 2021). As per notification received from the Government on January 11, 2023, we estimate that for Q1-Q3 FY 2023, we will receive ₹130 Cr<sup>1</sup> of incentives in Q4 FY 2023. Normalizing for this, payment revenues would have grown by 34% YoY.

(in ₹ Cr)	Dec-21	Dec-22	YoY %
Reported payments revenues	992	1,197	21%
Add: UPI incentive for 3 quarters	Included*	130	
<b>Like-for-like Payments Revenue</b>	<b>992</b>	<b>1,327</b>	<b>34%</b>

\*Reported revenues for Q3 FY 2022 includes ₹68 Cr of UPI incentives

Further, YoY & QoQ growth rates are impacted by the timing of the festive season (most e-commerce festive sales were in September quarter this year versus December quarter last year).



Note: Other operating revenue is included in total payments revenue from Q2 FY 2023 onwards

## Payments business generated ₹459 Cr of Net Payments Margin

### Net Payments Margin has two components: Payment Processing Margin & Subscription Charges

Net Payments Margin is calculated as total payments revenue less payment processing charges, and has two components as explained below.

#### 1. Payment Processing Margin:

- Gross Merchandise Value grew by 38% YoY to ₹3.5 Lakh Cr. Our payment processing margin this quarter was within the range of 7-9bps (of GMV) as indicated in December 2022. This is proforma for Q3 FY 2023 UPI incentive, and despite inclusion of interchange costs for Paytm Postpaid
- Since UPI is growing faster than other instruments, we expect payment processing margin to stabilize at 5-7 bps over the long term

#### 2. Subscription Charges:

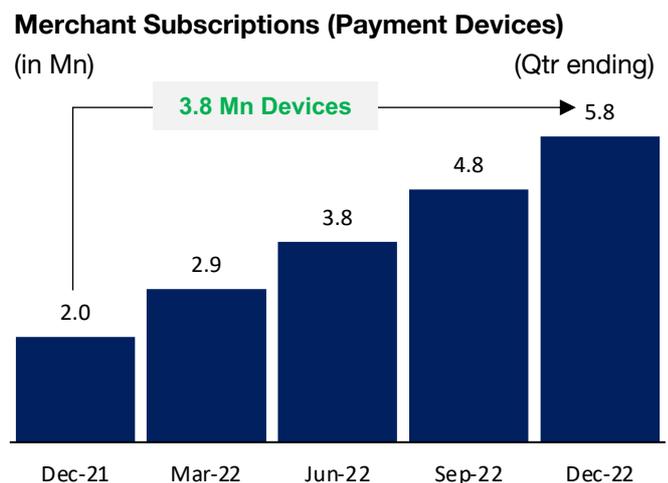
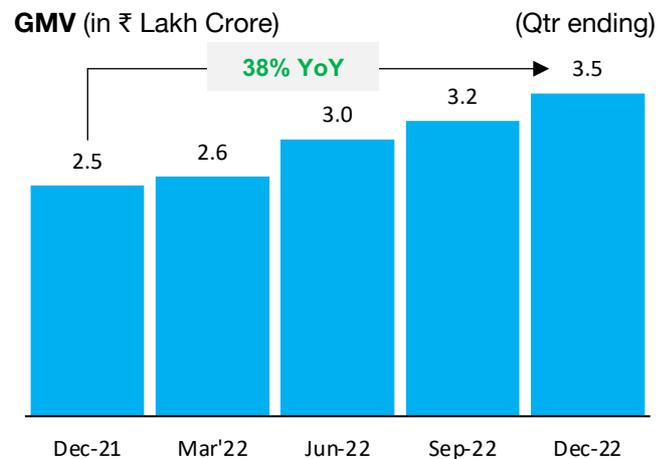
- Merchant subscriptions drive higher revenues and payment volumes, and also provide an attractive funnel for merchant loans. As of December 2022, merchant subscriptions were 5.8 mn, increasing 3.8 mn YoY
- We see sustained traction and earn more than ₹100 per month per device
- Further, we have received additional incentive on select installations from partner banks, RBI and NABARD etc, which could be lumpy in nature

Starting this quarter, we have new agreements with our lending partners with respect to Paytm Postpaid. We are now incurring interchange costs which are included as a part of Payment Processing Charges (₹78 Cr for this quarter). As per our earlier arrangement with lending partners, we were incurring incentives related to Paytm Postpaid as a Promotional Incentive. Correspondingly, our Promotional Cashback & Incentives cost have reduced QoQ.

On a like-for-like basis (i.e., excluding interchange cost for Paytm Postpaid), Net Payments Margin for Q3 FY 2023 would have been ₹537 Cr, increasing 21% QoQ.

Our reported net payments margin (including interchange cost of ₹78 Cr for Paytm Postpaid) was ₹459 Cr, increasing 120% YoY and 4% QoQ.

Payment processing charges (excluding interchange cost for Paytm Postpaid) reduced QoQ on account of festive season sales in Q2 FY 2023 and as we continue to improve payment processing rates from banks.



(in ₹ Cr)	Dec-21	Sep-22	Dec-22
Reported payments revenue	992	1,188	1,197
Payment processing charges (excluding interchange cost for Postpaid)	(783)	(746)	(660)
<b>Net Payments Margin</b> (excluding interchange cost for Postpaid)	<b>209</b>	<b>443</b>	<b>537</b>
Interchange cost for Postpaid	na	na	(78)
<b>Reported Net Payments Margin</b>	<b>209</b>	<b>443</b>	<b>459</b>

## Financial Services and Others: Small credit is best served and collected digitally

In Q3 FY 2023, revenue grew 257% YoY to ₹446 Cr and accounts for 22% of total revenues, up from 9% in Q3 FY 2022. This has also helped in expansion of contribution profit, given the higher margin nature of this business.

The growth in revenue was primarily driven by 357% YoY growth in the value of loans disbursed.

### Loan Distribution & Collection

We partner with lenders and provide a fully digital loan disbursement & collection platform. In Q3 FY 2023, the number of loans disbursed through our platform grew to 10.5 mn, growth of 137% YoY and 14% QoQ. The value of loans disbursed grew to ₹9,958 Cr, a growth of 357% YoY and 36% QoQ. We believe there is long runway for growth as our payments consumer and merchant base offers a large addressable market.

Total number of unique borrowers who have taken a loan through our platform has increased by 1.4mn QoQ to 8.1 mn in Q3 FY 2023. This growing borrower base offers us tremendous upsell and lifecycle benefits.

### Revenue drivers of loan distribution business:

- **Sourcing:** On disbursement of loans, we make 2.5% to 3.5% of loan value upfront
- **Collection:** We make 0.5% to 1.5% of current disbursement value. Most of the fees is received post portfolio closure; typically, 12-14 months for Personal & Merchant loans, and 3 months for Postpaid loans

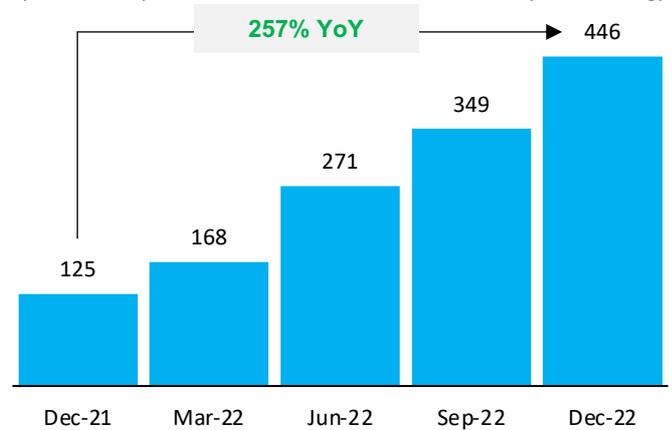
### Paytm Postpaid

The number of Postpaid Loans disbursed grew 134% YoY in Q3 FY 2023, while the value of Postpaid Loans grew 337% YoY. Merchant acceptance continues to grow, and Paytm Postpaid is now accepted by 17 mn online and offline merchants, which has grown rapidly from 3.5 mn in Q3 FY 2022. Our large Postpaid customer base also provides cross-sell opportunities for Personal Loans and Credit Cards.

Penetration<sup>1</sup> for Postpaid is at 4.0% of MTU.

### Revenue: Financial Services and Others

(in ₹ Crore) (Qtr ending)



### Value of Loans Disbursed through Paytm

(in ₹ Crore) (Qtr ending)



### # of Loans (Mn)

4.4	6.5	8.5	9.2	10.5
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### Value of Loans: Postpaid

(in ₹ Crore) (Qtr ending)



### # of Loans (Mn)

4.3	6.4	8.3	8.9	10.1
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Note - The MDR from merchants on Paytm Postpaid and the revenues from our credit card partnerships is not recorded in Revenue from Financial Services and Others. MDR is recorded in Payment Services, whereas revenue from our credit card partnerships is recorded in Cloud revenues.

<sup>1</sup>Calculation of penetration for Postpaid: Avg monthly number of loans in a quarter as a % of that quarter's avg MTU

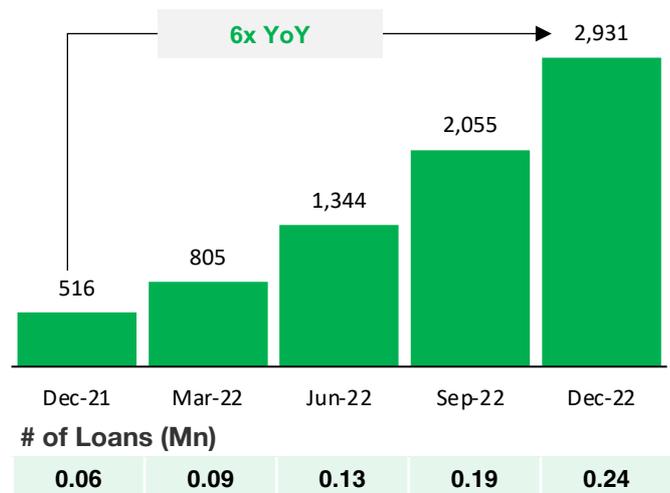
## Personal Loans

The number of Personal Loans disbursed grew 309% YoY in Q3 FY 2023, while the value of Personal Loans grew 468% YoY to ₹2,931 Cr. Average ticket size is currently at approximately ₹120,000 with average tenure of 15 months. Cross-sell from Postpaid continues to see traction with over 40% of personal loans disbursed in Q3 FY 2023 to existing Paytm Postpaid users. Penetration<sup>1</sup> for Personal loans is at 0.8% of MTU.

### Value of Loans: Personal Loans

(in ₹ Crore)

(Qtr ending)



# of Loans (Mn)

0.06	0.09	0.13	0.19	0.24
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## Merchant Loans

The number of Merchant Loans disbursed grew 253% YoY in Q3 FY 2023, while the value of Merchant Loans grew 285% YoY to ₹1,825 Cr. More than 85% of value disbursed this quarter was to merchants with a deployed Paytm payment device. Average ticket size continues to remain at approximately ₹150,000 with average tenure of 12 months. We are also seeing healthy pickup in repeat loans with 45% of disbursements to merchants who have taken a loan before.

Penetration<sup>1</sup> for Merchant Loans is 5.2% of device merchants.

### Value of Loans: Merchant Loans

(in ₹ Crore)

(Qtr ending)



# of Loans (Mn)

0.03	0.04	0.06	0.08	0.12
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<sup>1</sup>Calculation of penetration

Personal Loans: Number of loans disbursed in last 12 months as a % of avg MTU in Q3 FY 2023;

Merchant loans: Number of loans disbursed in last 12 months as % of devices deployed at end of Q3 FY 2023

## Commerce & Cloud: Monetizing Paytm app traffic by providing marketing services to other businesses

In Q3 FY 2023, revenue grew by 24% YoY and 11% QoQ to ₹420 Cr.

### Enabling Commerce for Merchants

GMV grew by 6% YoY and 11% QoQ to ₹2,299 Cr. Revenue grew by 37% YoY and 48% QoQ to ₹185 Cr, driven by travel demand and high volumes in the events business. We provide a full stack of services for certain events in the entertainment business, which has high take-rates but also higher direct costs resulting in higher take rate of 8%. On a steady state basis, our take rate is 6%, similar to Q2 FY 2023.

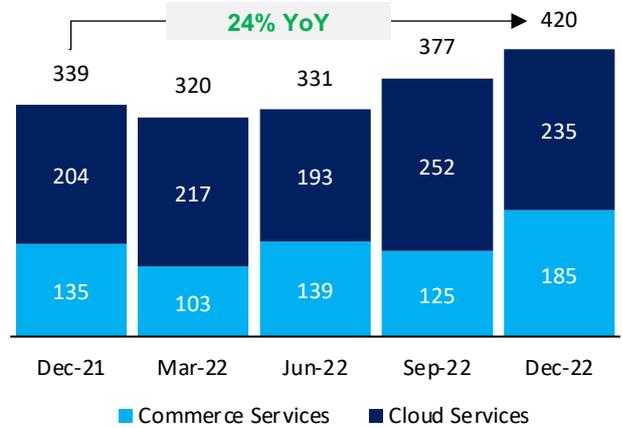
### Cloud (including co-branded credit cards)

Co-branded credit cards continue to scale well. We have activated nearly 1.5 Lakh cards in this quarter, resulting in total 4.5 Lakh activated cards as of December 2022. We see strong cross-sell opportunity from our existing user base who have taken loans through our platform.

Revenue in the Cloud business grew by 15% YoY to ₹235 Cr, with advertising and credit card distribution scaling well. Revenues declined (7%) QoQ as Q2 FY 2023 was a strong quarter for PAI cloud.

### Revenue: Commerce and Cloud Services

(in ₹ Crore) (Qtr ending)



## Contribution Profit led by growth in net payments margin & loan distribution revenues

In Q3 FY 2023, contribution profit at ₹1,048 Cr represents a growth of 131% YoY and 24% QoQ. Contribution margin improved to 51% from 31% a year ago.

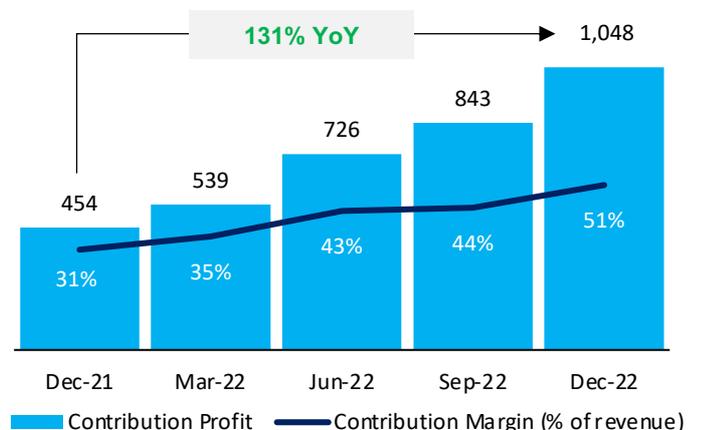
**Payment processing charges** were ₹738 Cr in Q3 FY 2023 (down 6% YoY and 1% QoQ). This includes ₹78 Cr of interchange costs related to Paytm Postpaid in Q3 FY 2023 (included from Q3 FY 2023 onwards). Payment processing charges witnessed reduction on account of festive season sales in Q2 FY 2023 and as we continue to improve payment processing rates from banks.

**Promotional cashbacks and incentives** were ₹91 Cr, or 3bps of GMV for Q3 FY 2023. As per earlier arrangements with lenders, we were incurring incentives related to Paytm Postpaid as a part of this cost. From Q3 onwards, we have new agreements with lenders (where we are incurring interchange costs) which is included in Payment Processing charges. As a result, costs were down significantly, compared to ₹191 Cr in Q2 FY 2023.

**Other direct expenses** were ₹186 Cr, 38% higher QoQ on account of expenses associated with high volume in events business.

### Contribution Profit

(in ₹ Crore) (Qtr ending)

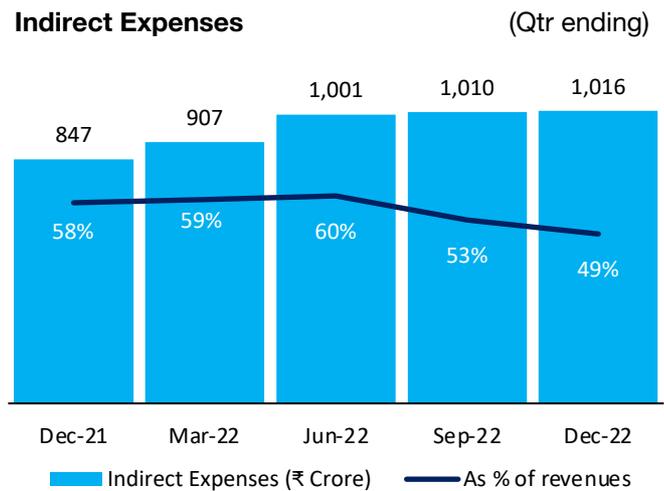


## Indirect Expenses down to 49% of revenues driven by improved operating leverage

Indirect Expenses (excluding ESOP cost) have remained flat over the past three quarters and were ₹1,016 Cr in the quarter, growing 20% YoY. Operating leverage is demonstrated by reduction in indirect expenses (as a % of revenues), down to 49% in Q3 FY 2023 from 58% YoY.

We continue to make investments in areas where we see attractive growth and monetization opportunities, such as in marketing for user acquisition, and sales team to increase merchant base and subscription services.

- Cost of building the platform (defined as employee cost excluding cost of sales staff), was ₹406 Cr, increasing 1% QoQ. Going forward, these costs can grow at a 10% - 15% YoY at the current base, unless we enter a new area of business
- Cost of expanding the platform, which is defined as marketing costs and sales employee cost, stood at ₹313 Cr, increasing 1% QoQ. We continue to invest in areas with future growth and monetization potential. We believe we will improve profitability despite investing for future growth
- Software, Cloud, and Data Center costs were ₹171 Cr, up 31% YoY and flat QoQ. These costs should decrease as % of revenue over time
- In Q3 FY 2023, our Other Indirect costs at ₹126 Cr, up 17% YoY and flat QoQ. These costs should decrease as % of revenue over time



(in ₹ Cr)	Dec-21	Sep-22	Dec-22
Cost of building platform:			
Employee (excluding sales)	314	401	406
Cost of expanding platform:			
Marketing	167	137	136
Sales employees	128	172	178
Software & Cloud expenses	130	173	171
Other indirect expenses	108	127	126
<b>Total Indirect Expenses</b>	<b>847</b>	<b>1,010</b>	<b>1,016</b>

## Achieved operating profitability three quarters ahead of plan; EBITDA before ESOP Cost at ₹31 Cr

In Q3 FY 2023, our EBITDA before ESOP cost was ₹31 Cr as compared to (₹393 Cr) in Q3 FY 2022 and (₹166 Cr) in Q2 FY 2023.

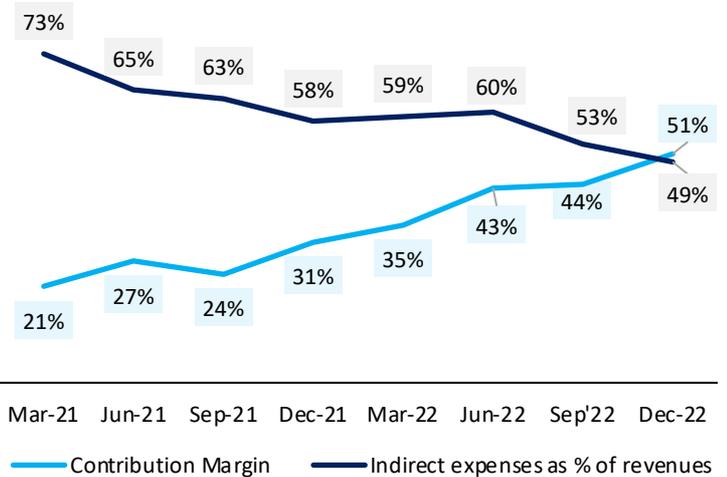
EBITDA before ESOP cost margin improved to 2% of revenues in Q3 FY 2023 from (27%) of revenues in Q3 FY 2022 and (9%) of revenues in Q2 FY 2023. This was driven by:

- Consistent improvement in contribution margins to 51% in Dec-22 from 21% in Mar-21
- Improved operating leverage with indirect expenses (as a % of revenues) decreasing to 49% in Dec-22 from 73% in Mar-21

In April 2022, we had shared our target of achieving operating profitability by September 2023. We have achieved this milestone significantly ahead of our guided timeline. We are focused on sustained growth, monetization opportunities and discipline in cost management.

Net Income for Q3 FY 2023 was (₹392 Cr), an improvement of ₹179 Cr QoQ and ₹386 Cr YoY.

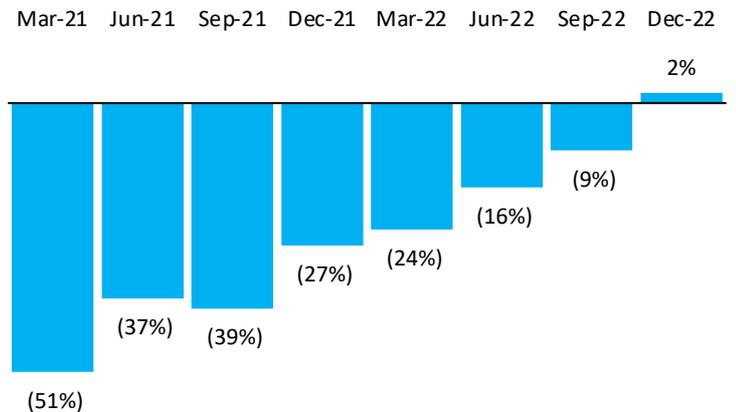
### Higher Contribution Margin + Better Operating Leverage = Improved Profitability



### EBITDA before ESOP cost Margin

As a % of revenues

(Qtr ending)



**Cash Balance & Share Buyback**

As of quarter ending December 2022, we have ₹8,957 Cr outstanding as cash balances. During the last quarter, we purchased 1.5 mn shares and utilized ₹68 Cr of cash. Since the end of the December quarter, we have purchased 13.1 mn shares and utilized ₹728 Cr of cash. In total till Feb 3, 2023, we have purchased 14.67 mn shares and utilized ₹796 Cr of cash, at an average price of ₹543/share.

The shares bought back will reduce our outstanding share count (upon extinguishment). We believe that given the Company's prevailing liquidity / financial position, a buyback is beneficial for our shareholders in the long-term.

**Update on Reserve Bank of India direction to Paytm Payments Bank Limited (PPBL)**

- As we had shared on November 7, 2022, PPBL management had received the IT auditors report and RBI's observations on that report
- The observations were largely around continued strengthening of IT outsourcing processes and operational risk management. The bank management has subsequently submitted a response to the RBI, informing them the manner in which such observations are being addressed by the bank
- Upon review of the bank's response, the RBI has suggested remediating action steps to be taken by the bank in a time bound manner. The bank is in process of complying with these action steps, and submitting compliance with the RBI
- We believe that the measures imposed upon PPBL has not materially impacted Paytm's overall business
- We would also like to update that PPBL has received approval from the RBI to appoint veteran banker Surinder Chawla as its new Managing Director and CEO

**Update on Reserve Bank of India direction to Paytm Payments Services Limited (PPSL)**

- As we had shared on November 26, 2022, PPSL has been asked by the RBI to resubmit its application for payment aggregator license
- In the interim, the RBI had asked PPSL to stop onboarding any new online merchants
- As we had shared earlier, this does not have any material impact on our online business and revenues, since the communication from RBI is applicable only to onboarding of new online merchants. For offline business, OCL can continue to onboard new merchants and offer them payment services including All-in-One QR, Soundbox, Card Machines, etc
- As per RBI's directive, PPSL has filed the required application with the Government of India for past downward investment from OCL into PPSL, in order to comply with FDI guidelines

## Summary of Consolidated Financial Performance

Particulars (in ₹ Cr)	Quarter Ended					Nine Months Ended		
	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y	Sep-22 (Unaudited)	Q-o-Q	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y
Payments & Financial Services	1,599	1,117	43%	1,522	5%	4,467	2,649	69%
Payment Services to Consumers	513	406	26%	549	(7%)	1,581	1,060	49%
Payment Services to Merchants	640	586	9%	624	3%	1,821	1,320	38%
Financial Services and Others	446	125	257%	349	28%	1,065	269	296%
Commerce & Cloud Services	420	339	24%	377	11%	1,128	784	44%
Commerce	185	135	37%	125	48%	448	270	66%
Cloud	235	204	15%	252	(7%)	680	514	32%
Other Operating Revenue	44	0	nm	15	192%	61	0	nm
<b>Revenue from Operations</b>	<b>2,062</b>	<b>1,456</b>	<b>42%</b>	<b>1,914</b>	<b>8%</b>	<b>5,656</b>	<b>3,433</b>	<b>65%</b>
Payment processing charges	738	783	(6%)	746	(1%)	2,177	1,980	10%
As % of GMV	0.21%	0.31%	(10 bps)	0.23%	(2 bps)	0.23%	0.33%	(11 bps)
Promotional cashback & incentives	91	117	(22%)	191	(52%)	425	261	63%
Other Expenses	186	102	81%	134	38%	437	234	87%
<b>Total Direct Expenses</b>	<b>1,015</b>	<b>1,002</b>	<b>1%</b>	<b>1,071</b>	<b>(5%)</b>	<b>3,039</b>	<b>2,474</b>	<b>23%</b>
<b>Contribution Profit</b>	<b>1,048</b>	<b>454</b>	<b>131%</b>	<b>843</b>	<b>24%</b>	<b>2,617</b>	<b>959</b>	<b>173%</b>
Contribution Margin %	50.8%	31.2%	1,962 bps	44.1%	675 bps	46.3%	27.9%	1,833 bps
<b>Indirect Expenses</b>								
Marketing	136	167	(19%)	137	(1%)	447	346	29%
Employee cost (Excl ESOPs)	584	442	32%	573	2%	1,709	1,121	52%
Software, cloud and data center	171	130	31%	173	(1%)	506	349	45%
Other indirect expenses	126	108	17%	127	(1%)	364	294	24%
<b>EBITDA before ESOP expense</b>	<b>31</b>	<b>(393)</b>	<b>(108%)</b>	<b>(166)</b>	<b>(119%)</b>	<b>(410)</b>	<b>(1,150)</b>	<b>(64%)</b>
Margin %	1.5%	(27.0%)	2,851 bps	(8.7%)	1,026 bps	(7.2%)	(33.5%)	2,625 bps

## Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended			
		Dec-22	Dec-21	YoY	Sep-22
GMV	₹ Lakh Cr	3.5	2.5	38%	3.2
Merchant Transactions	million	6,284	3,477	81%	5,752
Total Transactions	million	7,634	4,266	79%	6,885
MTU (average over the period)	million	84.9	64.4	32%	79.7
Registered Merchants (end of period)	million	31.4	24.9	na	29.5
Loans	'000	10,473	4,414	137%	9,192
Value of Loans	₹ Cr	9,958	2,181	357%	7,313
Payment Devices (cumulative; end of period)	million	5.8	2.0	na	4.8
Average number of Sales Employees	#	29,569	18,691	na	24,703
Cost of sales employees (including training)	₹ Cr	178	128	39%	172

Number of sales employees includes on-roll and off-roll employees. Cost relates to on-roll employees only.

## Indicative Performance Metrics for Loan Distribution (Dec-22 quarter)

	Postpaid	Personal Loans	Merchant Loans
<b>Bounce Rates</b> Healthy bounce rates continued to be exhibited in Q3 for our lending partners	11.0% to 13.0%	11.5% to 12.5%	NA
<b>Bucket 1 Resolution %</b> Capacity building with scale; Postpaid, Personal loans and Merchant loan resolution hold steady with rapidly expanding book size	81% to 83%	89% to 92%	84% to 87%
<b>Recovery Rate Post 90+</b> Postpaid, Personal loans and Merchant loans continue to exhibit robust recovery rates	25% to 27%	27% to 29%	31% to 33%
<b>ECL%</b> Steady loss rates on static pool in line with Low and Grow model of scaling	1.1% to 1.3%	4.5% to 5.0%	5.0% to 5.5%

Loans are underwritten and booked by our lending partners in their balance sheet. Paytm acts as a collection outsourcing partner and the numbers are hence indicative of those efforts

## Shares Outstanding as of December 2022

As of Dec 2022	In Mn
<b>Basic shares outstanding</b>	<b>649.3</b>
ESOPs vested and unexercised	0.9
ESOPs granted and unvested	36.6
ESOPs available for distribution	8.1
<b>Estimated fully diluted shares</b>	<b>694.7</b>

As per our previous communication, we are currently doing a share buyback. The shares bought back will reduce our outstanding share count (upon extinguishment)  
The Company has extinguished 1.49 mn shares which were bought back till December 31, 2022 on January 12, 2023, and therefore have not been accounted for in the table above.

## Reconciliation of EBITDA before ESOP cost with Loss for the period

Particulars (in ₹ Cr)	Quarter Ended					Nine Months Ended		
	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y	Sep-22 (Unaudited)	Q-o-Q	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y
<b>EBITDA before share based payment expenses (A)</b>	<b>31</b>	<b>(393)</b>	<b>(108%)</b>	<b>(166)</b>	<b>(119%)</b>	<b>(410)</b>	<b>(1,150)</b>	<b>(64%)</b>
Share based payment expenses (B)	(362)	(390)	(7%)	(371)	(2%)	(1092)	(448)	144%
Initial Public Offer expenses (C)	0	(6)	nm	0	nm	0	(13)	nm
Finance costs (D)	(5)	(13)	(57%)	(5)	1%	(16)	(32)	(50%)
Depreciation and amortization expense (E)	(124)	(61)	104%	(104)	19%	(326)	(152)	114%
Other income (F)	78	77	1%	100	(22%)	280	183	53%
Share of profit / (loss) of associates / joint ventures (G)	5	11	(55%)	(9)	(154%)	(10)	(8)	34%
Exceptional items (H)	0	0	nm	0	nm	0	(2)	nm
Income Tax expense (I)	(15)	(6)	168%	(15)	(3%)	(35)	(11)	230%
Loss for the period/year (J=sum of A to I)	(392)	(779)	(50%)	(571)	(31%)	(1,609)	(1,634)	(2%)

## Breakup of available Cash and investable balance (Net Cash Balances)

Particulars (INR Cr)	Mar-22	Jun-22	Sep-22	Dec-22
Cash and Bank Balances in Current Accounts (Net of Borrowings)	1,274	1,768	1,399	1,953
Deposits with banks	7,997	6,991	5,875	5,311
Current Investments (Mutual Funds, Treasury bills and Commercial papers)	-	652	1,908	1,692
<b>Total Balances</b>	<b>9,271</b>	<b>9,411</b>	<b>9,182</b>	<b>8,957</b>

## Definitions for Metrics & Key Performance Indicators

Metric	Definition
GMV	GMV is the rupee value of total payments made to merchants through transactions on our app, through Paytm Payment Instruments or through our payment solutions, over a period. It excludes any consumer-to-consumer payment service such as money transfers.
Monthly Transacting User (MTU)	Unique users with at least one successful transaction in a particular calendar month
Net Payments Margin	Payments revenues (including other operating revenue) less payments processing charges
Contribution Profit	Contribution profit is a non-GAAP financial measure. We define Contribution profit as revenue from operations less payment processing charges, promotional cashback & incentives expenses, connectivity & content fees, contest, ticketing & FASTag expenses & logistic, deployment & collection cost of our businesses



## About Paytm

Paytm is India's payment Super App offering consumers and merchants most comprehensive payment services. Pioneer of mobile QR payments revolution in India, Paytm's mission is to bring half a billion Indians into the mainstream economy through technology-led financial Services. Paytm enables commerce for small merchants and distributes various financial services offerings to its consumers and merchants in partnership with financial institutions.

## Q3 FY 2023 Earnings Call Information

Paytm will hold its earnings conference call for shareholders, investors and analysts on **Monday, February 06, 2023, from 18:00-19:15 Indian Standard Time**, to discuss the financial results of the Company for the quarter ended December 31, 2022.

Please see below the mandatory pre-registration link for attending the earnings call:

[https://paytm.zoom.us/webinar/register/WN\\_9kvZjo0qS7uO4CuKoR\\_gTQ](https://paytm.zoom.us/webinar/register/WN_9kvZjo0qS7uO4CuKoR_gTQ)

The presentation, conference call recording and the transcript will be made available on the Company website subsequently. This disclosure is also hosted on the Company's website viz. [www.paytm.com](http://www.paytm.com).

## Notes and Disclaimers for Earnings Release

By reading this release you agree to be bound as follows:

This earnings release is prepared by One 97 Communications Limited (“Company”) and is for information purposes only without regards to specific objectives, financial situations or needs of any -particular person and is not and nothing in it shall be construed as an invitation, offer, solicitation, recommendation or advertisement in respect of the purchase or sale of any securities of the Company or any affiliates in any jurisdiction or as an inducement to enter into investment activity and no part of it shall form the basis of or be relied upon in connection with any contract or commitment or investment decision whatsoever. This earnings release does not take into account, nor does it provide any tax, legal or investment advice or opinion regarding the specific investment objectives or financial situation of any person. Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice. This earnings release and its contents are confidential and proprietary to the Company and/or its affiliates and no part of it or its subject matter be used, reproduced, copied, distributed, shared, retransmitted, summarized or disseminated, directly or indirectly, to any other person or published in whole or in part for any purpose, in any manner whatsoever.

The information contained in this earnings release is a general background information of the Company and there is no representation that all information relating to the context has been taken care of in the earnings release. We do not assume responsibility to publicly amend, modify or revise any information contained in this earnings release on the basis of any subsequent development, information or events, or otherwise. This earnings release includes certain statements that are, or may be deemed to be, “forward-looking statements” and relate to the Company and its financial position, business strategy, events and courses of action.

Forward-looking statements and financial projections are based on the opinions and estimates of management as on the date such statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements and financial projections. Representative examples of factors that could affect the accuracy of forward looking statements include (without limitation) the condition of and changes in India’s political and economic status, government policies, applicable laws, international and domestic events having a bearing on Company’s business, and such other factors beyond our control.

Forward-looking statements and financial projections include, among other things, statements about: our expectations regarding our transaction volumes, expenses, sales and operations; our future merchant and consumer concentration; our anticipated cash needs, our estimates regarding our capital requirements, our need for additional financing; our ability to anticipate the future needs of our merchants and consumers; our plans for future products and enhancements of existing products; our future growth strategy and growth rate; our future intellectual property; and our anticipated trends and challenges in the markets in which we operate. Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy, future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. These forward-looking statements represent only the Company’s current intentions, beliefs or expectations, and no representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts in the earnings release, if any, are correct or that any objectives specified herein will be achieved.

We have converted financial amounts from ₹ millions into ₹ Cr and hence there could be some totaling anomalies in the numbers

## Notes and Disclaimers for Earnings Release

We, or any of our affiliates, shareholders, directors, employees, or advisors, as such, make no representations or warranties, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein and accept no liability whatsoever for any loss, howsoever, arising from any use or reliance on this earnings release or its contents or otherwise arising in connection therewith. The information contained herein is subject to change without any obligation to notify any person of such revisions or change and past performance is not indicative of future results.

This document has not been and will not be reviewed or approved by a regulatory authority in India or by any stock exchange in India. No rights or obligations of any nature are created or shall be deemed to be created by the contents of this earnings release.

## Use of Operating Metrics

The operating metrics reported in this earnings release are calculated using internal Company data based on the activity of our merchants, consumers and other participants in our ecosystem. While these numbers are based on what we believe to be reasonable estimates of engagement, for the applicable period of measurement, there are inherent challenges in measuring usage across our large online, offline, in-store and mobile presence. The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm or other technical errors. We regularly review our processes for calculating these metrics, and from time to time we may discover inaccuracies in our metrics or may make adjustments to improve their accuracy, which can result in adjustments to previously disclosed metrics. In addition, our metrics will differ from estimates published by third parties due to differences in methodology.

## Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly-titled Non-GAAP measures used by other companies. The principal limitation of these Non-GAAP financial measures is that they exclude significant expenses and income that are required by IndAS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. A reconciliation is provided below for each Non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

# Price Waterhouse Chartered Accountants LLP

## Review Report

To  
The Board of Directors  
M/s One 97 Communications Limited  
One Skymark, Tower-D, Plot No. H-10B  
Sector-98, Noida 201304, Uttar Pradesh

1. We have reviewed the Unaudited Consolidated Financial Results of One 97 Communications Limited (the "Parent"), its subsidiaries (the Parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit/loss after tax of its joint ventures and associates (refer paragraph 4 below) for the quarter ended December 31, 2022 and the year to date results for the period April 1, 2022 to December 31, 2022, which are included in the accompanying Statement of Unaudited Consolidated Financial Results for the quarter and nine months period ended December 31, 2022 (the "Statement"). The Statement has been prepared by the Parent pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act"), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure A.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 8th Floor, Tower - B, DLF Cyber City, Gurugram - 122 002  
T: +91 (124) 4620000, F: +91 (124) 4620620

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, other than the unreviewed financial statements/ financial information as certified by the management and referred to in paragraph 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to the following matters:
- a) Note 3 to the Statement relating to non-realisation of foreign currency receivables as at December 31, 2022 aggregating to INR 309 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.
- b) Note 7(a) to the Statement relating to one of the Subsidiary Company regarding letter received from the Reserve Bank of India requiring the Subsidiary Company to obtain necessary approval for past downward investment from its parent company, One 97 Communications Limited, in compliance with Foreign Direct Investment (FDI) Guidelines and resubmit its application for authorization to set up Payment System under sub-section (1) of Section 5 of the Payment and Settlement Systems Act, 2007 with the Department of Payment and Settlement Systems, RBI and directing the Subsidiary Company not to onboard new merchants. The Subsidiary Company has applied to the requisite government authorities, which is under process and further the Subsidiary Company has currently ceased onboarding new merchants as directed by the RBI.

Our conclusion on the Statement is not modified in respect of the above matters

7. The following emphasis of matter paragraph has been included in the Independent Auditor's Report dated January 16, 2023, issued by independent firm of chartered accountants on the review of the Special Purpose Unaudited Financial Information of Paytm Payments Bank Limited which has been reported as under:

"Attention is drawn to note no 2(f) regarding the receipt of the comprehensive Systems Audit (IT Audit) report by the Bank received during the quarter which was undertaken through an external auditor appointed by the RBI and compliance thereof by the Bank which is currently in process. Our conclusion is not modified in respect of above matter."

Note 2(f) referred above corresponds to Note 7(b) to the Statement.



8. We did not review the interim financial statements/ financial information of 13 subsidiaries included in the Unaudited Consolidated Financial Results, whose interim financial statements/ financial information reflect total revenues of INR 1,808 million and INR 4,481 million, total net profit after tax of INR 7 million and INR 115 million and total comprehensive income of INR 2,112 million and INR 1,165 million, for the quarter ended December 31, 2022 and for the period from April 1, 2022 to December 31, 2022, respectively, as considered in the Unaudited Consolidated Financial Results. The Unaudited Consolidated Financial Results also includes the Group's share of net profit after tax of INR 71 million and INR 4 million and total comprehensive income of INR 71 million and INR (-) 1 million for the quarter ended December 31, 2022 and for the period from April 1, 2022 to December 31, 2022, respectively, as considered in the Unaudited Consolidated Financial Results, in respect of 2 associates, whose interim financial statements/ financial information have not been reviewed by us. These interim financial statements/ financial information have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of this matter.
9. The Unaudited Consolidated Financial Results includes the interim financial statements/ financial information of 7 subsidiaries which have not been reviewed by their auditors, whose interim financial statements/ financial information reflect total revenue of INR 2 million and INR 7 million, total net loss after tax of INR 10 million and INR 23 million and total comprehensive loss of INR 10 million and INR 23 million for the quarter ended December 31, 2022 and for the period from April 1, 2022 to December 31, 2022, respectively, as considered in the Unaudited Consolidated Financial Results. The Unaudited Consolidated Financial Results also includes the Group's share of net profit after tax of INR 4 million and INR (-) 5 million and total comprehensive income of INR 4 million and (-) 5 million for the quarter ended December 31, 2022 and for the period from April 1, 2022 to December 31, 2022, respectively, as considered in the Unaudited Consolidated Financial Results, in respect of 6 associates and 2 joint ventures, based on their interim financial statements/ financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, this interim financial statements / financial information are not material to the Group. Our conclusion on the Statement 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: 23058507BGYAWI2597

Place: Gurugram  
Date: February 3, 2023

**Annexure A****List of entities**

<b>Sl. No.</b>	<b>Name of the Company</b>
<b>A.</b>	<b>Subsidiaries (Direct)</b>
1	One97 Communications India Limited
2	Wasteland Entertainment Private Limited
3	Mobiquest Mobile Technologies Private Limited ('MQ')
4	Urja Money Private Limited ('Urja')
5	Little Internet Private Limited ('Little')
6	Paytm Entertainment Limited
7	Paytm Money Limited
8	Orbgen Technologies Private Limited
9	Paytm Services Private Limited
10	Paytm Payments Services Limited
11	Paytm Insurance Broking Private Limited
12	One97 Communications Nigeria Limited
13	One97 Communications FZ-LLC
14	One97 Communications Singapore Private Limited ('OCSPL')
15	One97 USA Inc.

<b>B.</b>	<b>Subsidiaries (Indirect)</b>
1	One97 Communications Rwanda Private Limited (subsidiary of OCSPL)
2	One97 Communications Tanzania Private Limited (subsidiary of OCSPL)
3	One97 Communications Bangladesh Private Limited (subsidiary of OCSPL)
4	One97 Uganda Limited (subsidiary of OCSPL)
5	One97 Ivory Coast SA (subsidiary of OCSPL)
6	One97 Benin SA (subsidiary of OCSPL)
7	Paytm Labs Inc. (subsidiary of OCSPL)
8	One97 Communications Malaysia Sdn. Bhd. (subsidiary of OCSPL)
9	One Nine Seven Communication Nepal Private Limited (subsidiary of OCSPL)
10	One Nine Seven Digital Solutions Limited (subsidiary of OCSPL)
11	One Nine Seven Communications Saudi Arabia For Communication and Information Technology (subsidiary of OCSPL)
12	Xceed IT Solution Private Limited (subsidiary of MQ)
13	Nearbuy India Private Limited (subsidiary of Little)
14	Fincollect Services Private Limited (subsidiary of Urja)

<b>C.</b>	<b>Associates (Direct)</b>
1	Paytm Payments Bank Limited
2	Paytm Insuretech Private Limited (Formerly known as QoRQL Private Limited)
3	Paytm General Insurance Limited
4	Paytm Life Insurance Limited
5	Paytm Financial Services Limited ('PFSL')
6	Infinity Transoft Solution Private Limited
7	Eatgood Technologies Private Limited
8	Socomo Technologies Private Limited



<b>D.</b>	<b>Associates (Indirect)</b>
1	Foster Payment Networks Private Limited (subsidiary of PFSL)
2	Admirable Software Limited (subsidiary of PFSL)

<b>E.</b>	<b>Joint Ventures of Paytm Entertainment limited (Indirect)</b>
1	Paytm First Games Private Limited ('PFG')
2	Paytm First Games Singapore Pte. Ltd. (wholly owned subsidiary of PFG)
3	Paytm Technology (Beijing) Co., Ltd. wholly owned subsidiary of PFG)



Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022

(Amounts in INR Million, unless otherwise stated)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income</b>						
Revenue from operations	20,622	19,140	14,561	56,558	34,331	49,742
Other income	780	996	773	2,796	1,826	2,901
<b>Total income</b>	<b>21,402</b>	<b>20,136</b>	<b>15,334</b>	<b>59,354</b>	<b>36,157</b>	<b>52,643</b>
<b>Expenses</b>						
Payment processing charges	7,378	7,458	7,831	21,774	19,790	27,538
Marketing and promotional expenses	2,263	3,275	2,831	8,719	6,065	8,554
Employee benefits expense*	9,456	9,441	8,313	28,014	15,685	24,319
Software, cloud and data centre expenses	1,709	1,728	1,301	5,059	3,488	4,999
Depreciation and amortization expenses	1,540	1,043	609	3,255	1,522	2,473
Finance costs	54	53	125	162	324	394
Other expenses	1,123	2,016	2,164	8,016	5,411	7,734
<b>Total expenses</b>	<b>25,223</b>	<b>25,614</b>	<b>23,174</b>	<b>74,999</b>	<b>52,291</b>	<b>76,011</b>
<b>Loss before share of profit / (loss) of associates / joint ventures, exceptional items and tax</b>	<b>(3,821)</b>	<b>(5,478)</b>	<b>(7,840)</b>	<b>(15,645)</b>	<b>(16,132)</b>	<b>(23,368)</b>
Share of profit / (loss) of associates / joint ventures	50	(92)	111	(102)	(76)	(459)
<b>Loss before exceptional items and tax</b>	<b>(3,771)</b>	<b>(5,570)</b>	<b>(7,729)</b>	<b>(15,747)</b>	<b>(16,208)</b>	<b>(23,827)</b>
Exceptional items**	-	-	-	-	(24)	(24)
<b>Loss before tax</b>	<b>(3,771)</b>	<b>(5,570)</b>	<b>(7,729)</b>	<b>(15,747)</b>	<b>(16,232)</b>	<b>(23,851)</b>
<b>Income Tax expense</b>						
Current tax	169	130	65	347	113	151
Deferred tax expense (credit)	(19)	15	(9)	(4)	(6)	(38)
<b>Total Tax expense</b>	<b>150</b>	<b>145</b>	<b>56</b>	<b>343</b>	<b>107</b>	<b>113</b>
<b>Loss for the period / year</b>	<b>(3,921)</b>	<b>(5,715)</b>	<b>(7,785)</b>	<b>(16,090)</b>	<b>(16,339)</b>	<b>(23,964)</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss in subsequent period / year</b>						
Re-measurement gains / (losses) on defined benefit plans	(3)	(10)	22	(51)	(16)	(21)
Changes in fair value of equity instruments at FVTOCI (Refer note 8)	2,074	(230)	-	1,022	-	9,376
<b>Items that may be reclassified to profit or loss in subsequent period / year</b>						
Exchange differences on translation of foreign operations	964	12	(1)	1,125	8	194
<b>Total other comprehensive income / (loss) for the period / year</b>	<b>3,035</b>	<b>(228)</b>	<b>21</b>	<b>2,096</b>	<b>(8)</b>	<b>9,549</b>
<b>Total comprehensive income / (loss) for the period / year</b>	<b>(886)</b>	<b>(5,943)</b>	<b>(7,764)</b>	<b>(13,994)</b>	<b>(16,347)</b>	<b>(14,415)</b>
<b>Loss for the period / year</b>						
<b>Attributable to:</b>						
Owners of the parent	(3,920)	(5,711)	(7,784)	(16,075)	(16,315)	(23,929)
Non-controlling interests	(1)	(4)	(1)	(15)	(24)	(35)
<b>Other comprehensive income for the period / year</b>						
<b>Attributable to:</b>						
Owners of the parent	3,035	(228)	21	2,096	(8)	9,549
Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period / year</b>	<b>3,035</b>	<b>(228)</b>	<b>21</b>	<b>2,096</b>	<b>(8)</b>	<b>9,549</b>
<b>Attributable to:</b>						
Owners of the parent	(885)	(5,939)	(7,763)	(13,979)	(16,323)	(14,380)
Non-controlling interests	(1)	(4)	(1)	(15)	(24)	(35)
<b>Paid up equity share capital</b>	<b>648</b>	<b>649</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>649</b>
<b>Face value of the share (INR)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Other equity</b>						<b>140,867</b>
<b>Earnings per share (INR per share of INR 1 each) (not annualised)</b>						
Basic	(6)	(9)	(12)	(25)	(27)	(38)
Diluted	(6)	(9)	(12)	(25)	(27)	(38)
#includes Share based payment expenses	3,622	3,711	3,895	10,925	4,478	8,093
**includes Impairment of Goodwill	-	-	-	-	(24)	(24)

See accompanying notes to the Unaudited Consolidated Financial Results

\*Amount below rounding off norms adopted by the Group



One 97 Communications Limited  
Notes to the Unaudited Consolidated Financial Results

1. The above statement of Unaudited Consolidated Financial Results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on February 3, 2023. The Statutory Auditors of the Company have carried out Limited Review of the aforesaid results.
2. The Group is engaged in different business units, including payment and financial services, commerce and cloud services and the Board of Directors (Chief Operating Decision Maker "CODM") reviews the information at the revenue level and does not allocate operating costs and expenses, assets and liabilities across business units, as the CODM does not use such information to allocate resources or evaluate the performance of the business units. Allocation of resources and assessment of financial performance is done at the consolidated level. The way the CODM reviews the performance, management of the Group has concluded that the Group constitutes a single segment as per Ind AS 108 'Operating Segments'. Hence, no separate disclosure is required for segments.
3. As of December 31, 2022, the Group has certain foreign currency receivable balances aggregating to INR 34 million, INR 23 million and INR 252 million 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 Authorised Dealer Bank (AD Bank) seeking permission for extension of time for realisation of receivables amounting to INR 57 million and write-off of receivables amounting to INR 5 million. Further, an application has been made by Holding Company to the Reserve Bank of India (RBI) vide the letter dated December 17, 2020 for seeking approval for extension of time for outstanding receivable balances amounting to INR 153 million and write off of receivable balances amounting to INR 94 million and approval is currently awaited.

Management does not expect any material financial implication on account of the delay under existing regulations.

4. The government has removed substantially all COVID-19 related restrictions gradually in a phased manner and the Group has seen improvement in its operations. The Group has made an assessment of the recoverability and carrying values of its assets as at the end of the quarter and nine months period ended December 31, 2022 and has concluded that there are no material adjustments required in the Unaudited Consolidated Financial Results. Management believes that it has considered all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Unaudited Consolidated Financial Results.
5. The Board of Directors at its meeting held on December 13, 2022 have approved buy-back of equity shares amounting to INR 8,500 million (Maximum buy-back size, excluding transaction costs and tax on buy-back) at a price not exceeding INR 810 per equity share (Maximum buy-back price). The buy-back has been offered to the equity shareholders of the Company under the open market route through the stock exchanges.

The buy-back of equity shares commenced on December 21, 2022. During the quarter ended December 31, 2022, 1,490,000 equity shares (including 175,000 equity shares settled on January 3, 2023) have been bought back and subsequently these have been extinguished.

Consequent to the said buy-back, the equity share capital has been reduced by INR 1 million and an equivalent amount has been transferred from securities premium account to capital redemption reserve. Further INR 1,022 million has been debited to the securities premium account on account of premium on shares bought back, related transaction costs and related taxes.



One 97 Communications Limited  
Notes to the Unaudited Consolidated Financial Results

6. During the year ended March 31, 2022, the Company had completed its initial public offer (IPO) of 85,116,278 equity shares of face value of INR 1 each at an issue price of INR 2,150 per share, comprising fresh issue of 38,604,651 shares and offer for sale of 46,511,627 shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 18, 2021.

The Company had incurred INR 4,115 million as IPO related expenses and allocated such expenses between the Company INR 1,866 million and selling shareholders INR 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 INR 1,866 million, INR 1,401 million had been adjusted to securities premium.

Details of utilisation of net IPO Proceeds of INR 81,134 million, are as follows:

(Amount in INR Million)

S. No	Objects of the issue	Amount as proposed in Offer Document	Amount Utilised up to December 31, 2022	Amount Un-utilised as on December 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	43,000		16,205
	i) Marketing and promotional expenses		5,095	
	ii) Expanding our merchant base and deepening our partnership with our merchants		10,675	
	iii) Strengthening and expanding our technology powered payments platform		11,025	
	<b>Total (A)</b>	<b>43,000</b>	<b>26,795</b>	<b>16,205</b>
2	Investing in new business initiatives, acquisitions and strategic partnerships	20,000		20,000
	i) Investments in new business initiatives			
	a) Payment Services		-	
	b) Commerce and cloud services		-	
	c) Financial Services		-	
	ii) Investments in acquisitions and strategic partnerships	-		
	<b>Total (B)</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
3	General corporate purposes	18,134	6,343	11,791
	<b>Total (C)</b>	<b>18,134</b>	<b>6,343</b>	<b>11,791</b>
	<b>Total (A+B+C)</b>	<b>81,134</b>	<b>33,138</b>	<b>47,996</b>

Net IPO proceeds which were un-utilised as at December 31, 2022 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.



One 97 Communications Limited  
Notes to the Unaudited Consolidated Financial Results

7. Notes given by the subsidiary and associate in their respective Unaudited Special Purpose Interim Condensed Financial Statements/Information:

a) Paytm Payments Services Limited (Subsidiary):

“The Company filed an application for authorization to set up Payment System (‘PA application’) under sub-section (1) of Section 5 of the Payment and Settlement Systems Act, 2007 with the Department of Payment and Settlement Systems, Reserve Bank of India (‘RBI’) on January 8, 2021, in response to which, the Company has received a letter from the RBI on November 25, 2022. As per the letter, the Company is required to obtain necessary approval for past downward investment from its parent company, One 97 Communications Limited (‘OCL’), in compliance with Foreign Direct Investment (‘FDI’) Guidelines and resubmit the PA application within 120 calendar days. The Company has applied to the requisite government authorities seeking approval for the past downward investment made by OCL on December 14, 2022, which is still under process. Further, RBI has directed the Company not to onboard new merchants. Management has assessed that this does not have a material impact on our business and revenues since the communication from RBI is applicable only to onboarding of new merchants.”

b) Paytm Payments Bank Limited (Associate):

“On October 21, 2022 the Bank had received from RBI the report of the comprehensive systems audit (IT Audit) undertaken through an external auditor appointed by RBI. The observations in the report outlined the need for continued strengthening of IT outsourcing processes and operational risk management, including KYC/AML at the Bank. The Bank submitted its response to RBI informing the manner in which the observations of RBI are being addressed by the Bank. Upon review of the Bank’s response, RBI suggested in December 2022 remediating action steps to be taken by the Bank in a time bound manner. The Bank is currently in the process of complying with these action steps and submitting its compliance to RBI.

The Banks management assessed that there is no material financial impact of the aforementioned IT audit report observations / remediating action steps on the financial results of the Bank for the quarter and nine months ended December 31, 2022.”

8. Changes in fair value of equity instruments at FVTOCI represents the fair value gain and related foreign exchange component on investments in stock acquisition rights of PayPay Corporation which are held by a subsidiary company.
9. Comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

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



**Vijay Shekhar Sharma**  
Chairman, Managing Director and CEO  
Place: Seoul, South Korea  
Date: February 3, 2023



# Price Waterhouse Chartered Accountants LLP

## Review Report

To,  
The Board of Directors  
M/s. One 97 Communications Limited  
One Skymark, Tower-D, Plot No. H-10B  
Sector-98, Noida 201304, Uttar Pradesh

1. We have reviewed the Unaudited Standalone Financial Results of One 97 Communications Limited (the "Company") for the quarter ended December 31, 2022, and the year to date results for the period April 1, 2022 to December 31, 2022, which are included in the accompanying Statement of Unaudited Standalone Financial Results for the quarter and nine months period ended December 31, 2022 (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 8th Floor, Tower - B, DLF Cyber City, Gurugram - 122 002  
T: +91 (124) 4620000, F: +91 (124) 4620620

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

5. We draw your attention to Note 4 to the Statement relating to non-realisation of foreign currency receivable balances as at December 31, 2022 aggregating to INR 303 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. Our conclusion on the Statement is not modified in respect of the aforesaid matter.

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



Amitesh Dutta  
Partner

Membership Number: 058507  
UDIN: 23058507BGYAWJ3215

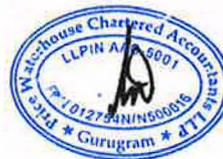
Place: Gurugram  
Date: February 3, 2023

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2022

(Amounts in INR Million, unless otherwise stated)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income</b>						
Revenue from operations	15,739	14,044	9,210	42,237	28,193	38,924
Other income	803	858	783	2,674	1,749	2,830
<b>Total income</b>	<b>16,542</b>	<b>14,902</b>	<b>9,993</b>	<b>44,911</b>	<b>29,942</b>	<b>41,754</b>
<b>Expenses</b>						
Payment processing charges	4,410	4,078	3,674	12,481	15,614	19,855
Marketing and promotional expenses	2,088	2,956	2,618	7,920	5,759	7,907
Employee benefits expenses	8,322	8,014	6,716	23,972	12,248	19,072
Software, cloud and data centre expenses	1,600	1,677	1,121	4,799	3,187	4,516
Depreciation and amortization expense	1,196	997	560	3,119	1,382	2,281
Finance costs	52	50	117	154	308	381
Other expenses	2,902	3,018	2,985	8,662	7,360	10,548
<b>Total expenses</b>	<b>20,570</b>	<b>20,790</b>	<b>17,791</b>	<b>61,107</b>	<b>45,858</b>	<b>64,561</b>
<b>Loss before exceptional items and tax</b>	<b>(4,028)</b>	<b>(5,888)</b>	<b>(7,798)</b>	<b>(16,196)</b>	<b>(15,916)</b>	<b>(23,807)</b>
Exceptional items <sup>##</sup>	(329)	-	-	(329)	(441)	(441)
<b>Loss before tax</b>	<b>(4,357)</b>	<b>(5,888)</b>	<b>(7,798)</b>	<b>(16,525)</b>	<b>(16,357)</b>	<b>(23,248)</b>
<b>Income Tax expense</b>						
Current tax	-	-	-	-	3	3
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>
<b>Loss for the period / year</b>	<b>(4,357)</b>	<b>(5,888)</b>	<b>(7,798)</b>	<b>(16,525)</b>	<b>(16,360)</b>	<b>(23,251)</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss in subsequent period / year</b>						
Re-measurement gains/ (losses) on defined benefit plans	4	(5)	23	(35)	(11)	(18)
<b>Total other comprehensive income/ (loss) for the period / year</b>	<b>4</b>	<b>(5)</b>	<b>23</b>	<b>(35)</b>	<b>(11)</b>	<b>(18)</b>
<b>Total comprehensive income/ (loss) for the period / year</b>	<b>(4,353)</b>	<b>(5,893)</b>	<b>(7,775)</b>	<b>(16,560)</b>	<b>(16,371)</b>	<b>(23,269)</b>
<b>Paid up equity share capital</b>	<b>648</b>	<b>649</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>649</b>
<b>Face value of the share (INR)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Other equity</b>						<b>136,476</b>
<b>Earnings per share (INR per share of INR 1 each) (not annualised)</b>						
Basic	(7)	(9)	(12)	(25)	(27)	(37)
Diluted	(7)	(9)	(12)	(25)	(27)	(37)
<sup>##</sup> includes Share based payment expenses	3,535	3,470	3,644	10,359	4,116	7,498
<sup>##</sup> includes Impairment of investment in associates and subsidiaries	(329)	-	-	(329)	(441)	(441)

See accompanying notes to the Unaudited Standalone Financial Results



One 97 Communications Limited  
Notes to the Unaudited Standalone Financial Results

1. The above statement of Unaudited Standalone Financial Results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on February 3, 2023. The Statutory Auditors of the Company have carried out Limited Review of the aforesaid results.
2. The Company is engaged in different business units, including payment and financial services, commerce and cloud services and the Board of Directors (Chief Operating Decision Maker "CODM") reviews the information at the revenue level and does not allocate operating costs and expenses, assets and liabilities across business units, as the CODM does not use such information to allocate resources or evaluate the performance of the business units. The way the CODM reviews the performance, management of the Company has concluded that it constitutes a single segment as per Ind AS 108 'Operating Segments'. Hence, no separate disclosure is required for segments.
3. The Company had transferred online Payment Aggregator business to Paytm Payments Services Limited, a wholly owned subsidiary of the Company, to comply with 'Guidelines on Regulation of Payment Aggregators and Payment Gateways' issued by RBI via circular dated March 17, 2020, as amended. For accounting purposes date of effective loss of control over the above business was taken as September 30, 2021 considering that the transaction was approved by the shareholders on September 23, 2021 and final submission was made to RBI on September 30, 2021. Consequent to the aforesaid transfer, results for the nine months period ended December 31, 2022 is not comparable with the results of nine months period ended December 31, 2021.
4. As of December 31, 2022, the Company has certain foreign currency receivable balances aggregating to INR 33 million, INR 23 million and INR 247 million 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 Authorised Dealer Bank (AD Bank) seeking permission for extension of time for realisation of receivables amounting to INR 55 million and write-off of receivables amounting to INR 1 million. Further, an application has been made to the Reserve Bank of India (RBI) vide the letter dated December 17, 2020 for seeking approval for extension of time for outstanding receivable balances amounting to INR 153 million and write off of receivable balances amounting to INR 94 million and approval is currently awaited.

Management does not expect any material financial implication on account of the delay under existing regulations.

5. The government has removed substantially all COVID-19 related restrictions gradually in a phased manner and the Company has seen improvement in its operations. The Company has made an assessment of the recoverability and carrying values of its assets as at the end of the quarter and nine months period ended December 31, 2022, and has concluded that there are no material adjustments required in the Unaudited Standalone Financial Results. Management believes that it has considered all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Unaudited Standalone Financial Results.
6. The Board of Directors at its meeting held on December 13, 2022, have approved buy-back of equity shares amounting to INR 8,500 million (Maximum buy-back size, excluding transaction costs and tax on buy-back) at a price not exceeding INR 810 per equity share (Maximum buy-back price). The buy-back has been offered to the equity shareholders of the Company under the open market route through the stock exchanges.

The buy-back of equity shares opened on December 21, 2022. During the quarter ended December 31, 2022, 1,490,000 equity shares (including 175,000 equity shares settled on January 3, 2023) have been bought back and subsequently these have been extinguished.

Consequent to the said buy-back, the equity share capital has been reduced by INR 1 million and an equivalent amount has been transferred from securities premium account to capital redemption reserve. Further INR 1,022 million has been debited to the securities premium account on account of premium on shares bought back, related transaction costs and related taxes.



One 97 Communications Limited  
Notes to the Unaudited Standalone Financial Results

7. During the year ended March 31, 2022, the Company had completed its initial public offer (IPO) of 85,116,278 equity shares of face value of INR 1 each at an issue price of INR 2,150 per share, comprising fresh issue of 38,604,651 shares and offer for sale of 46,511,627 shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 18, 2021.

The Company had incurred INR 4,115 million as IPO related expenses and allocated such expenses between the Company INR 1,866 million and selling shareholders INR 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 INR 1,866 million, INR 1,401 million had been adjusted to securities premium.

Details of utilisation of net IPO Proceeds of INR 81,134 million, are as follows:

(Amount in INR Million)

S. No	Objects of the issue	Amount as proposed in Offer Document	Amount Utilised up to December 31, 2022	Amount Un-utilised as on December 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	43,000		16,205
	i) Marketing and promotional expenses		5,095	
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	<b>Total (A)</b>	<b>43,000</b>	<b>26,795</b>	<b>16,205</b>
2	Investing in new business initiatives, acquisitions and strategic partnerships	20,000		20,000
	i) Investments in new business initiatives			
	a) Payment Services		-	
	b) Commerce and cloud services		-	
	c) Financial Services		-	
	ii) Investments in acquisitions and strategic partnerships	-		
	<b>Total (B)</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
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	<b>Total (C)</b>	<b>18,134</b>	<b>6,343</b>	<b>11,791</b>
	<b>Total (A+B+C)</b>	<b>81,134</b>	<b>33,138</b>	<b>47,996</b>

Net IPO proceeds which were un-utilised as at December 31, 2022 were temporarily invested in deposits with scheduled commercial banks and in monitoring agency account.



One 97 Communications Limited  
Notes to the Unaudited Standalone Financial Results

8. Comparative figures as disclosed in these results have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

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



**Vijay Shekhar Sharma**  
Chairman, Managing Director and CEO  
Place: Seoul, South Korea  
Date: February 3, 2023

